

# Migration Aspect in the Realization of the Chinese “Going Out Policy” Strategy

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**Abstract**—The article examines the potential of the Chinese diaspora abroad. Investigate the influence of the highest in the People's Republic of foreign economic strategy of "Going to the outside" on the investment activity of Chinese enterprises abroad, the export of labor.

**Keywords**—China, migrants, reform, economic strategy, migration policy, huaqiao.

## I. INTRODUCTION

POLITICAL reforms and investigations started in China from 1978, they are one of the most important, great and attractive events of 1970s. 30 years of political reforms and investigations in the modern history of China became the time, when the social production forces started to develop, the mutual power of the country increased, the people got really great profit and international status of China improved, which helped China to change its planning economics to the social market economics and to move from a big agricultural country to a productive power [1]. Reforms deduced China to the front ranks in the international community. In this article, our purpose is to examine the role and influence of Chinese migrants in "Going out policy" of China.

## II. GOING OUT POLICY OF CHINA

In all years of reforms foreign-economic connections and trade always performed as one of the most important parts of foreign appearance of China as the moving power of increasing development of the national economy. From 2000 China realizes its strategy of the active export of Chinese production makers to the foreign markets under the slogan “走出去战略” (Zǒuchūqū Zhànlüè) which means “Going Out Policy”. “Going Out policy” is China's current strategy to encourage its enterprises to invest overseas and to change China to the strong economic power in the world. It influences to the gradual move of a great labor potential to abroad. As the Chinese scientists think, the annual sending of the Chinese people abroad for business aims of 1-2 million people gives opportunity to create in the country and other territories approximately 10-20 million working places and helps to weaken the problem of unemployment in China [2]. One thesis of the given strategy was to encourage the organizations to an active assimilation of natural resources of other countries, to increase the export of goods, to penetrate new

markets and invest to abroad in order to get technologies and assimilate the market.

The development strategy of China in the international market of labor stimulated not only the investment activities, but also the openings of different organizations abroad and implementation of labor activities, giving a considerable incentive to the business and labor migration. This way, the strategy easily achieves the given task in the increase of labor export. The government of China actively attracts foreign diasporas by strengthening the business activities, including Chinese national community for the implementation of foreign economic strategy of the country. The expand of the Chinese organizations and increase of the capital import started from 2000. The amount of foreign investments of China increased up to 70% from 2000 to 2004. The investments were 2 billion USD in 2003 and they became 73 billion USD in 2006 [3].

Merchandising the trade surpluses, large-scale foreign investment, and large purchases of foreign currencies to maintain its exchange rate with dollar and other currencies have enabled China to become the world's largest holder of foreign exchange reserves at approximately \$3.7 trillion as of September 2013 [4]. Direct investment overseas from January to August 2013, Chinese investors made direct investments in 3,583 overseas companies in 156 countries and regions, and total direct investments in non-financial sectors (similarly hereinafter) reached US\$5.65 billion, up by 18.5% year-on-year.

From January to August, investments from mainland China in seven economies of Hong Kong, ASEAN, EU, Australia, US, Russia and Japan reached US\$39.11 billion, taking up 69.2% of the total overseas direct investments over the same period of time, up by 3% year-on-year. Chinese investments in Hong Kong and Japan fell by 11.4% and 25% respectively; while investments in US, EU, Australia, Russia and ASEAN soared by 260.3%, 109.3%, 85.1%, 36.4% and 24.2% respectively.

From January to August, direct investments overseas made by the enterprises of local Chinese governments reached US\$18.69 billion, up by 21.6% year-on-year, taking up 33.1% of the total amount over the same period, 3.1 percentage points higher than that of the national total, and the top 3 are Guangdong, Shandong and Jiangsu.

Almost 90% of the investments flew to commercial service industry, mining industry, wholesale and retail industry, construction industry and manufacturing industry. Investments to manufacturing industry achieved positive growth (2.1%) for the first time in 2013; investments to commercial service industry fell by 30% over the same period of 2012, while

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investments to other industries saw strong increase. Among that, investments to the industries of construction, scientific research and technical service and mining industry enjoy a multiple high-speed growth, reaching US\$ 3.79 billion, US\$ 910million and US\$ 15.57 billion respectively, up by 457.4%, 145.9% and 122.1% respectively.

*Contracted Projects Overseas.* During the period of January-August 2013, the turnover of China's contracted projects overseas amounted to US\$ 76.42 billion, up by 11.6% year-on-year, and value of newly-signed contracts was US\$ 105.4 billion, up by 25.7% year-on-year. The projects each with a contract value above US\$50 million were 409 (306 in the same period of 2012), with a total value of US\$ 84.12 billion, accounting for 79.8% of the total value of newly-signed contracts. Hereby, there were 245 projects with a contract value of above US\$ 100 million, which presents an increase of by 67 over the same period of 2012.

By the end of August 2013, the total contract value of the projects overseas reached US\$1.1036 trillion with the realized turnover of US\$ 732 billion.

*Labor Service Cooperation Overseas.* In January-August 2013, labor service personnel dispatched overseas reached 301 thousand, with an increase of 19 thousand over the same period of 2012. Among that, labors sent abroad for contracted projects were 171 thousand and those for labor cooperation projects were 130 thousand. By the end of August, all labors sent overseas totaled 895 thousand, an increase of 36 thousand over the same period of 2012. Labor service personnel overseas by the end of August 2013 were 6,690 thousand [5].

Also there is a huge amount of the Chinese citizens who deal with entrepreneurship, without having any documents that enable to do these activities. The example of these situations are different kinds of Chinese markets which are in the territory of Kazakhstan, Russia and maybe of other countries. It is difficult to count the real amount of those citizens as these kinds of employers come to the country via tourist or business visas. According to the data of Migration police department of Kazakhstan more than 150 citizens of China came to Kazakhstan in three years. From the beginning of 2013 the amount of temporarily registered citizens of China became 38 thousand people. 1804 people were taken into management responsibility, 22 of them were evicted and three of them committed crime [6].

It is important to admit, that China performs the labor resources with the less prices in the international market [7]. In most cases Chinese companies do not attract the employees in the local markets of labor: they bring the workers themselves. The main parts of the workers leave China in a group using their contracts for implementation of complex of work. 80% of the exports of employees come for subcontract and engineering construction works [8].

In 1999 380 thousand people worked in this sphere and 658 thousand people at the beginning of 2007 [9] only the little part of the whole amount of employees who go abroad to work leave their country via the agencies that specialize on the employment of the specialists and workers in individual way. The total amount of workers who left the country to work

abroad was 260 thousand people according to the data of the Ministry of commerce of China, which is of 18 thousand over the same period of 2012 [10].

It is important to understand that the given number is not perfectly correct as it performs the official documentation for leaving the country to work abroad. The institution of investigations includes the amount of employees who work abroad by individual employment, when the Ministry of commerce, that holds the departmental statistics and corrective export of the workers, presents the amount of employees who work with contracts.

The main suppliers of employees in China are littoral and territorial regions, such as the provinces of Jiansu, Shandong, Fujian, Guandong and Lyaonin. These provinces make the half of the total amount of workers who go abroad. After 1990 the main part of the export of workers went to the countries of Western and Southern-Western Asia (Japan, Hong Kong, Macao, Southern Korea, Singapore and Malaysia). The specter and the directions of the vacancies are different.

According to data of the International Organization of labor at the beginning of the 21st century the amount of the Chinese citizens, who work abroad was more than 80 thousand people, but in the next years there appeared the tendency of decreasing the migration of qualified specialists [11], which is connected to the increase of the internal demand to qualified specialists due to the development of economics.

According to the analytics of the Chinese association of International contracts it is necessary to expect the increase of the demand for high-qualified workers [12]. Taking into consideration this prediction, China has to improve the amount of export of qualified workers to save its positions on the international market and solve the internal problems of unemployment.

The improvement of the export of workers is one of the priority directions of the "Going out policy" strategy. Foreign economic strategy must provide a great expand of the country's positions in the international market of labor. On the frame of the eleventh five-year plan from 2006 to 2010 China had to export 1.5 million people and in the end of the five-year plan there had to be 720000 people abroad [13].

### III. EXPORTS OF LABOR IS ONE OF THE PRIORITIES OF THE STRATEGY OF "GOING OUT POLICY"

740000 workers were abroad in 2008, so the plan of the eleventh five-year plan was overdone. The government of China actively supports and stimulates the export of workers in national and international levels. China helps the organizations by giving the financial aid for the insurance of risks and decrease of percentages of credit for the implementation of engineering-contract projects in order to develop the branches and to improve the amount of such projects abroad.

The entry into BTO enabled China to export legally its workers and demand to decrease the discriminative barriers. Apart of this, the government of China develops the labor cooperation, making the range of agreements with foreign countries in the branch of working migrants.

It is important to notice that regardless to the success of foreign economic strategy there are some problems that prevent from the expand of export of workers, such as the lack of knowledge of English, low qualification and lack of experience before going abroad to work. In this connection, the government of China created “the Rules of the preparation organization of the employees who go abroad to work” [14]; this way the organizations, which manage the export of the workers, have to make preparations.

The export of the workers stays as priority direction and good source of income for the government of China. China made the record USD 117.6 billion as the foreign direct investments (FDI) in 2013 [15].

During the period of January-July 2013 the amount of the direct investments of Chinese investors was USD 50.6 billion in 3275 foreign organizations of 156 countries of the world, which is for 20% more than of the same period in 2012 [16].

China solves the range of internal tasks using the export of workers. The development of the labor force abroad gives opportunity to decrease the load of the internal market of labor keeping the social stability. The increase of the incomes and financial royalties for the relatives in China is also the positive situation. The level of money income makes the increase of usage and solves the social problems inside the country. The migration has an economic characteristics and is connected to the politics of the government in the expand of the amount of contracts and investments abroad.

Taking into consideration the case that the Chinese government isn't going to stop at the achieved results we can suppose that in future the number of the citizens abroad will grow according to the business and labor activity, and according to the activity of the Chinese companies in the labor resource market and construction-subcontract works as well.

#### IV. HUAQIAO AND CHINA

China always controls the work with the Chinese people abroad (huaqiao). The commissions of Chinese emigrants' affairs work starting from 1988 in the Whole-China Committee of National Consulting Union of China. It deals with the problems of making contacts and friendship with the committees of emigrants' affairs, with the figures of the Chinese groups who live abroad, and also it takes part in consulting and discussion of laws and important political rules which are connected to the works of foreign Chinese people. Whole-Chinese association of re-emigrants work under the control of The Communist Party of China (CPC) and Chancellery of State Council of the foreign Chinese people's affairs and works as the connective line between foreign Chinese people and central government, local organs of China (via local departments of the association). This association protects the rights and interests of the foreign Chinese, analyses their cases, informs the law and executive power, offers the changes in the laws and by-law acts. Whole-Chinese association of re-emigrants provides the interests of participants, help them with education, scientific works, and everyday life together with the embassies and consulates of China.

World Huaren Federation (created in 1988) aims the cooperation on the development of foreign Chinese people, fight for their recognition, for the equal relationship to them, negotiation of negative stereotypes, development of the self-respect the feeling of self-esteem of the Chinese representatives. They publish an internet-magazine “E-magazine Forthe Clobe Chinese Community” in their own web-site.

The problems of foreign Chinese people are also solved by the Whole-Chinese Association of manufacturers and traders, the Chinese association of foreign relationship, Whole-Chinese Federation of the returners from Taiwan (created in 1913), the Association of Social organizations of ethnic Chinese people – who were born in Vietnam, Cambodia and Laos (created in 1983) and the range of other organizations. There are other little social organizations being created everywhere apart from the global and regional groups. Regularly held whole-world conferences and meetings influence to the unity of diaspora, they are held under the control of Chancellery of State Council of huaqiao's affairs together with different organizations. The representatives of higher party management of the country and other members of the government take part in the openings of such events. The decisions of the Chancellery of State Council of huaqiao's affairs, of the Ministry of employees of China and Whole-Chinese Association of re-emigrants are informed in these kinds of events, and the encouragement of famous representatives among the emigrants, re-emigrants and their relatives.

The question of keeping the national identity is important for the Chinese, and the second and the third generation of the Chinese emigrants are young people, they are ethnic Chinese people, they only know the colloquial part of the language, often dialectic ones and they do not know the hieroglyphic writing of Chinese language.

The interest to China, to the Chinese people and culture is increased by the improvement of the population of emigrants from this country, and there are many students and qualified workers among them. The creation of positive myths about the Chinese tradition and using adapted parts of the world in China in everyday life of other countries play an important role in this process.

In 2004 the government of China started the realization of scaled international educational and cultural-cognitional project of creation and development of Confucius Institutions. It is directed to the realization of “openness and harmony” policy of international relations where the cultural component is one of the most important aspects.

Undoubtedly, the integral part of the diaspora policy of Beijing is always the strengthening of the connection between the Chinese people abroad and the Chinese culture and traditions. Such connections are accomplished in different ways as by publishing the teaching aids of Chinese language, history and geography; by creating the branches of Confucius Institutions; by organizing the trip for the youth to the “land of predecessors”; exchanging the art representatives; by holding informational-explanation works via Internet.

## V. CONCLUSION

Chinese migration policy is one of the priorities in the realization of “Going out policy”. Chinese abroad have a great impact on the development of China. Nowadays China could organize the interconnection with the Chinese diaspora with maximum benefit for the internal economic situation of the country, effectively accomplishing the “Going out policy”.

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