

**MASSIVE RETURN MIGRATION
EMERGING IN CHINA**

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Executive Summary

1. After decades of large-scale rural-to-urban migration, a massive wave of return migration has emerged in China, signalling China's entry to a new stage of economic and social development.
2. Behind the new trend are two distinct processes. One is the economic takeoff of China's hinterland. Since the mid-2000s, industrialisation has been spreading from coastal to inland regions. A growing number of migrant workers are returning to set up businesses or seek employment.
3. Both push and pull factors are at work to shift economic activities inward from coastal areas, a process that began in the mid-2000s but accelerated after the 2008 global financial crisis.
4. The second is the ageing of China's first-generation migrant workers. The overwhelming majority have low participation in urban social insurance programmes, but high participation in rural ones. Return migration for elder care is the only option for many of them.
5. Government survey data have clearly shown the growing attraction of central and western China as the destination of migration and the faster growth of intra-provincial migration than inter-provincial migration.
6. China's top leader Xi Jinping views "reverse urbanisation" or return migration as a key part of China's development experience. In informal talks with Indian Prime Minister Narendra Modi in late April 2018, he emphasised return migration as a way to avoid urban poverty and slums.
7. "Reverse urbanisation" or return migration is not taking the place of urbanisation or rural-to-urban migration, but is becoming a new transformative force in shaping China's economic and social landscape.

8. Economically, it helps to bridge the rural-urban and inland-coastal gap by bringing skills, entrepreneurship, knowledge and contacts back to central and western provinces; socially, the return of capable and experienced migrants can contribute to the re-gentrification of the countryside.
9. Challenges to this optimistic scenario are twofold. On one hand, any disruption to the economic takeoff of China's hinterland would break the virtuous cycle between return migration and economic growth.
10. On the other hand, China has to ensure the economic and social well-being of the returning migrants, and avoid making return migration a way of "dumping" ageing, unproductive, or laid-off migrant workers in the vast countryside.