

Migration and human capital accumulation in China

Migration may generate detrimental long-term impacts by widening the urban–rural educational gap

Keywords: migration, human capital, China

ELEVATOR PITCH

The difference in educational attainment between China's urban- and rural-born populations has widened in recent years, and the relatively low educational attainment of the rural-born is a significant obstacle to raising labor productivity. Rural-to-urban migration does not create incentives to enroll in higher education as the availability of low-skill employment in urban areas makes remaining in school less attractive. In addition, the child-fostering and urban schooling arrangements for children of migrants further inhibit human capital accumulation.

KEY FINDINGS

Pros

- ⊕ High returns to middle school education incentivize completion of compulsory education among rural youth.
- ⊕ Remittances from migrants improve health outcomes among children left behind.
- ⊕ If fees charged to migrant children in urban schools are subsidized, parents will bring children to urban areas.
- ⊕ Migrant children who enroll in urban public schools tend to perform better than those in migrant-operated schools.
- ⊕ Reducing the salience of migrant status may improve school performance of migrant children.

Cons

- ⊖ Availability of low-skilled wage employment in urban areas creates a disincentive for rural high school enrollment.
- ⊖ Providing information on the returns to education is not sufficient to induce rural children to enroll in high school.
- ⊖ Parent absence slows down the cognitive and socioemotional development of children left behind.
- ⊖ Lack of access to public schools in urban areas means that migrant children are often enrolled in migrant schools with lower quality education.
- ⊖ Maintaining separate migrant schools is unlikely to bridge performance gaps between migrant and local children.

AUTHOR'S MAIN MESSAGE

To mitigate the potential long-term negative impacts of migration on human capital accumulation, policymakers should focus on the incentives provided to families with school-age potential migrants and to current migrants who have younger children. As China continues a process of phasing out the residential registration (*Hukou*) system, it will be important to expand the capacity of public schools to accommodate migrant students and to further work on improving the academic performance of rural-born children in urban areas.

