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**ABSTRACT PROPOSAL TITLE**

**Returns to Education and Institutional Barriers in China:  
an Empirical Investigation.**

by

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**Abstract**

Education and institutions assume a key role in stratification processes in all modern societies, including contemporary China (Wu, 2011).

Due to the widening provincial gap, many Chinese rural citizens decide to temporarily migrate from rural to urban areas aiming at improving their living conditions. This phenomenon has dramatic consequences on their lives, in terms of quality of life, access to basic social services, labor conditions and wages. On the other hand, some well-educated urban residents move into rural areas for job reasons. This social arrangement is, still today, a very strong determinant of rights and wages among the population. According to Meng, Zhang (2001) and Biggeri (2007), Chinese economic boom is partially rooted in labor market institutional segmentation, which produce extra profits for the enterprises or cost competitive advantage.-

From this perspective, the empirical question is: are Chinese people wages constrained by institutional arrangements?

This paper explores empirically returns to education in China, basing the analysis on Mincer's human capital theory and institutional barriers and by using a survey for years 2000 and 2006, across nine different provinces. Due to the segmentation of labor markets in China, wide variations in return to education exist across provinces and rural urban residents.-

The aim of this paper is to analyze Chinese education system reforms and the recent status of origin or Hukou reforms. In particular the scope is to estimate returns to education in terms of income with a focus on migrants (both Rural and Urban), trying to understand if the two reforms of 2003 in education and the Hukou restructuring have been effective in reducing the gaps or if institutions such as the have still a strong influence.

The results of the empirical analysis based on OLS and biprobit show that, even if education plays an important role in wage determination, institutional arrangements (the *hukou* registration system) are still an issue in China today and could represent one of the main causes of widening rural-urban gap in terms of access to education and wage determination.-

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