



Universitat Politècnica de Catalunya Departament de Construccions Arquitectòniques I
Doctorat en Gestió i Valoració Urbana i Arquitectònica

PHD thesis Proposal

Labor mobility under the background of enterprise relocation in China since 1990s

Xiao Dou

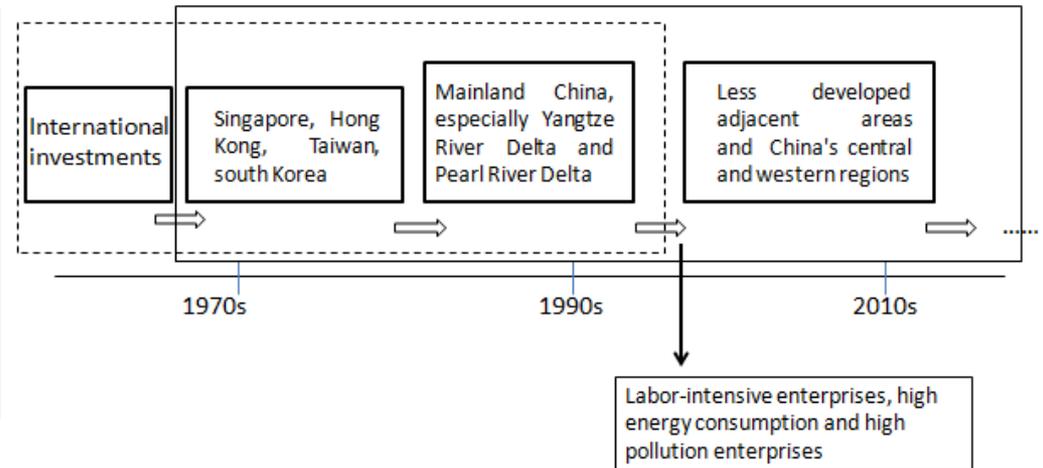
**Director: Dr. Josep Roca Cladera
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Industrial relocation is one effective way for optimizing the spatial distribution and forming rational industrial division, is inevitable requirement for promoting industrial restructuring and accelerating the shift of economic development. Relying on its abundant resources, low element costs and potential market, the midwest can receive this relocation.

--- Guidance of The State Council on industrial relocation of midwest China

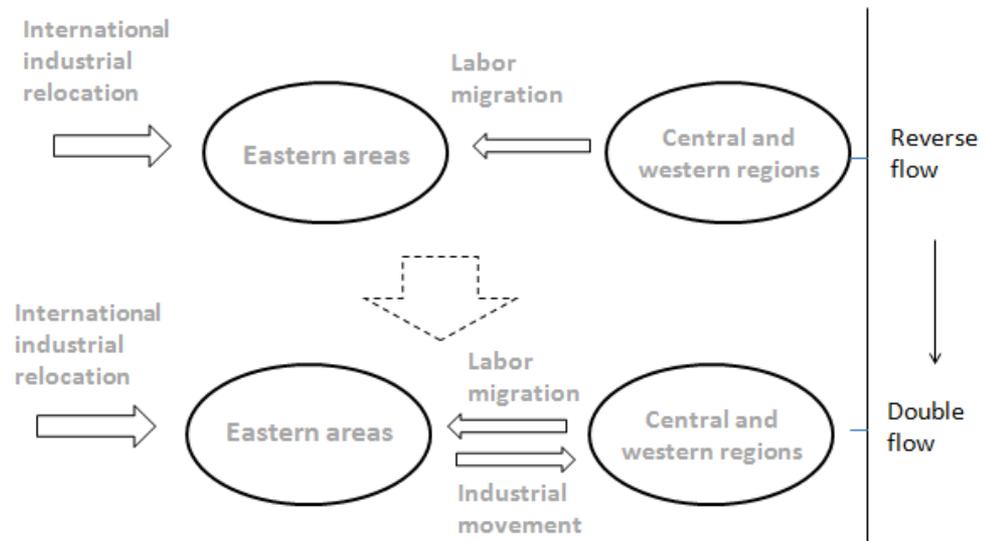
Background

Since 1990s, in order to **minimize the potential problems of the industrial overconcentration in eastern China**, **general processing and manufacturing industries** in the eastern coastal areas should be **gradually transferred inland** (Wei, 2006; Jianqing Ruan, Xiaobo Zhang, 2014).



The “flying geese” model in China

Zhu (2013) in his doctoral dissertation mentioned the **connection and relationship between industrial relocation and labor mobility**. He indicated that these two witnessed a “reverse flow” to “double flow” process.



Sources: Zhu Yunwei,, PHD thesis.

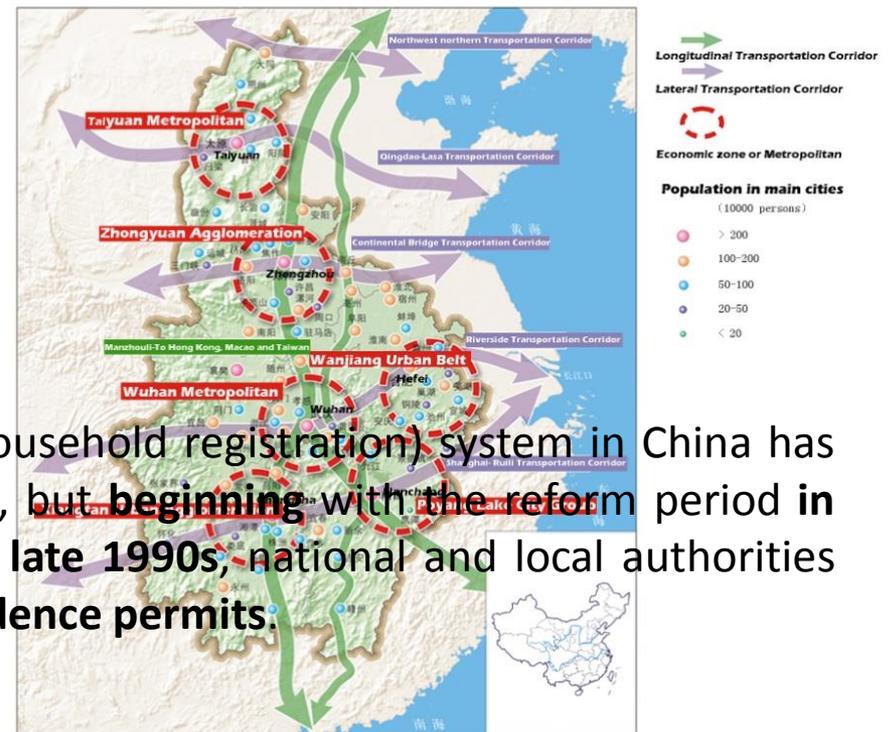
Background

nt policies can also control the migration r labors in China. Besides, the household of population.



Sources: http://www.gdsk.com/0%20jingshi/quyujingji_xbdkf.asp

For more than half a century, the hukou (household registration) system in China has segregated the rural and urban populations, but **beginning with the reform period in the late 1970s and accelerating during the late 1990s**, national and local authorities relaxed restrictions on obtaining urban residence permits.



Sources: <http://gaige30.casm.ac.cn/juecejian/juece11.htm>

Literature Review

DEFINATION

Labor or worker mobility is the geographical and occupational movement of workers. (Long and Jason, 2011) But in China, the population mobility includes two parts – the migration and the population floating (Liang and White, 1997).

Migration (qianyi) : which is a move that is officially documented by a permanent change in an individual's place of household registration;

Population Floating (liudong) : which is a temporary population movement. It includes not only rural migrant laborers but also people traveling for business, education, tourism, and to visit relatives - that is, all people who are in a city at a particular time but who are not permanent residents of that city.

Literature Review

| YEARS | AUTHORS | THEORIES | IMPACT FACTORS |
|----------------------|-------------------|---|--|
| 1776 | William Petty | | Economic aspect |
| 1946 | Zipf | Gravity model | Distance reason |
| 1957 | Simon Kuznets | | Economic development and regional redistribution |
| 1950s | Bague | "Push" and "pull" theory | Education level and population diversity etc. |
| 1966 | Lee | | |
| 1954 | Lewis | Dualistic structure model | Differences in the supply and demand of labor between the rural and urban sector |
| 1961 | Ranis and Fei | | Technology and products in agricultural sectors |
| 1970/80s | Harris-Todaro | Harris-Todaro models | Gap in wages and probability of getting a job. |
| 1985 | Cole and Sanders | | Informal sectors |
| 1992 | Glomm | | The relationship of residents' needs and incomes. |
| 2004 | Lucas R.E. | | Gaps between rural and urban areas, and the high salary in urban areas reflected the high technical level. |
| 1979 | Priore | Dual labor market theory | Strong structural labor demand in developed countries |
| 1982 ,1986 , 1991 | Oded Stark | New Economics of Labor Migration (NELM) | Household and family decisions |
| 1990 | Thodore W.Schults | | Income gap |
| 1974 | Wallerstein | World systems theory | Structural approach and global economy |
| | | New Economic Geography | Labors would move to the manufacturing centers influenced by Home-market effects and Price index effects. |
| 1996 | Carrington | | The cost of labor migration would decrease with the increase of migration scale. |

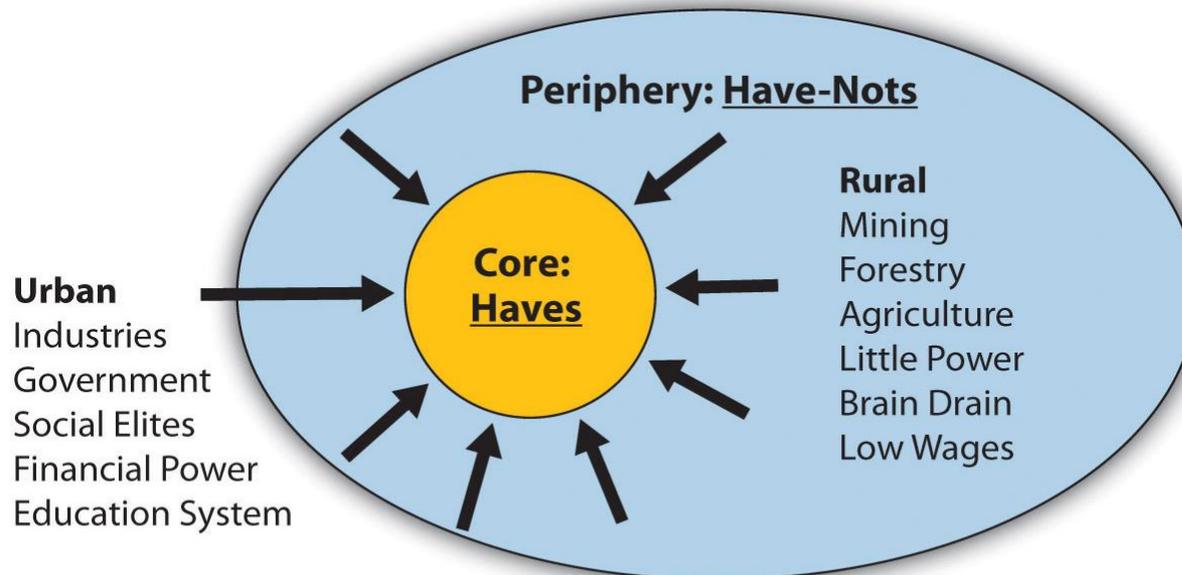
Literature Review

The mechanism between labor migration and enterprise relocation is a bidirectional dynamic process. The earliest theory of this mechanism is :

Krugman's "core-periphery" model

(Krugman, Dumias, Head and Ries, Fujita and Henderson, R.J Ao , Forslid and Ottaviano, Wei Xing and G.X Wang)

The model states that as core regions develop it is necessary for them to exploit the peripheries. This might be in terms of net migration gain or exploitation of resources.



People usually shift from periphery to core.

Researching questions

Actually, this thesis tries to answer the question that how the labors migrate in the period of enterprise relocation since 1990s. In order to answer this question, some detailed problems should be solved firstly:

- 1 What is the regularity and characteristic of the labor mobility during this period?
- 2 what's the mechanism between relocation and labor mobility?
- 3 What happened in the process of labor mobility in China?

Hypothesis

There may be an “east-to-midwest” labor return flowing tendency accompany with enterprise relocation in China since 1990s. The **gradually decreased salary gap, employment opportunities, family, educational level, convenient facilities and lower land price in their home regions** are possible reasons for this mobility.

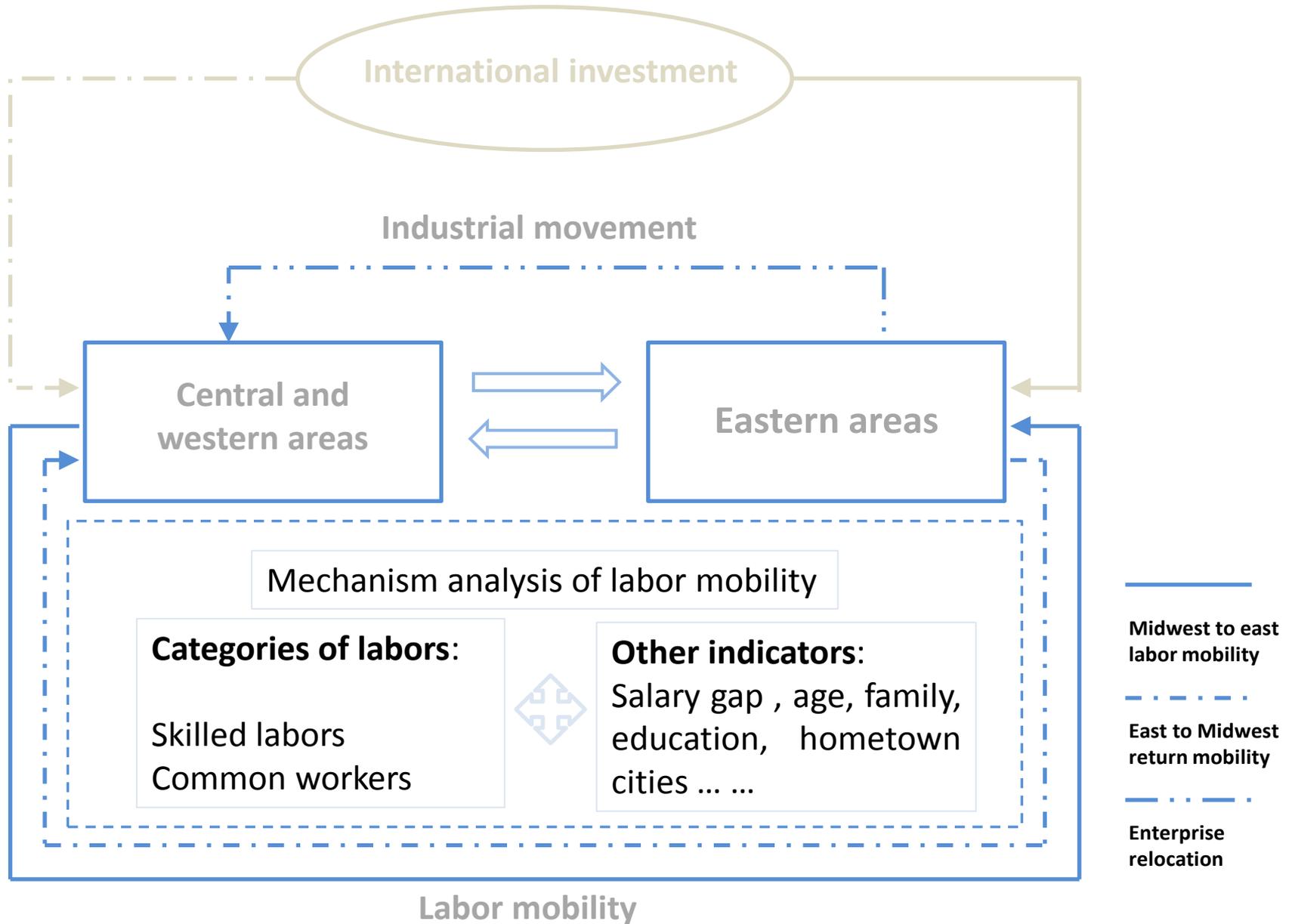
Principal objective

Combined labor migration and industrial relocation, this research will **analyze the flowing process and mobility mechanism of labor forces under the background of enterprise relocation since 1990s.**

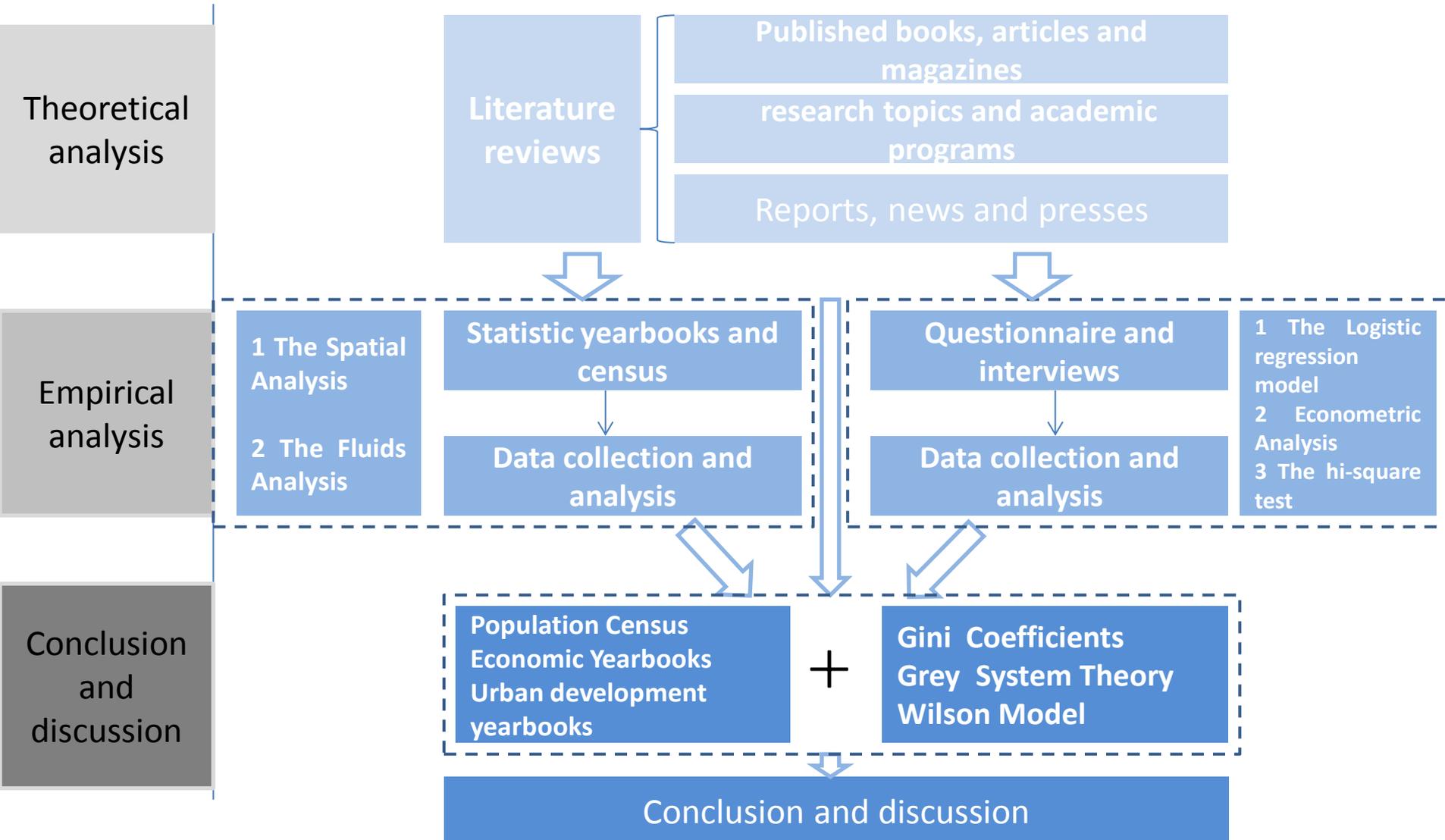
Specific objectives

- 1- Make clear of the concepts and theories of labor mobility including regularity, reasons and influences as well as mechanisms of enterprise relocation and labor mobility.
- 2- Conclude and analyze the general labor mobility tendency and pattern in different enterprises especially manufacturing industries in China since 1990s.
- 3- Questionnaires and analysis will be used to explain the mechanism and impact ways of enterprise relocation on labor mobility.
- 4- The labor mobility influences on both regional development and importing and exporting cities are very essential.
- 5- Some suggestions will be given for regional balance and economic development and population policies.

Methodology



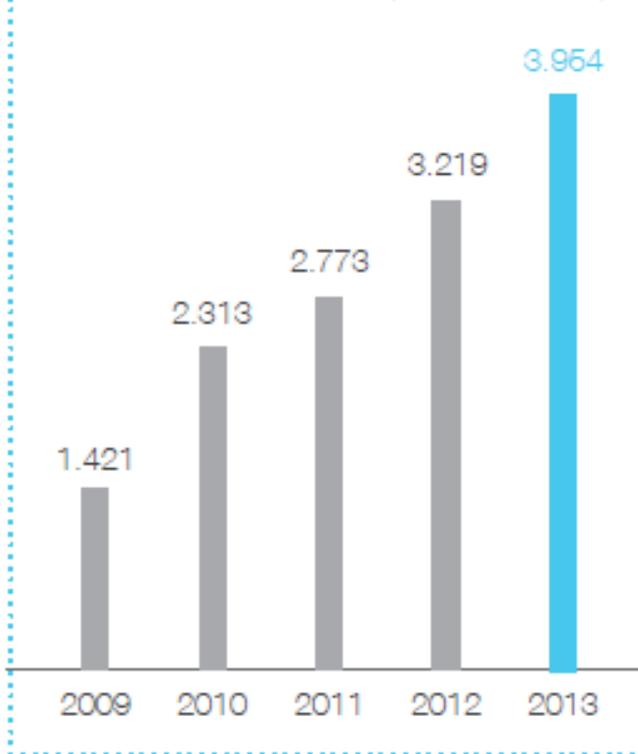
Methodology



Case Study

Foxconn Technology Group

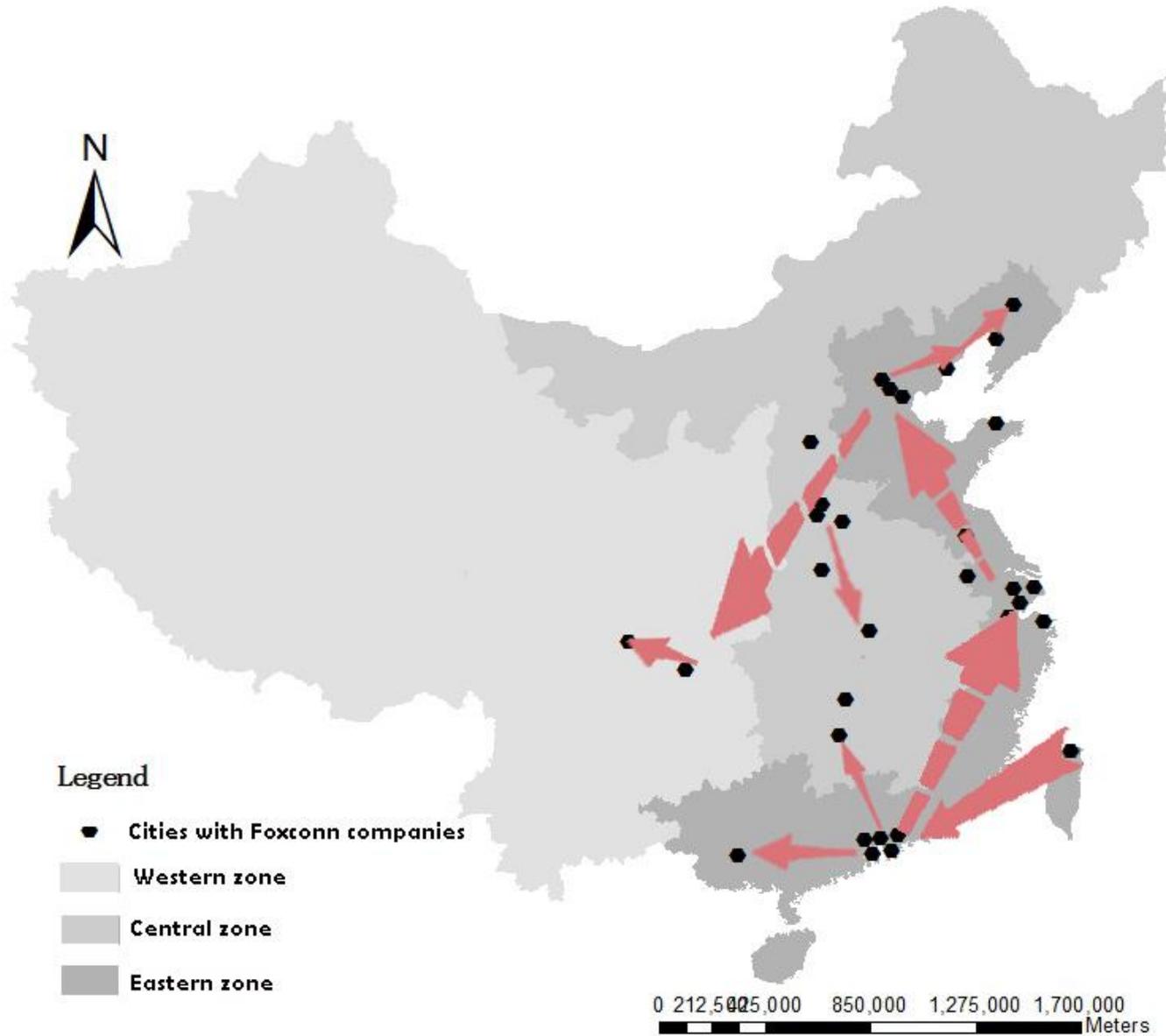
Chart of Turnover Growth (Unit: trillion NTD)



Name: Foxconn Technology Group (“Foxconn”)
Establishment Date: February 20, 1974
Anchor Company: Hon Hai Precision Industry Co., Ltd.
Headquarters: Tucheng District, New Taipei City
Total Employees: more than 1.0 million (2013)
Turnover in 2013: NTD 3.95 trillion
Annual increase: 22.67%

Foxconn is a high-tech group of companies specialized in the manufacture of 3C products, including computers, communications, and consumer electronics, with an extensive involvement in digital contents, car components, channel business, cloud computing services, new energy resource, and new raw material.

Distribution of Foxconn companies in mainland of China



Content

Chapter 1: introduction and background

Chapter 2: Theoretical analysis on labor mobility and Mechanism analysis on industrial relocation and labor mobility

Chapter 3: General labor mobility in China since 1990s

Chapter 4: Mechanism analysis of manufacturing company

Chapter 5: Influences of labor mobility

Chapter 6: Conclusion and discussion

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