

Furthermore, doubts persist over the veracity of current population figures. Unofficial observers put the real total as high as 1.4 billion, citing poor data-gathering methods and an unwillingness on the part of economic migrants to complete the latest census in 2000 – the fifth since 1949. The latest census also failed to take into account the many beyond-quota, or “black” children born into rural families and hidden from the authorities.

Yet a gradual slowdown in China’s population growth is underway. This can be attributed to three main factors. First and most important, the government continues to enforce its One Child Policy, which limits most families in China to a single child. Parents are permitted to have a single child, though there are exceptions for some rural families, national minorities and urban couples born after 1980. Penalties are harsh: couples can be fined up to two-thirds of their salaries and can lose certain social rights.

Second, people are living longer, thanks to improved healthcare and living standards. Third, young urban couples are also tending to start a family later in life – choosing first to enjoy their rising salaries and higher disposable incomes.

## **6.2.2 Demographics: Population by Location**

More than two-thirds of China’s population lives in the countryside, where standards of living lag behind those in the cities. Not only are average rural salaries and disposable incomes lower than in urban areas, but transport networks also tend to be less developed. These factors inhibit the growth of a retail trade infrastructure outside urban markets.

The growing economic disparity between the increasingly urbanised coastal provinces and the largely rural hinterland has prompted what is considered to be the largest migration in human history. More than 100 million people have left their homes in the countryside to look for work in major cities across the country – particularly in the east of the country.

**Table 6.2 Population by Urban-Rural Divide**

| <i>Million persons</i> | <b>1996</b> | <b>1997</b> | <b>1998</b> | <b>1999</b> | <b>2000</b> | <b>2001</b> | <b>2002</b> |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Urban                  | 415.44      | 428.45      | 438.46      | 448.38      | 458.89      | 469.40      | 479.92      |
| Rural                  | 803.43      | 805.27      | 808.42      | 811.30      | 814.40      | 818.49      | 820.58      |
| TOTAL                  | 1,218.87    | 1,232.72    | 1,245.88    | 1,259.68    | 1,273.29    | 1,286.89    | 1,300.50    |

Source: Access Asia, China Economic Quarterly (CEQ), NBS, other official data

This unprecedented movement of workers has created new social problems in major cities - such as severe overcrowding and increased crime rates. But it has also boosted local rural economies as migrant workers send much of their earnings home to supplement family incomes.

Although China’s cities will continue to act as magnets to the rural unemployed and under-employed, migrant labour will do little to check the widening wealth gap between China’s coastal cities and inland rural areas.

## **6.2.3 Demographics: Population Breakdown by Location**

The government claims that urbanisation rates are slowing. Yet official statistics fail to take into account the tens of millions of migrant workers who live and work in