SOCIAL EXCLUSION OF RURAL-URBAN MIGRANTS IN TRANSITIONAL CHINA

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DECLARATION

I certify that the work in this thesis entitled "Social Exclusion of Rural-urban Migrants in Transitional China" has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree to any other university or institution other than Macquarie University. I also certify that the thesis is an original piece of research and it has been written by me. Any help and assistance that I have received in my research work and the preparation of the thesis itself have been appropriately acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

The research presented in this thesis was approved by Macquarie University Ethics Review Committee, Reference number: HE24OCT2008-D06171 on 12 December, 2008.

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ABSTRACT

Most previous studies of China's transitional period have focused on the state's continuing role in restructuring the social classes, and how the former elite classes in state socialist China maintain their privileged position during the market transition. This study emphasizes the increasing importance of market forces in initiating and stabilizing social inequality, and the way that the market force affects institutional reforms in transitional China.

Rural-urban migrants in China are the subject of this research project. One of the most important groups of contributors to China's recent three decades of economic growth, they are confronted with multi-dimensional social exclusion in urban society. Using both qualitative and quantitative data, the project examines five aspects of rural-urban migrants' social exclusion: the household registration system (*hukou*), employment opportunities, welfare entitlements, identity and settlement. The aspects of employment, welfare, identity and settlement have been highly associated with the *hukou* system. The project examines how those four aspects are detaching from the *hukou* system, thus demonstrating the increasing importance of market forces in the social exclusion of rural-urban migrants during this transitional period.

This study presents two major findings. First, the trends of decentralization and marketization are important forces reforming the *hukou* and welfare systems. As local governments are more market- and economy-driven, the implementation of public policy centres on local economic interests. This is the major reason for the

institutional exclusion of rural-urban migrants from welfare system. Second, market forces play an increasingly important role in resource redistribution, which was formerly the responsibility of government. These findings call for increasing reform to centralised public policy, with the state to take major responsibility in coordinating and enforcing a united labour market and social welfare system.

Key words: Social exclusion; rural-urban migrants; market transition; *hukou*; welfare

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ABBREVIATIONS

CASE: Centre for Analysis of Social Exclusion (in London School of Economics)

CASS: China Academy of Social Sciences

CCP: Chinese Communist Party

FDI: Foreign Direct Investment

FIEs: Foreign Invested Enterprises

GDP: Gross Domestic Product

HRD: Human Resources Department

MPS: Ministry of Public Security

NPC: National People's Congress

NBS: National Bureau of Statistics of China

OECD: Organization for Economic Co-operation and Development

PRC: People's Republic of China

R & D: Research and Development

SOEs: State Owned Enterprises

TRC: Temporary Residential Certificate

TVEs: Town and Village Enterprises

UK: The United Kingdom

USA: The United States of America

WTO: World Trade Organization

CHINESE GLOSSARY

A permanent living style: 安土重迁

Common Residential Card: 普通人员居住证

Dagongde: 打工的（人）

Floating population: 流动人口

Gongyou: 工友

Guanxi: 关系

Hukou: 户口

Individual/Personal accounts: 个人账户

Joint ventures: 合资企业

Joint-stock enterprises: 股份制企业

Laoban: 老板

Laoxiang: 老乡

Living the land and the village, enter the factory and the city: 离土又离乡，进厂又进城

Living the land but not the village, enter the factory but not the city: 离土不离乡，进厂不进城

Mangliu/blind flow: 盲流

Nongzhuanfei: 农转非

Professional Staff Residential Card: 专业人员居住证

Sending Down: 下放

Social pooling accounts: 社会统筹账户

Suzhi: 素质

Temporary Residential Card: 临时居住证

The Household Registration System/ The Hukou system: 户籍制度

The rural household responsibility policy: 家庭联产承包责任制

Up to the Mountain and Down to the Villages: 上山下乡

CHAPTER 1

INTRODUCTION

1.1 Research aims and background

Two inevitable consequences of industrialization and urbanization throughout world history have been a shift of labour away from the traditional agricultural sector and migration from rural to urban areas. Since the dawn of the industrial age in 18th century England, rural-urban migration has been an early feature of the widespread demographic changes taking place. Indeed, China's rural-to-urban migration since the late 1970s[1] has been merely part of this continuing worldwide trend. However, the literature frequently describes this massive shift of labour and population in China as "unprecedented" (Lary, 1999; Pun, 2009). China's unique path towards urbanization results in a disadvantaged social status and ambiguous identity for rural-urban migrants.

The spontaneous rural-to-urban migration in China was a reaction to a series of economic reform policies in the 1970s. Such mobility had previously been strictly forbidden within China (Xia, 1994; Zhu, 1999). Cross-regional migration was controlled by public security departments and it was almost impossible to undertake any rural-urban migration without authoritative approval or official arrangement. As all resources and production were strictly controlled by the state, there were no free labour or commodity markets. Even those who moved to cities secretly found life difficult, as all means of survival required local official

[1] In this thesis "China" refers mainly to mainland China, which does not include Hong Kong, Macau and Taiwan.

registration (Cheng & Selden, 1994). This control and management had functioned through the household registration system[2] (the *hukou* system, *户口制度*), a typical Chinese registration system of permanent residence that classified all Chinese citizens into two major categories, agricultural and non-agricultural residents, and strictly segregated rural and urban areas (Cai, 2000; Chan, 1999; Davin, 1999). By 1978, only 17.9 per cent of China's population lived in urban areas (NBS, 2007), a figure much lower than the world average. Furthermore, during the pre-reform era the population in some major urban centres had even declined as a result of organized rural bound migration under the schemes of "Sending Down (下放)" and "Up to the Mountain and Down to the Villages (上山下乡)". For example, between 1955 and 1976, China's largest city, Shanghai, experienced a net migration of 1.86 million people from the city, and its total population did not grow at all (Naughton, 2007), an unusual situation that reflected the strong political control prevalent in Maoist China.

The economic reforms instigated since 1978 have undoubtedly been a major force in facilitating rural-to-urban migration. The rural household responsibility policy (*jiating lianchan chengbao zeren zhidu,家庭联产承包责任制*) led to increased agricultural productivity and a decline in rural employment opportunities and, consequently, a large surplus labour force in rural China. This

[2] Household Registration System, or *Hukou*, is an identification system established in the late 1950s. Every Chinese in this system was classified as either "agricultural resident" or "non-agricultural resident". The change from an agricultural to a non-agricultural status was strictly controlled by various levels of administrative agencies. In the pre-reform era, the provision of food, other consumption goods and social security was closely associated with one's *hukou* status. Non-agricultural *hukou* residents were provided with many more welfare entitlements and benefits, as well as better employment opportunities than their agricultural counterparts. For detailed discussion, see Guo and Iredale (2004).

surplus rural labour force formed the reserve army for the industrial sectors. On the other hand, the rapidly developing urban economy demanded increasing numbers of workers. The relaxation of the *hukou* system since the mid-1980s has led inevitably to greater geographic mobility and the trend of labour migration among regions. The sudden emergence and growth of large-scale migration in China was unparalleled. By 2005, 43 per cent of China's total population lived in urban areas, and China had changed from being a predominantly agricultural economy to a situation where agriculture accounted for only 13 per cent of GDP in 2004 (Naughton, 2007). The number of rural migrant workers in China had reached 229.78 million[3] in 2009 (NBS, 2010). Overall, millions of Chinese have experienced geographic mobility since the late 1970s, mostly from rural to urban areas.

However, it has been widely recognized that urbanization in China is incomplete (Chan, 2010; Wang, 2006), in the sense that integration of migrants into the host urban areas is unsuccessful. The new migrants might become embedded in the urban economic system, but they are not treated equally or accepted psychologically into their new urban areas (see discussion by Mortensen, 1995).

Many Chinese peasants leaving rural areas to work in city simply experience horizontal mobility from one marginalized status to another (Li, 2007; Li, 2002; Wang. 2003). Scholars suggest that the difficulty in integration stems mainly from institutional barriers, invisible walls depriving rural-urban migrants of equal

[3] It includes two parts based on categories of destination. One is the rural people out migrate to non-local places for work, and the other part is rural people working in non-agricultural sector in local places.

opportunities as urbanites. The dualistic system in China shaped by the long-lasting *hukou* system, though not totally obstructing people's geographical mobility, still influences their well-being, employment and other opportunities, thereby shaping the patterns of social stratification (Li, 2010). The major legacies of this dualism are urban policies that divide local urbanites and outsiders. Such institutional barriers prevent rural migrants from participating equally in urban life and they therefore create new urban spaces for themselves in order to survive. A classical example is Zhejiangcun (Xiang, 1999; Zhang, 2001), a migrant-concentrated community in the city where life is far removed from a typical "urban" existence. In some ways, the overarching rural-urban dualism has persisted and is being reproduced within contemporary urban China.

The *hukou* system in China resembles passports and visas in international migration, and rural-urban migrants in China share similar experiences with those migrating from less developed to more advanced countries (Massey, *et al*., 1994; Portes & Bach, 1985; Roberts, 1997; Sanders & Nee, 1987; Zhou & Logan, 1989). Although recognizing the economic value of rural migrants in urban China, few policy-makers are willing to adopt an integrated approach that encourages the long-term settlement of rural migrants to cities. The majority of migrants are categorized as "temporary" and lack the opportunity to become official "citizens" in the cities where they work. Rural migrants are frequently seen as a burden imposed upon urban dwellers; they are blamed for various problems rather than being seen as an integral part of the population who contribute considerably to urban development (Solinger, 1999). Therefore, in spite of working in the cities and becoming an "important part of industrial workers" (Council, 2006), their

living standards and rights and entitlements, in other words their "citizenship" (Solinger, 1999; Wu, 2010), still fall far short of that of their urban counterparts.

The literature contains three theoretical approaches to studying rural-urban migration in China. The first hypothesizes that every individual acts rationally; this approach is represented by the "pull-push" theory (Heberle, 1938; Lee, 1966; Ravenstein, 1885), the human capital investment model (Schultz, 1961) and rational choice theory (Coleman & Fararo, 1992), among others. These theories and models examine the purposes or goals of rural-to-urban migrants and the measures they take to realize these goals. For instance, Du and Bai (1997) suggest that most Chinese rural-to-urban migrants in the 1980s sought employment opportunities in the city, while the purpose in the 1990s was to increase earnings. Nee and Su (1990), on the other hand, see migration as a household strategy, which aims to maximize the household interests while minimizing the household risks. The second approach emphasizes social structure and institutional arrangements that formally or informally constrain migration behaviour (Sun, 2003). The social division by *hukou*, the dual structure of the labour market, and different entitlements to welfare benefits are considered the main obstacles. With the intensification of market-oriented economic development with a strong legacy of state control, it is salient to focus on how the state and market forces are intertwining during the transitional period to affect institutional reform and individual action (Nee, 1989, 1996; Putterman, 1993; Rona-Tas, 1994; Szelenyi & Kostello, 1996; Walder, 1995). The third approach analyses the role of social networks in migration and integration processes, examining how rural migrants overcome institutional constraints to either create their own space in the city

(Xiang, 2005) or transplant their social networks from their rural origins (Zhai, 2003). This approach considers that a major feature of China society is that the economic and social activities are embedded in a relevant social network.

This thesis seeks to increase our understanding of social inequality and market transition in China by examining the social exclusion of rural migrants in urban China from a structural and institutional aspect, expanding on the work of Nee (1989) and others. It analyses whether, and how, increasing market forces in China affect the social exclusion of rural migrants in Chinese cities. In particular, the study focuses on the social exclusion mechanisms of rural-urban migrants under conditions of market transition. For instance, it examines how some institutions inherited from China's state socialist period are being abolished, readjusted or regenerated; it investigates how to evaluate the impacts of the rural-urban divide in the social exclusion of rural-urban migrants during this transitional period; and it identifies the key features of social exclusion of rural-urban migrants still apparent after three decades of economic reform.

In summary, the specific aims are as follows:

- to describe the patterns of social exclusion of rural-urban migrants from multiple dimensions (geographical mobility, institutional exclusion, employment, welfare entitlements, identification and settlement intention) in transitional China
- to analyse the impacts of different *hukou* status (agricultural and non-agricultural) on the social exclusion of rural-urban migrants in transitional China

- to investigate the dynamic changes in the urban labour market and the employment opportunities available to rural-urban migrants in major metropolises
- to discuss the impacts of market transition on China's urban welfare reform, and the effects of new welfare programs on migrants
- to assess rural-urban migrants' self-identity and self-perception, and understand social exclusion from a psychological point of view
- to explore the key factors constraining the integration and settlement of rural-urban migrants in major metropolises of China.

1.2 Research questions and research significance

1.2.1 Research questions

This project aimed to study the social exclusion of rural-urban migrants in China during the transitional period from a centrally-planned to a more market-oriented system. One misperception surrounding this topic is that rural-urban migrants are the only group subjected to social exclusion in transitional China. This assertion is, of course, untrue. Transitional China contains at least three disadvantaged groups: laid-off and unemployed former workers (urban *hukou* holders), rural-to-urban migrants (rural *hukou* holders) and the growing numbers of poor people (Solinger, 2005). While it is acknowledged that differences between the rural *hukou* and urban *hukou* holders were considerable, and that the rural-urban divide shaped by the *hukou* system was the most overt inequality of the state socialist period, the emergence and increase of a new urban poverty class

in transitional China has challenged the belief that the rural-urban divide was the sole source of social exclusion. Particularly after 1998, when China abolished the employment allocation policy for university graduates while simultaneously expanding college enrolments, competition in the urban labour market has become much fiercer. The employment situation for university graduates has deteriorated further in recent years (Economist, 2009; Wang, Hu, & Wang, 2009). Recently, some university graduates in China are sharing the fate of laid-off workers, losing privileges they previously enjoyed (Lian, 2009). If rural-urban migrants are viewed in a broader context, two driving forces, market and mobility, generate more social inequality (Solinger, 2005); a simple rural-urban divide cannot sufficiently explain all the excluded social groups in contemporary China.

The impacts of economic reforms and globalization, their impacts on the state and public policy arouse more and more attention. Some scholars argue that economic reforms and increased globalization have weakened the ethics of the state and, consequently, people's confidence in the government (Gries & Rosen, 2004; Zheng, 2004). Social conflict and protests have increased during the transitional period. A 2001 report by the Department of Organization of the Central Committee of the China Communist Party (CCP) warned of even greater social conflict during the incipient period of rapid change driven by the opening of China's markets to foreign trade and investment. The report made urgent recommendations for changes to save both the party and the nation, by reducing widespread grievances (Zheng, 2004).

The government has reacted in two ways since 2000. First, it initiated a series of institutional reforms in the *hukou* system, welfare system and labour market in

urban areas since the end of 1990s. In rural China, the government decided to abolish agricultural fees in rural areas and establish rural cooperative medical insurance to help decrease the conflict between rural and urban China. Second, the Chinese Government is increasingly involved in economic activity and it more frequently uses market norms to regulate its allocation of resources. A typical example is the dramatic change in urban housing: welfare housing is very limited, and high housing prices exclude both agricultural and many non-agricultural *hukou* holders (Naughton, 2004). The rural-urban institutional divide therefore seems to be eroded and even blurred while affordability is uppermost in people's daily lives. This situation illustrates the complex roles of the Chinese Government, whereby it encourages and facilitates the market transition, but it must also maintain social order and stability in a changing economic situation. If the overall situation is improved in rural areas and market opportunities are more open to the rural people in the city, it would ask whether the social exclusion of rural-urban migrants could be diminished in the future.

This study addressed six specific research questions: (1) How has the *hukou* system been changed and reformed since the 1990s? (2) In what ways has a rural-urban migrant's *hukou* status determined the social exclusion in transitional China? (3) How have the employment opportunities for migrant workers in the urban labour market changed? (4) How has welfare reform influenced the social exclusion of rural-urban migrants since the 1990s? (5) How do rural-urban migrants construct their own identity after migrating to the city? (6) What are the determinants of rural-urban migrants' settlement intentions in Chinese metropolises?

1.2.2 Research significance

This study of the social exclusion of rural-urban migrants in transitional China has both theoretical and practical significance.

Theoretical significance lies in the study's direct application to China. The concept of social exclusion originated in Western European countries and has been widely applied to explain social inequality in developing countries. The concept's most prominent features are that it analyses social inequality from multiple dimensions and emphasizes dynamics and changes. Unlike Western countries, the concept of social exclusion has been rarely adopted by the Chinese Government (Li, 2004; Tang, 2002). When discussing social exclusion, it is logical to ask "who excludes whom?", a question obviously too sensitive for the Chinese Government. This concept is commonly used academically in the context of China's unemployment and welfare issues (Zeng & Wei, 2004). However, academic discussion of social exclusion in China does not compare China's situation with the Western context, and it argues that the feature of transition is not relevant.

China's situation is distinguished from that of developed countries by its transitional phase, and the conflicts between the old institutions and the new demands of the market forces. Society and individuals alike are experiencing a great transformation (Wang, 2008). How to measure the concept of social exclusion in China is worth investigating, and this study addresses this question.

Moreover, an enhanced understanding of Chinese migration and its effects is also relevant to improving our knowledge of migration more generally. King (2002) has argued persuasively that the dichotomy between internal and

international migration is false, and this is nowhere more apparent than in China. Rural-urban movement in China has much in common with South-North migration from less developed to more developed countries. Hence, it is anticipated that this study's findings will widen our understanding of both internal migration in rapidly developing economies and South-North international migration.

This study also has practical significance. *Hukou* system reform in China has been debated since the beginning of the economic reforms. However, the system persists. It is useful to re-evaluate the *hukou* reform during the transitional period and further examine the factors underlying the *hukou* status. This study not only explores the relationship between *hukou* status and both employment opportunities and welfare entitlements, but it also discusses the changes and debates of the *hukou* reforms in China, which could provide evidence for further reform. In addition, discussing the impact of market forces on the social exclusion of rural-urban migrants includes examining the role of the state in China's market economy. The study reveals the paradox that the party-state dominates both economic activity and resource redistribution, and that redefining the role of the party-state is a prerequisite for reducing the economic gaps in society and improving social justice.

1.3 Key concepts

This research contains three key concepts: social exclusion, rural-urban migrants, transitional China.

1.3.1 Social exclusion

The concept of social exclusion grew out of the idea of social closure. This section first examines social closure theory, then discusses the modern usage of social exclusion, and finally defines the concept of social exclusion as used in this thesis.

Social closure theory developed by Weber, Parkin and Colins (Murphy, 1988) adopted the term “closure” to refer to the process of subordination, whereby one group monopolizes the advantages gained by closing off opportunities to another group of outsiders. Closure was “the attempt of one group to secure for itself a privileged position at the expense of other groups through a process of subordination” (Denton, 1999, p. 13), which results in the formation of status groups. Social closure theory measures status groups with three indexes—honour, prestige and religion (Parkin, 2002). Bureaucracy is the most powerful of the status groups, explained by Giddens and Held (1982, p. 73) as being “the status group [that] comes closest to the social class and is most unlike the commercial class”. Social closure is a concept that embraces both process (exclusion) and outcomes (social inequality) (Alexander, 2005).

Social closure has been regarded as an extreme form of social exclusion. The *hukou* system under the state socialist period was regarded as a typical example of social closure in China (Li, 2006), as it prevented rural people from sharing in common resources and opportunities. Within the city, closure also existed in working units (*danweizhi*, *单位制*), such as the differentiation between the cadres and workers. The level of social closure has decreased following the economic

reforms (Li, 2006), as the market economy provides individuals with more opportunities and Chinese society becomes more open.

The modern usage of the term “social exclusion” originated in France in the 1970s. It emerged as a response to a need for improved living conditions for those left behind by economic growth, in order to reinforce the principles on which the French economic system was based. It was widely applied and used in Europe in the 1990s by politicians, policy-makers, practitioners and academics. At the level of the European Union, social exclusion is taking the place of poverty to reflect the continued worsening of the economic climate and increasing pressures of the welfare state. Littlewood and Herkommer (1999, p. 3) have summarized six emergent trends in exclusion discourse, including the presence of high rates of unemployment and underemployment, particularly among the young, and the growth of insecure or precarious employment; the relative and absolute diminution in the availability of manual work and the corresponding growth in the available of white-collar work; the increasing participation of women in paid work; the introduction of ever more sophisticated technological innovations both within and outside the workplace; a growth in the demand for and supply of an ever greater number and diversity of educational and vocational qualification; growth in the flow of population movement across national boundaries, and indications of a rise in resistance to such movement among sections of indigenous populations.

However, the term “social exclusion” appears to be an easily used but vague, multi-dimensional and broad-meaning concept (Peng, 2004; Silver, 1994). Silver (1994) identified three dominant paradigms, namely solidarity, specialization and

monopoly, to indicate different theoretical perspectives, political ideologies and national discourses of social exclusion. She suggested these paradigms were linked to major schools of sociological thought: Durkheimian functionalism, pluralism, and the conflict theories of Marx and Weber, respectively. A Social Exclusion Unit was established in the UK to tackle social exclusion, defined as "a shorthand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown"[4] . The Centre for Analysis of Social Exclusion (CASE) at the London School of Economics has published a series of papers on the social exclusion debate. One, by Atkinson (1998), suggested four elements of social exclusion—multiple deprivation, relativity, agency and dynamics. He discussed how multiple deprivations imply that social exclusion is about more than simply income, poverty or lack of employment; other factors, such as absence of community or social network, are also influential. Relativity refers to people being excluded from a particular society in a particular place at a particular time, with there being no absolute social exclusion. The element agency arises because exclusion is an act, and agents undertake the act. Atkinson also categorized social exclusion as voluntary or involuntary exclusion, according to the agencies.

Social exclusion essentially reflects the situation in which individuals or groups "who want to come in from the outside and whom we make it very hard to be included" (Steinert, 2003, p. 45). According to Jordan (1996, p. 5), "social exclusion essentially indicates how human beings, interacting in all kinds of

[4] http://www.sourceuk.net/article/0/457/the_social_exclusion_unit.html,

collectivities, come to include some individuals and exclude others from the benefits of membership—and at what costs to the rest of the members". This concept has two advantages, compared with other relevant concepts such as poverty or deprivation. The first is that it focuses on the dynamics of inequality. As current society is more mobile and open than formerly, this concept emphasizes the changes and categorizes the inequality as within or outside of institutions. Second, an analysis based on this concept is more likely to take a horizontal rather than a hierarchical perspective in the area of social inequality.

A more easily measurable definition of social exclusion is that of Burchardt, Grand and Piachaud (1999), who applied the ideas of multiple deprivation and relativity in their study. They defined social exclusion as "both a process and an outcome to reflect individuals or groups, if (a) geographically reside in a society, but (b) could not participate in the normal activities of citizens in that society, and (c) they would like to participate but prevented from doing so by factors beyond his or her control" (p. 30). Normal activities have been operationalized into five dimensions: consumption activity, savings activity, production activity, political activity and social isolation. Social exclusion thereby means low income in terms of consumption activity, low wealth in savings activity, lack of production activity, being politically unengaged, and being socially isolated. Thus individuals can face social exclusion in one or more dimensions.

In spite of different definitions, three characteristics of social exclusion can be identified from previous studies. First, social exclusion is a multi-dimensional phenomenon, and individuals can be excluded from various dimensions in the society in which they live. Second, social exclusion is a dynamic process and state,

and is not an "all or nothing phenomenon" (Smith, 2000, p. 18). Third, social exclusion implies entrapment, under which individuals are unable to leave this situation using their own initiative or force.

This study adopts and modifies the definition of social exclusion from Burchardt, *et al*. (1999) and Jordan (1996). In this thesis, social exclusion is mainly defined as both a process and an outcome in which rural-urban migrants who geographically move to and live in urban society, but who cannot participate in the normal activities of the urbanites in that society; they would like to participate but are prevented from doing so by factors beyond their control. This thesis also considers some useful elements in Jordan's concepts, such as how the institutional reforms come to include some individuals and exclude others from benefits of membership.

1.3.2 Rural-urban migrants

This section examines the patterns of rural-urban migration (the "floating population"), reports recent demographic data, and finally provides the definition of rural-urban migrants used in this thesis.

Rural-urban migrants in China are often referred to as the "floating population" (*liudong renkou*, *流动人口*), which means that people who "migrated" but have not changed their *hukou* registration status and therefore have in fact not officially "migrated" (Goldstein & Goldstein, 1994). Most internal migrants are not expected to permanently settle at their destination. Solinger (1999) suggested three necessary conditions to qualify as floating: cross some territorial or administrative boundary; not alter permanent registration (*hukou*); and flow in and

out. Of these three conditions, the officially registered urban *hukou* status determines whether or not permanent migration to urban areas has occurred.

The last three decades of the 20th century saw two patterns of rural-urban migration. In the late 1970s and early 1980s, rural labour mobility was mainly confined within rural areas and rural-to-urban migrants were uncommon. Most urban enterprises were under state ownership, and employment opportunities and welfare benefits were restricted to provide for urban *hukou* holders. Rural residents were encouraged to be engaged in sectors like forestry, animal husbandry and fishery (Cai, 2000). Gradually during the 1980s, some peasants spontaneously established small enterprises in rural areas and peripheral urban areas, known as "Township and Village Enterprises" (TVEs). The development of the TVEs and their absorbing rural people as employees were a typical pattern of "living the land but not the village, enter the factory but not the city" (*litu bu lixiang, jinchang bu jincheng, 离土不离乡，进厂不进城*). This pattern was in accordance with the strategy of the development of small towns, and became popular in the 1980s (Cai, 2000).

The massive trend of rural-urban migration commenced in the 1990s under the context of the CCP's reform of state-owned enterprises and its determination to build a socialist market economy. With the transformation of the market structure from supply-oriented to demand-oriented, and the end of grain rationing in most parts of China in 1992, the surplus labour force of rural workers complemented the demand for labourers in urban China. Then the pattern changed to "living the land and the village, enter the factory and the city" (*litu you lixiang, jinchang you jincheng, 离土又离乡，进厂又进城*), (Cai, 2000).

In 2008, the China National Bureau of Statistics began to monitor rural-urban migrants in 31 provinces (including districts and cities), involving 680,000 rural households and 7,100 rural villages. Table 1-1 details the demographic characteristics of rural-urban migrants estimated in their 2009 report. The total number of rural-urban migrants in 2009 was estimated as 230 million, of which 150 million worked in a different place from their registration (NBS, 2010).

The Monitoring Survey Report on Migrant Workers in 2009 (NBS, 2010) also showed that 90.76 million rural-urban migrants were working in eastern coastal China, a decrease of 8.9 per cent from 2008, whereas the numbers of rural-urban migrants working in central and western China increased 3.8 and 4.8 per cent, respectively. These figures indicate that, while most rural-urban migrants work in eastern China, increasing numbers of them are able to find employment opportunities in inland and western China. Furthermore, the number of rural-urban migrants in the Yangze River Delta and Pearl River Delta in 2009 decreased by 7.8 and 22.5 per cent, respectively. Consequently these two main destinations for rural-urban migrants faced the problem of labour shortages. Overall, intra-provincial migration was a dominant pattern in eastern China, while inter-provincial migration was a dominant pattern for migrants from central and western China. However, migration within local provinces has increased in recent years (NBS, 2010).

Table 1-1 Demographic characteristics of rural-urban migrants in 2009

Sex	**%**
Male	65.10
Female	34.90
Age	**%**
16–25	41.60
26–30	20
31–40	22.30
41–50	11.90
Above 50	4.20
Marital staus	**%**
Married	56
Unmarried	41.50
Other	2.50
Education	**%**
No formal education	1.10
Primary school	10.60
Middle school	64.80
High school	13.10
Technical secondary school and above	10.40
Industry	**%**
Manufacturing	39.10
Construction	17.30
Service	11.80
Accommodation, catering, wholesale and retail	7.80
Transport and storage	5.90
Monthly earnings (*yuan*)	**%**
below 600	2.10
600–800	5.20
801–1200	31.50
1201–1600	33.90
1601–2400	19.70
above 2400	7.60
Earnings by regions (*yuan*)	
Nation-wide	1,417
Eastern region	1,422
Central region	1,350
Western region	1,378

Source: A Monitoring Survey Report on Migrant Workers in 2009 (NBS, 2010)

Rural-urban migrants in this study are defined as individuals who left their rural areas, worked and resided in urban areas for more than six months continuously, but were still associated with rural household registration in their rural village. They are essentially the floating population. Once rural people obtain an urban *hukou*, they are automatically officially classed as urbanites and deemed permanent migrants. Urban areas include both towns and cities. Cities are the city proper (*shiqu*) of provincial- and prefecture-level cities, as well as county-level cities (Fan, 2003), and they are considered urban destinations in this study. The definitions of urban areas and urban population are a constant subject of debate (Chan, 1994; Zhang & Zhao, 1998). The aim of this research was not to estimate the size or scale of rural-urban migration in China, so *hukou* status was adopted as a basis for identifying and defining whether a migrant is a rural-urban migrant. In this thesis, relevant to the concept of rural-urban migrants, urban-urban migrants refer to the urban *hukou* holders who work in a different city from their *hukou* registration; the term "migrant workers" is applied to include both groups of people. The surveys and analysis in this project did not include permanent migrants who had successfully transferred from rural to urban *hukou* status. This definition of rural-urban migrants used in this thesis is basically in accordance with the official definition proposed by the China National Bureau of Statistics.

1.3.3 Transitional China

The period of China in transition is generally considered as the period since 1978, when China started its profound socio-economic transformation. This transformation has two aspects: the industrialization and urbanization undergone

by developed countries and still being experienced by many developing countries, and market transformation from a centrally planned to a market-oriented economic system. Academic discussion on transformation in former socialist countries concentrates mostly on the second aspect (Andrusz, Harloe, & Szelenyi, 1996; Pickles & Smith, 1998; Piirainen, 1994). Analogy with the market transition in socialist economies such as the former Soviet Union and eastern and central European countries would suggest that China would move in a linear pattern away from central planning, production and redistribution toward market capitalism (Ma, 2002). However, China's transition trajectory so far has been nothing but linear. First, the market transition in China has not been spontaneous and is most likely to be path-dependent with a strong influence from the state, a well-known gradualist reform approach. Second, China's economic reform has occurred in a relatively stable political environment. The unlikely mix of a party-state governance model and the market orientation seems to have proceeded smoothly during the last three decades. Judging solely from the annual GDP growth rate, economic reform in China seems to be quite successful (Huang, 2008).

Most of the literature on the market transition in China is from the perspective of state essentialism, focusing on how the party-state sustains control over the diverse urban transformation in transitional China. Ma (2002) has argued that, despite the abandonment of central planning and the impacts of market forces in shaping the national and local space-economies, the power of the state is felt in every facet of China's transformation; therefore, the party-state should occupy a prominent position in theorizing urban transformation. Szelenyi and Kostello

(1996) suggested the debate on market transition comes back to the classic relationship between market and state.

Social scientists are more concerned about how original social groups adapt the new environment to keep their privileged position, and whether institutional reform provides more opportunities for the underclass. Nee (1989) has identified a dynamic change of beneficiaries since 1978, with peasants receiving greater benefits in the earlier stages of the market reform, a situation that has not persisted. Other studies (Bian & Logan, 1996; Nee, 1989, 1996; Nee & Su, 1990; Rona-Tas, 1994; Szelenyi & Kostello, 1996; Walder, 2003; Walder & Zhao, 2006; X. Zhou, Tuma, & Moen, 1996) have concentrated more on the group of rural cadres, the former elite members in rural China, and their changing status in the transitional period. The debate is whether the former elite are likely to transform their political advantage into wealth during the transitional period. Szelenyi and Szelenyi (1995) have advanced the classic proposition of "the elite is circulated or reproduced in market transition". Nevertheless, no consensus has been reached.

A few scholars (Solinger, 1999; Wang, 2006) have discussed the logic of the market and its impact on social inequality in transitional period. Shaoguang Wang (2006) considers Chinese society as profoundly affected by market forces. Market mechanisms, in addition to affecting the economic structure, change the values and morals of the Maoist era. When market forces create a market society, individuals must depend on themselves. What upsets the Chinese people is that they feel more unsecure than previously, as market forces undermine the social security networks. Consequently China is facing the paradox that, despite a growing GDP rate, many Chinese people feel more unstable and insecure. Wang

further highlights the commodification trend in public policy reform as harming the public interest, and advocates a more active role by the government.

Solinger's (1999) pioneering study examined the logic of the market and mobility, and the absence of equal citizenship for rural-urban migrants in China that fosters the continuing rural-urban division. Solinger's study was not limited to the scope of how institutions continue to play roles; she also examined how the market affects bureaucratic agencies and institutional reform adapts to the market economy while simultaneously excluding rural-urban migrants. However, her data were mainly from before the end of the 1990s, and an analysis of the situation after 2000 needs to be conducted.

Although the transitional period in mainland China started from 1978, when open-door policies were initiated, this thesis focuses on the period since the 1990s. The rationale of focusing on this period is the consideration that the Chinese government launched its official policy of becoming more market-oriented economy, symbolised by Xiaoping Deng's southern tour speech in 1992. And it is under this background that social exclusion is examined when social and economic changes became more evident.

1.4 Methodology and data sources

1.4.1 Research framework

Social exclusion was defined and operationalized by Burchardt, *et al.* (1999), who measured social exclusion from five dimensions: consumption, savings, production, political situation and social conditions. The Social Protection

Committee of European Union has developed two tiers of indicators to monitor social exclusion in its member states. In this thesis, social exclusion is also measured multi-dimensionally, but with an added Chinese factor.

The dualism shaped by the *hukou* status (rural or urban) has long played an important role in the social exclusion of rural people. Social exclusion in socialist China was composed of *hukou* status (agricultural or non-agricultural *hukou*), employment opportunities, welfare entitlements and identification, among which the *hukou* status was the major component. The thesis, therefore, examines the social exclusion of rural-urban migrants in those dimensions in the transitional period to reveal similarities and differences.

Each of the key chapters in this thesis focus on one or two important dimensions of social exclusion of rural to urban migrants. The structure of the key chapters, which indicates a research framework is presented in Table 1-2.

Table 1-2 Research framework of the study

Dimension	**Social exclusion**	**Thesis chapters**
Institutional legacy—*hukou* status	Difficulty in obtaining urban *hukou*	Chapter 2 Chapter 3
Employment opportunities	Difficulty in obtaining equal employment opportunities	Chapter 3 Chapter 4
Welfare entitlements	Difficulty in participating in welfare system	Chapter 5
Identity	Lack of clear identity	Chapter 6
Settlement intention	Constraints of settling down in the city	Chapter 7

The *hukou* and its reform in transitional China is an underlying research theme throughout this thesis. The first dimension was to examine whether the *hukou* control in the transitional period was similar to that in state socialist China, and how it works in preventing migrants from obtaining urban *hukou* for a contemporary rural-urban migrant. The other dimensions elaborate social exclusion of rural-urban migrants in the labour market and welfare system, both would be highly correlated with the *hukou* status. The psychological dimensions of social exclusion, including identification and settlement intention, are also examined.

1.4.2 Data sources

Multiple sources of data were employed in this study. Two surveys were conducted with rural-urban migrants: one was a rural village survey, conducted by the author of the thesis, and the other is from an Australian Research Council funded project "Rural migrant labour in large Chinese cities". In addition, interviews with rural-urban migrants in the project "Rural labour transfer and the development of social policy in China" were undertaken in Shanghai and Guangzhou, which were also used to supplement the data collected by the author. Finally, data from the National Bureau of Statistics of China and other Chinese government sources were included.

The most important source of data is the survey and intensive interviews conducted by the author of the thesis. The rural survey was conducted in 2009 in Mumakou village of Hubei Province, which locates in central China. The participants were rural-urban migrants who had returned to the village during the Chinese New Year holiday period. A rural village was chosen for two reasons.

First, most previous surveys of rural-urban migrants by other researchers had been conducted in cities and researchers tended to take the perspective of the destination places. A better understanding of rural-to-urban migration could be gained by observing the rural changes and information obtained from migrants in rural China as well. Second, despite migration flows normally being framed within social networks (for instance, villagers might be more likely to work in Guangdong province or cities in the Yangzi River Delta as they could obtain information from there more easily), the survey aimed to include migrants from different tiers of cities in order to capture a more general snapshot of migration in contemporary China. To carry out the survey, the author spent three months in the village, with 301 questionnaires collected and 20 intensive interviews recorded. In addition, participant observation and casual talks with migrants, villagers who stayed behind and local cadres provided further important information on what rural people thought of migration. The data collected in the rural survey was analysed mainly in chapters 3, 5 and 6.

The Australian Research Council (ARC, DP0773060)-funded discovery project "Rural Migrant Labor in Large Chinese cities" was carried out from 2007 to 2010, and was coordinated by Dr Fei Guo (Macquarie University), Professor Graeme Hugo (University of Adelaide) and Professor Xin Yuan (Nankai University of China). The survey covered both a household questionnaire survey (around 1,400 households were involved) and an enterprises questionnaire survey (around 600 enterprises were involved), which were conducted in Beijing, Tianjin, Shanghai and Guangzhou in 2008. The data from this project were applied mainly in chapters 4 and 7.

In addition, the interview data from the project "Investigating rural labour transfer and the development of social policy in China" (04JZD00020) conducted by Professor Xinping Guan (Nankai University of China) in 2007 were also used as part of Chapter 5. Fifty-three interviews from this project focusing on employment and the welfare situation among rural-urban migrants in Guangzhou and Shanghai were combined with the 20 interviews from the rural survey by the author for a better understanding of welfare participation among rural-urban migrants.

Finally, the data and information from a number of Chinese Government sources were used. Chinese government regulations and reports, and news reports from mass media were accessed as additional data. These data concerned the reforms of the *hukou* and welfare systems, and were analyzed mainly in chapters 2, 5 and 7.

1.4.3 Methods of data analysis

The study adopted both quantitative and qualitative approaches in analyzing social exclusion of rural-urban migrants in transitional China. The rationale is that these are two established research approaches and the complementary nature of the two approaches could not only provide an analysis of overall patterns of social exclusion but also more nuanced understanding of detailed mechanisms and processes of social exclusion in China.

A qualitative approach is commonly considered to be more inductive and the quantitative approach more deductive (David & Sutton, 2004). The complementary nature of both approaches has been well recognized. Bernard (2000) suggests that "quantitative" and "qualitative" research has four categories:

qualitative analysis of qualitative data, quantitative analysis of quantitative data, qualitative analysis of quantitative data, and quantitative analysis of qualitative data. Indeed, "all research ultimately has a qualitative grounding" (Campbell, cited by Miles & Huberman, 1994, p. 40). These opinions illustrate that the two methods together are appropriate for social sciences research, and neither method is more valuable than the other.

It has been argued that qualitative and quantitative research carry different underlying assumptions about the role of the researcher: "In quantitative research, the researcher is ideally an objective observer who neither participates in nor influences what is being studied. In qualitative research, however, it is thought that the researcher can learn the most by participating and/or being immersed in a research situation"[5]. The researcher's role in the whole research process must be clearly defined, and the results must be presented without bias. The researcher is sensitive to the environment when conducting qualitative analysis, and is particularly likely to be affected by the subjects' conversation and emotions when interacting regularly with them. Data recoding, analysis and reporting can also be influenced by the researcher's subjective judgement. The author was aware of the limitation of both approaches and was especially mindful and cautious when conducting intensive interviews as part of qualitative data analysis.

The use of mixed methodologies, combining quantitative and qualitative analysis, could minimize the abovementioned risks in this research. For instance, the discussion about the impacts of the *hukou* status on social exclusion of rural-urban migrants in transitional China (Chapter 3) includes both analysis of

[5] http://writing.colostate.edu/guides/research/observe/com2d3.cfm

narratives and life stories of respondents as part of qualitative data analysis and analysis of quantitative data from the structured surveys. A similar approach, combining both types of data analysis, is also used in Chapter 7 about settlement intentions of rural-urban migrants in metropolitan China. In addition to using multinomial regression models to understand the different settlement intentions of rural-to-urban migrants and urban-to-urban migrants, the qualitative data analysis method was also used to investigate the impacts of urban policies and other institutional constraints on migrants' settlement intentions in Chinese large metropolises. This study used SPSS 13.0 software, one of the most frequently used instruments for quantitative analysis. The dataset of rural migrant labour in large Chinese cities survey had already been compiled by Dr Guo's ARC project team. The data input, clearance and analysis of the rural survey were completed by the author.

The qualitative analysis of the 20 intensive interviews from the rural survey and the 53 intensive interviews conducted in metropolises of China was undertaken using NVivo 7.0 software. The foremost advantage of this software lies in its convenience in creating different nodes according to the research framework, and its very efficient analysis of the conversations under each node. The software also reminds the researcher of the coverage of the quotation in the original interview. In this study, the 20 intensive interviews in the rural survey were conducted and transcribed by the author, while the other 53 interviews had already been transcribed by the research team organized by Professor Xinping Guan.

1.5 Research contribution and limitations

1.5.1 Research contribution

This thesis makes both theoretical and practical contributions to migration studies in general and the study of rural-to-urban migration in China in particular. Theoretically, the concept of social exclusion originated in the European context, and empirical applications of this concept in China are far from adequate in the literature. The thesis relates the concept of social exclusion of rural-urban migrants with the rural-urban divisions that have been shaped by the *hukou* system. The findings from this research will contribute to our understanding of the changes in urban inequality and social integration in contemporary China. The thesis particularly emphasizes the transitional nature of the social exclusion of rural-urban migrants in Chinese cities. It discusses the dynamics of the market forces and state forces in shaping the patterns and mechanisms of social exclusion in transitional China. It argues that, in recent years, the influence of state institutions on the rural-urban division has been weakened, while market mechanisms have started to play an increasingly important role in the social exclusion of rural-urban migrants.

The thesis pays special attention to the role of government institutions in facilitating or affecting the social exclusion of rural-urban migrants in China. The role of the Chinese Government is complex and paradoxical. On the one hand, the government is the main force directing the economic reform, and its economic participation is quite evident in contemporary China; on the other hand, the government also plays the role of redistributor in order to maintain social and political stability. That is, the economic actor in pursuit of economic interests is

also the redistributor in pursuit of social justice. This paradox can be seen in recent welfare system reforms. One of the key questions this thesis addresses is whether the abolition of the *hukou* division will solve the social exclusion problems in China. Essentially, the thesis does not agree with a *hukou* essentialism perspective, because employment opportunities, welfare entitlements and identity, once all determined by the *hukou* status in socialist China, are now becoming gradually detached from the *hukou* status. Inequality in employment opportunities, welfare participation and settlement is controlled more by market mechanisms. The Chinese Government also redistributes resources more frequently through the market, which reflects a selective rather than universal redistribution system in contemporary China.

The practical contributions of the thesis include providing insights into institutional reforms in China. This thesis argues that detaching resource allocation, entitlements and opportunities from one's *hukou* status would be more effective than abruptly abolishing the *hukou* system or the rural/urban division itself. Human capital accumulation produces much of the competition in the urban labour market. Therefore, an equitable Chinese society requires equal educational opportunities for all citizens. Regional variations in resource allocation and welfare entitlement and participation also need to be removed.

This thesis also provides recommendations for future welfare reform in China. Welfare participation is related to one's position in the urban labour market. Most rural-urban migrants work in the secondary labour market, which constrains their opportunity to participate in the welfare system. Indeed, urban labour market segregation is common in many other countries, including both developing and

developed, for example in many southern European countries (Reyneri & Baganha, 1999). The welfare coverage in China needs to be more universal rather than selective. The development of non-contributory social assistance will help prevent the rural-urban migrants from dropping into poverty.

1.5.2 Research limitations

A number of limitations could be identified in this study, mainly to do with sampling methods and comparisons between different social groups. Ideally a representative sample would ensure validity for both qualitative and quantitative analysis. However, obtaining a representative sample of rural-urban migrants in China would be impossible for the scope of this thesis, given the limited budget and timeframe. The official institution responsible for collecting data at a national level, National Bureau of Statistics (NBS), did not begin to monitor internal migration until 2008. As people are geographically mobile and migrants frequently change their jobs and locations, the absence of a reliable sampling frame means that the rural and urban surveys used in this study are not based on a nationally or regionally representative sample. Therefore it is advisable that any generalization from the results in this study should be made cautiously. Understanding of the results from this study should be within the context of the research cities and locations and in relation to the particular groups of respondents who were interviewed in the surveys.

One of the objectives of this thesis is to make comparisons between different social groups, for instance rural-urban and urban-urban migrants (Chapter 7) and local and non-local migrants (Chapter 3), in relation to social exclusion. However, the sample for the author's own survey in the village was small and all

participants were rural-urban migrants. The urban survey of the ARC project focused on metropolitan China and lacked data from mid-sized or small cities. Therefore, the survey data used in the thesis tend to particularly reflect the situation of rural-urban migrants in coastal and eastern China, particularly in the large cities.

1.6 Thesis structure

This thesis comprises eight chapters. It adopts the format of Thesis by Publication, as described on the Macquarie University website: http://www.mq.edu.au/policy/docs/hdr_thesis/guideline_by_publication.html#purpose.

Except the first (introduction) and last (conclusion) chapters, all other chapters are written as self-contained independent papers for consideration of publication in academic journals. It needs to be noted that Chapter 3 has been published in *Journal of Asian Public Policy*. Chapter 6 has undergone a second round revision of *Asian Studies Review*. Chapter 5 has been submitted to *Journal of Social Policy* and Chapter 7 has been submitted to *Population Research and Policy Review*. The other two chapters, chapters 2 and 4, are under preparation for submission. All chapters are my own work, and my supervisors provided guidance and editorial assistance.

This Chapter 1 has discussed the research background, research questions, research significance, research design, methodology, contributions and limitations.

Chapters 2 to 7 each focus on particular dimension of the social exclusion of rural-urban migrants, examining a total of five dimensions (for details see Table 1-2). The *hukou* system and its reform are discussed in chapters 2and 3. Chapter 2

is a critical review of continuity and changes of the *hukou* reform since the 1990s. Chapter 3, an empirical study based on data from the author's own survey in a rural area, examines the impacts of the *hukou* status on the social exclusion of rural-urban migrants, and the employment opportunities available to them. Chapter 4 further explores the dynamics and changes of the labour market since the 1990s, identifying an increasing openness with fewer institutional constraints than in previous years. Chapter 5 examines the welfare participation of rural-urban migrants in the welfare system, from both an institutional and an individual perspective. Chapter 6, a qualitative analysis, investigates what and how the rural-urban migrants construct their identity in urban areas, and the boundaries underlying this identity. Chapter 7 explores the settlement intensions of rural-urban migrants in Chinese metropolises. It examines the institutional and market barriers faced by migrants when deciding further settlement or migration plans in China's large cities.

Chapter 8 presents the main conclusions of the thesis. It summarizes the key findings from each chapter, elaborates further on the implications of this study, and suggests directions for further research. In addition, a number of useful and detailed materials, such as survey questionnaires, are attached as appendixes.

CHAPTER 2

The continuity and changes of the *hukou* system since the 1990s: a critical review

Abstract

Since the foundation of the People's Republic of China, a series of centralized public policies had played important roles in shaping the social landscaping of China society, and well-being of its citizens. The *hukou* system is one of the most important contributing factors to social exclusion in transitional China. Attempts to reform and abolish this system have led to a variety of policies implemented at the local level. Through examining the *hukou* policies in different hierarchical cities, this paper illustrates the ongoing trends of decentralization and commodification that are already evident in public policy reform. Local governments are gaining more autonomy as the reforms of public policy are intensified and local economies become more developed, and differentiation between locals and non-locals are more likely to become widened. Nevertheless, commodification in the reform of the *hukou* system opens the way for those who have greater wealth or are better educated. Local governments are increasingly using market forces to guide public policy, which is resulting in a growing marginalized or excluded class of rural-urban migrants and economically deprived urban dwellers. The paper argues that it is essential to rethink the roles of the government as both policy maker and economic actor, and the balance and paradoxes between the two. The importance of the government as a redistributor in public policy should be readdressed in contemporary China.

Key Words: The *Hukou* System; Rural-urban Migrants; Social Exclusion; Decentralization; Commodification

2.1 Introduction

Massive migration flows, of unprecedented scale and influence, have been occurring within China in the past three decades. It is estimated that around 200 million rural-to-urban migrants are on the move, and the statistics do not include urban-to-urban migrants or other unregistered people. The actual number would be much greater than the current estimate if all migrant and other temporary workers were included. Indeed, economists and demographers cannot estimate the actual number of internal migrants, because they use different statistical methods. Nevertheless, statistical difficulties aside, geographic mobility is now becoming the norm for most Chinese citizens.

Geographic mobility is not considered as a social issue in many countries where the citizens enjoy freedom of movement, but the Chinese have had this right only since the beginning of the transitional economic period. Previously, internal migration flows were controlled through the *hukou* system, also known as the household registration system. The *hukou* is basically divided into rural (agricultural) and urban (non-agricultural) *hukou*, and every citizen inherits their parents' *hukou* status[1] at birth. The importance of the *hukou* status lies in its association with different entitlements to employment opportunities and welfare benefits. During the state socialist period, the population were controlled and spontaneous migration was strictly prohibited. Rural people were confined to the land and commune and were unable to move to urban areas, while the state took full responsibility for urban residents by providing permanent employment and

[1] Prior to 1998, a child could inherit only from his/her mother's *hukou* status, while after 1998 they could inherit either from mother's or father's *hukou* status.

offering cradle-to-grave welfare benefits[2]. As nearly all resources in daily life were allocated by the state according to *hukou* status, exclusion through "where you are"[3] (Wang, 2005, p. 10) dictated the social inequality widespread in the state socialist period.

The *hukou* system and its impacts are indicative of the power of the state. Unlike any inequalities arising from market competition, social inequalities under the state socialist period stemmed mainly from the *hukou* status label. Transferring from rural *hukou* to urban *hukou* was the major means of upward mobility in society. The rural-urban divide was too deep to cross, as the annual transfer quotas were regulated by the state, and very limited channels[4] existed to realize it.

Since 1978, when China began to introduce market forces into its economy, Chinese society has experienced great changes. First, the deepening of economic reforms and improvement in economic efficiency have caused massive layoffs in the state-owned enterprises (SOEs). Workers have to compete with the low-skilled migrants moving from rural to urban areas in the secondary labour market. The employment of university graduates is also receiving more attention, in the contexts of increasing university enrolments and abolition of the employment

[2] See Wang (1997), Wang (2005), Chan (1994) and Mallee (1995) for details on the differences between rural and urban *hukou*.

[3] In fact, aside with rural-urban division, Chinese cities are also ranked along the administrative/political ladder. There are four municipalities (Beijing, Tianjin, Shanghai and Chongqing) directly under administration of the central government, which are provincial or higher than provincial level, then followed by the provincial capital cities, prefecture level cities, county level cities, designated town, and town.

[4] There were five ways of realizing the *hukou* transfer: *Zhaogong* (*招工*), those recruited as permanent employees by a state-owned enterprise, *Zhengdi* (*征地*), due to land expropriation, *Zhaosheng* (*招生*), enrolment at a higher educational institution, *Zhaogan* (*招干*), those promoted to an administrative position, and *Canjun* (*参军*), those joining in the army.

allocation policy[5]. One's *hukou* status is no longer the sole determinant of urban employment in contemporary China, with market demand now having more influence. In other words, economic reform effectively eliminated the privileges that urban workers took for granted in the old days. Second, social groups and regions have benefited very unevenly from economic reform. Rural-urban migrants, as one of the most important groups contributing to economic growth, have been confronted with severe economic deprivation during the reform process. In addition, the regional disparity between eastern coastal China and inland or western China is obvious, with the result that urban people from undeveloped regions are more disadvantaged than rural people in some developed regions[6]. Third, the economic transition has also resulted in decentralization and significant associated political consequences (Zheng, 2004). Decentralization means that the Chinese state has relinquished some power back to local governments and society. Local governments have more autonomy in local economic development and administrative management. Meanwhile, new social organizations have emerged all over China at various levels[7]. Fourth, China is more globalized, reacting to globalization in much the same way as other nation-states, despite its communist

[5] The employment of university graduates were allocated by the state, and individuals had little chance of changing it. Since the higher education reforms in the 1990s, the employment allocation policy has gradually been abolished and frequently changing jobs has been the normal experience for many graduates. More autonomy in employment also brings high mobility among university graduates.

[6] During the process of economic restructuring, urban residents are experiencing profound readjustment. Within many large cities of China, the old districts were demolished and replaced by modern shopping centres, skyscrapers and prosperous central business districts. The original urban dwellers were asked to relocate to other places, resulting in much conflicts and protest. At the same time, the rapid urbanization, particularly occurring in the peripheral rural areas, is bringing the transfer of *hukou* status to rural residents in those areas.

[7] Towards the end of the 1990s, there were 160,000 government-registered civil associations at the national and provincial levels, excluding non-profit organizations, religious associations and all local social organizations. The emergence of civil associations represents the re-making of civil society in China.

legacy. Foreign capital investment plays a very important role in China's economic growth. Deng's classic saying that "no matter if it is a white cat or a black cat, a cat that can catch rats is a good cat" discloses how China's Communist Party (CCP) is making the effort to balance the values of socialism and capitalism. Essentially, the Chinese Government is being pragmatic in developing the economy and dealing with international relationships.

These changes suggest that China is a complicated heterogeneous society, and these changes also raise doubts that the rural-urban *hukou* division is fully responsible for all social inequalities in transitional China. This needs to be more carefully examined, as the goals of a reformed[8] China are very different from those the state socialist period. This paper discusses the continuity, changes and debates of the *hukou* reform since the 1990s, as it considers that serious *hukou* reform did not start until 1990. Based on the research findings, the paper argues that market forces exert a great impact on *hukou* reform. Though the *hukou* reform was initiated by the government and influenced by the trends of decentralization and commodification, market forces are becoming a much greater influence on the social exclusion of rural-urban migrants in contemporary China.

2.2 The trend of decentralization in the *hukou* management since the 1990s

During the planned economic period, the urban administration was responsible for central planning, and the relationship between the central and local governments was that of funder and service provider. This model failed to develop

[8] The goal before economic reform focused on class struggles, while the emphasis now is more on economic development.

a market economy, and decentralization became unavoidable; "for the central government, the central-local relationship was increasingly about how to encourage local governments to provide goods and services without getting extra money from the central" (Li & An, 2009, p. 8).

Two events led to the devolution of *hukou* management from central to local governments in the 1990s. First, in the early 1990s, the Chinese Government decided to terminate the provision and rationing of subsidized grains to the urban population, and *nongzhuanfei*[9] (*农转非*) lost most of its significance (Cheng & Selden, 1994). Second, after 1994 tax was distributed between the central and local governments, and since then local governments have managed their own administrative and tax affairs (Zheng, 2004) and have been granted more autonomy in *hukou* management (Wang, 2005).

In 1992, the Ministry of Public Security (MPS) issued the *Circular on Implementation of Local-Valid Urban Hukou registration*. More than ten provinces reformed the local *hukou* policy based on the local demands of migrants. In 1993, a working group involving officials from several ministries and commissions developed a draft proposal to reform the *hukou* system. Some of the proposal's constructive suggestions included the abolition of *nongzhuanfei*, building up a single system based on one's permanent resident location, and granting complete autonomy to local governments to manage their own *hukou* system. The proposal recommended that *hukou* be categorized into permanent

[9] *Nongzhuanfei* (*农转非*) was particularly related to commodity grain allocation. The non-agricultural *hukou* holders were allocated a certain amount of grain by the state planning system. For more details about *nongzhuanfei*, refer to Zhang (2004). As the grain allocation was abolished in early 1990s and people needed to purchase through the market, *nongzhuanfei* has lost its significance.

hukou, temporary *hukou* and visiting *hukou*. Although this proposal has never been formally endorsed, several points have been applied as guidelines for the subsequent *hukou* system reform. In particular, local governments have obtained the essential autonomy on *hukou* management, according to the directives promulgated by MPS in 1998. A most significant move was in late 2001, when suburban peasants were allowed to become legal urban residents in most small cities and towns (Wang, 2002). Since urban *hukou* quotas were released in most small cities and towns, and thresholds/requirements vary among place to place, *hukou* desirability in China is hierarchically stratified. *Hukou* of the metropolises and provincial capitals is the most desirable, and migration control there is the strictest. Applicants for *hukou* in these elite cities, as termed by Wang (2005), normally need to satisfy a higher threshold than in other cities.

Table 2-1 presents social stratification by *hukou* location[10]. The level of migration control corresponds with the level of desirability, and Wang (2005) estimates that 26.1 per cent of the total population live in the most desirable places, 3.4 per cent live in the surrounding suburbs, and the remaining 70.5 per cent are rural residents. He agrees that there is regional disparity, but also emphasizes that the rural-urban divide is still significant in the *hukou* system.

[10] Wang (2005, p. 137) further summaries China's four categories of citizenship according to the *hukou* system. The highest level is the elite Chinese, including those who are urban *hukou* holders living in the metropolises, provincial capitals and large cities, accounting for 6.3% of the total population. The second level is the middle higher class, mainly those urban *hukou* holders living in the medium cities, around 10.4% of the total population. The third class is the middle lower class, who hold urban *hukou* in the small towns and cities, and rural *hukou* holders living in the suburban areas of the metropolises and provincial capital cities, accounting for 21.6% of the total population. The lowest class is those with rural *hukou* living in the rural areas, about 70.5% of the total population.

Table 2–1 Social stratification by *hukou* location

Location	No.	Urban residents(millions) (% of total population)	Desirability	Migration control
Metropolises	12	13.7 (1.1%)	Elite	
Eastern/coastal China	11	13.0 (1%)	Highest	tightest
Rest of China	1	0.7(0.008%)	Highest	tightest
Provincial capitals	27	46.2(3.6%)	Elite	
Eastern/coastal China	10	25.5(2%)	very high	very tight
Rest of China	17	20.7(1.6%)	high	very tight
Large cities	20	19.6(1.6%)	second tier	
Eastern/coastal China	17	16.5(1.3%)	very high	very tight
Rest of China	3	3.1(0.02%)	High	tight
medium cities	141	61.2(4.8%)	second tier	
Eastern/coastal China	68	29.5(2.3%)	High	tight
Rest of China	73	31.7(2.5%)	Medium	tight
small cities	478	70.4(5.6%)	Third tier	
Eastern/coastal China	267	39.3(3.1%)	High	medium
Rest of China	211	31.1(2.5%)	Medium	medium
county-seat towns	1682	92.3(7.3%)	Third tier	
Eastern/coastal China	483	26.5(2.1%)	High	controlled
Rest of China	1200	65.8(5.2%)	Medium	minimal
Towns	19780	135.9(10.9%)	Third tier	
Eastern/coastal China	9844	68.6(5.5%)	High	controlled
Rest of China	9966	67.3(5.4%)	Medium	minimal
Total urban residents		322.5(26.1%)	socially privileged	
Eastern/coastal China		171.2(13.9%)	Desirable	controlled
Rest of China		151.3(12.2%)	Desirable	controlled
suburban rural residents		42.1(3.4%)	Medium	minimal
rural residents		872.2(70.5%)	Low	generally none
Total rural residents		914.3(73.9%)	Undesirable	
Remote areas		rural & urban residents	Undesirable	rewarded

(1) Metropolises include the four centrally administrated municipalities (Beijing, Shanghai, Tianjin, Chongqing) and "separately planning cities" including the SEZs (Shenzhen, Zhuhai, Shantou, Xiamen, Haikou, Dalian, Qingdao, Ningbo). All (except Chongqing) are on the East Coast.
(2) Provincial capitals refer to the provincial capital cities.
(3) Large cities are with urban residents between 0.8 million and 2 million.
(4) Medium cities are with urban residents between 300 and 800 thousand.

Source: Wang (2005, p. 135)

The following sections introduce the different *hukou* policies among the three tiers of cities[11]. Beijing and Shanghai are categorized as elite-tier cities, provincial cities and large cities are second-tier cities, and small towns and cities are third-tier cities.

2.2.1 *Hukou* policy in the elite-tier cities

As representatives of the elite tier, metropolises such as Beijing and Shanghai are unquestionably the most attractive destinations for internal migrants and they have the strictest migration control. Transferring the *hukou* to Beijing or Shanghai is almost beyond the reach of ordinary urban-urban migrants from other provinces, let alone the inter-provincial rural-urban migrants.

Regional protectionism was prominent in Beijing's *hukou* reform. The reform took place mainly in 14 satellite towns and 33 central towns of Beijing, for those who had Beijing agricultural *hukou* and were willing to transfer to urban *hukou* status. But association with the local agricultural *hukou* status was not enough; applicants also needed to have steady employment and legal home ownership (no less than a two-bedroom commodity flat) in a nearby town in order to transfer their agricultural *hukou* status.

The *hukou* policy for the inter-provincial migrants is much higher, as the policy aims to absorb capital investors and the highly educated. The measures resemble international permanent migration. For instance, the individuals who apply for the

[11] Here, the provincial capital cities and large cities are categorized together. According to the strictness of the *hukou* transfer, they are still less difficult than Beijing and Shanghai. For example, Tianjin and Chongqing are the other two direct municipalities under the central government, but their *hukou* control is not as strict as Beijing and Shanghai.

hukou in eight districts[12] of Beijing municipality should have managed an enterprise for at least three years, and the enterprise should pay tax revenue for up to RMB 0.8 million[13] annually but with an cumulative amount reaching RMB 3 million in the previous three years. In addition, the enterprise's workforce should contain at least 90 per cent of local staff, with more than 100 local employees hired per year for three continuous years, and the applicant himself needs to have his own commodity flat in the area where he wants to apply for a *hukou*. The threshold of being issued a *hukou* within the eight districts of Beijing is extremely high, and ordinary migrants have no hope of being included. The applicant could also apply for *hukou* outside the eight districts (in suburbs or satellite towns), but even then the annual revenue of his enterprise must reach RMB 0.4 million or 1.5 million in the previous three years, and the enterprise workforce should be at least 50 per cent local employees.

In addition to realizing *hukou* transfer through investment, the Beijing Municipality assigns the *hukou* transfer quotas to the units, including central government-led enterprises, other SOEs, education institutions, government institutions and so on, and those units assist their employees to transfer their *hukou* to Beijing. The quotas are limited and competition is fierce. As a typical example, hundreds of thousands of university graduates are employed in Beijing, but a large majority of them are ineligible for a Beijing *hukou*. The situation for low-skilled, poorly educated and poor migrants is even worse. Until recently,

[12] The eight districts within municipality are Dongcheng district (东城区), Xicheng district (西城区), Chongwen district (崇文区), Xuanwu district (宣武区), Chaoyang district (朝阳区), Haidian district (海淀区), Fengtai district (丰台区) and Shijingshan district (石景山区).

[13] RMB 1= USD 0.1516, therefore RMB 0.8 million is about USD 0.12 million as on Jan, 2011.

Beijing was one of the cities that requires a Temporary Residential Certificate. The opportunity to transfer *hukou* status has been almost non-existent.

As in Beijing, the *hukou* transfer in Shanghai is difficult and the threshold is too high for ordinary migrants. Both cities are trying to attract rich, highly educated and highly technical migrants. For instance, in 1993, *Temporary Regulation on Blue Print Hukou Management in Shanghai* clearly documented that the blue print *hukou* was directed mainly at migrant workers, who invested, bought commodity flats or were employed in authorized enterprises or institutions, and blue print *hukou* holders were treated as Shanghai local citizens. Therefore, unless they were associated with a large amount of capital, had received a higher education or were highly skilled, migrant workers were very unlikely to transfer their *hukou* status. This regulation was amended in 1998, but essentially little has changed.

2.2.2 *Hukou* policy in the 2nd-tier cities

Provincial cities are less strict about *hukou* transfer than the elite cities. Some cities are even pioneering attempts to abolish the rural and urban *hukou* division, instead unifying them into a single category. Shijiazhuang, the capital of Hebei province, and Zhengzhou, the capital of Henan province, are such cities. Since the end of the 1990s, many cities have begun to extend their central districts. The main method was to expand the city to the peripheral areas and transfer the *hukou* status of the residents there accordingly. In 2000, the population in Shijiazhuang municipality climbed by 150,000 after the city expanded. The Shijiazhuang government reformed the *hukou* policy and opened the way for migrant workers, including groups of direct dependents, investors and college or technical school

graduates. Rural migrants from the suburbs or peripheral areas, if meeting several conditions, are eligible to apply for local *hukou*. Inhabitants from other provinces are also eligible to apply for the Shijiazhuang *hukou*, provided they are employed by the local government and local enterprises or have worked in a management/technical position in the service sector for more than one year, or if they can afford a commodity flat or invest in the local economy.

Zhengzhou is one pioneer city that is implementing a more radical *hukou* reform. The reform began in 2003, and aimed to abolish different categories and names of *hukou*, such as agricultural *hukou*, temporary residential *hukou*, small town *hukou* and non-agricultural *hukou*, replacing them all with one identical Zhengzhou residential *hukou*. The aim of the reform was to break the *hukou* barrier and form a unified management system. The government simplified the *hukou* transfer procedures for migrant workers and the reform then covered a much larger group. Conditions of applying for Zhengzhou residential *hukou* included owning a commodity flat, being a graduate student with intermediate technical credentials and above, or being a formal employee participating in a social insurance scheme. As the threshold was much lower than the elite-tier cities and more flexible than Shijiazhuang, more people applied. All successful applicants were treated as local Zhengzhou citizens, and had equal rights to education or joining the army, and were covered by the Minimum Standard Living System. The *hukou* reform in Zhengzhou caused strong repercussions and was considered the way for future reform. However, after one year the reform had to be stopped, due to the pressure of the increasing population on the local

infrastructure, particularly inadequate education facilities for the higher number of applicants.

Despite the failure of Zhengzhou's *hukou* reform, it provided lessons in *hukou* management and many ideas were borrowed by governments in other cities. One lesson was that abolishing the *hukou* divisions overnight does not solve all social problems, as existing urban infrastructure and welfare resources are generally insufficient to meet the needs of a large number of newcomers. Therefore, many local governments took a cautious attitude towards the complete relaxation of *hukou*.

Indeed, the trend of breaking the rural-urban division in *hukou* status is obvious in the 2000s. For example, Nanjing, the capital city of Jiangsu province, abolished the rural-urban *hukou* division and introduced the residential *hukou* that covered the whole Nanjing municipality and its suburbs. Similarly, reforms took place in a number of cities in Zhejiang province, where a new typology of *hukou* was recommended: Temporary Residential Card (*linshi juzhuzheng*, *临时居住证*), Common Residential Card (*putong renyuan juzhuzheng*, *普通人员居住证*) and Professional Staff Residential Card (*zhuanye renyuan juzhuzheng*, *专业人员居住证*), categorized by employment status. In addition, Guangzhou, Chengdu, Chongqing and Wuhan undertook new measures of *hukou* reform to break the rural-urban division.

The 2nd-tier cities share some common characteristics of *hukou* reform. First, most cities have begun by reforming and unifying the rural and urban *hukou* and replacing them with single *hukou*. Several cities have abolished the rural-urban *hukou* divide in their central districts and peripheries, which usually accompanies

the development and expansion of the cities[14]. This process at the city periphery has been described by Seabrook (1996, pp. 16-17): "rural people no longer have to migrate to the city: it migrates to them". Second, conditions for issuing a local urban *hukou* to migrants are less strict than in elite-tier cities. The local governments have complete autonomy over the *hukou* quotas and management, and so they can absorb migrants according to their particular developmental needs. Formal employment and a legal place of residence are the foremost conditions for applicants in most cities. Highly skilled and educated people are undoubtedly more welcome, and individuals bringing investment also find it easy to get a local urban *hukou*. Fourth, the reform presents little opportunity for rural-urban migrants to realize *hukou* transfer, as most of them work as labourers or in low-skilled jobs. The lesson from the Zhengzhou reforms is that complete relaxation of *hukou* brings other social problems, and local *hukou* control is still considered an effective method of preventing the potential chaos caused by a large and rapid influx of migrants (Ma, 2006). The most encouraging progress in *hukou* reform seems to be breakdown of the rural-urban *hukou* division in many cities. However, differences in *hukou* management between cities are deepening regional disparity and divisions between locals and non-locals.

[14] By comparing recent inner-city redevelopment in the PRC to urban renewal in the United States in the late 1950s and early 1960s, Zhang and Fang (2004) explained Shanghai forced more than 1.5 million citizens between to relocate 1991 and 1997, to make way for skyscrapers, luxury apartments, malls and new infrastructure. Nearly 1 million in Beijing's old city were relocated to the city outskirts.

2.2.3 *Hukou* policy in the 3rd-tier towns and cities

Since 1984, when peasants were allowed to work temporarily in nearby small towns and cities[15], developing towns and cities have followed a strategy of absorbing surplus rural labour. To deal with a large population base and to avoid population pressure on large cities, the Chinese Government regulated the release of *hukou* restrictions in small towns and cities. A proposal on *hukou reform in small towns and improving hukou management in rural areas*[16] was approved by the state council, which proposed that steering internal migrants to small towns and cities was a good way of speeding up urbanization in China. It suggested that rural people with formal employment and who had owned a home in a small town or city for two years should be considered for local urban *hukou*. In 2003 Ministry of Public Security (MPS) further urged local governments to accelerate the *hukou* reform in small towns and cities, and help rural migrants transfer their *hukou* status. However, this paper will not address in detail the measures and standards adopted in these small cities and towns[17].

The relaxation of the *hukou* in small cities and towns has played a significant role in absorbing the surplus rural labour force. It is estimated that between 1978 and 2007 the number of towns rose from 2,173 to 19,246, and people living in small cities and towns as a proportion of the urban population increased from 20 per cent to 45 per cent (State Bureau Statistics, 2008). The *hukou* reform has had a

[15] The term "small towns and cities" in China is defined as small urban centres of different scales and administrative types, which includes small cities, officially recognized towns (*jianzhizhen*) and market towns *(nongcun jizhen*).

[16] http://www.yfzs.gov.cn/gb/info/LawData/gjf2001q/gwyfg/2003-07/29/1505080402.html

[17] For more details refer to Li and An's (2009) empirical studies in Anhui province, and Wang's (2002) debate on *hukou* reform in small towns of China.

significant effect on rural-urban migration. As the Chinese Government considers a very cautious step towards abolishing the *hukou* barrier in large cities, the reforms in small towns and cities are beneficial in starting to break the rural-urban divide nationwide.

2.3 The trend of commodification in *hukou* management since the 1990s

Commodification of *hukou* means that the grant of local urban *hukou* is highly correlated with individuals' amount of capital, with the result that traditional channels of *hukou* transfer lose their effectiveness. The local government, with complete autonomy of *hukou* management, is more driven by local interests when making *hukou* policies. For example, the *hukou* policies in all three tiers of cities require applicants to be formally employed or have home ownership. Using market mechanisms to absorb the desirable migrants is quite evident in contemporary China.

In fact, by the early 1990s it had become open and common practice in both large and small cities and towns to institute a "blue seal" *hukou*, which was different from the *hukou* of the permanent population, whose registration books carried a red stamp. The purpose of the blue seal *hukou* was to attract capital and people of high calibre into the cities (Wong & Wai-Po, 1998).The price varied among different localities—from RMB 3,000 in a small town to RMB 10,000 in the large cities in 1993 (Solinger, 1999).

Shanghai provides an interesting example. Blue seal *hukou* was temporary residential *hukou*, and it could be transferred after three to five years, although in Shanghai the quota of transferring to permanent *hukou* status was tightened, with

only 288 being finally approved to obtain permanent residence in 1996 (Wong & Wai-Po, 1998).The sale of the blue seal *hukou* was considered an important means of stimulating the housing market and introducing capital into the local economy. By the end of 1996, 2,414 people had obtained blue seal *hukou* in Shanghai. Of these, more than 60 per cent qualified through investment, and a number of domestic-sale commodity flats were sold to outsiders for the purpose of applying for blue seal *hukou* (Wong & Wai-Po, 1998).

The Shanghai municipal government felt great pressure to transfer all blue seal *hukou* holders into permanent Shanghai citizens, and it decided in 2002 to terminate the blue seal *hukou* policy. The side effects of this policy were identified by the Shanghai Municipal Public Security Bureau (1996). First, the policy had not achieved the goal of attracting the most wanted migrants. Some people who gained the blue seal *hukou* had not possessed the required abilities. Second, purchasing a commodity flat was quite a high standard, and was difficult to apply in the suburban districts. Third, some advertisements for the flat-for-*hukou* scheme turned out to be inaccurate and misleading. The temporary *hukou* policy was subsequently terminated in other cities[18]. Overall, however, the idea of commodifying the *hukou* in local cities survives, and through market selectivity it results in including the rich and talented while the poor rarely benefit from the reform.

The increasing market mechanisms applied to *hukou* reform symbolize fundamental changes in the relationship between the market and the state during

[18] Tianjin is the only one of the four municipalities directly under the central government that maintains blue seal *hukou*. It was reported that purchasing a full-price commodity flat could be associated with a blue seal hukou quota, which was criticized for pushing up prices in the housing market. Refer to http://money.163.com/09/0412/08/56MGH9BO00252G50.html

the transformation period. Since the Chinese Government was determined to develop a market economy, the government has become more versed in using the market forces to manage migration flows. This is different from the planned economic period when the market force was considered illegal as the country was ruled by socialist principles. Exclusion of peasants from equal opportunities was typically brought about by institutional exclusion through administrative orders, while market forces pushed rural migrants to come into the cities but on the other hand also excluded them. The role of local government is to stimulate market competition—showing a preference for the rich, highly educated and skilled, but taking less responsibility for redistribution. The *hukou* reform is a typical example of how local governments can make good use of a low-priced labour force, but fail to consider how to integrate them, and also how local governments can manage the reform to absorb more capital and encourage economic growth.

2.4 Debates over reform of the *hukou* system

2.4.1 Standing still or progressing?

The majority of studies of the *hukou* system in China take a negative and contemptuous attitude towards it, because it is considered to sacrifice freedom of movement and deprive the population of equal opportunity, particularly for registered rural residents (Attane, 2002; Wang, 2010). Under this system, hundreds of thousands of rural people move to the cities as temporary migrants, being treated unequally and as lower than their urban counterparts (Chan, Liu, & Yang, 1999; Chan & Zhang, 1999; Mallee, 2003). The rural-urban divide shaped by the *hukou* system survives and even deepens with the process of market

transition in China (Chan, 2010; Chan & Buckingham, 2008), as the Gini Index between rural and urban people is larger than before. The *hukou* reform has not essentially tackled the root of the inequalities.

A number of empirical studies support the above view. Comparisons between rural and urban people, including income gap, access to welfare benefits, educational opportunities and policy evolution show a distinct gap between rural and urban people (Whyte, 2010). The studies illustrate the notoriety of the *hukou* system in shaping inequality, and researchers claim that the Chinese Government is deliberately maintaining the *hukou* system. For instance, Wang (2005) and Chan (2010) consider that maintaining the rural-urban divide through the *hukou* system could take advantage of China's prices to absorb more foreign capital and ensure a competitive position in the global economy. The logic is that as long as the rural-urban inequalities exist, they contribute to the *hukou* system.

One could question whether the inequalities between rural and urban people will terminate once the *hukou* division is abolished. The importance of the *hukou* system lies in its profound penetration into other institutions and opportunities. Some studies (Ma, 2006; Zhao, 2008) also suggest the attitude[19] of the central government has been changing since 2003, with several regulations on employment, social security and construction of a new socialist country[20]

[19] The new government, organized by Jintao Hu and Jiabao Wen and formed in 2003, emphasizes rural development and the establishment of a harmonious society in China. It considers migration and urbanization are the most feasible solutions to the problem of rural-urban disparity.

[20] Refer to Hoering (2008). The Chinese Government finally decided to rescind the agricultural tax throughout the country, which is a change of epoch-making significance, and CCP promised to deliver tangible interest to the farmers and target practical results rather than formalism.
Also refer to http://www.bjreview.com.cn/special/third_plenum_17thcpc/txt/2008-10/10/content_156190.htm

appealing to local governments who wish to improve the policy favouring rural labour mobility and the provision of services to rural migrants (Li, 2010). The purposes of these policies are to shorten the rural-urban gap and reduce the conflicts arising from social inequalities and the increased wage gaps.

Li (2010) outlines the major measures undertaken[21]. (1) The State Council required municipal governments to eliminate most of the cards issued to migrants and to abolish all fees imposed on migration in 2004. (2) Since 2004, the Chinese Government has initiated training programs for rural migrants, with costs shared by the central and provincial governments. For instance, the "Sunshine Project" started with training 2.5 million rural migrants in 2004, and the number of trainees aimed to reach 8 million each year between 2005 and 2008. The subsidy for each trainee has also been increasing over the years. (3) The State Council in 2006 further established a joint committee to coordinate rural migrants' affairs among ministries. Each county set up an office to deal with inquires by out-migrant workers regarding employment and rights protection. Furthermore, city governments are required to take responsibility for schooling migrants' children. Some cities have eliminated the additional school fees charged to migrant children, and some cities have begun opening all public schools to migrant children or providing subsidies to schools admitting migrant children. (4) The New Labour Law was passed by the National People's Congress in June 2007, and implemented from January 2008. The law concerns the protection of employees' rights and wages. The law was expected to protect employees in terms of employment opportunities and payment, particularly the rural migrant workers

[21] Also refer to Naughton (2007), p.134.

with temporary jobs or short-term contracts in terms of employment opportunities and payment. (5) The Social Insurance Law was passed during the 11th session of the Standing Committee of the National Peoples' Congress of China on 28 October 2010, to take effect on 1 July 2011. The law specifies a common right for all citizens to access and enjoy five forms of insurance—old-age, medical, working injury, unemployment and maternity insurance. It is also expected to benefit rural migrants, as the law allows employees to transfer their insurance across the country, thus overcoming the obstacles under the old regulations that restricted the movement of the migrant population[22].

While some pessimistically see the *hukou* system remaining untouched, others more optimistically see the rural-urban divide being significantly reduced by the recent regulations and changes in attitude towards the *hukou* system. Greater employment opportunities in cities and towns, more integrated policies for rural-urban migrants and improvements to agricultural production in rural areas to attract migrants back are all helping to reduce the effect of *hukou* on people's opportunities. Recent shortages of rural migrants[23] mean that the peasants have more choice to farm in the rural areas, work in the large cities or move to small

[22] Refer to Xinhua (2010), China's top legislature adopts social insurance law to safeguard social security funds, http://news.xinhuanet.com/english2010/china/2010-10/28/c_13580127.htm

[23] The shortage of rural migrants first occurred in 2004. After the Spring Festival in 2011, the usual time of influx of rural migrants to the cities, many employers, especially the labour-intensive sectors, were reported to be faced with severe labour shortages. Refer to news on the web: http://www.theepochtimes.com/n2/china/china-faces-labor-shortage-in-2011-51439.html, "China faces labor shortage in 2011", http://news.xinhuanet.com/english2010/indepth/2011-02/19/c_13739584.htm, "labor shortage in China reflects shifting situation, plus changing mindset of migrants"

nearby towns. The following excerpt from *China Economic Review* illustrates the current labour shortages in urban China:

> "Cities in China are now competing for migrant workers due to growing labor shortages as industries transfer away from coastal cities and move further inland.
>
> Previous labor providers of less-developed regions, such as Central China's Hubei and Sichuan provinces, have rolled out stronger policies to persuade migrant workers to stay home rather than work in coastal areas.
>
> Zhou Haiwang at the Shanghai Academy of Social Sciences attributed the nationwide lack of manpower to relatively slower growth of the labor force in comparison with the country's fast-developing service economy.
>
> Wuhan, capital city of Hubei province, held 12 large-scale job fairs for migrant workers in one day and some companies in the city like Foxconn Technology Group's Wuhan plant set up booths at the railway station to hire workers." (China Economic Review, 2011)

Labour shortages not only reflect a demographic transition, but also increase labour opportunities in the places of origin. With different regions competing for migrants, it is expected that the Lewis turning point is occurring in China, and migrants "voting with their feet" will eventually drive policy change (Cai, 2003, 2008). The ongoing processes of deinstitutionalization during China's transition have led to the *hukou* system being incompatible with a market economy and generally ineffective: "the process of deinstitutionalization includes changes not only in the core institution itself, but also in other institutional elements, such as political opportunity structures, market regularities, norms formed around collective identities, dynamics of collection, etc. that are closely associated with it" (Ma, 2006, p. 1). Therefore, the *hukou* system cannot stand alone, but in

combination with other institutions at different levels is forming a complex institutional matrix.

Despite different evaluations of the reforms to the *hukou* system, consensus has been reached on the profound impacts and penetrations of the *hukou* division into other institutions, including employment opportunities, welfare entitlements, education, housing and so on. Essentially, the debates on whether the *hukou* reforms stagnate or continue to progress are based on different perspectives of how the *hukou* system can be abolished. Pessimists see abolishing the *hukou* status division as a catalyst leading to a shattering of the dualism in other institutions. Abolishing the *hukou* categories could lead to other essential institutional reforms. However, optimists see the different categories of *hukou* status—agricultural *hukou* vs. non-agricultural *hukou*, local *hukou* vs. non-local *hukou*, or other newly emergent categories—only as labels. They consider it more important to reform the underlying institutions and break down the relationship between those institutions and the *hukou* division (Tao & Du, 2008). By reducing the opportunities to allocate *hukou* categories, the *hukou* division will finally lose its significance. Optimists think the market is the major influence on dismantling the barriers of the *hukou* system. Their quandary is what should happen first: abolish the *hukou* division or reform the institutions.

2.4.2 Who benefited and who suffered?

Identifying who benefited and who suffered in the *hukou* reforms is not straightforward, because simply comparing rural with urban does not cover the whole population during the entire state socialist period. One needs to consider *hukou* status (rural or urban), regional factors (hierarchical cities) and local

economic development. Studies that focus only on the rural-urban divide tend to over-emphasize the rural and urban *hukou* differences and ignore any regional disparity.

Regional disparity has been discussed in several studies. Cheng and Selden (1994) were the first to discuss spatial hierarchies in China, and how the *hukou* system not only prioritizes the city over the country, but is also affected by hierarchies among and within urban areas. Wu and Treiman (2004) found that education, party membership and military service facilitated *hukou* mobility from rural to urban areas under the socialist regime, while rural *hukou* status significantly decreased educational opportunities and the chance of gaining party membership. While their findings confirmed the difficulty of obtaining urban *hukou* for peasants, they did not investigate permanent migration from one urban place to another or the urban *hukou* hierarchies caused by the closure of urban resources. Lu (2008) identified that the rural-urban divide and *hukou* hierarchies are the main features of social stratification in contemporary China. Therefore, comparisons need to be made between rural and urban people as a whole, but also between rural and urban people at different hierarchies of cities, temporary rural-to-urban migrants and temporary urban-to-urban migrants at different hierarchies of cities, and permanent migrants and temporary migrants at different hierarchies of cities. However, most studies compare migrants and non-migrants, rural-to-urban migrants and local urban residents, while the spatial hierarchies are rarely considered.

Data comparing different social groups in different hierarchies of cities are difficult to obtain, so identifying who benefited and who suffered from *hukou*

reform is hard to determine. A common opinion is that the reforms indeed integrated the rich, highly educated and highly skilled migrants, but that most rural-urban migrants are still treated as temporary migrants, deprived of the rights available to the local urbanites (Li & Zhang, 2004; Wang, 2006).

Some studies suggest the urban *hukou* has somehow lost its attraction for rural people. Some rural-urban migrants find living costs in the large cities unsustainable, and even if they were granted local urban *hukou* it would be very difficult for them to settle permanently. To some extent, social integration is more than *hukou* transfer (Li & Zhang, 2004), which means that even though the *hukou* transfer might now be easier, rural-urban migrants are less motivated to obtain the urban *hukou* at their destinations if the market opportunities and increased earnings do not meet their expectations. Mao and Wang (2006) investigated why suburban farmers in Zhejiang Province refused to transfer their *hukou* status from rural to urban, and found that the peasants feared losing their land rights and were not confident that the urban *hukou* would guarantee a better life in the city.

The above discussion highlights how the *hukou* reform in urban China has generally benefitted those who are rich, highly educated and skilled. The impacts of the *hukou* reform need more examination in regards to different hierarchies of cities. Living costs in metropolitan China have been soaring in recent years, making the threshold for obtaining local urban *hukou* very high, and yet obtaining local urban *hukou* does not guarantee migrants a better life. As a result, attaining local urban *hukou* is not particularly attractive to suburban peasants in developed regions. As land rights are still closely related with rural *hukou* status, not all

Chinese peasants are willing to give up their land rights to obtain urban *hukou*. Especially for low-skilled rural people, the land guarantees a basic life.

2.5 Conclusion and discussion

This paper has reviewed the continuity, changes and debates of the urban *hukou* reform in contemporary China. The rural-urban divide is a dominant feature of social inequality in China and the most distinctive feature of the *hukou* system is how it manages the rural and urban populations. Yet the *hukou* reform since the 1990s has not been limited to this dualism. Changes have come from market orientation and economic restructuring, with trends of decentralization and commodification quite obvious in the *hukou* system reforms. Decentralization in the *hukou* management means that local governments now have complete autonomy in absorbing or excluding individuals. Local governments maximize their local interests by including the most wanted migrants and taking advantages of the low-skilled, cheap rural labour force. Commodification is an instrument adopted by local governments to attract rich, highly educated and highly skilled migrants to settle in the cities. These thresholds are too high for most rural-urban migrants and also for many urban-to-urban migrants. Generally speaking, elite cities such as Shanghai and Beijing strictly control their *hukou* quotas for outsiders, and the cost of obtaining local *hukou* there, even in suburban areas, is the highest. The costs decrease for the 2nd tier cities—provincial capital cities and large cities— and the 3rd tier cities—small towns and cities.

Changes in the *hukou* system since the 1990s have also reflected changes in exclusion mechanisms in China. Unlike the state socialist period, when

agricultural or non-agricultural *hukou* almost decided the destiny of a person and *hukou* transfer was the major way of realizing social mobility, market mechanisms in contemporary China now play an increasingly important role in allocating opportunities and resources. First, the economy is more market-oriented and GDP growth is an important measure of political credentials for local governments. Driven by economic interests, local governments act more independently in developing the local economy and they act as both economic regulators (sometimes economic participants) and public policy implementers. This results in local governments increasingly using market mechanisms to select wanted migrants and exclude the unwanted. Obtaining urban *hukou* is closely bound to the sale of the commodity apartment in Chinese cities. Second, as the tension between authoritarian control and the spontaneous order became hard to ignore, the *hukou* system itself started experiencing "deinstitutionalization" (Ma, 2006). The *hukou* system could not function as well as it did under the state socialist China. Some local governments expect to control migration through the *hukou* management, but it does not always work effectively and numbers of temporary migrants increase faster than anticipated. Geographical movement not controlled by *hukou* implies that other factors, such as employment opportunities, are gradually acting independently from a person's *hukou* status.

The new political orientation of the central government signals more tolerance for progressive reforms and facilitates more public criticism of the *hukou* system. In this more open political atmosphere, intellectuals discuss equal treatment and complete citizenship for rural residents (Ma, 2006). This paper summarizes two aspects of the debate on *hukou* reform in China. The first aspect questions whether

reform makes any essential progress, and is concerned with different approaches to abolishing the *hukou* system. One approach sees abolishing the *hukou* division as the prerequisite, while the other approach suggests that reforming the institutions underlying the *hukou* system would eventually lead to dismantling of the *hukou* division. This paper argues that this second approach is probably more suitable for China's development, for three main reasons. First, abolishing the *hukou* division was unsuccessful in the Zhengzhou reforms; the local government was obviously unprepared for the large influx of population and the infrastructure could not support the newcomers. Second, China's progress after the economic reforms has been one of gradualism. Social stability and maintenance of CCP's political dominance have been paramount. Therefore, the Chinese Government cannot abolish the *hukou* division overnight, but is more likely to reform it in a gradual way. Finally, the market economy has essentially affected the correlation between *hukou* division and allocation of resources.

The second debate concerns comparisons among different social groups—who has benefited and who has suffered in the *hukou* reform. Comparative studies are still rare in the literature, and those that exist mostly compare the rural-urban migrants with local urban residents, or migrants with non-migrants. The *hukou* hierarchies—such as the differences between urban *hukou* in metropolises and rural *hukou* in suburban areas, or between rural *hukou* in developed regions and urban *hukou* in inland regions—have received little attention. The main concern is whether the transfer of *hukou* status will guarantee the migrants get better employment and payment, as the land associated with the rural *hukou* status is a means of security in rural China. If the rural migrants could not live a protected

life in the city while they were deprived of land rights, they would become landless poor in the city.

Social exclusion of rural-urban migrants is elaborated from five dimensions (see Table 1-2, p. 24) in this thesis. This chapter addressed the dimension of social exclusion of rural-urban migrants from institutional aspect: the *hukou* system and its continuity and changes of the *hukou* system since the 1990s. This chapter argued that institutional matrix (other institutions related to the *hukou* system) and the *hukou* system need to be reformed simultaneously. Discussion of other dimensions of social exclusion will be discussed in details in the following chapters.

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CHAPTER 3

Hukou status and social exclusion of rural-urban migrants in transitional China[1]

Abstract

The *hukou* system has long been regarded as the root cause of social exclusion of rural-urban migrants in China, so the abolition of this system is considered the best way to bridge the rural-urban division. This paper empirically analyses the extent of social exclusion of rural-urban migrants in a transitional period from three dimensions: geographical, opportunity and psychological. It argues that the *hukou* status is playing a declining role in the social exclusion of rural-urban migrants, and the market competition appears to play a more important role in social exclusion. This paper suggests taking a 'beyond *hukou'* perspective to re-examine the social exclusion of rural-urban migrants in urban China.

Key words: *Hukou* system; social exclusion; rural-urban migrants

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Chapter 3 of this thesis has been removed due to copyright reasons

CHAPTER 4

Dynamic changes of labour market and employment opportunities of migrant workers in transitional China: evidence from three metropolises[1]

Abstract

Migrant workers in China complemented the local urban labour market until the end of the 1990s, working in professions and jobs not favoured by local urbanites. Segregation between migrant workers and local urbanites occurred mainly through institutional constraints and the legacy of the *hukou* system. Metropolises were the main destinations for migrant workers, and governments restricted local enterprises from employing non-local workers, with the result that migrant workers tended to be employed in mostly labour-intensive or agriculturally relevant industries. City-based state-owned enterprises (SOEs) and collective enterprises were least likely to employ migrant workers. This study examines enterprises in three metropolises of China in 2008. This paper discusses the changes to migrant workers' employment opportunities and predicts the future trend of segregation in the urban labour market. The paper argues that the migrant workers' role is changing from one of complementarities to a mixture of complementarities and substitutions in the current urban labour market. Newly emergent ownerships, including joint ventures, joint-stock and listed enterprises, employ a high percentage of migrant workers. Though the SOEs are still not very open to migrant workers, the employment of incremental migrant workers indicates that access is becoming less restricted.

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Key Words: Urban labour market; Segregation; Migrant workers; Employment; China

4.1 Introduction

Economic reform and restructuring in China in the middle and late 1990s caused huge employment pressure in large cities. Both governments and local urbanites considered that migrants from rural areas threatened the employment opportunities of local residents[2] (Yuan, 2006), and that conflicts between non-migrants and migrants would lead to social and political instability. Therefore, local governments introduced policies to restrict the professions and sectors in which migrants were permitted to work[3].

Segregation had been obvious between people with different *hukou* status[4] during the 1990s. Rural migrants made up a small proportion of white-collar workers; most migrants worked in labour-intensive industries and professions shunned by local urbanites, and job and wage discrimination were widespread in the cities (Guo & Iredale, 2004; Knight, Song, & Jia, 1999; Wang & Shen, 2001). Yet the migration from rural to urban areas and from undeveloped to developed

[2] Yuan (2006) empirically tests the correlation between unemployment and the flows of rural to urban migrants, and suggests there is not a necessary connection between the two. The rural-urban migrants, to some extent, were scapegoats (Solinger, 1999).

[2] Local governments in metropolises such as Beijing, Shanghai and Guangzhou all had experiences of implementing particular regulations on constraining employment opportunities in the local city; the regulations required the enterprises to employ migrant workers in categories that local urbanites would rarely choose.

[4] *Hukou* status is also called household registration system, which is labeled on people when they were born. The distinction between rural and urban hukou status was significant in obtaining food, daily necessities, employment and welfare during the state socialist China. After the economic transition from a planned to a market economy, the affiliated benefits and opportunities began to be detached from the *hukou* system; Chinese central government also takes a series of policies to develop the rural economy. However, it is considered that the legacy of the *hukou* system still affects contemporary Chinese people.

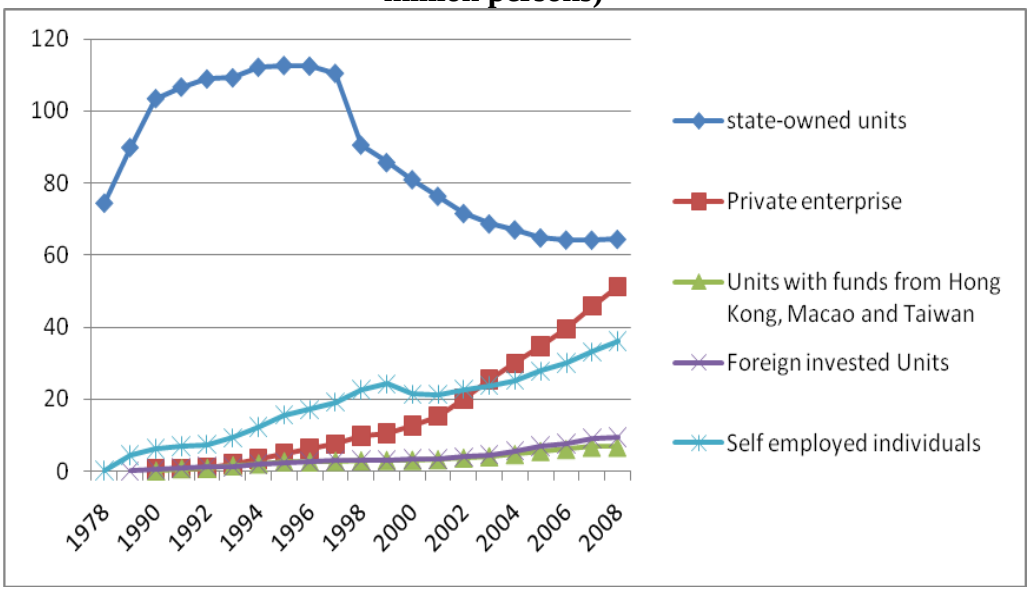
regions continued unabated, as employment opportunities and economic rewards were higher than in the migrants' places of origin. Empirical studies of the labour market in the 1990s[5] illustrated that the urban labour market was segmented into migrants and non-migrants, with little competition between the two groups; overall, migrants played a complementary role in the local urban labour market.

China's economy has changed since the end of the 1990s in several ways. First, the economic monopoly of the state-owned enterprises (SOEs) has gradually declined, from about 80 per cent of gross output at the end of the 1970s to less than 26.5 per cent by the end of the 1990s (Zheng, 2004, p. 4). At the same time, China has also become the most favoured destination of all developing countries for foreign direct investment (FDI). From 1988 to 2000, actual or utilised FDI increased at an annual average rate of 23 per cent, reaching a cumulative total of US$339 billion, and foreign-invested enterprises (FIEs) had grown to account for almost half of all exports from China (Zheng, 2004, p. 4). Second, the number of persons employed in SOEs has decreased 20 per cent since 1998, while the numbers of those working in private enterprises or as self-employed are climbing even faster (see Figure 4-1). Third, at an individual level, employment opportunities are no longer allocated by the state. Since 1998, Chinese university graduates have not been assigned to particular employment. Therefore, the urban labour market is more complicated and stratified, with divisions not only between rural migrants and local urbanites, but also among large numbers of urban-to-urban migrants, university graduates[6], laid-off workers[7] and foreign immigrants.

[5] For instance, Guo and Iredale (2004) using 1997 Beijing statistics, Knight, *et, al.* (1999) using 1995-1996 survey data from Ministry of Labour.

[6] Lian (2009) surveyed several urban communities of university graduates in metropolises of China, and found a marginalised urban life of these highly educated people. Because of

Figure 4–1 Number of employed persons at year-end in urban areas (1 million persons)



Source: National Bureau of Statistics (2009)

The rapid growth of economic capitalism in China raises doubts about the validity and legitimacy of employment constraints on migrants. Indeed, attempts to control the inflow of migrants after 2000 were less successful than previously. By early 2011, Beijing's population had reached 19.7 million and was growing much faster than expected (Net, 2011). Several mega-cities have populations of more than 10 million. In cities like Shenzhen and Dongguan in Guangdong province, migrants outnumber the local population. These figures indicate the long-term inefficiency of using *hukou* status to implement geographical control[8].

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fierce competition and high living cost in metropolises, they have to live at the periphery of the cities, with some characteristics in common with the urban villages where rural-to-urban migrants live. This book gives good examples of other urban groups who are also confronted with social exclusion in the process of economic restructuring in China.

[7] Laid-off workers are those who lose their jobs in SOEs and become one of the most marginalised social groups in transitional China. Before economic reform in SOEs, the government promised most urban workers in SOEs with permanent employment and comprehensive welfare benefits in the working unit. However, at the end of the 1990s, economic reform requires SOEs to act as an independent entity rather than a miniature welfare state. Then a large number of workers, who were considered as redundant, were dismissed and became unemployed.

[8] Beijing always implemented much stricter measures than other cities in controlling the

Indeed, the ineffectiveness of migration control has also been affected by changes in demographic structure, despite China's overall policy of "low fertility, low death rate and low net increase rate". First is the lack of balance between rural and urban areas (J. Zhang, 2000). The varied pace of implementing family planning policy throughout China has led to a lower fertility rate in urban areas than in rural areas, with the result that the problems of an ageing population are severe in urban regions. It is estimated that population change in rural areas lags that of urban areas by 20 years (J. Zhang, 2000). It is likely that urban China will face labour shortages and an ageing population, while rural China has a surplus labour force. The second imbalance lies between developed and undeveloped regions. The fertility rate in developed regions, especially metropolises, is lower than in undeveloped regions, with the expected outcome that the large labour supply in undeveloped regions will bring increasing competition in the destination cities. Indeed, Guangzhou statistics for 2000 showed that over 50% of employees in 18 out of 25 professions were migrants (Li, 2004) (see Table 4-1).

The factors discussed above highlight the need to further examine the effects of internal migrants on the labour market. This paper asks whether there has been a trend of substitution in the local urban labour market since the 1990s. Through analysing data from a survey of enterprises in metropolitan China, this article argues that the trend of competition and substitution in the local urban labour

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inflows of migrants. In 1995, the Beijing government not only founded a management agency to control and manage the migrants, but also issued 11 regulations on employment, housing and family planning supervision. In 1997, Beijing implemented three large-scale clean-ups of migrants without legal certificates, which resulted in a decrease of 25% in the number of migrants. However, after 2000, Beijing has seen greater population expansion. The 1% population sample data in 2005 estimate the number of migrants residing in Beijing for longer than six months reached 3.57 million, which means one in every four people in Beijing must be a migrant.

market in the late 2000s is more obvious than it was in the 1990s; institutional constraints on migrants are not as effective as in the state socialist period, and market mechanisms play an increasingly important role in employment opportunities.

Table 4–1 Proportion of migrants employed in different professions in Guangzhou in 2000 (%)

S/N	Profession	Proportion (%)
1	Tailoring, sewing and leather processing and making	88.3
2	Handicraft and artwork	88.3
3	Glass, porcelain and enamel processing and production	87.9
4	Textiles, needlework and dyeing	84.2
5	Electronic device and equipment manufacturing, assembling, debugging and maintenance	82.3
6	Wood processing, wood-based panel production and processing	81.4
7	Cultural, education and sport articles production	79.7
8	Construction materials	78.2
9	Rubber and plastic production	77.0
10	Construction	76.0
11	Printing	71.7
12	Mechanical processing	70.2
13	Electromechanical product assembly	69.9
14	Metal smelting and rolling	66.9
15	Inspection and measuring	60.3
16	Food and beverage production and processing personnel	60.2
17	Chemicals	58.4
18	Surveying and mining	54.2
19	Mechanical equipment maintenance	39.8
20	Broadcasting and TV	38.6
21	Power equipment installation, operation, maintenance and supply	35.4
22	Environment monitoring and waste treatment	32.5
23	Transport equipment operation	27.1
24	Drug production	24.3
25	Tobacco products	4.3

Data Source: Li (2004, p. 89)

Most existing empirical studies discuss the labour market issue from the supply side (rural migrants), while the demand side (the employers) has received little attention. A better understanding of whether enterprises are more affected by institutional constraints or more stimulated by market competition will illustrate

the openness of the urban labour market in contemporary China. Enterprises in Beijing, Tianjin and Shanghai were sampled for this study. The next section broadly reviews current studies of the urban labour market and unequal opportunities of employment. This is followed by a description of the methodology, the empirical results, and finally a brief discussion and conclusion.

4.2 Literature review of segregated urban labour market and employment opportunities of migrants

In contrast to most developing countries, which typically have formal and informal labour markets, studies show that China's urban labour market is segregated and suffers from institutional inequality and incomplete competition. Employment opportunities in urban China are highly correlated with the *hukou* system. A hierarchy exists with permanent migrants at the top as the privileged and successful elite, below them the non-migrant natives, and temporary migrants at the bottom (Fan, 2002). Most rural-to-urban migrants fall into the category of temporary migrants who have difficulty entering the formal employment sector or, even if they find work, are deprived of equivalent pay to other urban workers (J. Li, 2002; Zhu, 1999). The rural-urban division is significant in explaining wage discrimination and segregation according to occupation (Xie, 2007). A study by Meng and Zhang (2001) showed that rural migrants with the same productivity as urban workers are less likely to have formal employment opportunities, or they receive less pay for doing the same job.

Although the *hukou* division seems evident in the labour market segregation in China, its impacts on segregation are debatable. Maintaining *hukou* division in the urban labour market could be a strategy to attract more foreign capital investment and encourage private enterprises through "a stable and abundant supply of cheap

unskilled or low skilled labour" (Wang, 2005). Other studies (J. Li, 2002; S. Li, 1997; Z. Zhang, 2004; Zhu, 1999) imply that the rural-urban division is too simplistic an argument for understanding segregation in China's urban labour market. The rural-urban division and ownership in the urban labour market have become less pronounced since the 1990s, but segmentation among industries[9] is increasing in the urban labour market (Zhang, 2004). Using the population census data of 2000, Ding and Wu (2006) calculated that 7.2 per cent of urban jobs were performed by migrants, rather than local workers; overall, they found that rural-urban migrants were very much a complement to local urban workers, and the substitution varied significantly according to gender, educational level and profession.

The impact of human capital accumulation on urban labour segregation has also been studied. Most rural migrants are in the secondary labour market because of their lower educational level (Z. Li, 2007). Studies have shown the positive role of human capital accumulation on earnings for both rural migrants and urbanites (Meng and Zhang, 2001; Appleton et al., 2001; Li, (2006). However, Yang and Chen (2000) insist that the difference is explained more by institutional arrangement than by human capital accumulation. The debate probably depends on data sources and models adopted in the analysis. For instance, the 1997 Beijing migrant sampling data suggest a university degree could increase probabilities of

[9] Industry segmentation is indicative of the varied openness among industries to enterprises. Since the economic reform in the 1990s, many industries previously monopolised by the SOEs have gradually opened to other ownership (Zhang, 2004). For example, the industries of manufacturing, highway transportation, whole and retail trades, and construction are completely open; industries such as the production and supply of gas and water, or public services including postal and telecommunication, railway, education and government agencies are less open. The more closed industries imply the state is more protective and the employees normally enjoy better benefits.

obtaining white collar jobs for both migrants and non-migrants (Guo & Iredale, 2004), but the difference between middle school and high school is not as significant on employment as a university degree.

Although most scholars agree that migrants generally complement the local urban labour market, several studies point out possible changes in the labour market. Also analysing the 2000 census data for Wuhan city, Yang (2003) found that, in spite of segregation between outsiders and local workers, the market economic reforms brought increased opportunities to outsiders; the data suggest outsider workers seem more active and flexible with regard to industrial structural changes. Yang found the competition came mainly from migrants and laid-off workers. Losing their elite positions in the city, the laid-off workers were marginalised under the urban economy. The intrusion of foreign investment and the developing private economy following China's entry into the World Trade Organization (WTO) are also bringing changes to the labour market (Xu, Tan, & Wang, 2006). Under these influences, enterprises are more competitive and capital-driven and possibly, therefore, are more concerned with decreasing their labour costs rather than judging their employees' residential status.

Those previous studies have shed light on the segregation of the urban labour market, and most have been based on surveys from the migrants' perspective. Very few studies have examined changes in the labour market from the enterprises' perspective. Using a recent dataset of enterprises in Chinese metropolises, this study has found dynamic changes in the current urban labour market – under the impact of migrants, the local urban labour market is changing from one of complementarity to one of substitution.

4.3 Data sources and methodology

This paper utilised data from the project "Rural Migrant Workers in Large Chinese Cities". The survey randomly sampled business enterprises and companies in major metropolises of China (Beijing, Tianjin and Shanghai). The survey was finished in May 2008, with 424 valid questionnaires collected in the three cities. The profiles of the samples are presented in Table 4-2.

The survey comprised questionnaires and the respondents of the selected business units were normally the managers or those in the Human Resource Department (HRD) who had detailed knowledge of their business/company/enterprise. The survey contained five parts: basic information of the business unit, recruitment policies and changes, relationship of migrant workers and non-migrant workers, salary/benefits/welfare of employees, and general opinion toward migrant workers in the city. It did not distinguish between rural and urban *hukou* holders, but between local and non-local workers, as it was considered that local urban policy favoured local urbanites more than migrants (either rural or urban *hukou*). To examine the changes and dynamics of recruitment after economic reform, this paper compares recruitment between 1990 (or year at establishment) and 2008.

To better understand the dynamics of changes in the employment, the analysis adopted the quartile deviation approach, with the proportion of migrant workers employed in the enterprises divided into four Quartiles: 0–25 per cent as the 1st Quartile, 26–50 per cent as the 2nd Quartile, 51–75 per cent as the 3rd Quartile and 76–100 per cent as the 4th Quartile. Similarly, when analysing the incremental migrant workers in 2008, the proportion of incremental migrant workers

accounting for the total newly recruited staff was divided into the same four Quartiles.

Table 4–2 Profiles of the enterprises surveyed in the project

	Number	Percentage
City		
Beijing	94	22.2
Tianjin	231	54.5
Shanghai	99	23.3
Current ownership		
State-owned enterprises	33	7.9
Collective-owned enterprises	14	3.4
Joint ventures	81	19.4
Joint-stock enterprises	73	17.6
Listed enterprises	8	1.9
Private enterprises	154	36.9
Self/individual employment	28	6.7
Other	26	6.2
Year of establishment		
Before 1978	18	4.5
1979–1998	133	32.8
1999 and later	254	62.7
Total number of employees in 2008		
≤30 persons	108	26.3
31–50	61	14.8
51–100	77	18.7
≥101	165	40.2
Number of non-local employees in 2008		
≤10 persons	116	30.7
11–30	97	25.7
31–50	39	10.3
≥51	126	33.3
Total number of employees in 1990 (at establishment)		
≤30 persons	134	49.8
31–50	31	11.5
51–100	50	18.6
≥101	54	20.1
Number of non-local employees in 1990 (at establishment)		
≤10 persons	121	54.5
11–30	47	21.1
31–50	17	7.7
≥51	37	16.7

Ownership and industry were the two main focuses of the study, because they are the important indicators of measuring segregation of the labour market and the openness of labour market to migrant workers. The study examined the distribution of ownership and industry in the four Quartiles of migrant workers and incremental migrant workers. It aimed to test the changes of recruitment of migrants throughout this period, and the influences of increment of migrant workers, correlated with industry and ownership. Examining the distribution of enterprises among the four Quartiles of migrant workers indicates the differences and changes of recruitment of migrant workers between 1990 (or at establishment) and 2008. Similarly, the distribution of enterprises among four Quartiles of incremental migrant workers indicates possible changes in recruitment of migrant workers in the near future.

The study also used logistic models to analyse the determinants of enterprises falling into the 4th Quartile (the highest proportion) of migrant workers and incremental migrant workers, in order to further compare the openness of different ownerships and industries in the labour market of metropolitan China.

4.4 Descriptive analysis

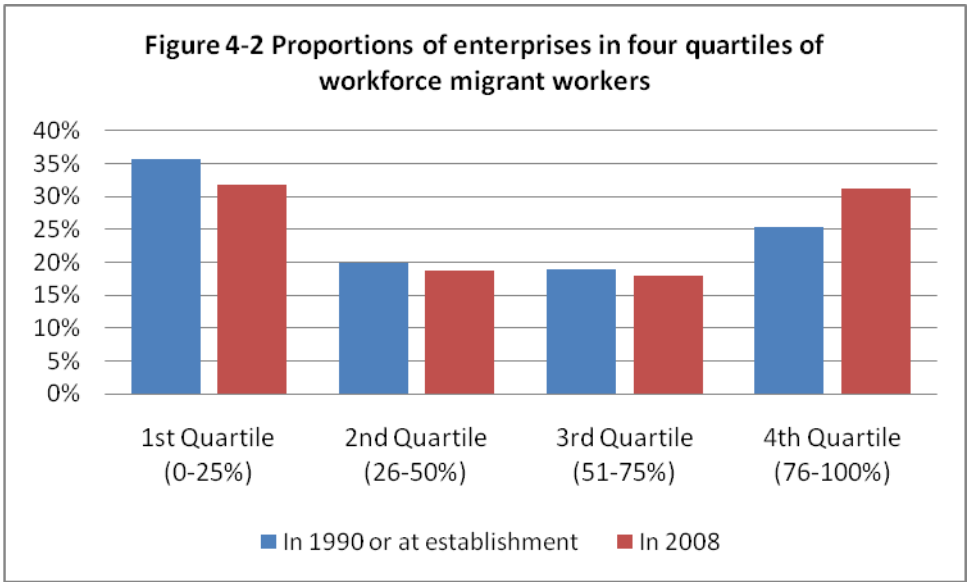
4.4.1 Segregation of ownership and industry in employing migrant workers

The number of migrant workers increased significantly from 1990, or when the enterprises were established, to 2008. Among all 424 surveyed enterprises, 377 (90 per cent) employed migrant workers in 2008, whereas only 221 enterprises (50 per cent) had employed migrant workers in 1990 or at establishment. Figure

4-2 shows the distribution of enterprises in the four Quartiles at the two time periods. In 1990 or at establishment, 35.7 per cent of enterprises fell into the 1st Quartile, 19.9 per cent into the 2nd Quartile, 19.0 per cent into the 3rd Quartile and 25.3 per cent into the 4th Quartile. In 2008, the proportion of enterprises in the 1st, 2nd, 3rd and 4th Quartiles was 31.8 per cent, 18.8 per cent, 18.0 per cent and 31.3 per cent, respectively. In 2008, for nearly half of the enterprises migrant workers made up more than 50 per cent of their employees. For example, the proportion of enterprises employing up to 25 per cent of migrants in their workforce (1st Quartile) had decreased from 35.7 per cent in 1990 (or at establishment) to 31.8 per cent in 2008, whereas the proportion of enterprises with over three-quarters of the workforce consisting of migrants (4th Quartile) had increased from 25.3 per cent in 1990 (or at establishment) to 31.3 per cent in 2008. Overall, it is obvious that enterprises in 2008 employed more migrant workers than in 1990.

Despite the increased proportion of employed migrant workers in urban China, this study found that the urban labour market is still segregated, with migrant workers in a weak position. The following section examines ownership and industry, which represent the two most frequently cited areas of labour market segregation (Z. Zhang, 2004).

Figure 4–2 Proportions of enterprises in four Quartiles of workforce migrant workers



4.4.1.1 Segregation of ownership in employing migrant workers

The questionnaires surveyed eight categories of ownership: State-owned enterprises (SOEs), collective ownership enterprises, joint ventures (*hezi qiye*, *合资企业*), joint stock enterprises (*gufenzhi qiye*, *股份制企业*), listed enterprises (*shangshi gongsi*, *上市公司*), private enterprises, individual industries and commercial household and other. Only the SOEs and collective-owned enterprises existed before the economic reform. We consider segregation of ownerships from two aspects: whether the traditional ownerships—SOEs and collective ownership—become open to migrant workers, and the capabilities of other emerging ownerships to employ migrant workers.

It can be seen from Table 4-3 that most SOEs fall into the two lower Quartiles (up to 50 per cent of the workforce consisting of migrants) and only around 20 per cent of SOEs are distributed in the 3rd and 4th Quartiles (more than half of the workforce consisting of migrants). This probably implies the access to SOEs is still not easy for migrant workers in Chinese metropolises. The high threshold of ownership also includes joint-stock enterprises and listed enterprises, which have higher percentages in the lowest two Quartiles.

On the other hand, it is easier for migrant workers to be employed in collective-owned enterprises and joint ventures. The proportions of the collective-owned enterprises in the 3rd and 4th Quartiles reach 8.3 per cent and 33.3 per cent, respectively, indicating that employed migrant workers account for more than half of the total number of employees in those enterprises. The increase in the number of private and individual business or commercial households after economic reform is evident, with these two ownerships absorbing the largest number of migrant workers. One-third (33.6 per cent) of the private enterprises have a workforce consisting of more than 76 per cent migrant workers, while 60 per cent of individual business or commercial households employ a similar proportion of migrant workers. These findings imply that segmentation among ownerships is still distinctive in the urban labour market.

Among the more recent types of ownership, joint-stock enterprises and listed enterprises employ similar proportions of migrant workers as the SOEs, shown by high percentages of enterprises in the 1st or 2nd Quartiles and low percentages in the 3rd and 4th Quartiles. These findings indicate that smaller percentages of migrant workers enter the joint-stock enterprises and listed enterprises, because

the thresholds of these two ownerships are comparatively high. The data show that 48.5 per cent of the joint-stock enterprises have a workforce containing less than 25 per cent of migrant workers, while 71.4 per cent of listed enterprises, employ less than 50 per cent of migrant workers.

Table 4–3 Migrant workers: distribution of ownership

Ownership	Proportion of migrant workers in workforce			
	1st Quartile (0–25%)	2nd Quartile (26–50%)	3rd Quartile (51–75%)	4th Quartile (76–100%)
State-owned enterprise (SOEs)	57.6%	21.2%	12.1%	9.1%
Collective ownership	41.7%	16.7%	8.3%	33.3%
Joint venture	27.1%	17.1%	24.3%	31.4%
Joint-stock enterprise	48.5%	13.2%	13.2%	25.0%
Listed enterprise	14.3%	57.1%	14.3%	14.3%
Private enterprise	25.0%	22.9%	18.6%	33.6%
Individual industrial and commercial household	16.0%	12.0%	12.0%	60.0%
Other	22.2%	27.8%	16.7%	33.3%

Thus, the data in Table 4-3 show that segregation of ownerships in employing migrant workers is not only between traditional and emerging ownerships, but also within the emerging ownerships.

4.4.1.2 Segregation of industries in employing migrant workers

Segregation of industries is a new aspect in the labour market of transitional China (Z. Zhang, 2004). In the 1980s, China promulgated a series of regulations on controlling the industries that allowed access of non-SOEs. Since the 1990s, reform of the SOEs and the development of other ownerships have led to less control over industries' access. Basically, non-agricultural industries can be segregated according to difficulty of access: those with little restriction include

manufacturing, commerce, construction, service and road transportation; in contrast, industries with restricted access include banking, education, postal service and telecommunication (Z. Zhang, 2004).

The distribution of industries (Table 4-4) suggests that the highest proportion of migrant workers are employed in farming, forestry, husbandry, fishing, mining, manufacturing, construction, commerce, catering, transport and storage, since greater proportions of these industries fall into the 3rd and 4th Quartiles (with higher percentages of migrant workers). These industries are dominated by physical labour and do not necessarily have a high educational requirement. In addition, half of the surveyed enterprises in social services and consultation, and culture, education, health, research and development (R&D) and technical services, which are emergent industries, are also have a high distribution in the 3rd and 4th Quartiles. But unlike the manufacturing or construction industries, they are more accessible for better educated people. The higher proportions of migrant workers in these industries imply a more open urban labour market in Chinese metropolises.

The data further illustrate that government authorities, social organisations and the financial and insurance industry are relatively closed to migrant workers, with the proportion of these industries in the 1st Quartile (with less than 25 per cent migrant workers) reaching over 60%. These findings reflect a transitional feature in industry segregation of the labour market: more traditional industries and newly emergent industries are open to migrant workers, while the acceptance of migrant workers in monopolised industries is still very low.

Table 4–4 Migrant workers: distribution of industries

Industry	Proportion of migrant workers in workforce			
	1st Quartile (0–25%)	2nd Quartile (26–50%)	3rd Quartile (51–75%)	4th Quartile (76–100%)
Farming, forestry, husbandry, fishing, mining and manufacturing	35.1%	18.2%	19.5%	27.3%
Construction	42.1%	15.8%	10.5%	31.6%
Commerce, catering, transport and storage	17.9%	22.1%	13.7%	46.3%
Social services and consultation service	26.1%	30.4%	33.3%	16.7%
Cultural, education, health, R&D and technical service	35.7%	14.3%	33.3%	16.7%
Government, institutions, finance, and insurance	66.7%	0%	0%	33.3%
Other	47.4%	13.2%	15.8%	23.7%

4.4.2 Segregation of ownership and industry in employing incremental migrant workers

The numbers of incremental migrant workers employed in urban enterprises reflect the trend of the demand for migrant workers in the local labour market. In 2008, 334 out of 424 surveyed enterprises recruited new staff (including both local urbanites and migrant workers), among which 303 recruited migrant workers. The method described in the previous section of segregation of ownership and industry was also applied to the analysis of the incremental migrant workers (migrant workers newly recruited in 2008). The percentages of the incremental migrant workers among the newly recruited staff were divided into the same four Quartiles (0–25 per cent, 1st Quartile; 26–50 per cent 2nd Quartile; 51–75 per cent 3rd Quartile; and 76–100 per cent, 4th Quartile). The survey results indicate that in

2008, in 47.2 per cent of enterprises migrant workers made up more than 76 per cent of the newly recruited staff, and in 19.5 per cent of the enterprises migrant workers made up 51–75 per cent of newly recruited staff. This means that in nearly two-thirds (66.7 per cent) of the surveyed enterprises, new employees were more than 50 per cent migrant workers.

4.4.2.1 Segregation of industry by incremental migrant workers

In contrast to the distribution of ownership for the migrant workers (shown above in Table 4-3) that the SOEs, joint-stock enterprises and listed enterprises employed the relatively lower proportions of migrant workers, the distribution of ownerships in the four Quartiles for incremental migrant workers indicates the new trend of recruitment (see Table 4-5). Interestingly, the SOEs, listed enterprises and joint-stock enterprises, all with a relatively lower percentage of migrant workers, have increased their recruitment of incremental migrant workers in 2008. For instance, the proportion of SOEs in the 3rd Quartile was 58.3 per cent, and 12.5 per cent in the 4th Quartile, while the proportions of migrant workers in the 3rd and 4th Quartiles were 12.1 per cent and 9.1 per cent respectively (see Table 4-3). A similar trend also occurred in the joint-stock enterprises and listed enterprises, which also have higher distributions in the 3rd and 4th Quartiles

Table 4–5 Incremental migrant workers: distribution of ownership

Ownership	Proportion of incremental migrant workers in workforce			
	1st Quartile（0–25%）	2nd Quartile（26–50%）	3rd Quartile (51–75%)	4th Quartile（76–100%）
State-owned enterprises (SOEs)	29.2%	0%	58.3%	12.5%
Collective ownership	25.0%	25.00%	0.00%	50.00%
Joint venture	35.9%	9.4%	14.1%	40.6%
Joint-stock enterprise	26.8%	12.5%	19.60%	41.1%
Listed enterprise	12.5%	0%	37.5%	50.0%
Private enterprise	18%	9.9%	16.2%	55.9%
Individual industrial and commercial household	20.0%	0.0%	0.0%	80.0%
Other	19.0%	4.8%	19.0%	57.1%

Indeed, the data show that among all ownerships the new recruitment of migrant workers accounted for half of the whole recruitment in 2008, which indicates two points. First, nearly all ownership enterprises increased their provision of employment opportunities to migrant workers. Second, though traditional ownership enterprises—including SOEs and collective-owned enterprises, or newly emergent ownerships such as joint-stock enterprises and listed enterprises—are not as open as other ownerships, they are now becoming increasingly accessible. If this trends persists, it will probably result in a more substituted and competitive urban labour market.

4.4.2.2 Segregation of industry by incremental migrant workers

The increasing trend of employing migrant workers is quite obvious among industries, as shown in Table 4-6. Farming, forestry, husbandry, fishing, mining, manufacturing, construction, commerce, catering, transport and storage are still dominant in absorbing incremental migrant workers (with the accumulative

percentage of the 3rd and 4th Quartiles reaching 66 per cent). As shown in Table 4-4 above, the emergent industries, such as social services and consultation service, culture, education, health, R&D and technical service, are increasing the ratio of recruiting incremental migrant workers, as seen in the higher percentages in the 3rd and 4th Quartiles.

Meanwhile, recruitment of incremental migrant workers is very rare in government, institutions, finance and insurance, which in three metropolises hired less than 25 per cent new migrant workers. Therefore, with the exception of a few monopolised industries, there is in general an increasing trend in most industries of employing migrant workers.

Table 4–6 Incremental migrant workers: distribution of industries

Industry	Proportion of incremental migrant workers in workforce			
	1st Quartile（0–25%）	**2nd Quartile (26–50%)**	**3rd Quartile（51–75%）**	**4th Quartile (76–100%)**
Farming, forestry, husbandry, fishing, mining and manufacturing	26.4%	7.7%	16.9%	49.2%
Construction	21.4%	7.1%	14.3%	57.1%
Commerce, catering, transport and storage	12.5%	6.9%	22.2%	58.3%
Social services and consultation service	18.8%	18.8%	25.0%	37.5%
Cultural, education, health, R&D and technical service	28.6%	14.3%	25.7%	31.4%
Government, institutions, finance, insurance	100%	0%	0%	0%
Other	39.4%	9.1%	18.2%	33.3%

4.4.3 The determinants of enterprises that employ high proportions of migrant and incremental migrant workers

The descriptive analysis above suggests a trend of openness in the urban labour market towards migrant workers. More enterprises employed migrant workers in

2008 than in 1990 or at their time of establishment. The descriptive analysis also indicates an obvious segregation of the labour market in terms of ownership and industry. SOEs, joint-stock enterprises and listed enterprises have lower percentages of migrant workers than other types of ownership. The industries of government institutions, finance and insurance still strictly control migrant workers' access. However, an examination of the incremental migrant workers in 2008 shows that nearly all types of ownership and most industries increased their proportion of migrant employees. This trend is particularly obvious in the SOEs, once the ownership type most closed to migrant workers. All industries increased their employment of migrant workers, except government, institutions, finance and insurance, who have the lowest proportions of incremental migrant workers. Overall, the labour market in Chinese metropolises features some segregation, but it is showing a trend of more openness and competitiveness.

The analysis then focused on the 4th Quartile (greater than 75 per cent) of both total migrant workers and incremental migrant workers in 2008 to further verify these observations. Two logistic models were run to provide more details (see Table 4-7).

The dependent variables were enterprises in the 4th Quartile (greater than 75 per cent) of migrant workers and incremental migrant workers, and the independent variables were ownership, industry and three surveyed cities. The variables of ownerships and industries were re-coded, based on the descriptive analysis. SOEs and collective enterprises were combined, as they were the traditional industries in China. Other ownerships were divided into two categories: (i) individual, private enterprises and others (IPO), and (ii) joint ventures, joint-stock enterprises and

listed enterprises. The industries were divided into three categories: (i) agriculture, construction and manufacturing, which absorb mainly low skilled migrants; (ii) all services, as most are the newly emergent industries; and (iii) others, including industries not identified by respondents.

Table 04–7 Determinants of enterprises in the 4th Quartile of migrant workers and incremental migrant workers

Independent variable	Enterprises in the 4th Quartile of migrant workers		Enterprises in the 4th Quartile of incremental migrant workers in 2008	
	Odds Ratio	**S.E.**	**Odds Ratio**	**S.E.**
Ownership (SOEs and collective enterprises =1)				
Individual, private enterprises and others (IPO)	5.861**	0.478	6.454**	0.488
Joint ventures, joint-stock and listed enterprises	3.803*	0.491	3.187*	0.495
Industry (government, finance and public institution[10] =1)				
Farming, forestry, husbandry, fishing, mining, manufacturing and construction	3.904*	0.633	3.319*	0.545
Transport, catering and services[11]	5.280*	0.603	3.127*	0.532
Other	2.330	0.736	1.163	0.651
City (Tianjin=1)				
Beijing	7.287**	0.341	2.690**	0.349
Shanghai	7.129**	0.322	3.330**	0.314
-2 Log likelihood	376.620		369.434	
Nagelkerke R Square	0.300		0.192	

** P <0.01, * P <0.05

[10] Includes cultural, education, health, R&D and technical service.
[11] Includes commerce, catering, transport and storage, and social services and consultation service.

With regard to ownership, the two binary logistic models showed that the odds ratio of an IPO employing migrant workers in the 4th Quartile is 5.9 times more than that of the SOEs and collective enterprises; similarly, the odds ratio of an IPO in being the 4th Quartile of incremental migrant workers is 6.5 times more than that of SOEs and collective enterprises. That the figure for incremental migrant workers is slightly higher than for migrant workers could be regarded as the first derivative of the change of the whole migrant workers. As the first derivative is positive (+), IPOs attracting migrant workers is distinctive over SOEs and collective enterprises. In comparison, the odds ratio of joint ventures, joint-stock and listed enterprises employing migrant workers in the 4th Quartile is 3.8 times more than that of SOEs and collective enterprises, while the odds ratio in the 4th Quartile of incremental migrant workers is 3.2 times more than SOEs and collective enterprises. As the figure for incremental migrant workers is lower than for migrant workers, the first derivative is negative (-). Therefore, migrant workers' access to SOEs and collective enterprises is not more difficult than for joint ventures, joint-stock and listed enterprises. Because the entry into IPO is comparatively lower than for other ownerships, it is predicted that the impact of labour market segmentation is less severe for the migrant workers with higher capital accumulation, and that is has more influence on migrant workers whose human capital accumulation are lower.

In terms of industry, the two binary logistic models showed that the odds ratio of traditional and labour-intensive industries employing migrant workers in the 4th Quartile is 3.9 times more than for government, finance, insurance and R&D industries, and for incremental migrant workers it is 3.3 times. The odds ratio for

incremental migrant workers is smaller than for migrant workers, so the first derivative is negative, which means that the industries of government, finance, insurance, and R&D are still more difficult to access than the traditional and labour-intensive industries. The odds ratio of industries of commerce, catering, transport and storage employing migrant workers in the 4th Quartile is 5.3 times more than that of industries of government, finance, insurance and R&D, and for incremental migrant workers it is 3.1 times more. The odds ratios in the two models are distinctly different and the first derivative is negative, which means the industries of government, finance, insurance, and R&D are still more difficult to access than other industries such as commerce, catering, transport and storage.

Considering the impact of the cities, the odds ratio of enterprises employing migrant workers in the 4th Quartile of is 7.3 times for Beijing and 7.1 times for Shanghai more than that of Tianjin, with the corresponding odds for incremental migrant workers being 2.7 times and 3.3 times, respectively, more than that of Tianjian. Clearly the odds ratios for incremental migrant workers are smaller than for migrant workers, and the differences between the two are distinct. This finding means the first derivative is negative; though the labour market of Tianjin seems less open than that of Beijing and Shanghai, which depend heavily on the supply of migrant workers, the trend shows that changes are occurring. As Tianjin is becoming more open than previously and is attracting more migrant workers, it could be predicted that the labour market in Tianjin is becoming more competitive and that migrant workers are playing a more important role in its economy. Overall, contemporary marketisation is greater in Beijing and Shanghai than in Tianjin.

The above discussion highlights how the labour market in Chinese metropolises has gradually been transformed from the earlier situation of complementarities to a mixture of complementarities and substitutions. Until the 1990s, migrant workers were engaged mainly in low-skilled and labour-intensive industries not favoured by local urbanites, such as manufacturing and construction, and ownership of SOEs and collective enterprises was almost closed to outsiders. Therefore, the labour market typically consisted of complementarities and showed severe segregation; obtaining the local urban *hukou* was one of the most important guarantees of stable employment in urban China. The data analysis shows changes in the methods of ownership and the types of industries that now employ migrant workers, and indicates more substitutions and competition in the urban labour market after 2000.

The findings illustrate that migrant workers are being employed in new areas, particularly in the service sector, such as household and individual services, consultation, culture, education and health. Though monopolies in government, finance and insurance still act as barriers, the proportion of migrant workers in most SOEs and collective enterprises is steadily increasing. Indeed, joint ventures, joint-stock enterprises and listed enterprises are employing greater proportions of migrant workers, and earnings in these new ownerships are also more secure than in IPO. The labour market, therefore, appears quite open to the migrant workers, who are now accumulating higher levels of human capital. On the whole, the segmentation of the urban labour market into ownerships and industries is gradually changing from complementarities to competition and substitutions.

4.5 Conclusion and discussion

This study has analysed the proportions of migrant workers and incremental migrant workers employed in Chinese enterprises in 2008, and has found that migrant workers are playing an increasingly important role in metropolitan labour markets. Migrant workers are gaining more opportunities to access the emergent industries and ownerships. However, urban labour market segmentation is still obvious; for example, the proportions of migrant workers employed in SOEs and enterprises in government, finance and insurance remain smaller than those working in other types of ownership and other industries. Overall, the employment trend of migrant workers in the urban labour markets of Beijing, Tianjin and Shanghai is a gradual transition from a situation of complementarities to a co-existence of complementarities and substitutions.

The dynamic changes of employment opportunities of migrant workers in urban China are a further reflection of changes to the policy of social exclusion. This study has shown that employment opportunities of migrant workers are becoming more market-driven. Traditional ownerships and industries are no longer the sole choices for them, and the urban labour market is becoming much more open than previously. Though segmentation in the urban labour market is still affected by institutional factors, such as the *hukou* system, these no longer dictate the employment opportunities for migrant workers in contemporary China. This finding implies that the mechanism of social exclusion in the labour market is changing – from being governed by institutions to being driven by the market. The factors that determine market competition are playing a more important role in stratifying opportunities in the urban labour market.

The empirical findings also suggest a different pace of change in the labour markets of Beijing, Tianjin and Shanghai. Changes occur more slowly in Tianjin than in Beijing and Shanghai, but numbers of migrant workers in Tianjin have recently been increasing. The different pace of opening up the labour market is related to local economic reform and industrial structures, which also probably implies different levels of social exclusion in different regions. Migrant workers are probably more excluded from the labour market in traditional industrial bases dominated by SOEs and collective enterprises than they are in the newly emerging industrial cities.

The increasing importance of market mechanisms in the social exclusion of the labour market in urban China calls for a corresponding change in the role of the state to prevent polarisation between rich and poor, and to protect the legal rights of all competitors in the urban labour market. Improving the welfare system, ensuring equal education rights and supervising the implementation of the New Labour Law are three tasks that the Chinese government needs to seriously consider.

This chapter analyzed another dimension of social exclusion of rural-urban migrants in terms of employment opportunity in transitional China. It answered such questions as “how have employment opportunities for migrant workers in the urban labour market changed?” It should be noted that the welfare provision system is still largely based on one’s employment status, therefore the analysis in this chapter is also relevant to the next chapter on social exclusion of migrants from participating welfare and insurance programs.

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CHAPTER 5

Welfare Program Participation of Rural Migrants in Contemporary China: A Social Exclusion Perspective[1]

Abstract

China has seen an unprecedented increase in rural to urban migrants in the last three decades, and welfare extension to this group of people is becoming a public concern in urban society. Pilot reforms on welfare extension have been embarked on in several cities, but the participation rate is still low. This paper intends to explain this dilemma from a social exclusion perspective. Using qualitative datasets that describe welfare participation on both institutional and individual levels, this paper argues that trends of welfare marketization and decentralization lead the welfare system to be more selective than universal. The welfare selectivity helps the rural migrants with higher economic status become integrated into urban society, while it creates a dual exclusion for rural migrant workers who are disadvantaged in the labour market. Factors at the individual level, including employment selectivity, information obtainment, settlement intention, and confidence in future reform, are influencing the choices of participation. The paper calls for increased centralization in welfare system reform.

Key words: welfare program participation, rural-urban migrants, social exclusion, decentralization, marketization, China

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5.1 Introduction

The momentums of welfare reform in China come from economic transition and internal migration flows. Economic transition requires that enterprises, which originally took full responsibility for welfare provision, act more as independent economic entities than miniature welfare states. Geographic mobility control is lifted, so that human beings, as the most important production element, can be optimally allocated. The restructuring of the Chinese welfare system can be divided into two phases. In the 1980s and 1990s, welfare reform was subordinated to economic development (Guan, 2000). The government sought to lighten the burden of the enterprises and devoted itself to developing a 'conservative welfare system' based on labour contracts. Government measures included abandoning the commitment to provide permanent employment to urban workers, creating urban unemployment insurance and a minimum living standard scheme, and socialising fund-raising among employers, employees, and the state.

Overall, the period of the 1990s saw a fast increase in rural to urban migration, but welfare reform paid little attention to the migrants. The Chinese government considered the internal migration flows from rural to urban areas to be temporary, and the cost of providing migrants with coverage would be high. Under the contexts of marketization and globalization, internal labour-intensive industries and their international competitors all strove to keep labour costs down, in what was called 'racing to the bottom' (Guan, 2002: 253). Hence, it was hoped that the rural migrants would fill gaps created by the urban labour shortage, mainly by taking the jobs that were shunned by the urbanites, but the migrants put

rare pressure on local welfare systems and infrastructure. For this reason, Chinese social policy has turned in a neo-liberal direction (Guan, 2002; Lee, 1993).

Neglect of the independence of social policy and an overemphasis on economic efficiency led to a widening income gap and urban inequality that influenced Chinese society's social orders and level of instability (Croll, 1999). Since 2000, the Chinese government has begun to rethink and readjust relations between economic growth and social policy, especially the problems arising from economic transition, such as new urban poverty, unemployment, and rural migrants' social protection needs (Guan, 2008). A series of political slogans, such as 'three represents', 'to build up a harmonious society', and 'taking human beings as essentials', have been adopted by the political authorities, with the intention of reducing tensions and resolving conflicts within China.

In addition to political considerations, demographic transition is the other factor stimulating welfare extension. Over the course of China's nationwide family planning campaign to reduce fertility, which began more than three decades' ago, Chinese urban populations reached replacement fertility levels much sooner than rural populations'.(Lavely and Freedman, 1990; Zhao, 2001). In Shanghai, the total fertility rate was only 0.87 in 1999, which was among the lowest in the world (Yuan, 2003). It is considered inevitable that China will face a labour shortage in the very near future[2] (Du and Tu, 2000; Liu, 2010). Indeed, from 2004 to 2010, eastern coastal China has observed a trend of labour shortage[3], indicating that urban economic growth currently relies heavily on the supply of

[2] Although the one child policy is not as strict in rural China as it is in urban areas, the idea of having only one child has been widely accepted by many rural families.
[3] http://www.knowledgeatwharton.com.cn/index.cfm?fa=viewfeature&languageid=1&articleid=1364
http://www.atimes.com/atimes/China/FH17Ad03.html

rural labourers. This challenges the opinion that China is a country of rapid growth with an unlimited cheap labour force (Wang, 2005: 117). Some scholars (Cai, 2008) believe that China has already arrived at the 'Lewis turning point', meaning that the supply of cheap labourers has dried up, which is bound to a rise in the cost of labour. Since the supply of cheap labourers is not sustainable, there is a call to attract rural migrants to settle down in the city and to grant them equal citizenship as well.

Pilot welfare reforms have been embarked on in several cities. In Guangdong province, rural migrants can receive the same welfare benefits as the local urban residents, as long as they contribute equally to the welfare pool; Beijing and Shenzhen have covered the rural migrants by offering them lower contribution rates; and Shanghai and Chengdu have implemented separate insurance schemes in parallel with their local urban welfare systems (Lv, *et. al.*, 2008). The contribution and beneficial rates vary from place to place (D. Wang, 2008). Chongqing has taken the more encouraging measure of abolishing the *hukou* divide[4] in order to enable the building of a unified welfare system for both local urbanites and migrants.

Despite efforts to extend welfare coverage, program participation among rural migrants does not reflect much optimism. According to national statistics released in early 2010 (NBS, 2009), participation rates in five major insurance schemes were 7.6% in pension, 21.8% in injury insurance, 12.2% in medical insurance, 3.9% in unemployment insurance, and 2.3% in maternity insurance.

[4] As rural and urban people are divided through the *hukou* system, welfare entitlements and management are also organized through this system. Abolition of the *hukou* division is widely considered to an essential way of solving social inequality in China.

More than this, welfare surrender[5] happens from time to time among the migrants. In late December 2009, the Chinese state promulgated a new regulation on 'The measures of regional transference of urban basic ageing insurance', which declares that workers, including rural-urban migrant workers, can no longer withdraw their contributions. However, the government still could not prohibit thousands of rural migrant welfare participants from applying for contribution refunds before the new policy went into effect.

> Just before the policy was implemented, Shenzhen saw an unprecedented wave of welfare surrender. Nearly 20,000 welfare participants came to the Social Security Personal Service Center for welfare surrender. (*Nanfang Daily*, 1/01/2010)
>
> Foshan, Dongguan, and Shenzhen, as the main destinations for rural migrants, erupted in waves of welfare surrender. Although the new policy opens windows on welfare transfer crossing the country, migrants still consider themselves worthy of taking care of the money. (*Southern Metropolis Weekly*, 18/01/2010)

From the above, two paradoxes in welfare extension are apparent. On the one hand, the intensity of urban inequalities and conflicts calls for coverage extension and equal citizenship granted to all citizens; on the other hand, policies on welfare extension have not received enough enthusiasm among migrants. The welfare system is a closed system based on membership (Jordan, 1996). This paper intends to understand how welfare participants are selected and non-

[5] Welfare surrender is the action whereby a welfare beneficiary withdraws from the contribution pool and receives a welfare refund.

participants are excluded at an institutional level. In addition, this paper addresses the questions of how individual rural migrants choose whether to participate in welfare and why welfare surrender happens in cases in which policies open windows to migrants. The paper gives a brief review of social exclusion and welfare participation, followed by a methodology section. The findings are reported from both an institutional level and an individual level. A discussion and conclusion are given at the end of the paper.

5.2 Welfare participation from a perspective of social exclusion: a brief review

While the definition of social exclusion varies among studies (Silver, 1994), participation is an important intermediate to understanding it. The term initially was created in France to refer to those who fell through the net of social protection during the process of economic restructuring in the 1960s. At a micro level, participation is an important way of distinguishing between the 'included' group and the 'excluded' group. The opportunity for participation reflects a certain institutional selective mechanism. Walker and Walker (1997: 8) consider social exclusion as a 'dynamic process of being shut out, fully or partially, from any of the social, economic, political or cultural systems which determine the social integration of a person in society'; social exclusion is a multidimensional concept. According to Giddens (1998: 102), the new politics defines equality as inclusion and inequality as exclusion, within which exclusion is not about gradations of inequality, but about mechanisms that act to detach groups of people from the social mainstream. A more easily operationalized definition is framed by

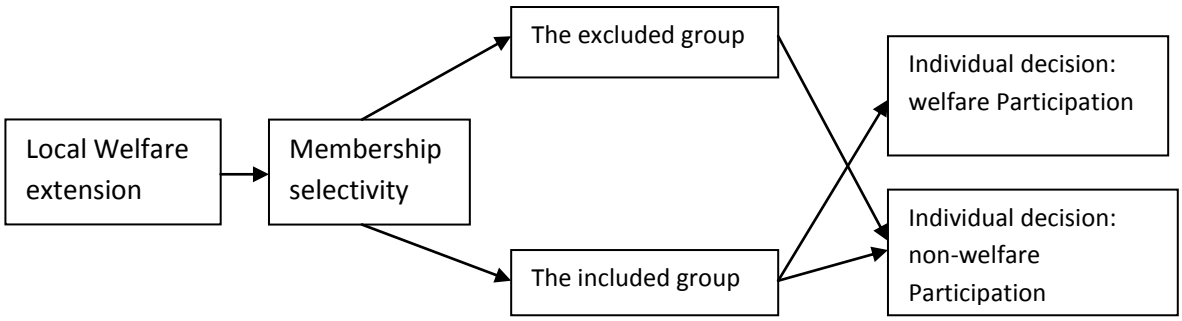
Burchardt, Grand, and Piachard (1999: 230), who state that 'an individual is socially excluded if he or she is a geographical resident in a society, but for reasons beyond his or her control, he or she cannot participate in normal activities of citizens in that society'. The normal activities that individuals participate in vary among different social contexts (Burchardt *et al.*, 1999; Gordon *et al.*, 2000; Percy-Smith, 2000).

One noteworthy point of the term 'social exclusion' concerns its shift away from understanding social inequality vertically to understanding it horizontally. The traditional vertical metaphor indicates that societies are hierarchically ordered according to domination and submission, while the horizontal metaphor shows centre-margin and inside-outside relations (Steinert, 2003; Touraine, 1991). Social exclusion exerts its attention to those 'who want to come in from the outside and whom we make it very hard to be included' (Steinert, 2003: 45). Therefore, social exclusion works at explaining who has been excluded versus who has been included, from what they have been excluded, and how the exclusion is maintained. According to Jordan (1996: 5), 'social exclusion essentially indicates how human beings, interacting in all kinds of collectivities, come to include some individuals and exclude others from the benefits of membership—and at what costs to the rest of the members'.

The framework of social exclusion and welfare participation can be elaborated on two levels: institutional and individual (see Figure 5-1). At the institutional level, the question being addressed is who is included in and who is excluded from the welfare system. What needs to be noticed is that the welfare reform process is a dynamic process, and rural-urban disparity is not an absolute

determinant of who is included and who is excluded. Within urban society, the situation of the new urban poor who were the insiders of the system—including laid-off workers, unemployed workers, and the low-skill working poor—is essentially exacerbated in the welfare restructuring (Wu & Huang, 2007); some receive retrenching welfare benefits and others are excluded from the basic insurance schemes. Rural migrants, who were previously the outsiders of the urban welfare system, are now considered eligible for coverage; they need to adapt to this institutional rearrangement and decide whether to participate in welfare or not.

Figure 5-1 Framework of social exclusion and welfare participation



5.3 Data sources and methodology

This research is a qualitative-based study that uses two main data sources. One source comprises government documents on Chinese welfare reform since the 1990s; these documents shed light on how the exclusion mechanism at an institutional level has influenced the formation of the included group and the excluded group.

The other data source is interviews conducted in both an origin-based village survey in early 2009 (the rural survey of a project analysing the social exclusion of rural-urban migrants in transitional China) and a destination-based survey in Shanghai and Guangzhou in 2007 (the urban survey of a project on rural labour transfer and the development of social policy in China). All of the interviewees were selected according to the following National Statistical Definition: they had agricultural *hukou* status, and had been working in a non-agricultural sector in the city for at least six months. In order to ensure that interviewees selected in the rural village were familiar with the urban life, those selected differed slightly from the sampling in the urban survey in that they had experienced out-migration at least twice. Both surveys collected information on employment, welfare participation, consumption, and other living conditions in the city. The rural survey site was Mumakou village of Hubei province, located in the southwest of China. Because of approximate location, accessible transportation, and available network factors, the main destinations that the local rural people in this area headed for were mostly in the regions of the Pearl River Delta and the Yangzi River Delta. As the urban survey was conducted in Guangzhou and Shanghai—the main metropolises of the Pearl River Delta and the Yangzi River Delta, respectively—the qualitative data from the two surveys were used together in this analysis.

Table 5-1 lists the distribution of the interviewees. The service sector comprises comprehensive categories of jobs, including wholesale, retail, and catering positions as well as cleaners, cobblers, garbage collectors, street vendors, security guards, and other uncategorized jobs. The number of interviewees

sampled in the service sector was much higher than in the construction or manufacturing sectors. The employment information collected from interviewees reflected their work experiences that were most recent at the time of their interviews.

All 73 cases were imported into NVivo 8.0 software for qualitative analysis. NVivo 8 has the distinctive advantage of creating free nodes and making comparisons among all sources under a particular node; it can also add memos and explore the relationships between different nodes.

Table 5–1 The distribution of the interviewees

		Sex		**Age**			**Sectors**		
	No.	Male	Female	<=20	21–30	>=31	Construc -tion	Manufact- uring	Service
Mumakou	20	10	10	0	9	11	7	5	8
Guangzhou	26	17	9	7	9	10	2	6	18
Shanghai	27	13	14	4	6	17	6	4	17
Sum	73	40	33	11	24	38	15	15	43

This paper analyses the welfare participation and social exclusion of rural-urban migrants on two levels. The next section reports the membership of welfare participation and social exclusion on an institutional level. The subsequent section presents a data analysis based on the surveys, which give the perspectives of individuals on how they respond to the welfare extension in urban China. The final section provides a further discussion on the social exclusion mechanism of rural-urban migrants in transitional China.

5.4 Membership selectivity and entitlements to local welfare

at an institutional level

5.4.1 Two trends of urban welfare reform in China

The welfare restructuring in the late 1990s has profoundly influenced the criteria of membership selectivity. The traditional state-unit model[6] of the state's socialist period allocated welfare benefits principally according to administrative hierarchies and working experiences and had little to do with personal contribution. The obtainment of urban *hukou* status was the determinant of inclusion within the system. By contrast, the reform entails welfare responsibility on individuals and separates enterprises from acting as direct welfare providers. Welfare membership selectivity has transformed to be more correlated with individual contributions and with the ability to pay than with the *hukou* status. There are two recent trends of welfare reform in China.

5.4.1.1 The trend of marketization

In 1991, China decided to reform the pension system among employees in enterprises. It introduced a tripartite contribution pattern with the individual as one of the most important contributing parties, which symbolized the termination of the state-unit welfare model. The local social security branches took over the responsibilities of managing and operating the pension funds, which facilitated labour mobility and promoted work incentives. The welfare benefits that an

[6] During the state's socialist period, individuals received welfare benefits from the government and work units. The welfare coverage normally existed among most of the urban workers, who not only had permanent employment but also enjoyed cradle-to-grave benefits. This was also called 'iron rice bowl'.

individual can receive are the sum of two accounts: a social pooling account[7] (*社会统筹账户*) and an individual account (*个人账户*). Through the reform, the welfare benefits are bound with the economic vitality of both individuals and enterprises (X. Li, 1999).

Along with its effect on the progress of urban pension reform, the impact of marketization has further permeated into the housing realm and the medical system. The year 1998 marked the end of housing reallocation within the work units: housing was no longer regarded as a form of welfare. The years since then have seen the development of the market for purchasing and renting housing, and until recently, marketization has essentially played a dominant role in allocating housing resources. This trend towards marketization has also influenced medical reform. The rigorous management by the state during the planned economic period created hospitals that became economically irresponsible and that seriously wasted financial, material, and human resources. The reform placed emphasis on the obligations of the individuals and on a financially multichanneled health care system. The social pooling accounts and the individual accounts were separated, as in the pension system, and the supply of medicines was detached from the hospitals and began to operate independently. The hospitals therefore acquired more autonomy in management and finance. Marketization attempts to change the role of the state into one that is more that of a supervisor than of a direct welfare provider, which brings a mixed welfare model into being (Peng, 2006). However, the retrenchment of the state means that more responsibilities are shared by the individuals. As welfare benefits are more correlated with personal contributions,

[7] The social pooling system was established in order to spread the social insurance burden more widely around the enterprise sector, and risks among individuals.

urban disadvantaged people in the market competition are more likely to be dropped off from the welfare coverage. By and large, from the 1990s and onwards, the welfare system in China has been more affected by neo-liberalism and has been oriented towards a more selective rather than a universal system (Guan, 2005b; Lee, 1993; X. Li, 1999).

5.4.1.2 The trend of decentralization

The reasons for decentralization can be explained from two aspects (Saunders and Shang, 2001). First, in response to the pressure exerted by urban workers, particularly those laid-off workers, local governments took on the main responsibility of maintaining local political stability beginning in the middle 1990s. Second, in most cases the welfare system is financed locally[8]. Prior to 1997, the pension fund could be pooled within a province, a city, a prefecture, or even at the county level. Because of the economic variance and different welfare levels between regions, the free flow of welfare funds nationwide is still difficult to realize. Moreover, with the divided management between personal accounts and social pooling after 1997, even if an individual account could be transferred, the portion of the social pooling fund related to a local economic level could not be easily transferred nationally.

Welfare localization assumes that local governments have the high management capability needed to preserve and increase the value of the funds. One public concern is that the welfare funds are misappropriated to other uses and

[8] The market transformation also brings a process of fiscal decentralization. In addition to a national tax contribution, counties and their subordinate townships are responsible for raising most of their revenue for expenditure on overheads, administrators' salaries, social security, and public works (Murphy, 2006).

cause corruption. The other concern is that the local governments may be reluctant to assign social pooling management to a higher administrative level, as doing so makes the local governments lose the management and investment power of the social pooling funds. When guided by the economic incentives, the local governments may also be inclined to restrain the rise of welfare costs so as to keep their local economies more competitive in attracting capital. In his discussion of the relation between economic development and decentralized government, Dye (1993) argues that decentralization will foster competition among various provinces and municipalities to attract capital and labour. The mobility of capital and labour stimulates the local governments to improve local public services for both enterprises and labourers. The debate is over whether the impact of decentralization makes welfare more extendable and favourable to migrants.

Under the influence of the two trends described above, welfare extension has been reflective of changes in the exclusion mechanism in contemporary China. The current membership of welfare participation is highly correlated with employment and contributions, which distinguishes it from that of the 'iron rice bowl' protection of China's socialist state. The application of the market approach in welfare reforms emphasizes a pattern of shared responsibility. Because the welfare extension mainly stays at a local level, migrants' entitlement to welfare features an element of choice. Under the context of free movement, the migrants could take a 'vote with their feet' approach to deciding whether or not to participate in local welfare systems.

5.4.2 Guangdong and Shanghai as case studies

Influenced by the trends of marketization and decentralization, the welfare extension by and large currently remains at a local level. Guangzhou and Shanghai are the first cities in China conducting welfare reform to extend the coverage to non-local rural migrants. They implemented different reform measures and represented different reform models. These different reform models suggest how the welfare reform include or exclude new outsiders, such as rural to urban migrants, in metropolitan China.

5.4.2.1 Case 1: Guangdong model

In the 1990s, the welfare reform in Guangdong province mainly focused on local urban workers, who were officially defined as urban residents. The focus of the reform was on devolving welfare responsibilities from the state unit to a mixed sharing pattern. It aimed at reducing the burden on enterprises and freeing them from unnecessary fetters. Although a regulation was issued in 1993 saying that it would be beneficial to cover the rural workers[9] in Guangdong, the regulation lacked the detailed measures necessary for its implementation. It was not until 1998, when social insurance schemes were reformed to operate independently from the enterprises, that the welfare entitlements of rural migrants

[9] Guangdong province promulgated a temporary regulation on the pension system in June 1993. Under this regulation, the system was composed of social pooling and individual accounts. The welfare contribution came from enterprises and individuals, and the benefit level was connected to the contribution amount. The coverage of the system expanded from state-owned enterprises and collective-owned enterprises to enterprises with other forms of ownership and to public institutions. The regulation pointed out that workers included all permanent, contract, and temporary workers; workers in foreign shared companies; and rural workers.

regained attention. Since 1998, rural migrants who contribute to the welfare pool at the same rate as the local urban workers for 15 years before retiring can enjoy the same rate of benefits as they do. The policy initially permitted migrants to withdraw their contributions from individual accounts in cases of quitting or labour contract terminations. In 2010, the government issued a regulation on the transferability of the welfare contribution among different regions and then prohibited the personal welfare surrender.

A feature of the Guangdong model is its extension of coverage on the basis of the original urban framework, with a goal of building up a unified welfare system for both local urban people and migrants. The Guangdong welfare extension focuses on urban insurance schemes, and the contribution to the welfare pool is an essential part of participation. Therefore, the members covered always have formal contracts, at least, as well as employers who are willing to contribute. Informally employed individuals, particularly the lower-waged migrants, typically find the economic threshold for participation in the insurance schemes to be too high, while the non-contribution schemes, including the urban Minimum Standard of Living program in the city, have not been expanded to include them. From this point of view, the welfare programs for rural migrants are more residual than universal.

5.4.2.2 Case 2: Shanghai model

In contrast to the Guangdong model, the Shanghai model attempts to implement a separate welfare system for migrants. Running in parallel with the local urban welfare system, the comprehensive insurance system includes a

package deal that covers payments for on-the-job injuries, hospital treatments, and old-age allowances. While the Guangdong model is managed by a social insurance agency, the management and operation of Shanghai's system are handled by a commercial insurance company under the supervision of the municipal government. Employers take the main responsibility for welfare contributions, except for self-employed individuals, who need to contribute by themselves. The contribution rate is comparatively lower than that of the local urban welfare system. By not setting the length of the contribution period, the Shanghai model has more flexibility to attract participants. After reaching retirement age (60 for males, 50 for females), the beneficiaries can claim benefits from insurance companies in their places of origin.

Table 5-2 A comparison of the Shanghai model, Guangzhou model, and urban welfare system

	Shanghai model	Guangdong model	Urban welfare system
Programs	Work-injury insurance; Hospital treatment; Old-age allowance	Pension; Medical insurance; Work-injury insurance	Five types of insurance; Urban Minimum Standard of Living program
Included group	Non-local workers	Non-local workers	Local urban residents
Contribution rate	12.5% (non-local construction enterprise rate is 5.5%)	Almost the same as local urbanites	Work-injury: 1%; medical: employer 6%, individual 2%; pension: employer 20%, individual 8%; unemployment: employer 2%, individual 1%; maternity: employer less than 1%
Employer's contribution	All	Around 26%	Around 30%
Individual's contribution	None	Around 10%	Around 11%
Portability	Not portable, cannot be withdrawn	Practically difficult, cannot be withdrawn (after 2010)	Practically not portable

Region to claim pension	Place of origin	Contribution place	Contribution place
Management ++agency	Commercial insurance company	Social insurance agency	Social insurance agency

The deficiencies of this system are that the benefit level is too low, self-employed participants are not encouraged to participate because disputes over compensation for on-the-job injuries often occur, and welfare is not portable if an individual moves to work in other cities.

A comparison of the Guangdong and Shanghai welfare models shows some similarities between them (see Table 5-2 above). First, contribution capability is the key to participation in either welfare system. The migrants who find difficulty in making contributions are excluded from participation. As contribution capability largely depends on employment stability and formal contracts, the individuals excluded from the welfare system are mostly informally employed and self-employed workers. Second, the two models emphasize contribution more than redistribution. In both models, the participants have not been able to be part of the Minimum Standard of Living program in the cities. Individuals who are unemployed and impoverished have to seek informal networks for assistance or go back to their rural villages. The Guangdong model takes steps to prevent system fragmentations between migrants and local urbanites, but migrants' access to the Minimum Standard of Living program in the city is still impossible. Finally, the most difficult technical problem is the welfare transferability between different regions. When individuals move, their welfare participation is not portable.

The problem in welfare transferability indicates the complexity of coordinating different welfare policies among cities and regions. Due to welfare decentralization and less transferability, the development of welfare levels is unbalanced between eastern coastal cities and inland cities. The welfare benefit is decided by contributions and regional economic levels. One difficulty in welfare transferability is illustrated when migrants move from undeveloped regions to developed regions and the interests of host cities are harmed because the cities need to pay high subsidies to lift the welfare of the migrants to an average level. The governments in developed regions also do not encourage their residents to take their welfare to other cities, as it leads to the transfer of a certain amount of funds away from the government. The decentralization, to some extent, results in local protectionism. Even if the welfare system has opened windows somehow to migrants, the participants find that they rarely enjoy essential benefits from it.

Welfare reform is further exacerbated under the context of globalization, in which local governments consider a cheap labour force to be a competitive means of attracting foreign capital. As local GDP growth rate is one of the most important performance indicators of a local government, economic growth is put as a priority in the political agenda. To maintain political stability and economic growth, local governments either are reluctant to reform their local welfare systems, or have to reform but do not offer complete solutions. It is worthwhile to note how the emerging contradictions between central and local governments affect the vacillation of the welfare reform process. In December 2007, the State Council issued the New Labour Law with detailed provisions on labour contracts and protections, which is regarded as a law that favours the employees. A further

step is the Social Insurance Law passed in late 2010. These laws reflect a big shift in central government's attention to labour protection. The concern is whether they are smoothly carried out in local regions, where their success is affected by the support and supervision of the local governments.

5.5 Welfare program participation at an individual level

With regard to welfare program participation, the results published by China's National Bureau of Statistics in early 2010 indicate that, in general, the participation rate in welfare programs is low. In this study, 73 interviews were included in the data analysis, and among the informants, only 16 individuals (22% of the total) indicated that they had chances to participate in welfare programs, among which 3 participated in commercial insurance programs on their own, 1 had participated previously, and 1 had voluntarily given up the participation opportunity. After these five cases were deducted, the de facto number of participants in social insurance was 12 (16.4% of the total). The sample also suggests that male participants (N = 8) outnumber the female participants (N = 4) and that participation in manufacturing (N = 6) is slightly higher than in the construction (N = 3) and service sectors (N = 3). It also suggests that the participation rate among younger migrants is higher than among older migrants. More details are listed in Table 5-3:

Table 5-3 Information on welfare program participation (Total= 12)

	Sectors	No.	**Sex**	No.	**Age**	No.
Guangzhou	Manufacturing	3	Male	3	Below 20	2
	Construction	1	Female	2	21–30	2
	Service	1			31 and above	1
Shanghai	Manufacturing	2	Male	4	Below 20	1
	Construction	2	Female	0	21–30	1
	Service	0			31 and above	2
Mumakou	Manufacturing	1	Male	1	Below 20	0
	Construction	0	Female	2	21–30	2
	Service	2			31 and above	1

5.5.1 Employment selectivity

The data further indicates that formal employment plays a key role in welfare program participation. Work stability and formal contracts signed with employers will increase the chances for rural migrants to be included in the welfare system. All of the 12 welfare participants had formal contracts with their employers, and participation in the welfare system was discussed in the contracts. When the contract came into effect, the labour relationship was legally protected, and once one party disobeyed the contract, the other party could seek legal assistance. However, lack of a formal contract is quite common among the rural migrants, and it is significant in explaining non-participation in the welfare system. The reasons for lack of a formal contract were various. A majority of migrants obtained employment information before leaving their hometowns. Choosing employment mainly based on kinship and geo-relations, according to Zhai (2003), is due to distrust towards urban strangers and doubts about the authenticity of information in the city. Most migrants' employment is grounded on trust, has only

an oral contract, and is characterized by informality. Among the non-participants who indicated they had signed some form of contract, there was little knowledge about illegalities in the content or of rights that ought to be included in the contract, as one informant stated:

> The contract is concerned with safety, procedures, and so on. Basically, we don't know too much, as he [the boss] decided it [the content]. Whether you want to or not, you must sign it……We are familiar with our boss and colleagues……Most are relatives and from the same village. They will not cheat on you. If they are all strangers, and don't know each other, then you must feel insecure. (S18, male, 36, crane driver, non-participant)

Rural migrants who were self-employed or temporarily employed also found it difficult to sign contracts, let alone contribute to a welfare pool, because of the high mobility and instability of their jobs. Two such informants said:

> I was introduced to this business [bricklayer] by a friend. We are very mobile, and where there is work is where we go. We do not have a contract here [Shanghai]. (S16, male, 19, bricklayer)
>
> I am collecting scrap and it is impossible to have a contract. All I need is a tricycle. (G4, male, 33, garbage collector)

It is obvious that the employment informality among rural migrants increases the difficulty of welfare extension (Ginneken, 2003). Most of these enterprises are owned or operated by single individuals, with little or no capital

investment and hence with low productivity and income. A majority of them are engaged in tertiary activities consisting of petty trade and service activities. Because of serious constraints in accessing land or space, they are always in almost invisible locations, including slums or other marginal areas (Canagarajah and Sethuraman, 2001). For most of these migrants, 'the problem is not unemployment but poverty' (Lloyd, 1979: 146); they are either ineligible to make contributions or the contribution amounts are beyond their means.

5.5.2 Welfare information accessibility

Welfare program accessibility includes two considerations. One is whether the local government has promulgated relevant regulations for rural migrants' participation in the local welfare system, and the other is whether the regulations have been circulated broadly so that the potential participants can get the information. As the welfare schemes are varied and highly localized, the rural migrants need to study the new regulations whenever they change their employment locations. Li (2007) also indicates that information that rural migrants need in order to make decisions about programs is not always available, which undermines the rate of welfare program participation.

Information accessibility is indeed affected by the local governments' determination in policy promotion. Currently in China, it is still evident that GDP growth is much more desirable to local governments than is societal development. As the rural migrants account for the largest share of the local cheap labour force, which is seen as a big advantage in attracting investment, governments are led to deliberately ignore local welfare development. For instance, enterprises have been widely criticized for not following the New Labour Law issued in 2007, but this

failure is actually a reflection of weak supervision by the local governments, which are afraid that strict supervision of labour protection will result in capital exiting the local cities. Enterprises are assuredly the other entities that withhold information about welfare program participation. This is particularly true in labour intensive sectors in which contributions to welfare schemes will inevitably lift the labour costs and production costs.

Despite Guangdong's and Shanghai's initiatives in implementing welfare reform for rural migrants, there are still a large number of informants who could not recount the contents or procedures of welfare program participation in local cities. The more information available to them, the more likely they are to participate in welfare programs. Familiarity with local social policies depends on the length of stays and migration distances (intra-provincial or inter-provincial migration). Empirical studies (Nielsen *et al*., 2005; Xu *et al*., 2010) have also proved that longer stays in a city and intra-provincial migration both increase the probability of welfare participation. Those factors increase the likelihood that rural migrants will become familiar with local government policies.

There is also a general impression that the enterprises in the public sector are more active than those in the private sector in disseminating government policies and that the management of European-financed enterprises are more human-based than enterprises financed by other developing countries; these observations suggest that labour protection is probably related to the management culture. For instance, the Chinese government positions the state-owned enterprises as the pillars of economic development, 'the demonstration of the superiority of socialism', so labour workers in these enterprises are more protected. For the

enterprises financed by other developing countries, the flow of capital is mainly decided by the labour cost, and therefore labour deprivation is fiercer than in enterprises financed by developed countries. In addition, the welfare system is more developed in European countries than in other developing countries, which also affects different attitudes towards welfare participation. As one informant pointed out:

> They [the enterprises] are mostly privately owned. What the bosses understand is making money. They never care about whether the workers should live or die. (M1, female, 44, factory worker)

5.5.3 Settlement intention

Since a unified welfare system has not yet been built up and rural-urban division is still obvious in welfare design, migrants' decisions about whether to stay in the city or return to rural areas have an important influence on individuals' welfare program participation. If individuals expect to return to rural areas in the long run, their participation in city programs is therefore more in response to their short-term needs than to their long-term needs. For instance, a majority of young migrants did not consider it urgent to prepare for old age. If participation in a pension fund was not compulsory, they were not inclined to participate. There were some migrants who did consider providing for their elderly parents. As the Confucian filial duty still has an impact in rural society, supporting elderly parents is considered to be the children's obligation. In 2002, the central government restated that households should take primary responsibility for the care of rural elderly (Xiang, 2007). Furthermore, land is the other source of livelihood and

protection in rural areas. Hence, the welfare participation of those who plan to return to rural areas is much lower than that of those who plan to settle in the city. Two informants noted:

> I will at last return to the village. Participation in this program [pension] is redundant for me. (G11, female, 46, store sales)
>
> If retired, we have to depend on my son. All we are doing now is for him [her son is studying in a university in Shanghai]. (S1, female, 55, street vendor)

Moreover, the consideration of settlement also relates to the difficulty of regional transferability of the welfare funds. Particularly in terms of the pension scheme, the lack of portability obstructs enthusiasm for participation. When the pension is featured as a long-term investment and is then considered together with the deficiency of the system itself, the rural migrants, particularly the younger ones, are less willing to contribute to the pension pool.

5.5.4 Confidence about welfare reform in the future

Although the extension of welfare coverage to rural migrants has called for great attention during the last decade, the orientation of the reform is still ambivalent and debatable. Three main options for covering the large number of rural to urban migrants have been considered: incorporating migrants into the urban welfare system, into the rural welfare system, or into a separate welfare system (Guan, 2005a). As the ultimate goal of social policy in China is not that clear and because, in addition, the policy varies from place to place, the migrants' confidence in welfare program participation is weakened. For instance, welfare contributions are divided into personal accounts and social pooling accounts.

Rural migrants in Guangdong province previously were permitted to withdraw their contributions only from their individual accounts, while the social pooling accounts, mainly consisting of contributions made by the employers, could not be withdrawn. This policy was considered to be deliberately harmful to the interests of rural migrants because if they decided to move to other regions their shares of the social pooling accounts were detained by the local governments. To some extent, the system design institutes money-saving, but withdrawing money from the system is not as easy as withdrawing it from the bank.

The fluctuation of the welfare policy and doubts about government accountability are important reasons for a hesitant attitude among rural migrants towards welfare program participation. The following excerpts show rural migrants' concerns about whether they benefit from the welfare reform. The more negative attitude they express towards the reform, the less likely they are to participate in the welfare program.

> I don't want to participate in [the welfare program]. Because the policy is always changing and our earnings are quite poor, we are very concerned that we will be cheated. To be frank, saving in the bank is more secure; who knows how our contribution has been spent! (G1, male, 53, cobbler)
>
> I would rather my employer increase my earnings than contribute to the welfare pool. One reason is my job is without any risk; the other is I might change to another job or location. I don't want to lose my money. (G2, male, 23, doorkeeper of a company, who voluntarily gave up the participation opportunity)

5.6 Conclusion and discussion

In the case of welfare participation in Guangdong and Shanghai, this paper presents a two-level analysis from the perspective of social exclusion. At the institutional level, the trends of welfare marketization and decentralization make the welfare system more selective than universal. The threshold of eligibility for system coverage is highly correlated to ability to contribute to the welfare pool, which is determined by position in the labour market. The formally employed rural migrant workers are more likely to be covered by the system than the self-employed and informally employed workers are. This welfare selectivity helps the rural migrants with higher economic status to be integrated into urban society, while resulting in a dual exclusion of rural migrant workers who are disadvantaged in the labour market. At the same time, the decentralization of welfare management leads to a variation of welfare policies within China. Local protectionism essentially obstructs free movement of welfare funds and harms the interests of welfare participants. Because of both the frequency with which people change jobs and highly unstable employment features, the current welfare system is still faced with non-adaptation to geographical mobility to a great degree. The slow pace of welfare transferability reform is, to some extent, caused by local governments that, particularly in the developed regions, are reluctant to grant equal citizenship to outsiders, as accepting migrants from the undeveloped regions may require governments to subsidize social pooling more heavily.

At the individual level, the data indicated that a low participation rate among migrant workers, despite the pilot reform measures that were conducted in the host cities. Welfare participation is affected by multiple factors—employment

selectivity, information obtainment, settlement intention, and confidence towards the reform in the future. The data suggests that reform coordinating measures need to be implemented. First of all, the implementation of the New Labour Law issued in 2007 and the Social Insurance Law of 2010 should be seriously supervised by the governments. Enhancing formal contract rates could improve the welfare participation. Second, updated information about welfare policies and reforms needs to be circulated more widely so that it is more easily accessible to most rural migrant workers, to ensure that they have adequate knowledge about the current welfare system. Third, in addition to social insurance schemes based on contribution, the development of non-contribution welfare schemes could play a supplementary role in the city.

With the deepening economic reform in China, marketization profoundly permeates the social and cultural realms. It furthers advances the doubts concerning what roles a socialist government should play under the context of globalization and marketization. As can be seen from developments in the last three decades, economic expansion has always been put as a priority in the Chinese political agenda. Making use of an internal cheap labour force, especially the rural-urban migrants, contributes considerably to GDP growth. Local governments are now much more independent and autonomous than they were during the state's socialist period and not only act as economic regulators but are also deeply involved in the economic reform process. Rent seeking and corruption happen from time to time. A distinctive feature of economic reform in China is that rather than retreating from the economic realm, governments continue to play an important role in the market transition of China. Meanwhile, as decision

makers and regulators in the redistributive realm, governments also take the main responsibility for social stability and social equality. These continuously powerful and multiple roles played by the state in both economic and social development raise conflicts within government over how to balance the interests of various parties (Ma, 2002). For instance, to provide impetus for economic growth, the local governments need to keep labour costs at a comparatively low level to ensure competiveness; at the same time, maintaining the labour cost at a low level baffles welfare reform and the labour protection of migrant workers.

The trend of decentralization exacerbates the conflicts between different hierarchies of governments. Since the end of the 1990s, the fiscal decentralization process in China has caused reform conflicts to occur between the central government and local governments. Evidently, there has been a shift of policy orientation towards disadvantaged social groups at the central government level, while the implementation and supervision of the laws at the local government level have not been as strict as expected, thereby affecting the performance of the policy. These dilemmas are reflected in individuals' choices because rural migrants consider the urban welfare policy to be unstable, and they are not confident that future reforms will benefit them.

Therefore, the next steps for welfare reform in China are perhaps the redefinition of the role of the government and a rebalancing of the relations between the central government and local governments. A shift of direction from decentralization to centralization in welfare reform would perhaps help China to build a more universal and equal welfare system for all Chinese citizens.

This chapter discussed the dimension of social exclusion of rural-urban migrants in transitional China in terms of the participation in welfare and insurance programs and associated barriers and difficulties. The research question of this chapter is "how has welfare reform influenced the social exclusion of rural-urban migrants since the 1990s". Taking Guangzhou and Shanghai as case studies, this chapter argued the trends of welfare marketization and decentralization mean that the welfare system is becoming more selective than universal. The economic exclusion of rural-urban migrants in terms of employment and welfare programs have profound impacts on migrants' identity and sense of belonging, which will be discussed in the next chapter.

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CHAPTER 6

Boundaries, Exclusion and Identity Construction: Experiences of Rural Migrants in Urban China[1]

Abstract

The concept of social exclusion has been widely applied to explain the marginalized situation of rural migrants in contemporary China, yet aspects of the rural migrants' perception of their identity has received little attention. The purposes of this paper are to deconstruct the boundaries between "us" and "them", to explore how rural-urban migrants categorize social groups, and to reveal the underlying mechanism of exclusion in contemporary urban China. A qualitative analysis of data collected from a rural village of central China suggests that institutional segregation, cultural bias, economic differentiation and social network are the four main boundaries in migrants' identity construction. Migrants' identities are shaped and reshaped by their hukou status, occupation, home ownership and social network. Those factors are interwoven, leading to more than one identity in migrants' narrative discourses. Most survey respondents, when asked to choose either a rural or an urban identity, were ambivalent, which indicates the blurred boundary of one's identity as a result of rural to urban migration and the rural-urban divide could not fully define the identity construction of rural-urban migrants. The findings highlight an intertwining effect of the state force and the market force in the process of migrants' negotiating a new identity in the host urban society.

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Key words: Identity, Boundary, Exclusion, Rural-urban migrants, China

6.1 Introduction

Prior to the early 1980s, perceptions of China's rural population were varied and inconsistent. On the one hand, they were depicted as enthusiastic, proud, physically powerful, easily led, defiant against oppressors, revolutionary, natural and dignified under duress. On the other hand, they were also seen as cunning, stubborn, conservative, thieving, backward, selfish, superstitious and acquisitive (Kelliher, 1994, p. 397). These images were the product of certain political contexts and goals of the ruling class[2], while the rural people themselves were collectively silent and were treated as 'others' by those in power:

> Whether they symbolized the backwardness of an old society that had to be destroyed, or whether they were viewed with nostalgia as inhabiting an idyllic world untouched by modernization, peasants were set apart as 'the past'. This cleared the way, in effect, for the present and the future of modernity to be inhabited, taken charge of and shaped by those who were not peasants—the educated, urban elite (Jacka, 2005, p. 36).

[2] Jacka (2005) has systematically reviewed the historical changes in perceptions of rural areas and rural people in China. She suggests that their images have undergone changes and been used for different political purposes. Roughly speaking, at the beginning of the foundation of the People's Republic of China, rural images were more positive. Afterwards, the images have been ascribed with paradoxical meanings. On one hand, they were described to be active, diligent and positive; on the other hand, they were described as passive, uncivilized and needing to be enlightened.

The above excerpt reflects the strong power of the party-state during the state socialist period in China, when individuals were prevented from expressing their views. The rural and urban populations were seen as mutually exclusive within China, a situation exacerbated by poor communications and strict migration control, and, consequently, China's urbanisation lagged far behind the rest of the world.

Since the 1990s, the Chinese government has focused on urban economic reform. Reforms in state-owned enterprises were the initial steps towards a market-oriented economy. The economic changes demanded more freedom of movement of labour, capital and technology, and the lifting of internal migration restrictions. The new geographical mobility shattered the former rural-urban isolation, and the influx of rural workers seeking opportunities in the cities has led to a reconfiguration of both space and networks there (Zhang, 2001). Although they are still officially registered in rural areas, the "rural" label that applied to their former farming duties is not relevant to their new occupations in the cities. The disparity between their occupations and their registered status, and the conflict of either maintaining or breaking the mutual stereotyping, leads to high levels of psychological stress. This situation is similar to the "diasporic space" (Xiang, 2007) faced by international immigrants, who need to renegotiate their identity in accordance with the mainstream expectations in their new country. However, the internal migration process also provides the potential for rural people to break free of the stereotyped identity imposed by the state and express their own voice.

The identity construction of rural migrants appears to be undergoing a transition. The state-party continues to label social groups. Through exerting impacts on public opinion, the state affects the mainstream urban attitude. In the early 1990s, the term "*mangliu"* ("盲流", blind flow) was commonly used by the government to refer to rural migrants, who were perceived as being without rational thinking and with a tendency to disturb the public order. The label was discarded at the end of the 1990s, and rural migrants were regarded as indispensable and positive to economic development (Stockman, 2000). Furthermore, the "industrial workers"[3] first appeared in the documents of the central government in 2006, with the implication that they were contributory rather than destructive. In general, the state still functions by creating images of rural migrants to suit its political agenda, but it has moved towards being more accepting of them.

Meanwhile, in this transitional phase, the legacy of rural-urban division in government policy continues, so urban policies still treat local people and outsiders differently. Empirical studies of citizenship (Solinger, 1999; Wu, 2007), employment (Cai, Du, and Wang, 2002; Knight, Song, and Jia, 1999; Meng and Zhang, 2001) and welfare issues (Guan, 2007; Guo and Gao, 2008; Li, 2006) among urban groups highlight institutional exclusion from the state as a prominent cause of urban inequality.

[3] The State Council published document of "Suggestions on solving issues of rural migrants" and the concept of rural migrant workers is being written for the first time into the document, "Rural migrant workers are the new labourers during the process of industrialization and urbanisation. Their *hukou* is registered in rural areas, but they work mainly in non-agricultural sectors; they work seasonally, as both peasants and workers; they are highly mobile, and have become parts of industrial workers in China".

At the same time, rapid marketization in the economy is leading to a process of differentiation within the peasantry, and the market force acts like a two-edged sword in the identity construction of migrants. Economic participation in the city changes migrants' occupations and affects their lifestyle. The formation of urban social classes is controlled by their relation to the market, and economic differentiation affects any restructuring of classes, resources or identity. For instance, through economic integration one can become more involved in urban life and it is then much easier to transfer one's rural status to urban *hukou* status[4], whereas economic deprivation or exclusion hinders any sense of belonging in the city. Should the level of marketization become similar to that in western countries, and migration and occupation become more of a personal choice, the rural-urban identity division will possibly lose its significance. Therefore, the current market transition could either reinforce or change the rural-urban identity division.

This paper focuses on group boundaries, exclusion and the identity of rural migrants, and particularly the impacts of the current market transition. We are interested in how rural migrants perceive themselves and construct certain identities under the context of market transition when they are moving to and living within the cities. We investigate whether the rural/urban group boundaries, which were shaped by the state force, are being reinforced or changed with the introduction of the market force. More specifically, after entering the urban space, will migrants be able to easily transform their rural identity, or do they face inner conflicts or struggles when confronted with the fragmentation of their values and

[4] Institutional division and its impact have been elaborated in the literature. Refer to the literature about the *hukou* system in China, by authors like Cheng and Selden (1994), Chan and Zhang (1999), and Chan and Buckingham (2008), etc.

identity? And further, is it still worth making a rural-urban identity distinction today?

This paper attempts to understand urban inequality, group conflict and social classes by exploring the factors that influence the categorization of identity among rural migrants. These factors are the important variables in shaping group boundaries, and they help to explain the relations between different social groups. Since an individual's identity can vary depending on different situations and places, the identities discussed in the paper are highly relevant to urban inequality. We argue that identity construction is a process of shaping group boundaries in the city, and group boundaries reflect a certain mechanism of social exclusion, which implies changes in the balance of the two forces.

Several previous studies have provided inspiration for this paper, although they did not directly highlight the impact of these two forces. For instance, Jacka (2005) more broadly explored the identity of women migrant workers in Beijing, and found that rural identity is still salient; with several divisions, including rural-urban division, central-marginal division, gender division, and value conflicts between tradition and modernization, embedded into or deconstructed in the identity construction process among them. Pan (2005) explained gender differentiation in the context of global capitalism and argued that labour relations in China reflect some aspects of capitalism, but the emergence of a labour class in China has not eventuated. Female rural migrants commonly work as maids, and Sun (2009) has explained their identity construction from the perspectives of symbolic bodies, media and consumerism, implying that identity negotiation among maids is associated with gender, labour relations, cultural values and

material reality. These findings provide insight into gender inequality in the context of social changes arising from urbanization, modernization and economic transformation in China. Those previous studies discuss the division between rural and urban identities, but not the scope of this division, which suggests that possessing exclusively rural or urban identity is probably less pronounced in post-socialist China.

This paper is organized as follows. First, it briefly reviews the relevant literature on boundaries, exclusion and social identity theories. This is followed by an overview of the methodology and the rural survey dataset used to explore the group boundaries and identity construction process. The findings are discussed in the context of China's current urbanisation and economic reforms.

6.2 A Review of Social Identity, Boundaries and Social Exclusion

Social identity is a person's perception that he or she belongs to a social category or group. It relies on at least two important factors: the person's status in an existing hierarchical society, which assumes that the formation of one's identity depends largely upon a named and classified world (Hogg and Abrams, 1988; Stryker and Serpe, 1982); and social comparison (Tajfel, 1978; Tajfel and Turner, 1985), through which individuals adopt a certain standard to distinguish and label others as members of an "in-group" or "out-group". Through either social stratification or comparison, social identity makes distinctions between individuals and groups. These distinctions also imply that a certain border or boundary has been drawn during the process of identity negotiation. This opinion

has been explained by Barth (1969, p. 12), who considers social identity as a product of the process of border formation: “it is articulated at the boundary and is defined and moderated by the contrast between ‘them’ and ‘us’”. For him, ethnic groups result from drawing boundaries between themselves and mainstream groups.

To some extent, boundaries can be understood as a medium of group inequality, through which individuals are associated with different opportunities, and people acquire status and monopolize resources by comparing internal with external groups (Lamont and Molnar, 2002). After frequent interaction and social comparisons, the access to resources and opportunities is gradually dominated by one group, which leads to stabilization of the existing boundaries. During the process, the boundaries change from unstable to stable. Therefore, boundaries are both tools and final results in the process of identity negotiation.

This dual role of boundaries – tools and outcomes – means that boundaries define inter-group relationships and also act as exclusion mechanisms (Jordan, 1996). The clear recognition of inter-group boundaries reinforces the willingness of group members to fight for power and resources (Kriesberg, 2003). Changing a particular social identity requires crossing or shifting the existing boundaries. For instance, social network is an important element of the social boundary (Melucci, 1996; Stryker and Burker, 2000; Tilly, 2005), as it assumes individuals are embedded in small and specialized networks of social relations. As a result, crossing the boundaries is embedded into a particular social network. Cultural sociologists (Lamont, 2000; Swidler, 2001) think cultural factors, such as cultural repertoires, traditions and individuals’ narratives, play an important role in

shaping the boundaries. As cultural boundaries represent distinctive ways of life, absorbing or excluding a certain culture reflects the openness of inter-group relations.

In summary, the relationships among social identity, boundaries and exclusion can be explained by two propositions: (1) social identity can be defined as people's sense of self, which they define in terms of boundaries among individuals and groups; and (2) boundaries to some extent reflect a certain exclusion mechanism and social inequality.

When discussing identity issues of rural migrants in China, it is relevant to explore where boundaries have been drawn between them and "others" in the past. During the state socialist period, boundaries were shaped mainly through institutional arrangements and geographical division, and the rural identity was more politically focused. The power of the state functioned well in maintaining the boundaries and exclusion between rural and urban people, based on the condition that almost everything was planned and controlled by the central government. When this condition is to be abandoned, the boundaries and exclusion between two groups begin to falter and affect any subsequent new identity formation.

"Rural people" are defined here as people with ascribed agricultural *hukou* status, who are supposed to work on the farm according to the household registration system. This identity is assumed to include both institutional and occupational aspects. Under the pressure of market reform and the breakup of geographic restriction, original institutions are being readjusted and rural people's occupations are expanding into non-agricultural sectors. Such situations provide

opportunities for breaking the original boundaries and establishing new group relations. The reshaping of boundaries and the formation of new exclusion mechanisms, in turn, shed light on the reorganization of power, resources and classes in transitional China.

6.3 Research Methodology

This study undertook an analysis of social exclusion of rural-urban migrants in transitional China, collecting data from a survey organized in a rural village (Mumakou) of central China during the spring festival in early 2009. The Mumakou village, located in the southwest of Hubei province, was affiliated with Songzi city. In 2009 it comprised nine village groups, with 550 households and 2,295 villagers. Unlike other areas in southern and coastal China, the Mumakou village was considered relatively conservative. Migration out of the province did not become a trend until the late 1990s, possibly because undeveloped railways and highways meant that employment information was slow to reach the area. Nevertheless, since the 1980s there had been a disparity between surplus labour and a scarcity of cultivated land, and so working in non-agricultural sectors or being employed in nearby towns or other cities of Hubei province had been common even before the migration out of the province began. Improved transport, particularly the railway through Songzi to Guangzhou, has sped up labour transfer to the Pearl Economic Delta. Also, after 2000, buses to Shanghai, Beijing, Xi'an and other eastern coastal cities have expedited the migration process. It has been

estimated that of the 1,134 labourers in the village in 2008, nearly half of them were working outside the village.

My visits to the rural village were accompanied by a local rural cadre, who takes responsibility for the registration of births and family planning. Population movement had increased and her workload had become much heavier. She needed to visit each household and ascertain the number of children already born or planned, so that government policy could be implemented smoothly. She was very familiar with all households in the village, which eased my introduction to the villagers. We spent one week with each village group to complete the questionnaire and look for potential interviewees. During three months in Mumakou village we obtained 301 completed questionnaires and conducted 20 intensive interviews. Table 6-1 contains the demographic characteristics for the 301 participants in the questionnaire. In addition, by visiting rural households, chatting with the local cadre and villagers, and participating in two recruitment and training meetings organized by the local government, I had more chances to gauge the rural migrants' attitudes towards urban life outside the village. Therefore, my notes and travel diary were other data sources.

This article reports results from the questionnaire survey and intensive interviews. Interviewees were half male and half female, aged less than 20 years (n=5), 21–30 years (n=8) and 31 years or older (n=7). All had two or more working experiences in the city. Interviews were recorded and imported into the qualitative research Software NVivo 8.0. Results reported here are of the perceptions of identity from the questionnaire survey, and an analysis of the interviewees' narratives and the notes of the village survey.

Table 6–1 Social and demographic characteristics of migrants from Mumakou village (%, N=301)

Sex		**Marital status**	
male	54.5	Unmarried	21.7
female	45.5	Married	77.0
		Others	1.3
Age (years)		**Have children or not**	
<= 25	31.9	Yes	58.9
26-35	33.6	No	41.1
>=36	34.5	**Working experiences**	
		Once	28.4
Education		More than once	71.6
<=primary school	11.0	**Working status**	
Middle school	67.1	Returned many years ago	7.0
>=senior high school	21.9	Just returned and planed not to leave	12.7
		Just returned and planned to leave	80.3

6.4 Results

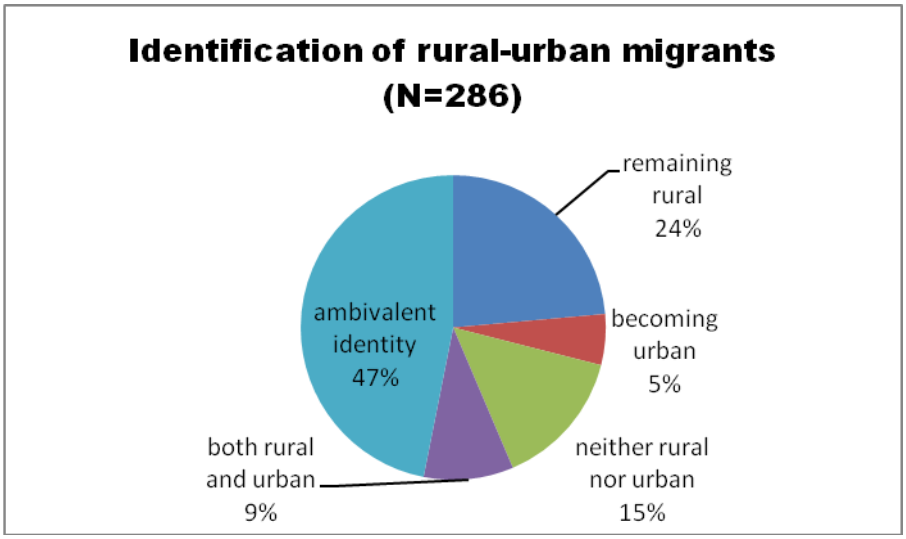
6.4.1 Rural or urban identity: an uneasy relationship

All respondents in the survey had agricultural *hukou* status and were officially defined as “rural people”. The questionnaire survey examined whether their identity based on *hukou* division was still clear and salient. As social identity is constructed through a series of comparisons between groups, the questionnaire survey contained two basic questions concerned with identity: “Though working in the city, do you still feel yourself like rural people?” and “Compared with rural villagers, do you feel yourself more like an urbanite?” Participants had a choice of four responses: agree, disagree, somewhat agree and don’t know. Answers

suggested different perceptions towards identity among the migrants, falling into three sub-categories—remaining rural, becoming urban and being in-between.

Those categorized as "remaining rural" considered themselves as rural people, compared with both rural villagers and urbanites; "becoming urban" were those who considered themselves as urbanites in both comparisons; and "in-between" were those who thought of themselves as both rural and urban, or neither rural nor urban people, or those who were ambivalent about their identity. Results are illustrated in Figure 6-1.

Figure 6–1 Identification of rural-urban migrants



As shown in Figure 6-1, the results indicate that the number of migrants positively perceiving their identity as either rural or urban was quite small, and most individuals felt uncertain or ambiguous about their identity when binary choices were provided. The respondents who positively considered themselves remaining rural accounted for 24 per cent, while the percentage positively categorizing themselves as urban was only 5 per cent. Nearly half (47 per cent)

felt ambivalent because they were unsure or just agreed somehow with the rural or urban identity. There were still 9 per cent identifying themselves as both rural and urban, while 15 per cent as neither rural nor urban.

Geographical migration does not necessarily mean that adjusting one's identity is easy. Indeed, identity adjustment is very hard for rural migrants in China who feel out of place or have no sense of belonging (Jacka, 2005). Studies in Turkey and the Philippines have made different findings. There, young female migrants seem able to carry dual or multiple identities easily and can adjust their behaviour appropriately to different settings (Erman, 1998; Trager, 1998). In those countries, segregation is broken down by efficient transportation, mass media and frequent communication between rural and urban areas. There, migration minimizes geographical isolation and affects people's lifestyle, and it is also possible that rural and urban identities co-exist rather than being seen as opposites. In contrast, however, the identity of rural migrants in China indicates a more subjective sense of floating and difficulty if integrating into urban society, as shown in the following interview response:

> I have been working in the city for several years, so I don't think I am still rural. When I come back (to the village), no one looks me as a rural person. They (villagers) think I was working in the city and must have earned a lot. And I don't want to return to be a peasant either. But I never categorize myself as an urbanite. Not only was I not born there (in the city), but also my job is quite humble (longer working hours and bad payment). I have encountered discrimination several times in the city. Some urbanites look down upon us, and regard us as rural idiots (*xiangbalao*). As mentioned in

> the newspapers, I think I am an urban marginalized person (M3, male, 29, furniture manufacturing worker).

Citizenship in China is regulated by the state. Though the government is working to integrate rural migrants into the city, the policy is still regionally and locally fragmented. Despite several local governments trying to grant local citizenship to rural migrants, the prerequisite conditions are high. The rural migrants' lack of employable skills in the urban context mean that many of them are marginalized and unprotected in the urban labour market. Being subjected to unequal institutional arrangements and facing vulnerability in the employment market make it difficult for single migrants to settle in the city, and it is even more so for those with families. The majority find it hard to shake off their rural roots, even long after leaving their villages. Many have no definite ideas about future settlement, and they vacillate between the rural and the urban, sometimes feeling determined to live an urban life and never go back, sometimes frustrated and considering a return to the country much more realistic. Therefore, the crisis of "legitimizing identity" (Castells, 2004) in the city is aggravated by their marginalized economic position, which obstructs their formation of a stable identity.

Meanwhile, as Gilroy (1997, p.301) pointed out, "identity provides a way of understanding the interplay between our subjective experience of the world and the cultural and historical settings in which that fragile subjectivity is formed"; in fact, the rural culture based on traditional kinship and geo-relations is being eroded after moving to urban space. Rural migrants have to put themselves into a more heterogeneous environment, and build new identities through interacting

with strangers, from whom they obtain new role models in the city (Pan, 2007, p. 384). Therefore, the process of cultural fragmentation affects subjective ambiguity.

In the next section, we examine identity construction in the urban context. Identities hinge on marking a difference, and every sense of 'we' must unavoidably leave out or exclude a 'they' (Gilroy, 1997, p. 302). The distinction of different identities is a reflection of the resulting group boundaries.

6.4.2 Group boundaries and exclusion: identity out of place

Through identifying who the respondents referred to as "us" and "them", we argue in this section that rural and urban identities are not fixed; rather, the identities take on different connotations in different contexts. Though "rural" is regarded as a culturally negative label, the rural migrants on the one hand try to adjust the cultural distance between "rural" and "urban" through assimilating in terms of clothing, speech and behaviour, while on the other hand raising doubts about the legitimacy of the identities being labelled. In addition, new identity labels are created according to occupation, work relationship, economic status and social network. Economic status plays a greater part in identity construction in the city, which also underlies the increasing power of the market in the formation of boundaries. Urbanites are a far more a homogenous group that many rural migrants realize, a fact that probably reflects the ongoing erosion of the rural-urban identity dichotomy.

6.4.2.1 Boundaries and discrimination in public space

> We went to the large supermarkets, hoping to experience the mega-city. Unpleasantly, the security guards looked us cautiously and sceptically as if we were theft. We felt depressed as we were monitored. (M14, 42, male, construction worker)

A number of studies (Jacka, 2005; Sun, 2009; Pun, 2005) have identified the differences felt particularly by female rural migrants, for whom clothing, rural dialect and style of speech contribute to their sense of inferiority in the city. They are easily distinguished as outsiders by their country-style clothes, anxious manner and body language, which are considered incompatible with a modern urban setting (Jacka, 2005). To counteract this distinction, rural migrants actively imitate urbanites' dress, speech and manners. Dressing and style of speaking, as elsewhere, are important signals to others indicating people's background and social status, which implies "not only wealth or one's eye for fashion but also the sort of people with whom one identifies and the kind of person one is 'on the inside'" (Jacka, 2005, p. 227). Rural migrants strive to assimilate into the urban situation because it has long been considered superior and more modern, but also because such assimilation is a living strategy for avoiding discrimination in public.

> At that time, I did not wear decent clothes…now I have learnt that, If I put on a clean jacket with a fashionable hair style and shine my shoes, they will not discriminate against me through my appearance. (M18, male, 32, construction worker)

> Incapable of speaking Cantonese is a big disadvantage (in Guangzhou). As they know from your dialect that you are not Cantonese, they may bully you. Sometimes when buying vegetables we asked 'why is it so expensive?' They yelled 'just go away if you cannot afford it'. But we have to not take it too seriously [what we normally do is to be silent], otherwise there is no way to survive there. (M10, female, 46, restaurant waitress)

Overt discrimination deepens rural migrants' sense of being out of place, and reinforces their sense of not being integrated into mainstream society: "If people cannot be present in public spaces without feeling uncomfortable, victimized and basically out of place, then it must question whether or not these people can be regarded as citizens at all" (Hopkins & Dixon, 2006, p. 178).

Nevertheless, the legitimacy of discrimination in public is increasingly challenged. One reason for this is that second-generation rural migrants, some of whom were born in the city while others came to city after finishing school, have little or no knowledge of farming. Better educated than their parents, they are more sensitive to urban inequality.

Evidence of this sensitivity can be indicted from a subtle change in the word *suzhi* (*素质*，quality). This word was created in the 1980s in state documents investigating rural poverty that attributed China's failure to modernize to the "low quality" of its population, especially in rural areas (Anagnost, 2004). Though the term is widely adopted, the standard of judging low *suzhi* people is flexible, including a host of attributes such as education, culture, morality, manners, psychology and genetics. The notion of "lacking quality" is applied to rural migrants, litterbugs, the short and the poorly dressed (Kipnis, 2006), those

featured as being less educated or having flaws in their appearance or some sort of cultural abnormality. The interviews with my informants indicated that older migrants accepted that their *suzhi* was comparatively low, which was based mainly on their low education level and "not knowing how to talk in the city" (Jacka, 2005), while the young migrants are beginning to doubt the legitimacy of this label, as they also use this label to explain unequal treatment in the city:

> It depends on individuals. Some local people are nice, while some are low *suzhi*. It is unavoidable to meet some low *suzhi* people. Then I keep silent to avoid trouble with them. (M9, female, 30, worker in a garment factory)
>
> Some locals were primitive and with low *suzhi*. They always found troubles in our restaurant. They had not received much education and we must tolerate as they are low *suzhi*. (M15, male, 24, chef)

Overall appearance, talking and *suzhi* are widely used as the boundaries to distinguish rural newcomers from local urbanites. These aspects vividly reflect the power of urban discourse in image construction by both rural and urban people. On the one hand, rural people make efforts to assimilate and absorb urban values; on the other hand they begin to doubt and challenge the legitimacy of those symbolic boundaries.

6.4.2.2 Economic boundaries: home ownership and capital assets

House owners vs. tenants

> Wenfang and her husband went to Shanghai in 1998 and had worked there for almost a decade. They were among the first of the wealthy in the village and had

> transferred their rural hukou to urban hukou in the nearby hometown years before. When they were asked whether they felt any exclusion in Shanghai, her husband was very positive, answering that "if you are rich, they won't exclude you; but if you are poor, you will definitely be excluded". Wenfang worked as a domestic maid and provided personal care services to families with old or sick people, though neither hours nor workplace were regular. She talked frequently about how hard they had been working in Shanghai, trying to save as much money as they could in order to become real Shanghaiese. I pressed her to list the criteria she thought important to become a true Shanghaiese. She did not hesitate, and replied that at least they should own an apartment.

The Chinese people have been immersed in a consumer society since the economic reforms starting in 1978. Unlike the situation during the state socialist period, consumption of goods in recent decades is not simply a daily activity, but plays an important role in constructing self-identity. The survey found that home ownership is highly significant in forming urban group boundaries and judging whether one becomes a local urbanite or not.

Because many rural migrants cannot afford to own their home in the city, they regard themselves as urban floaters. "Home" is more or less equal to owning a house or apartment, and the nature of the house itself as a possession is a source of personal autonomy (Couper and Brindley, 1975), "the control of one's own private space gave people a feeling of freedom from the control and they had the power and opportunity to make something of themselves, to be more of an individual, to achieve a kind of self-fulfilment" (Agnew, 1981, p. 76). Home ownership also means more safety and stability. As most Chinese people value

families and a permanent living style (*安土重迁*，*antu zhongqian*), some equate owning a house with having a family, which is also indicative of having a stable place and ending a life of floating and disconnection.

In additional to its cultural impacts, the demand of housing is exacerbated by a deficient housing rental market and social security system. The housing market developed after 1998, symbolized by the commercialization of housing and the declining responsibility of the state. The skyrocketing house prices exclude rural outsiders and other low-paid urban underclass, leading to a tenant class in the city. However, the rental market is irregular and underdeveloped in China. Most transactions are conducted underground without supervision by any authority, which results in unregulated prices, unfavourable living conditions and a precarious and disadvantaged position for tenants. Compared with those who own their own home, tenants are more likely to experience uncertainty and unpredictability. Rural migrants live in peripheral areas of the city, or congregate in urban villages in order to save money. Wenfang told how her family lived in the Zhabei industrial zone in Shanghai, which she depicted as an area with a mixed population, “It is very old, crowded and disordered area with many outsiders living and working there; while some local rich residents gradually move out from that residential area”. The wealthy hierarchy naturally differentiates between areas and individuals, constructing invisible borders within the city, and therefore the phenomenon of spatial segregation is gradually infiltrating urban China.

The limited social security system in China encourages people to invest in housing as a means of preventing risk. Investing in property is a popular way of

earning pension. The importance of house ownership for a family reflects the value placed on marriage. Many rural migrants find getting married difficult unless they can afford a house, and housing conditions play a large part in seeking a spouse. A rural family who can earn extra money is likely to invest in renovating or building a new house in the village. The survey in Mumakou village found that comparison of housing neighbourhoods is a frequently discussed topic, and the quality of housing is an important criterion when judging the economic conditions of a bridegroom and his family.

Economic differentiation based on home ownership has recently received more attention, for two main reasons. First, possession of a house plays a vital role in one's sense of belonging. This is part of the reason why Wenfang's family insisted they were not Shanghaiese, despite living there for almost a decade. Ownership of a house is also one prerequisite for transferring away from the rural *hukou* status in many cities, which further suggests the significance of home ownership. Second, housing is also a status symbol, in terms of scale, location and decoration (Veblen, 1953), and therefore house ownership in urban areas normally carries a higher social status than in rural villages. This partly explains why migrants, if they return to their hometown, still insist on owning a house in town or small city nearby if they can afford it.

Laoban and dagongde

> Affected by financial crisis, one garment factory of Guangzhou where Xiaozhang worked closed earlier than usual. Six years ago, like many rural family, Xiaozhang and his husband headed for city to *dagong*, leaving their parents and daughter behind the village. After spending six years in Guangzhou, Xiaozhang

> now decided to return. She told me "I am familiar with Guangzhou and it is very prosperous. I like there, but I know I don't belong to there. We are dagongde[sigh]. There is no hope for the future. With less than RMB1,200 in Guangzhou, I feel I am nothing. My husband and I save as much as we can, and I think we can develop our own career (*干事业/当老板*, gan shiye) in our hometown." (M8, female, 30, factory worker)

The other distinctive aspect of economic boundaries relates to capital assets: *laoban* (*老板*, boss) and *dagongde* (*打工的*, serving the boss). *Laoban* literally indicates the person who owns capital assets and employs workers for production, and *dagongde* are the workers who are employed by *laoban*. The employer-employee relationship is quite common worldwide. However, it is more complicated in China by the shift from a socialist philosophy to a market or capitalist economy. From the workers' perspective, this shift has been not easy, because it has taken the workers' position from the relative security of socialism to the unpredictable situation of capitalism. Thus, the *dagongde* who were interviewed reflect the change of ideology to their dependence on the *laoban:*

> We work for others (*laoban*)…As *dagongde*, we must do whatever the *laoban* asks us to (Mr Liu, 32, construction worker)
>
> Influenced by financial crisis, the factory (*laoban*) did not receive much orders. Both the *laoban* and we (*dagongde*) were worried. Lack of enough orders means we had to reduce production. This must influence our earnings. (Ms Zhang, 30, garment factory worker)

Psychologically, the identity of *dagongde* is a passive choice, brought about by the desire to earn more money in the city. Therefore, rural migrants regard the *dagongde* status as temporary, but it is also insecure and unstable with little bargaining power or protection. Further, the work is monotonous, uncreative and workers are often humiliated and treated with disrespect. This identity division to some extent has transcended the divide between rural and urban people, as the "*laoban*" share similar features, regardless of whether they are from a rural or an urban background (Jacka, 2005).

> She (*laoban*) promised my salary was RMB 700 per month while I was just paid RMB 600 …she told me the business was not that good, so the salary had to be reduced. In fact, my workload wasn't reduced accordingly. We slept 5 to 6 hours per day and we felt so tired, but she never sympathized with us, and never understood how much importance that a small amount of RMB100 meant to us. (Mr Zhong, 24, Chef)
>
> It would be terrible for us *dagongde* to be sick, because our *laoban* did not approve sick leave unless it became serious. They could forfeit us for any reason. Some workers wanted to quit because of the unhuman management, bad payment and long working hours. (Mr Liu, 28, electronic factory worker)

The occurrence of *dagong*, accompanied by rural to urban migration flows, differs markedly from the conventional "work" that is featured as formal and fully protected, and refers mainly to white-collar employees. These two identities imply different relations with the state and employers—one is unstable with weak protection, while the other is well protected and entitled to benefits and rights.

Nevertheless, no evidence supports a class consciousness among *dagongde* groups, despite the ruthless exploitation they describe as being almost the same as the capitalist versus proletariats in a Marxist society. Few open confrontations have been launched by Chinese rural migrants because the formation of an organized working-class, such as an independent trade union, was curtailed by the Chinese government (Pun, 2005). Despite collective confrontation actions being suppressed and contained, various forms of resistance are still apparent. Of the twenty informants interviewed, two had been on strike due to a delay in salary, and almost every interviewee had experienced exploitation, unequal treatment and "everyday forms of resistance"[5] (Scott, 2008) in the city, such as delaying, taunting, non-cooperation and job-hopping, all forms of confrontation or economic exploitation in the urban society.

6.4.2.3 Network boundaries

> My friends are all outsiders…we have very few contacts with local urbanites. (M3, male, 30, factory worker)
>
> **We** rarely talk to Shanghaiese. It seems there are some communicative barriers between us. (M7, female, 27, casual worker in construction site)

Laoxiang

Kinship and geo-relations, as important sources of information and assistance during the migration process, play an important role in identity construction within the urban society. Migrants from the same origins congregate in certain

[5] Scott (2008, pp. 50-51) summarizes four characteristics of "everyday forms of resistance", (1) unorganized, unsystematic and individual; (2) opportunistic and self-indulgent; (3) having no revolutionary consequences and (4) implying in their intention or logic an accommodation with the structure of domination.

urban places or sectors, such as "Zhejiang village" or "Henan village" (Xiang, 1999; Tang and Feng, 2000), which help rural migrants adapt to and survive in the city. The reciprocal relationships and residential congregations in the city strengthen group cohesion and deepen the significance of kinship and geo-relations on identity. *Laoxiang* (*老乡*，migrants from the same places of origin) is a salient identity based on social network. However, the roles of kinship and geo-relations are different in urban and rural areas. By transplanting a rural network into an urban space, rural migrants receive information and resources, which makes the network more instrumental in their daily survival. In contrast, most urbanites' networks are built mainly upon employment, while the network of *laoxiang* is closed and homogenous. Therefore, network boundaries between rural migrants and local urbanites are deeper than network boundaries between urban migrants and local urbanites.

Though it is evident that the network of *laoxiang* is an important source of assistance, its features of closure and excluding others are disadvantages not shared by the urbanites' networks. In a modern city, open and heterogeneous networks help individuals obtain more useful information and resources, whereas the information from a closed network is repetitious and of lower value. In China where the *guanxi* (*关系*，network) has particular importance in upward mobility, the closed rural network in the city limits opportunities for rural migrants to advance their careers. The position of the underclass therefore is difficult to change due to their failure to cross network boundaries.

The other disadvantage of a rural network in the city is its inability to prevent unequal treatment of rural migrants in the city. Normally, the networks of rural

migrants and urbanites rarely intersect. Should conflict arise, the networks of rural migrants are not as strong those of the urbanites.

> "The laoban we worked for ran off with the money. We went to Local Labour Bureau, and they said they were only responsible for the company, not individuals. We could not find the company and laoban, and we don't have other methods. " (M20, male, 37, construction worker)

Gongyou

Gongyou (工友, colleagues) is a network of rural migrants based on employment (*dagong*) in the city. *Gongyou* are mostly from different rural areas of China, and are consequently more heterogeneous than the *laoxiang* network. While also offering assistance and information for rural migrants in the city, this network is much more complicated and differentiated than the kinship networks. The survey found conflicts and exclusion are not only occurring between rural migrants and urbanites, but also within the migrants' group itself, and the rural migrants actually experience more conflict within their networks than from outside. Despite sharing similar experiences of *dagong* in the city, they are not necessarily more likely to trust each other:

> In fact, I didn't want to live in that place because all residents were coming to dagong. Because all people there were highly mobile, we were always wary of each other. We didn't trust others, except several laoxiang. We also didn't have time to communicate with others because most of the time were occupied with their work. (M6, female, 28, sales)

> We did not have much contact with local urbanites, therefore we did not have much conflict. The conflicts mostly occur within the outsiders, sometimes conflicts with Henananse and Sichuanese because of scrambling for business. (M15, male, 24, chef)

The attitude towards *Gongyou* differs from one individual to the next. The relationship could develop into a good friendship, or they could remain strangers. The survey indicated that most rural migrants find their first employment position through *laoxiang*, while the percentage of migrants obtaining employment information through *gongyou* network is higher. However, *gongyou* from the same region are still considered more reliable than those from other regions.

6.4.3 Rural or urban identity: a still remarkable distinction? Market force and boundary change

The above analysis of boundaries and exclusion between “us” and “them” sheds some light on what “us” and “them” represent for rural migrants. The interviews revealed the migrants adopt different expressions of identity to form boundaries in the city. I was also trying to distinguish whether the identities they use in talking about “us” and “them” represent the same groups, as it was assumed that the long-term institutional boundaries between rural and urban groups will have an inexorable impact, even after they have lived in the city. Table 6-2 provides a summary of boundaries and identities discussed above.

Table 6–2 Boundaries and identities of rural migrants in China

		Us	**Them**
Institutional boundary	*Hukou* status	Rural people	Urban people
Boundary in public space	Clothing/dialect/*suzhi*	Rural people/non-locals	Urban people/locals
Economic boundary	Home ownership	Tenants	House owners
	Capital assets	*Dagongde*	*Laoban*
Network boundary	Network	*gongyou/laoxiang*	Urbanites/strangers

In spite of different expressions of identity when referring to "us" and "them", those identities show some overlap. For example, in terms of house owners and tenants, the house owners are more likely to be urban people as a result of their economic status. Similarly, those identified as *laoban* are more capable of affording a local urban *hukou* if they did not already have it[6]. Having either home ownership or capital assets facilitates individuals to cross institutional boundaries to become urban people. In terms of urbanites/strangers, as the opposite side of *gongyou* and *laoxiang*, the term "them" can refer to groups of local urbanites, urban migrants from other cities and strangers outside *laoxiang/gongyou* network. Therefore, the reference group—"them"—can include large numbers of urbanites.

Those different expressions of identities are reflections of boundaries constructed within the city, which result from the intertwining effects of the state and market forces. In terms of the boundaries observed in public spaces and the rural networks transplanted into the city, rural identities are generally more

[6] Many cities have begun to reform the local *hukou* policies. There are several ways of obtaining local urban *hukou*. The persons with affordability of an apartment or with a certain amount of investment in local cities have larger chances of obtaining local urban *hukou*.

distinctive than the urban identities. Exclusion and discrimination towards rural people are still evident, while the boundaries between urban-to-urban migrants and local urbanites are more blurred.

The unleashing of market forces is creating new identities among rural migrants and is expected to play a more important role in identity negotiation among rural migrants. On the premise of there being no breakthrough in urban institutional reforms, a more realistic way for rural migrants to forge a new identity is to consider how to cross the economic boundary and to become integrated into urban life. The success stories of some rural migrants becoming rich and gaining respect in the big cities encourages rural migrants to make the effort to survive and becoming urbanites (Murphy, 2002). Since urban *hukou* is no guarantee of integration into urban life, and there are cases of crossing institutional boundaries through individual endeavours, it is reasonable for rural migrants to think of changing their identity from *dagongde* to *laoban* or from tenants to home owners through improving their economic status.

The economic boundary is becoming increasingly important in excluding and including particular groups in the city. Unlike the institutional boundary, it does not necessarily exclude all rural people nor include all urban people. Instead, those surviving in the market competition will be included, while others are marginalized. The peripheral areas of cities in Guangdong province are developing quickly; the newly built factories and companies in nearby rural villages are absorbing the surplus rural labourers. Many local rural people are successfully becoming local workers, and some are becoming house owners who then channel their success into making more money. Meanwhile, urban people,

especially the middle-lower white classes, are also confronted with the process of rapid marginalization in the capital-dominated market. A typical case is the "ant tribe", comprising mainly university graduates, which is the result of harsh market competition in China and plays a role in marginalizing members within urbanites. For this reason not all interviewees consider that obtaining urban *hukou* and officially changing their *huko*u status could significantly alter the boundaries:

> Even though you have an urban *hukou*, it is meaningless if you cannot earn more money. But if you can earn more after you get the urban *hukou* that would make a difference. (M16, male, 28, factory worker)

Rural migrants can employ three management strategies (Ellemers, 1993) to reconstruct their identity and change their boundaries within the city. One is upward mobility through market competition to obtain a higher economic status and realize economic integration. The second is social creativity, which means redefining and revaluating the positive or negative aspects of groups. This strategy would help low status groups to take on a more positive identity, such as the government abolishing the *hukou* system to eliminate the legitimacy of the rural-urban identity divide. The third possibility is social revolution. If boundaries become impermeable, members of low-status groups will consider enhancing their social identity by changing the power structure and improving the comparative social status of their group as a whole. Obviously, the first two strategies are occurring in current China, while the third one is not (Pun, 2005).

6.5 Conclusion

This article has analysed how rural migrants perceive themselves and where they draw boundaries between “us” and “them”. Aside from institutional boundaries, three other boundaries delineate “us” and “them”: boundaries in the public space, economic boundaries and network boundaries. Boundaries in the public space can be seen as the legacy of institutional division. The penetration of unequal institutional arrangements into people’s lives produces different rural and urban stereotypes. Dressing, dialect and *suzhi* are the symbols of being categorized as within a group or excluded from a group. Economic boundaries, especially home ownership and capital assets, play an important role in identity negotiation. Urban home ownership provides psychological security and makes it much easier for migrants to change their rural identity. Despite wealth being crucial for choosing a different lifestyle, the emergence of new urban poverty, with even some white-collar workers being excluded from the housing market, is indicative of the marginalization faced by most rural migrants, as well as some urbanites, in a consumption market. To some extent this marginalization dissolves the rural-urban identity division. Likewise, the salience of the identities *dagongde* and *laoban* is the other example of the importance of wealth and employment status in identity construction. In terms of network boundaries, rural migrants are involved mainly in *gongyou* and *laoxiang* networks. When they encounter difficulties at their destinations, they rarely seek help from institutions. The bond between rural migrants and urbanites is very weak, and is characterized by homogeneity and closure.

This article argues that more than one identity has been adapted by rural migrants in their narratives, and choosing particular expressions of identities is indicative of different boundaries. The identity construction process reflects an intertwined effect of the state force and the market force. Being fully aware of the institutional boundaries in the cities, rural migrants hope to achieve a better status through individual upward mobility in the market. Though some individuals transform their identity through economic success, the majority of rural migrants are confronted with marginalization through market competition. The multiple identities reflect their lack of a sense of psychological security and belonging. The dual exclusion that migrants face within the cities is the main reason for seeing different expressions of identity.

With the current trend of market economy reforms in China, it is expected that the market force will play an increasingly important role in identity construction. It is also hoped that the state will abolish institutional divisions within the cities to create a more equal environment for rural migrants. Otherwise, the dual exclusion mechanism will hinder the identity transformation from rural people to real urbanites, which may lead to a failure of urbanisation in China.

This chapter discussed the dimension of social exclusion of rural-urban migrants in transitional China in terms of their self perception and identity, which is a reflection of their social and economic status in cities. It analysed how rural migrants perceive themselves and where they draw boundaries between “us” and “them”. The chapter argued that rural migrants adopted more than one identity in their narratives, and the identity construction process reflects an intertwined effect of the state force and the market force. Migrants’ self perception and identity

reflect their relative social and economic positions in the cities. Institutional factors represented by *hukou* status now play an increasing weakening role in defining rural to urban migrants' identity. It is the economic and employment related factors as presented in the previous chapters that play a greater role in defining one's identity.

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CHAPTER 7

Stay or return? Settlement intention and exclusion mechanism of rural migrants in the metropolises of China[1]

Abstract

In spite of continued institutional exclusion, choosing where to settle is now much more a personal choice than during the state socialist period. Through analysing data collected in four metropolitan cities—Beijing, Tianjin, Shanghai and Guangzhou, this study explored the settlement intentions of rural migrants, and its determinants. This paper argues that, though the agricultural *hukou* status is still a significant factor in rural migrants' decision to return to their place of origin, economic boundaries play an ever more important role: higher education, employment in the formal sector and home ownership increase the probability of migrants settling permanently in the city. In addition, while the legacy of institutional exclusion in state socialist China still influences whether rural migrants become urbanites, market mechanisms are now playing a greater role, as illustrated by recent policy reform in education, housing and granting of *hukou* status in urban China.

Key words: rural migrants, social exclusion, settlement intention, metropolises of China

[1] This paper is under review by Population Research and Policy Review.

7.1 Introduction

Though rural-urban migration in China is categorized as internal, it shares some characteristics with international migration. The household registration (*hukou*) system in China has long acted like an internal visa. People with a local urban *hukou* status[2] have a more privileged position than migrants. Those without local urban *hukou*, but who have lived and worked in the city for many years, are deprived of equal entitlements to education, welfare and other public resources (Chan 2008). A similar situation occurs with Mexican undocumented migrants in the United States and guest workers in Germany (Roberts 1997; Solinger 1999), where immigrants are viewed as an economic commodity, denied social interaction and working exclusively for money (Massey 1986). The idea of "importing labour rather than people" (Castles 2006, p. 742) and China's institutional exclusion make it a country with the largest and most mobile migrant population in the world (Zhu 2007).

Studies of international migration (Castles 1986; Massey 1986) suggest that attempts to prevent or change migration flows are unlikely to succeed because migration is a developmental process with a strong internal momentum. For instance, to fuel the post-war boom, Germany adopted the guest worker system, which allowed migrants from neighbouring countries to temporarily work and live in Germany. To prevent permanent settlement, the government introduced the rotation principle and set a very high threshold for granting citizenship to

[2] The household registration system is also called the *hukou* system, which divides the Chinese population into agricultural *hukou* holders and non-agricultural *hukou* holders. This system shapes and deepens the rural-urban dualism as different *hukou* status determines different relations with the state. Urban people with non-agricultural *hukou* are generally able to access better welfare and benefits from the state.

outsiders. All these measures presented the image that Germany was not an immigrant country and imported labour was just temporary. However, the system failed in the "oil crisis" of the 1970s. Closing the borders and stopping labour recruitment could not stem the flow of migration. Many temporary workers actually chose to permanently settle, and the country then faced waves of family reunion migrations in the 1980s[3]. The German case illustrates the failure of government control and exclusion policies to stop immigrants' desire for permanent settlement.

Two lessons can be learnt from the German case. First, China's attempts at migration control through the *hukou* system may also be unsuccessful, and second, migration flows could be a potential momentum for changing the established social and economic system. Research has suggested that control of geographic mobility via the *hukou* system has been almost ineffective. Even though obtaining an urban *hukou* status, particularly in metropolitan cities, remains high[4], successful transfer of the *hukou* status is no longer as decisive as during the state socialist period of urban settlement.

Relaxation of the *hukou* system and the availability of more personal choice have been accompanied by individuals being more deeply involved in the processes of privatization and commodification. The impact of market mechanisms is evident in the urban labour market, welfare system reform and

[3] Refer to Castles (2006 p. 743), who has discussed five reasons for immigrants in Germany choosing to stay rather than going back to their place of origin.
[4] Since 2001, the Chinese government has began to release *hukou* restrictions in small cities and towns. However, obtaining local urban *hukou* in metropolitan cities is still very difficult for most rural migrants.

even the *hukou* reform itself[5]. While China has inherited an institutional legacy from the state socialist period, the new economic situation is able to somehow blur or even break through the rigidity of the institutional boundaries. Therefore, China now presents a much more mixed and complicated picture: the original exclusion mechanism represented by the *hukou* system is still in force, while the market mechanism either shapes new group boundaries or helps deepen the traditional rural-urban dualism.

In the context, then, of both new integration and new exclusion in contemporary urban China, this paper examines examples of metropolitan cities to explore the settlement intentions of rural migrants. It explores two research questions: what determinants influence the settlement decision of rural migrants, and how one can understand the mixed impacts of two exclusion mechanisms (institutional and market) on settlement intention. These questions contribute to understanding the social exclusion issues in current urban China. The next section presents a brief literature review of migration and settlement intention, which forms a basis for the research framework. The methodology section then explains the variables in the multinomial regression models, and this is followed by a discussion of the main findings of the empirical investigations. The final section contains concluding remarks.

5 As a typical example, *hukou* reforms are conducted in most cities, which results in migrants who can purchase a local commodity apartment being eligible to apply for local urban *hukou*.

7.2 Migration and settlement intention: empirical evidence and theoretical explanations

7.2.1 Who are more likely to stay and who are more likely to return?

Large-scale migration movements can be the result of various influences. Previous studies of international migration have provided hints on how best to study the settlement intention of rural migrants in China, as migration flows in both situations occur mostly from developing or undeveloped regions to developed regions. Demographic characteristics are frequently examined when studying settlement intention[6] in the international migration, with factors like age, education, skills and country of emigration considered to play a major role in decision making. For example, a longitudinal study by Reagan and Olsen (2000) uncovered that highly educated people are not necessarily choosing to stay in the US; immigrants with college degrees are more likely to return to their country of birth than are those with lower educational attainment; and economic opportunity plays a significant role of remaining in the US. The positive effect of a college diploma on emigration is consistent with work by Borjas and Bratsberg (1996), who found the highly educated immigrants have better opportunities at home than in the US. Khoo and Mak (2003) investigated how countries of origin play a role in the settlement decision. They considered that skilled migrants from Asian countries are more likely to settle permanently in Australia, regardless of their employment situation, because they hope to give their family a better future. Age, gender and time period have also been examined in empirical studies. For instance,

[6] In this paper, the settlement intention or settlement choices refer mainly to the immigrants' preference to either stay in the metropolis or return to their places of origin.

it seems that older immigrants coming to the US are more likely to return home; gender and skill differences are not significant in explaining settlement choices; and the longer migrants stay in their destination countries, the less likely they are to return (Massey and Espinosa 1997; Reagan and Olsen 2000). In addition, sponsorship of relatives significantly affects permanent settlement, particularly for skilled migrants in Australia (Khoo 2003). Researchers have also examined other influences on migrants' decisions, including subjective satisfaction (Massey 2006; Waldorf 1995) and the social networks they build in their destination countries (Massey 1986). However, studies have produced inconclusive findings about the degree of impact of the many variables.

Some of those factors have been examined in settlement issues of rural migrants in China. Wang (2005) indicated from a small-scale survey that older and less well-educated migrants are more likely to return to the rural areas, and proved spending longer in the city will decrease a rural migrant's probability of returning (Ren and Yao 2007). Researchers have not reached a consensus about the impact of salary on settlement choice. Wang (2005) found that salary had no impact on settlement choice, while Wu (2005) suggested that low salary was the main reason why rural migrants chose to return to their towns or villages. The influence of salary level on settlement choice is difficult to assess, as news reports in recent years tell of newly rich migrants returning to their hometown (Murphy 2002). Roberts (2002) explored settlement from the perspective of gender and network, and found a majority of married female migrants are migrating and working with their husbands as couples in Shanghai, and they will potentially settle permanently; in particular, migrants from neighbouring provinces, having

stronger support networks in the city, are more likely to stay longer. Ren (2006) observed a correlation between consumption and settlement choices; migrants trying to save are more likely to return, while those who consume more in the city are more likely to stay. Overall, researchers have focussed on the social demographic and economic influences on the settlement intentions of rural migrants.

7.2.2 Theoretical explanations for different settlement intention

Three theories provide different perspectives on the settlement intention of migrants in China. Urbanization theory considers that migration flows from rural to urban areas are irreversible, and failure of permanent settlement in the city is a phenomenon of "semi-urbanization" (Wang 2006). Institutional constraints, including dualism in the *hukou* system, the welfare system and the education system, are the main impediments to rural migrants staying in the city.

The second perspective is rational choice theory, which considers migration as a rational behaviour or a household strategy to maximize income and diversify risks. Rural migrants can "make full use of family resources such as land and shelters in their hometowns, diversify and maximize employment opportunities and family income, and reduce expenses in the migration destination" (Zhu 2007, p. 67). For example, Knight and Song (2003), through examining how Chinese peasant households allocate their labour among migration, rural industry and farming activities, suggest that non-farm work is a risk-diversified strategy for rural households. The rational choice theory regards the decisions made regarding

settlement are rational, and returning to the villages could help long-term rural development.

The third perspective is social exclusion, or "how human beings, interacting under conditions of scarcity in all kinds of collectives come to include some vulnerable individuals and exclude others from the benefits of membership" (Jordan 1996, p. 5). Settlement intention reflects the willingness of rural migrants to cross the rural-urban division and integrate into urban life. The clear recognition of intergroup boundaries reinforces the willingness of group members to fight for power and resources (Kriesberg 2003). In other words, settlement intention means crossing or shifting the existing boundaries. For instance, social network is one important boundary between groups, and thus crossing the boundary is to be embedded into a particular social network (Tilly 2005). This perspective includes centre-margin, and inside-outside models (Steinert 2003; Touraine 1991). Social exclusion pays attention to those "who want to come in from the outside and whom we make it very hard to be included" (Steinert 2003, p. 45).

This paper examines settlement intention among rural migrants in metropolitan China from the perspective of social exclusion. To be more specific, it examines settlement intention influenced by three boundaries within urban China: institutional, economic and social network boundaries. It evaluates to what extent those boundaries affect rural migrants' decision to stay in the city or return to their place of origin.

7.3 Methodology: sampling, variables and measurement

7.3.1 Sampling

This study used data from a questionnaire survey of migrants in metropolitan China in 2008. The survey was conducted in Beijing, Tianjin, Shanghai and Guangzhou, four cities where local statistical studies have shown that migrants make up more than 20% of the population (5th National Population Census 2000). Survey respondents included both rural-to-urban migrants and urban-to-urban migrants. It also included migrants whose *hukou* status had already been transferred to the local cities.

The survey used a multi-level stratified random sampling method. Two districts (*qu*) were selected from each city, then two communities (*juweihui*) were randomly selected from each district, and finally 100 households were selected from each community to participate in the questionnaire survey. Of the 1,804 samples collected, 1,599 were effective, representing a response rate of 88.64%. The survey included three population categories: rural-urban migrants (n = 877), urban-urban migrants (n = 325) and local citizens (n = 397). The local citizens had originally been migrants, but had subsequently obtained local *hukou*. Since local citizens are officially regarded as local permanent residents, they were excluded from the analysis presented here. Therefore the sample size used in this paper was 1,202, with rural-urban migrants accounting for 73%.

7.3.2 Variables and measurement

Four indicators were examined: (a) institutional boundary; (b) economic boundary; (c) social network boundary; (d) individual characteristics (see Table 7-1). The dependent variable was settlement intention, based on the question asked among respondents, "What is your settlement plan for the future?" Respondents had three choices: stay in this city, not sure, and return to the place of origin[7].

Table 7-1 Measurement of indicators and definition of variables

Dependent variable	
Settlement intention	FUTUREPLAN: Stay in this city=1; not sure=2; return to the place of origin=0
Explanatory variables	
Institutional boundary	
*HUKOU*STATUS	*Hukou* status: agricultural *hukou*=1; non-agricultural *hukou*=0
Economic boundary	
HOME	Home ownership: with home ownership=1; without home ownership=0
EMPLO	Employment type: employed in formal sector=1; self employed=2; employed in informal sector=0
Network boundary	
URBANATTI	urban attitude perceived by migrants: satisfied=1; unsatisfied=0
NETCOM	Network involved: urban network=1; rural network=2; without network=0
Individual characteristics	
AGE	Age: below 30=1 (born after 1978); 31-40=2; above 41=0
GENDER	Gender: male=1; female=0
CITY	City: Beijing=1; Tianjin=2; Shanghai=3; Guangzhou=0
EDU	Education: college or above=1; high school or relative=2; middle school or below=0

(a) Institutional boundary measured *hukou* status (HUKOUSTATUS) as a binary variable. The respondents with non-agricultural *hukou* were valued 1 and respondents with agricultural *hukou* were valued 0. It was hypothesized that

[7] Here the city means the surveyed city, mainly metropolitan cities. Not sure about settlement includes plans for moving to other cities or circular migration between rural and urban areas.

individuals with non-agricultural *hukou* status would be more likely to settle in the surveyed city.

(b) Economic boundary was measured through two variables: home ownership (HOME) and employment type (EMPLO). It was hypothesized that home ownership would play a positive role on the intention of urban permanent settlement. Employment type included formal (government organizations, and state-owned, collective-owned, joint-venture and shareholding enterprises), self employment and informal (township and village enterprises, private firms and domestic workers) (Guo and Iredale 2004). Self employment was listed separately because it is regarded as the main means of upward mobility for rural migrants (Lu 2004). It was hypothesized that employment in formal sectors or self employment in the city would correspond with a higher probability of considering staying in the city.

(c) Network boundary was measured through two variables: attitude of local urbanites perceived by migrants (URBANATTI) and network involvement in the city (NETCOM). It was hypothesized that migrants who are more positive about the attitude of local urbanites would be more willing to stay in the city. The network involvement included three categories: urban network (friends, neighbours and colleagues met after migration), rural network (people known through kinship or geo-relations, mostly formed before migration) and without network (the individuals think they have not built up any network yet). The survey asked, “When you encounter economic difficulty in the city, who will be the first point you look for help?” It was expected that being involved in an urban network would correspond with a higher probability of migrants staying in the city.

(d) Individual characteristics included the variables of age (AGE), gender (GENDER), education (EDU) and survey location (CITY).

A multinomial logistic regression model was used to analyse these determinants of settlement intention. This model allowed us to observe which variables were significant in influencing the likelihood of staying, not being sure, or returning, as well as the direction of the relationship of each independent variable. Moreover, the multilevel analysis considered the variability associated with each indicator (institutional, economic, network and individual). The proportions of three events are indicated by $P_{i:}$

P_1: estimated probability of staying in the city

P_2: estimated probability of not sure about settlement

P_3: estimated probability of returning to places of origins

The model was as follows:

$$\ln \frac{p_1}{p_3} = a_1+b_1\text{Hukoustatus}+c_1\text{Home}+d_1\text{Emplo}+e_1\text{Urbanatti}+f_1\text{Netcom}+g_1\text{Age}+h_1\text{Gender}+i_1\text{City}+j_1\text{Edu} \quad (1)$$

$$\ln \frac{p_2}{p_3} = a_2+b_2\text{Hukoustatus}+c_2\text{Home}+d_2\text{Emplo}+e_2\text{Urbanatti}+f_2\text{Netcom}+g_2\text{Age}+h_2\text{Gender}+i_2\text{City}+j_2\text{Edu} \quad (2)$$

$$P_1+P_2+P_3=1 \quad (3)$$

7.4 Descriptive analysis

Of the 1,202 survey participants, 333 (28.0%) chose to stay in the city, 466 (39.3%) were uncertain about settlement and 388 (32.7%) decided to return to their place of origin. A higher proportion of agricultural *hukou* holders than non-

agricultural *hukou* holders chose to return. Among all respondents who intended to stay, the percentage of age group 31-40 is slightly higher than age group below 30. Better educated individuals seemed more likely to stay: of the 215 participants with college qualifications or above, only 26 planned to return. Gender appeared to make little difference to settlement intention. The details are contained in Table 7-2.

More than half of the respondents were employed in the informal sectors. More migrants employed in informal sectors decided to return, compared with those working in formal sectors, while 36.6% of the self-employed migrants decided to stay in the city. Most of the respondents (88.6%) did not have home ownership in the city. However, of those migrants who owned their home, seven out of ten would choose to settle in the city, while the percentage of migrants without home ownership who would stay was much lower.

Over three-quarters (77.5%) of the migrants were satisfied with local urbanites' attitudes, although this seemed to make little difference to their settlement intentions, as shown by similar percentages of staying, not being sure and returning. Most migrants had some kind of network: 53.8% were involved in an urban network, 42% had a rural network, and only 4.2% considered they had no network in the city. Whether the network was urban or rural made only a slight difference to settlement intention: less than 20% of migrants with mainly a rural network would settle in the city, compared with 33.7% of migrants with an urban network. The distribution of migrants in the surveyed cities was uneven: Guangzhou had the least number of migrants and Tianjin the most. The next

sections provide a more detailed analysis using the multinomial logistic regression model.

Table 7-2 Description of variables used in settlement intention analysis

			Settlement intention					
			Stay		not sure		return	
	N	%	N	%	N	%	N	%
FUTUREPLAN			333	28.0	466	39.3	388	32.7
HUKOUSTATUS								
agricultural *hukou*	877	73.0	205	61.6	340	73.0	327	84.3
non-agricultural *hukou*	325	27.0	128	38.4	126	27.0	61	15.7
AGE								
≤30	460	38.3	112	33.6	225	48.3	117	30.2
31-40	421	35.0	124	37.2	153	32.8	139	35.8
≥41	321	26.7	97	29.2	88	18.9	132	34.0
EDU								
collage or above	215	19.0	93	30.9	92	20.7	26	7.0
high school level	240	21.3	62	20.6	98	22.1	73	19.7
middle school and below	673	59.7	146	48.5	254	57.2	271	73.3
GENDER								
male	714	59.4	191	57.4	277	59.4	236	59.3
female	488	40.6	142	42.6	189	40.6	152	40.7
EMPLO								
employed in formal sector	276	23.2	90	27.5	101	21.8	77	20
self employed	235	19.7	85	25.9	79	17.1	68	17.7
employed in informal sector	680	57.1	153	46.6	283	61.1	240	62.3
HOME								
with ownership	137	11.4	91	27.4	31	6.7	11	2.8
without ownership	1064	88.6	241	72.6	435	93.3	377	97.2
URBANATTI								
satisfied	923	77.5	271	81.6	330	70.8	317	81.9
unsatisfied	268	22.5	61	18.4	136	29.2	70	18.1
NETCOM								
urban network	643	53.8	217	65.8	238	51.1	178	46.1
rural network	502	42.0	99	30.0	209	44.8	191	49.5
without network	50	4.2	14	4.2	19	4.1	17	4.4
CITY								
Beijing	337	28.0	96	28.8	117	25.0	124	32.0
Tianjin	368	30.6	135	40.6	101	21.7	129	33.4
Shanghai	298	24.8	39	11.7	169	36.3	88	22.7
Guangzhou	199	16.6	63	18.9	79	17.0	47	15.9

7.5 The determinants of settlement intention of migrants in metropolis of China

As shown in Table 7-3, testing of the relationship between the combined variables and the dependent variable of FUTUREPLAN demonstrated considerable probability that the association between all of the independent variables as a whole and the dependent variable was the product of the data set, X^2(30, N = 1098) =322.7, P<0.001, and that the combined effect of the variables accounted for a considerable proportion of the variance between participants.

Table 7-3 Model fitting information

	-2 Log Likelihood	Chi-square	df	Sig.
Intercept	1425.407			
HUKOUSTATUS	1433.558	8.151	2	0.017
GENDER	1425.421	0.014	2	0.993
EDU	1465.911	40.504	4	0.000
AGE	1451.540	26.133	4	0.000
EMPLO	1435.768	10.362	4	0.035
HOME	1489.397	63.990	2	0.000
URBANATTI	1434.432	9.025	2	0.011
NETCOM	1433.144	7.737	4	0.102
CITY	1506.555	81.148	6	0.000

Notes: Pseudo R-square includes Cox and Snell at 0.255, Nagelkerke at 0.287 and McFadden at 0.135

The model fitting information suggests all other variables except GENDER and NETCOM contributed to explaining the variance in FUTUREPLAN. Further, as the variables of education, age and home ownership had larger chi-square values than the other variables, the model fit would be reduced if those variables were dropped. However, Table 7-3 does not indicate the relative importance of the particular independents in explaining FUTUREPLAN.

Table 7-4 presents the parameter estimates of the impacts of independent variables on the log odds of staying in the city or having not decided, compared

with respondents who chose to return to their place of origin. These results actually incorporate the binary logistic model of migrants choosing to stay, as well as the model of migrants uncertain about whether stay or return. It confirms the results presented in Table 7-3 that all other variables except GENDER and NETCOM are statistically significant in explaining FUTUREPLAN. As illustrated in Figure 1, the institutional boundary is still a very strong factor in individuals' settlement intentions. The odds ratio of stay is decreased to 0.540 by holding an agricultural *hukou* rather than non-agricultural *hukou*, controlling all other variables in the model. In other words, the non-agricultural *hukou* holders are more likely to stay. In addition, for those who are unsure of their future plans, the odds of an agricultural *hukou* holder are 0.603 of people with non-agricultural *hukou*, which further indicates that respondents with agricultural *hukou* have a higher probability of returning to their place of origin. Therefore institutional boundary is still one of the most important factors affecting the perception of future settlement.

Demographic characteristics also have an impact on settlement intention. The younger migrants are more likely to be uncertain about whether to stay or return. But migrants become more certain with increased age. The odds of a migrant aged 30 or below feeling uncertain about where to settle are 2.3 times greater than for those aged 41 and above. Though GENDER is not statistically significant, male migrants are less likely to return than female migrants. Human capital accumulation contributes greatly to settlement intention. Higher-educated migrants are more prone to stay in the metropolis, with the odds ratio reaching up to 7.517.

Economic boundary is an important concern for migrants deciding where to settle. The variables of employment and home ownership are significant in explaining migrants' settlement intention. The results show self-employed migrants are more likely to stay in the city rather than to return. The odds ratio of staying or being uncertain among self-employed migrants are 1.89 and 1.477, respectively. The impact of employment in the formal sector is not statistically significant. This is probably in response to changes in the labour market since the 1980s, with the proportion of the non-state economy increasing, and these private enterprises and individual/personal enterprises becoming important sources of migrant employment. On the one hand, the original pattern of permanent employment in the state-owned or collective enterprises has been broken up during this transitional period and, on the other hand, employment in the formal sectors has become more informal. For instance, state-owned enterprises or government sponsored institutions now out-contract their services to third parties or employ temporary labourers, which the result that employment in the formal sector has informal features.

Table 7-4 Parameter estimates of logistic regression of settlement intention of migrants

FUTUREPLAN (reference= return)						
	Stay			**Not sure**		
	B	s.d	Exp (B)	B	s.d	Exp (B)
HUKOUSTATUS (non-agricultural=0)						
Agricultural	-0.615	0.238	0.540***	-0.506	0.213	0.603**
AGE (above 41=0)						
≤30	-0.104	0.240	0.901	0.847	0.024	2.334***
31-40	0.144	0.217	1.155	0.483	0.195	1.621**
GENDER (female=0)						
male	0.021	0.182	1.021	0.014	0.156	1.014
EDU (below middle school=0)						
college and above	2.024	0.334	7.571***	0.982	0.298	2.669***
high school or relevant	0.678	0.245	1.970***	0.314	0.199	1.369
EMPLO (employed in informal sector=0)						
employed in formal sector	0.066	0.228	1.068	-0.178	0.202	0.837
self-employed	0.637	0.228	1.890***	0.39	0.209	1.477*
HOME (without home ownership=0)						
with home ownership	2.363	0.381	10.618***	0.923	0.408	2.516**
URBANATTI (unsatisfied=0)						
satisfied	-0.319	0.235	0.727	-0.563	0.19	0.570***
NETCOM (without network=0)						
urban network	0.071	0.436	1.073	-0.389	0.387	0.677
rural network	-0.346	0.439	0.708	-0.375	0.386	0.688
CITY (Guangzhou=0)						
Beijing	0.145	0.340	1.156	-0.461	0.284	0.631
Tianjin	1.140	0.357	3.128***	-0.22	0.3	0.802
Shanghai	0.010	0.373	1.010	0.57	0.287	1.769**

Notes: * Significant at P<0.1; ** Significant at P<0.05; *** Significant at P<0.01

Meanwhile, not all employment in informal sectors is informal. It depends on the contract and positions. Most employees in administrative positions have signed contracts with employers. They are legally protected and enjoy the relevant benefits and welfare. But workers employed without contracts or with only oral contracts have less protection. A high proportion of rural migrants are employed in informal sectors, as seen in the descriptive analysis. As a result, the divisions

between formal/informal sectors and formal/informal employment are not absolute.

Self-employment is seen as the most efficient way for rural migrants to realize upward mobility in their occupation (Lu 2004). The scale of the business depends on capital and technology. Most self-employed workers start small businesses, such as opening small convenient stores, street-side restaurants or hairdressing shops in the city. In fact, some vocations have been monopolized by migrants; for example Henan migrants are mostly employed in garbage collection in Beijing (Tan and Feng 2000), Xinjiang migrants are good at opening restaurants, and Zhejiang migrants typically sell small commodities (Xiang 1999). Some accumulate capital, start businesses in the city and become the new rich. Both economic accumulation and occupational mobility are high motivations for them to stay in the city.

The other variable of the economic boundary is HOME. The data show home ownership exerts a significant impact on migrants' settlement intentions. The odds ratio of migrants with home ownership deciding to stay is 10.618 times greater than for choosing to return. The data also suggest that home ownership may decrease migrants' intentions of mobility. The odds ratio of migrants with home ownership who were not sure is 2.5 times more than for the migrants who decided to return. Until 1998, personal home ownership was very rare in China. Then China reformed its urban housing policy, abolished the state housing allocation system and developed a commercial housing market. While some policies still support low-waged local urban people or particular professions, individuals—including a majority of urban outsiders—need to be able to afford housing in a

commercial market. The survey showed the percentage of housing ownership among migrants is very low, as house prices in large cities increase at a rate above inflation.

Surprisingly, the indicator of social network boundary is not significant in explaining the settlement intention of migrants. Migrants' perceptions of urbanites' attitudes do not help explain why migrants decide to stay in the city. The findings do not support the hypothesis that migrants would be more likely to stay if they perceive a more positive attitude from local urbanites. The second variable of NETCOME is also not statistically significant. The data do not demonstrate that migrants would stay if they are more involved in the urban network. The reason for this finding may be that the urban network is homogeneous, composed primarily of friends and fellow workers. If migrants changed jobs or places frequently, their networks would tend not to persist, and then the network would not be important in affecting their settlement intention. The survey did not include the question of whether migrants had relatives already permanently settled in the city. Thus it is difficult to measure how the sponsorship of settled relatives affects migrants' settlement intention.

Furthermore, it was found that migrants' settlement intention varied between these four metropolitan cities. Compared with a reference group of Guangzhou, migrants in Tianjin were three times more likely to choose stay, and migrants in Shanghai were about 1.8 times more likely to be hesitant about their settlement intentions.

In summary, the multinomial logistic regression model discussed above indicates that institutional boundaries and economic boundaries are the most two

important indicators affecting migrants' settlement intentions. The network boundary, including variables of attitude of local urbanites and network involvement, is no statistically significant. As far as individual characteristics are concerned, education, age and the actual city are important variables in explaining settlement choices. Higher-educated migrants were more likely to stay in the metropolis, older migrants were more likely to return, younger migrants were hesitant about settlement, and migrants to Tianjin were more likely to stay than migrants to the other three cities surveyed. Except for the network boundary, these findings are basically in accordance with the hypotheses. They also manifest a transitional feature in current China: institutional exclusion still exists, and meanwhile economic boundaries including employment and home ownership become the other exclusion mechanism of obstructing migrants' permanent settlement in the metropolises of China.

Comparative analysis of settlement intention between rural migrants and urban migrants

This section describes the separate multinomial logistic regression models between rural migrants and urban migrants based on *hukou* division (see Table 7-5). The likelihood ratio tests indicate the variables of AGE, EDU, EMPLO, HOME, URBANITTI and CITY are statistically significant in explaining the settlement intentions of rural migrants, and variables of AGE, HOME, EDU and CITY affect the settlement intentions of urban migrants.

The impacts of the variables chosen in the model differ between the two groups. Education and home ownership exert greater effects on rural migrants when other variables are controlled. Rural migrants, after obtaining college

credentials or higher, are almost 25 times more likely than lower-educated individuals to permanently settle in large cities. Guo and Iredale (2004) found that, after controlling other factors, education outweighs even *hukou* status. While most rural migrants do not own a home in the city, those migrants who do own their home are 20 times more likely to stay. For rural migrants who are unsure about future settlement, their education level, age and home ownership status play important roles. Indeed, younger rural migrants are likely to be 2.34 times more unsure about their future settlement than migrants aged 41 years or older. The probable reason is that younger migrants may not have made final decisions about major life events such as educational courses, marriage or occupational opportunities, and so they prefer to adopt a wait-and-see attitude or circulation migration pattern. The regression analysis also suggests that self-employed rural migrants are less likely to return, and employment in the formal sector does not necessarily increase the likelihood of permanent settlement in large cities. Among the four cities surveyed, rural migrants are more likely to settle in Tianjin than in Guangzhou.

Table 7-5 Parameter estimates of logistic regression of settlement intention of different *hukou* holders

FUTUREPLAN (reference= return)	Rural Migrants				Urban migrants			
	Stay		**Not sure**		**Stay**		**Not sure**	
	B	Exp (B)	B	Exp (B)	B	Exp (B)	B	Exp (B)
AGE (≥41 is reference group)								
≤30	0.175	0.839	0.851	2.341***	0.331	1.392	1.275	3.580***
31-40	0.074	1.077	0.329	1.390	1.030	2.802**	1.546	4.695***
GENDER (female=0)								
Male	0.035	1.035	-0.091	0.913	-0.012	0.988	0.318	1.375
EDU (below middle school=0)								
college and above	3.210	24.790***	1.816	6.147***	1.456	4.290***	0.617	1.853
high school or relevant	0.561	1.752*	0.252	1.287	0.756	2.130	0.220	1.246
EMPLO (employed in informal sector=0)								
employed in formal sector	0.034	0.966	-0.072	0.930	0.148	1.159	-0.346	0.708
self-employed	0.523	1.687**	0.594	1.811***	0.583	1.792	-0.441	0.643
HOME (without home ownership=0)								
with home ownership	3.022	20.533***	0.91	2.485*	1.079	2.854*	0.352	1.423
URBANATTI (unsatisfied=0)								
Satisfied	0.008	0.992	-0.496	0.609**	-0.742	0.476*	-0.712	0.491*
NETCOM (without network=0)								
urban network	0.063	1.065	-0.290	0.748	0.028	1.028	-1.051	0.349
rural network	0.364	0.695	-0.246	0.782	-0.408	0.665	-1.128	0.324
CITY (Guangzhou=0)								
Beijing	0.121	0.886	-0.697	0.498*	0.513	1.670	-0.017	1.017
Tianjin	1.025	2.787**	-0.670	0.512*	2.011	7.470***	1.577	4.840**
Shanghai	0.349	0.705	0.265	1.304	1.152	3.163	1.518	4.561**

Notes: * Significant at P<0.1; ** Significant at P<0.05; *** Significant at P<0.01

For urban migrants from other cities, individuals aged between 31 and 40 are nearly 3 times more likely than older migrants to stay. This stage of life is perhaps the best for individuals to develop a career and make plans about settlement, as most of them have been married and have experience in an occupation. As is the case for rural migrants, education is a significant reason for settlement in the city. The odds ratio of staying in the city among urban migrants with education level of college qualification and above is 4.29. However, the impact of the variable of HOME is not as significant as for rural migrants, and the odds ratio of staying among migrants with home ownership is nearly 2.9 ($P<0.1$). House prices in the cities are rising, and people are needing a higher income to enter the housing market. Most migrants rent their accommodation. Several studies have shown that rural migrants are more marginalized than urban migrants in the rental market, with many rural migrants living in cheaper factory dormitories, temporary built shelters, construction sites or crowed urban villages in large cities (Wei and Yan 2005). As urban migrants are not as disadvantaged as rural migrants in terms of housing, the impact of home ownership on their likelihood of returning is not as strong as for rural migrants.

Urbanites' attitudes again showed little evidence of explaining settlement intentions of both migrant groups. Of the four cities, Tianjin seemed to be the most attractive for both rural-to-urban and urban-to-urban migrants who chose to stay. For both Tianjin and Shanghai, urban-to-urban migrants were more likely to be uncertain about settlement than migrants from rural areas. Geographically, Tianjin is adjacent to Beijing, and Shanghai and Guangzhou are the representative cities in the Yangzi River Delta region and the Pearl River Delta region,

respectively. Though all four cities are experiencing a massive influx of migrants, the total number or proportion of migrants in Tianjin is much smaller than in the other cities. This probably means that Tianjin has more space available for development than Beijing, Shanghai and Guangzhou, and also more economic opportunities for rural migrants.

7.6 Understanding settlement intention and exclusion mechanism of rural migrants: policy reflection in metropolises of China

At least two conclusions can be drawn from the above survey analysis. First, settlement intention of rural migrants in large cities is affected by multi-dimensional factors, not just institutional boundaries. Despite urban migrants being more likely to settle in large cities, the model could not identify that settlement intentions result only from the *hukou* differences. Both rural and urban migrants are regarded as outsiders, and they have similar settlement intentions, affected by age, education and home ownership. The comparisons between rural-urban and urban-urban migrants indicate that economic status plays an increasingly important role in the settlement decision. Second, a large number of rural migrants have not decided to either stay in the city or return home. Circular migration or continuous migration is expected to be the long lasting pattern for rural migrants, which somehow echoes analysis of circular migration in southeast Asian countries (Hugo 1986, 2002)

The salience of the market force in the settlement intention of migrants suggests changes in China's exclusion mechanism of rural people during the transitional period. Rural people were obstructed from settling in the cities during

the state socialist period prior to the 1980s mainly through control of urban *hukou* quotas, and it was the typical state power. The introduction of market forces has facilitated free movement of people in China, with greater individual opportunities. However, while providing an important impetus to absorb rural migrants into the city, market forces have also played a role in the exclusion. Some migrants successfully seize these market opportunities and have become de facto urbanites, regardless of their *hukou* status. Others experience a second marginalization, and are either forced to return to the farm or become the new urban poor[8] in the city.

The impact of the market force has also been evident in urban public policy reforms. Table 7-6 lists the housing, education and local urban *hukou* policies in large cities, which could help deepen our understanding of settlement issues and exclusion mechanisms in the transitional period.

[8] Solinger (2006) has listed three groups as new underclass in transitional China, namely laid-off workers, underprivileged migrant labourers and others who have fallen into poverty during the market reform process in the city.

Table 7-6 Settlement and exclusion in large cities: a policy perspective

	Rural migrants	Urban migrants	Local urban poor
Housing (Wu, 2004, Wang, 2000)	(1) Affording commodity housing; (2) rental housing at a market price.	(1) Affording commodity housing; (2) rental housing at a market price.	(1) Eligible for applying for economic and comfortable housing or low-rent housing; (2) afford commodity housing with montage.
Education for children (Yang, 2010)	(1) Denial rights of attending local public school, except the parents could pay "education endorsement fees"; (2) attending migrant children school (officially illegal) with a cheaper fee.	(1) Denial rights of attending local public school, except the parents could pay "education endorsement fees"; (2) attending private school, with higher education fees.	(1) Eligible for local public school; (2) students must reside within the local school district in the city, and also must be registered in the school district as well.
Local urban *hukou* application	(1) Receiving higher education; join the army; land expropriation; (2) affording a commodity housing of a certain area or a certain price in destinations; (3) qualified recruitment and employer nomination.	In additional to the three points mentioned for rural migrants, (1) job formally transferred to destinations; (2) create a business or company at a certain scale or with a certain amount of investment in the destinations.	N/A

As shown in Table 7-6, "local" and "non-local" is still a big division in policy making, and urban policy continues to support and provide greater opportunities for local urban *hukou* holders in both low-cost housing and public education. Non-local migrants also must compete for urban resources. What is distinctive is the role of the market mechanism in selecting new urban members. Particularly in the education and housing sectors, market forces are creating significant momentum in privatization, more so in the housing market than in urban education. Both rural and urban migrants can gain access to housing or education

through the market, if they are not covered by institutional protection. Therefore, factors relevant to the market competition have grown in importance because access to a wider range of goods and services now hinges on the ability to pay (Logan, *et., al.* 1999).

This trend of marketization is further deepened in the application of local urban *hukou*. In large cities, individuals who can afford a local commodity apartment or who bring new businesses or investment can easily apply for the local urban *hukou*. In other words, settlement in large cities of China is not a simply *hukou* transfer from agricultural status to non-agricultural status, and what is underlying it is more a competition of wealth and economic opportunities.

The interaction between the institutional mechanisms and the market mechanisms shapes and reshapes the social stratification in urban China. With regards to the urban social structure, it can be observed that economic deprivation and marginalization lead to an increasing number of the new urban poor, which constitutes the main component of the lowest class in urban China. This lowest class includes migrants from rural areas, and also some urbanites who have been excluded by the economic competition. This situation is exacerbated by the strong market element in urban public policy reform, which further deepens the division between the included (the economically included individuals) and the excluded (the economically excluded individuals).

7.7 Concluding remarks

Through examining the settlement intention of rural migrants in large cities—Beijing, Tianjin, Shanghai and Guangzhou—this study has found that both institutional and economic boundaries affect the settlement intentions of migrants in Chinese metropolises, particularly the factors of age, education and home ownership. Comparison of rural and urban migrants has shown that the rural migrants are more influenced by the above factors. Rural migrants who are better educated and own their home in large cities are more likely to stay. Further, self-employed rural migrants are more likely to stay, but the hypothesis of employment in formal sectors increasing the likelihood of staying has not been proved.

The paper further explored the settlement intention and exclusion mechanism from a policy perspective. The urban policy reforms in metropolises reinforce the constraints on settlement in large cities posed by institutional and market exclusion. Migrants, with either agricultural or non-agricultural *hukou* status, have the chance of accessing resources through market channels, as it is quite obvious that market reform has brought commodification in providing urban housing and education. Economic capability is of more value in the marketized China. The importance of economic status in determining exclusion or inclusion in the city has been strengthened in terms of local urban *hukou* application. By and large, Chinese metropolitan cities are increasingly becoming concentrations of populations where those with wealth, skills and power are integrated, while the poor are excluded and marginalized.

These findings raise the question of the state's role in transitional China. The initial aim of reforming the public policies was to accommodate market economic development. Introducing market mechanisms in the allocation of public goods eased the burden that was previously carried by enterprises and increased individual choice. However, the poor in metropolitan cities are doubly excluded – by the marketization trend and by the increasing importance of purchasing power in obtaining public goods. The role of the state, which is supposed to maintain equality and justice in the society, seems to deepen, rather than soften, the division between excluded and included groups formed by market competition.

This chapter examined the final dimension of social exclusion of rural-urban migrants in transitional China in terms of settlement intention. Migrants' settlement intention is largely determined by their economic wellbeing and senses of belonging in the cities. China's urbanization process would be considered incomplete if the majority of rural to urban migrants are unable to settle down in the cities. This would lead to subsequent incomplete social integration and other associated social programs. One would expect that with China's completion of demographic transition and the ageing of its urban population, urban planning authorities would like to facilitate the settlement of rural to urban migrants at a more permanent basis, so the second generation of migrants would become urbanites, which is what many other industrialised countries experienced at this stage of development.

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CHAPTER 8

CONCLUSION

This thesis has examined the dynamic changes and interaction of market forces and institutional reforms in transitional China, with a particular focus on the increasing impact of market forces on the social exclusion of rural-urban migrants. The market transition in China is different from that in the former Soviet Union, which used shock therapy to drastically reform its political and economic systems. The Chinese aim to transform the economy from a centrally planned to a market-oriented system, while at the same time maintaining the political domination of the Chinese Communist Party (CCP). Nevertheless, the survey data analyzed in this study indicate that market mechanisms are the main influence on economic and social reforms. Rural-urban migrants, as one group of underclass during the period of economic restructuring, are confronted with multi-dimensional exclusion in Chinese cities. This thesis further argues that the social exclusion of rural-urban migrants in transitional China is increasingly affected by market mechanisms.

The starting point of this research was the rural-urban division shaped by China's unique household registration system, the *hukou* system. During the state socialist period, the *hukou* system contributed to the strategy promoting heavy industry through subsidizing the industrial sectors while exploiting the agricultural sector and, consequently, rural residents, most of whom are peasants, were disadvantaged (Lin, Cai, & Li, 2008). Through controlling geographic mobility from rural to urban areas, the system excluded peasants from equal

participation in urban life (Cheng & Selden, 1994). Urban employment opportunities and welfare entitlements in the pre-reform era were restricted to urban *hukou* holders only. One's household registration at birth, to a large extent, could decide one's destiny. Urban *hukou* holders enjoyed a privileged position in state socialist China, and the transfer from agricultural to non-agricultural *hukou* status was considered the main way of realizing upward social mobility. But *hukou* transfer quotas and channels were strictly controlled (Cheng & Selden, 1994). The rural-urban division shaped by the *hukou* system was a form of social closure.

This thesis considers that *Hukou* status was paramount in state socialist China in deciding four other dimensions—employment opportunity, welfare entitlements, identity and settlement—which are the key indicators of the social exclusion of rural-to-urban migrants in China. This study found that after introducing the market-oriented elements into economic system since the late 1970s some key institutions, including the labour market and the welfare system, have had to be reformed to accommodate the market economy. The *hukou* system has been gradually modified and reformed, starting with the relaxation of controls on geographic mobility. Influenced by market mechanisms, institutions that allocate resources are also changing, "as the free market requires free exchange of economic resources including various forms of capital via market mechanisms" (Ma, 2006, p. 7). Pushed by market forces, the old redistribution system controlled by the state has also been reformed. Despite being considered a reform gradualist, China has undergone great transformation in the last three decades,

particularly in terms of public policies (Wang, 2008), which are increasingly affected by the market mechanisms.

This study has reached four key conclusions on the social exclusion of rural-urban migrants in transitional China. The first is that the social exclusion experienced by rural-urban migrants in transitional China is multi-dimensional, and includes access to urban *hukou* status, equal employment opportunities, lack of access to welfare and insurance programs, lack of clear urban identity, and difficult in planning long-term settlement in urban areas, especially large cities. It is still very difficult for rural-urban migrants to obtain an appropriate *hukou* in metropolises. Though outsiders can access employment opportunities in urban China, most rural-urban migrants form a secondary labour market, doing jobs shunned by most urbanites. Furthermore, despite the Chinese government's attempts to expand the urban welfare system to include rural-urban migrants, few migrants participate. The identity of the majority of rural-urban migrants is ambiguous, and they find it difficult to form a stable sense of belonging in urban China. Finally, the percentage of rural-urban migrants deciding to settle down in the metropolises was low, because the living costs are beyond their capability.

The second conclusion is that the social exclusion of rural-urban migrants in transitional China is increasingly driven by the market forces. The *hukou* system cannot prevent people's geographic mobility and urban *hukou* status alone does not allocate better employment opportunities. Other factors, such as human capital accumulation, work experience and social networks, play a more important role in the labour market. Furthermore, the welfare restructuring after the 1990s has been affected by market forces. Because the urban welfare system is largely associated

with one's employment status, welfare provision is selective rather than universal. Finally, owning property and wealth is very important for one's identity and settlement in the cities.

The third conclusion is that the Chinese Government is still an important agency in facilitating the social exclusion of rural-to-urban migrants. Influenced by the trends of decentralization and marketization, local governments are pressured to pursue economic interests and GDP growth, which they deem as important for political promotion. Developing the local economy has therefore been put as a priority over social development. To a large extent, local governments have not implemented effective measures in tackling the problems of social exclusion because of the market competition and local economic interests. Providing more welfare and equal employment opportunities to rural to urban migrants would be considered to increase the costs of human resources and therefore potentially slow down the economic growth of the region or the city.

Fourth, the perspective of rural-urban divide cannot fully explain the social exclusion of rural-urban migrants in transitional China. If rural-urban migrants are included in a broader underclass in urban China, their social exclusion is also affected by the factors of regional disparity (e.g., different hierarchies of cities, and regions with different economic development levels).

The rest of this chapter is organized into four sections. The first reviews the main research findings and elaborates further on these four conclusions. The second section discusses the research implications, and the third section outlines the limitations of the study and future research directions. The final section contains the concluding remarks.

8.1 Overview of the study

This study addressed six specific research questions, centred on the social exclusion of rural-urban migrants in transitional China. These questions examined five dimensions of social exclusion: urban *hukou* obtainment, employment opportunities, welfare entitlements, identity and settlement intention. The findings from each research question are discussed below.

8.1.1 How has the *hukou* system been changed and reformed since the 1990s?

Chapter 2 critically reviewed the changes and debates of the *hukou* system since the 1990s, as *hukou* is considered an important institutional factor that contributes and facilitates the social exclusion of rural-to-urban migrants in contemporary China. The chapter discussed the two trends—decentralization and marketization—in *hukou* reform. Decentralization of *hukou* reform started in 1992 with the regulation on Implementation of Local-valid Urban *Hukou* Registration (*Guanyu shixing dangdi youxiao chengzhen jumin hukou de tongzhi, 关于实行当地有效城镇居民户口的通知*) issued by the Ministry of Public Security. This regulation was symbolized as a breakthrough, with local governments gaining autonomy in reforming the local *hukou* policy. The local governments could decide the quotas for transferring *hukou* and issue local *hukou* according to demand. This study examined *hukou* reform in three different tiers of cities. Elite-tier cities, represented by Beijing and Shanghai, have the strictest requirements for granting local *hukou* to migrants. Individuals who successfully transfer their *hukou* status in elite-tier cities are mostly the very rich or highly skilled migrants, as the requirements for transferring *hukou* exceed the capabilities of ordinary

migrants, regardless of their *hukou* status. The *hukou* policies in the second-tier cities are less strict. In fact, many provincial capital cities have attempted to break the rural-urban *hukou* division in their local territories. For instance, Zhengzhou, the capital city of Henan province, conducted a radical reform in unifying different *hukou* categories and relaxing the *hukou* control of migrants, which was seen as a pioneering reform that provided useful lessons and experiences for other cities. But it eventually failed, as the local infrastructure could not cope with the sudden increase in migrants. *Hukou* control in third-tier cities, composed of towns and small cities, almost collapsed after 2003, and applying for local *hukou* in these cities is not difficult. Relaxation of the *hukou* control in small cities and towns contributes greatly to the increasing level of urbanization in China.

The second trend is commodification in *hukou* management. Home ownership, educational level and employment status are often considered important indicators of judging whether one is eligible for becoming an urban citizen. Throughout the 1990s and early 2000s, in many cities, including Shanghai, urban *hukou* status became a kind of popular commodity with a clearly marked price tag, such as "blue seal *hukou*", which was available for those who were qualified and able to purchase. Overall, the *hukou* is more and more like an intangible commodity in transitional China, with a particular price in certain places.

Two debates concerning *hukou* reform were discussed in Chapter 2. One debate concerns whether *hukou* reform is still progressing. This study identified both pessimistic and optimistic perspectives on *hukou* reform in China. Pessimists see abolishing the *hukou* division as a catalyst leading to a shattering of the dualism in other institutions, while optimists consider it more important to reform

the underlying institutions and break down the relationship between those institutions and the *hukou* division. The other debate concerns who benefits and who suffers from *hukou* reform. A lack of valid nation-wide population database and administrative system means that the answer is not straightforward. Most of the existing comparative studies are conducted between agricultural and non-agricultural *hukou* holders, or local and non-local *hukou* holders. However the *hukou* hierarchies associated with different cities have received little attention. Comparative studies on the differences between urban *hukou* holders in metropolises and rural *hukou* holders in suburban areas, or between rural *hukou* holders in developed regions and urban *hukou* holders in inland regions, need to be further examined. As argued in Chapter 2, if rural migrants cannot live a well provided and serviced life in the city after they are deprived of land rights at their places of origin, granting them an urban *hukou* status or transferring their *hukou* to city would mean little for them. It is clear from this study that the institutional matrix (other institutions related to the *hukou* system) and the *hukou* system need to be reformed simultaneously.

8.1.2 In what ways does a rural-urban migrant's *hukou* status determine their social exclusion in transitional China?

Chapter 3 analysed the empirical data from the author's own survey in rural areas to examine the *hukou* impact on the social exclusion of rural-urban migrants from the aspects of geographical mobility, opportunity and psychological sense of belonging. The comparison between social exclusion in the state socialist and transitional periods indicates that the social exclusion of rural-urban migrants is becoming less influenced by *hukou* status and more by market competition. These

market mechanisms include employment and welfare program participation opportunities, and migrants' perception towards their *hukou* status and identity.

In terms of employment status, a large percentage of respondents considered that their rural *hukou* status had little impact on their access to the urban labour market. Unlike in the state socialist period, recruitment in the reform era is largely determined by how to reduce labour costs to maximize profits than by *hukou* preference. Many respondents in the rural survey worked in Guangdong province, with a high level of marketization. However, despite the declining impact of the *hukou* status on accessing the urban labour market, the rural-urban dualism is still apparent. Having access to the urban job market does not necessarily mean having access to equal employment opportunities in better occupational categories and formal sectors. The survey found that migrants' employment were mainly in manufacturing, construction and service sectors, which were not well paid jobs. Furthermore, most rural-urban migrants tend to work more than nine hours per day, and salary delay in the construction industry is quite common. Rural-urban migrants are over-represented in informal employment, mainly because social networks and human capital accumulation affect migrants' employment opportunities.

Welfare program participation opportunities, the second market mechanism, are highly correlated with employment status. The current welfare system comprises contributory programs—such as age, medical and unemployment insurance financed at least partly by beneficiaries' contributions—and non-contributory programs, such as work-related-injury insurance, with contributions from employers rather than beneficiaries. Overall, formal employment guarantees

contributions to a welfare scheme. Those without a formal employment contract, with no stable working location, or those who are self-employed are easily excluded from the welfare system. Finally, the third market mechanism, the psychological dimension, operates by de facto consumption capability contributing to a sense of belonging to the city.

The results from this study strongly suggest that since *hukou* status is playing a declining role in the social exclusion of rural-urban migrants in transitional China, a "beyond *hukou*" perspective is needed to readdress the social inequalities in China.

8.1.3 How have employment opportunities for migrant workers in the urban labour market changed?

Chapter 4 examined dynamic changes in the labour market and employment opportunities of migrant workers from the perspective of enterprises. The chapter analyzed the survey data of enterprises and compared the distribution of employed migrant workers in 1990 or at establishment with the distribution in 2008. The results from this section indicated that the surveyed enterprises employed more migrant workers in 2008 than in 1990 or at establishment. It also found that the urban labour market is segmented among ownerships and industries. More than half of the surveyed State-Own Enterprises' (SOEs) workforces consisted of less than 25 per cent of migrant workers. The percentage of migrant workers employed in the listed enterprises and joint-stock enterprises was also relatively low. In comparison, those enterprises who employed more than 50 per cent migrant workers were joint ventures, private enterprises and individual industries, and self-employed households. Government institutions and the finance and

insurance industries seemed to be very strict about employing migrant workers, and they were the most unlikely to employ migrant workers. However, other industries such as farming, forestry, husbandry, fishing, mining, manufacturing, construction, commerce and other service sectors tended to employ higher percentages of migrant workers.

The percentage of incremental migrant workers accounting for the total number of the newly-employed workers in 2008 was a second aspect examined, which could shed light on the future trends of employment opportunities of migrant workers. SOEs, listed enterprises and joint-stock enterprises, though with a lower percentage of migrant workers among total number of workers employed, increased their recruitment of migrant workers in 2008. Among all types of ownerships, the new recruitment of migrant workers accounted for half of their total recruitment in 2008. This result probably indicates that many enterprises who were once less open to migrant workers now seem to be starting to open their doors to migrant workers. This trend suggests the urban labour market is becoming more competitive. Among industries, like government, institutions, finance and insurance, newly incremental migrant workers made up less than 25 per cent of the recruitment in 2008, which indicates these industries are still less open to the migrant workers. However, for other industries such as construction, manufacturing, social services and relevant, cultural and education industries, an overall trend of employing more migrant workers is apparent.

In summary, the urban labour market in major metropolises is undergoing dynamic changes. It is evident that migrant workers play an increasingly important role in urban labour market. Despite the urban labour market still being

segregated among different ownerships and industries, there are trends of the labour market becoming more open to migrant workers. This chapter described how all industries, except the government, public institutions, finance and insurances, are open to migrants, and ownership segregation in employing migrant workers is being broken down.

8.1.4 How has welfare reform influenced the social exclusion of rural-urban migrants since the 1990s?

Welfare opportunity is the third dimension of social exclusion of rural-urban migrants in transitional China, and it was the main topic of Chapter 5. Using qualitative datasets that describe welfare participation on both institutional and individual levels, this chapter argued that the trends of welfare marketization and decentralization mean that the welfare system is becoming more selective than universal. The case study of Guangzhou and Shanghai welfare models illustrated these two trends. First, a migrant's contribution capability is the key to participating in welfare programs, which is consistent with the findings in Chapter 3 that contribution capability depends largely on stable and formal employment. Second, the reforms emphasize contribution more than redistribution. The insurance funding operation takes the form of a full-funding system, which means an individual's welfare benefits result from a higher personal contribution. Non-contributory welfare programs, such as access to the Minimum Standard of Living Program in the city, are still impossible for non-local *hukou* holders. Third, a difficulty with both welfare model designs is welfare transferability among different regions and cities, which is still the main obstruction to participation in welfare programs.

Chapter 5 argued that the problem with welfare benefit transferability indicates the complexity of coordinating welfare policies in different cities and regions. Welfare decentralization and lack of transferability mean that levels of welfare program participation are not balanced between eastern coastal cities and inland cities. Welfare benefit transferability becomes a problem when migrants from undeveloped regions move to developed regions, where the host cities are disadvantaged because they need to pay high subsidies to increase the migrants' welfare benefits to an average level of the host city. The governments in developed regions do not encourage their residents to transfer welfare to other cities, as it leads to the loss of funds from the more developed cities to less developed ones. This situation is exacerbated with globalization, in which local governments consider a cheap labour force to be a competitive means of attracting foreign capital. The New Labour Law and the Social Insurance Law were legislated in 2007 and 2010 respectively. However, public concern centres on whether these regulations will be carried out smoothly in local regions, where their success is greatly affected by the support and supervision of the local governments.

At the individual level, the results from this chapter showed a low welfare participation rate among migrant workers that is influenced by multiple factors, including employment selectivity, information obtainment, settlement intention and confidence in future reform.

8.1.5 How do rural-urban migrants construct their own identity after moving to the city?

Chapter 6 analyzed how rural migrants perceive themselves and where they draw boundaries between “us” and “them”. Aside from institutional boundaries, three other boundaries delineate “us” and “them”: boundaries in the public space, economic boundaries and network boundaries. These boundaries contribute to their different adopted identities. Boundaries in the public space are a legacy of institutional division. The penetration of unequal institutional arrangements into people’s lives produces different rural and urban stereotypes. Clothing, dialect and *suzhi* (*素质*) are the symbols of being categorized as either within or excluded from a group. Economic boundaries, especially home ownership and capital assets, play an important role in identity. Urban home ownership provides psychological security and makes it much easier for migrants to change their rural identity. Despite wealth being crucial for choosing a different lifestyle, the emergence of new urban poverty, with even some white-collar workers being excluded from the housing market, indicates the marginalization faced by most rural migrants, as well as some urbanites, in a consumption market. To some extent this marginalization dissolves the rural-urban identity division. Likewise, the identities *dagongde* and *laoban* illustrate the importance of wealth and employment status in identity construction. In terms of network boundaries, rural migrants are involved mainly in *gongyou* and *laoxiang* networks. When they encounter difficulties at their destinations, they rarely seek help from institutions. The bond between rural migrants and urbanites is very weak, and is characterized by homogeneity and closure.

Chapter 6 argued that, because rural migrants adopted more than one identity in their narratives, choosing particular expressions of identity indicates an acceptance of different boundaries. The identity construction process reflects an intertwined effect of the state force and the market force. Being fully aware of the institutional boundaries in the cities, rural migrants hope to achieve a better status through individual upward mobility in the market. Though some rural migrants transform their identity through economic success, most are confronted with marginalization through market competition. Their multiple identities reflect their lack of a sense of psychological security and belonging. The dual exclusion that migrants face within cities is the main reason for seeing different expressions of identity.

With the current trend of market economy reforms in China, it is expected that the market force will play an increasingly important role in identity construction. It is also hoped that the state will abolish institutional divisions within the cities to create a more equal environment for rural migrants. Otherwise, the dual exclusion mechanism will hinder rural people's identity transformation to real urbanites, which may lead to a failure of urbanization in China.

8.1.6 What are the determinants of rural-urban migrants' settlement intentions in Chinese metropolises?

Chapter 7 examined the last dimension of social exclusion of rural-urban migrants in transitional China: settlement intention. Through analysing data collected in four metropolitan cities—Beijing, Tianjin, Shanghai and Guangzhou–– the chapter explored the settlement intention of rural migrants, and its determinants.

The comparisons between rural-urban migrants and urban-urban migrants suggested that rural-urban migrants' settlement intention is affected mostly by the factors associated with human capital and economic status, such as age, education level and home ownership. Rural-urban migrants who are better educated and own their own home in large cities are more likely to stay. However, it is puzzling that self-employed rural-urban migrants are also more likely to stay, which would reject the hypothesis that being employed in formal sectors would increase one's likelihood of settling down in cities. This seemingly contradicting conclusion warrants further study.

The results from this chapter suggest that public policy reforms in metropolises seem to reinforce the constraints on migrants' settlement in large cities posed by institutional and market exclusion. As market reforms have brought commodification in providing urban housing and education, the chance of accessing other resources through market channels is also possible. By and large, Chinese metropolitan cities are increasingly becoming concentrations of population where those with wealth, skills and power are integrated, while the poor, unskilled and weak are excluded and marginalized. Chapter 7 discussed public policies on housing, education for children and *hukou* application, and analyzed the government's role in social integration. Market mechanisms have created significant momentum in privatization, more so in the housing market than in education in urban areas. However, rural-to-urban migrants could gain access to housing and education in the city only through market channels, as most of them are not covered by provision of institutional benefits. This finding concurs with the suggestion of Logan *et al*. (1999) that factors relevant to the

market competition have grown in importance because access to a wider range of goods and services now hinges on the ability to pay.

8.2 Research implications

8.2.1 Theoretical implications

The theories of social exclusion originated in Western countries and have been widely applied to explain new urban poverty in the West. Social exclusion of rural-urban migrants in transitional China enhances our understanding of how we can apply social exclusion theories to explain social inequality in developing countries.

The most distinctive feature of the concept of social exclusion lies in its different perspective towards social structure. Social exclusion normally divides society into included and excluded groups. French sociologist Touranine (1991) pointed out that social exclusion is a relative concept; in a post-modernized society, the excluded group is relative to the mainstream or people in the central social position. He suggested most western societies are transforming from a vertical to a horizontal social structure. China obviously does not belong to a post-modern society. However, as China is also experiencing the dramatic transformation from a centrally planned economic system to a market-oriented system, social-economic restructuring in China is particularly fierce. The changes and dynamics of social exclusion mechanisms mean that social exclusion in China has characteristics that distinguish it from western countries.

The main distinction is that social exclusion in China concerns the mass population rather than just a small proportion (Li, 2004). The majority of rural-urban migrants are confronted with multi-dimensional exclusion. In addition, upward economic mobility is an important channel of realizing social integration in urban China, as market mechanisms are increasingly important in creating the standard of being included or excluded. Finally, social exclusion of rural-urban migrants is deepened when social redistribution systems are driven more by economic interests. This means many rural-urban migrants have to confront not only social exclusion because of their vulnerability in market competition, but also a second exclusion process in the redistribution system.

8.2.2 Policy implications

This study has highlighted four main areas of potential policy reform to tackle the problems of the social exclusion of rural-urban migrants.

Hukou reform. First, this thesis argues that detaching the underlying institutions from the *hukou* system will considerably weaken the significance of the *hukou* status. In recent years, employment opportunities and social insurance system reform have tended to become disassociated with *hukou* status. Completely separating the relationship between one's rights and opportunities and one's *hukou* status would be an essential way of bridging the rural-urban division. For instance, as it has been shown that human capital accumulation plays a great part in the labour market, providing equal educational opportunities for all citizens will enable China to build a healthier and more unified labour market. The right to education in contemporary China is still linked with the location of one's household registration, which results in a large number of rural children being left

behind while their parents have to work in the cities. Unequal educational opportunity will in turn increase the likelihood of poverty continuing through second or third generation of rural-urban migrants, leading a vicious cycle of poverty. Second, rural-urban migrants must have the choice to voluntarily change their *hukou* status if they wish. Rural-urban migrants at the periphery of the developed cities have had their land expropriated for urban usage in recent years, and consequently they are automatically deprived of their rural *hukou* status. However, the change to an urban *hukou* status does not necessarily guarantee one's access to other urban opportunities if one lacks proper skills to survive and compete in the city. Consequently, those newly converted migrants would become the new urban poor.

Vocational training. The Chinese Government has already begun to notice the significance of vocational training of rural-urban migrants. In 2003 and 2004, the State Council published decisions on strengthening vocational training for needy citizens, such as migrant workers in cities. Such training could not only help rural-urban migrants avoid injuries and be better equipped to work in the professional occupations, but also improve their overall competitiveness in the urban labour market. This study has highlighted three possible directions for policy reform to vocational training: (1) building up a stable financial support system for vocational training, so as to make vocational training a long-term mechanism; (2) improving training quality and developing vocational education; and (3) forming a market-oriented and job-specific training system for rural-urban migrants, so that they could efficiently find a corresponding job in the urban labour market.

Public policies reform. The welfare provision system is the most important aspect of public policy in China. The analysis in Chapter 5 indicates a trend of decentralization in welfare reform harms the interests of migrants. It suggests that it is essential to shift from decentralization to centralization in welfare reform, as unified welfare reform measures will better protect migrants' interests. In addition, the non-contributory welfare program (also called social assistance) needs to be strengthened. In contemporary China, the focus of welfare reform is on the social insurance system, which is basically built upon contributions from employers and employees, while the development of the non-contributory welfare program is lagging far behind. Nation-wide non-contributory welfare program are much needed, and will benefit those rural-urban migrants who are informally employed, highly mobile and receive lower salaries.

Labour market reform. The results from this study strongly suggest that the institutional barriers obstructing equal employment opportunities need to be abolished to create a more equally competitive labour market in China, especially in urban areas. Stricter policy reinforcement and implementation are required to provide more protection for migrant workers and eliminate such problems as salary delays, excessive workloads, unequal payment and labour contract disputes. Essentially, the government should balance the interests of labourers, employers and local economic development.

8.3 Limitations and further research

A number of limitations have been identified in this study. First, a more comprehensive comparison could have been achieved by taking a broader

perspective of rural-urban migrants. The sample for the author's own survey in rural areas was small and all participants were rural-urban migrants. While the larger-scale surveys in large cities included some urban-urban migrants, the focus is on metropolitan China and the data from mid-sized or small cities are not available in the survey. Admittedly, the analysis of social exclusion of rural-urban migrants centred on the regions in coastal eastern China, particularly in the large cities. It would be ideal if more cities of different sizes were available, allowing a better comparison between different regions and different types of cities.

Second, the analytical framework of social exclusion in this study focussed on *hukou* status and the other four dimensions (labour market, welfare system, identity and settlement intention), with the aim of comparing current exclusion mechanisms with those in the state socialist period. Other dimensions, including the education system, housing market and land reform in contemporary China have not been directly addressed. Those equally important aspects in understanding social exclusion in contemporary China should certainly deserve more attention in future studies.

Third, the impacts of social exclusion of rural-urban migrants on urban development and rural development need to be further examined. The rural-urban migrants in this study were mostly working-age labourers. Future research could investigate the children and other family members, such as elderly parents of migrant workers, who are left behind in the rural areas, a situation which probably hinders rural development and the further supply of a high-quality labour force for urban development.

8.4 Concluding remarks

The focus of this thesis is how and why rural-urban migrants are confronted with multi-dimensional social exclusion in transitional China. Particular attention is paid to explaining the impacts of the rural-urban division shaped by the *hukou* system. It is argued that, despite rural-urban migrants being generally more disadvantaged than urbanites, the migrants' social exclusion is increasingly a product of market mechanisms.

This argument is based on two points. One is that market competition in urban China since the late 1990s is much fiercer than previous period, and enterprises are more market-driven, thus causing dynamic changes in the labour market. A lack of competitiveness in the labour market is the reason why most rural-urban migrants fall into the secondary or informal labour market. The other point is that the role of the Chinese Government is becoming more complicated during this transitional period. The government intervenes more frequently in economic affairs and its impact as an economic actor has expanded to include China's social reforms. Affordability and other factors relevant to market competition become the standards for resource redistribution. Consequently, redistribution of resources favours those individuals who are not disadvantaged by the market competition. Rural-urban migrants have to face a double exclusion: market competition and institutional redistribution.

The arguments in this thesis challenge the perspective of the *hukou* essentialism approach, which regards abolishing *hukou* status as the main solution to the problems of the rural-urban division in transitional China. The empirical evidence in this thesis strongly suggests that detaching the underlying institutions

from the *hukou* status is a more efficient way of bridging the rural-urban division. Changing *hukou* status overnight will not solve the social inequality.

It is undeniable that the Chinese Government's inequitable public policies, some based on the legacy of its pre-reform era, have contributed to the social exclusion of rural-urban migrants in contemporary times. It is more important, however, to recognize that the reasons for the implementation of those policies are mostly for regional or local economic interests. Changing the roles of the Chinese Government and reducing its participation in economic activities are gradually emerging as the reforms in China become more intensified. Consequently one could expect that rural-urban migrants in Chinese cities would experience less social exclusion as the market force becomes more respected and normalized in the future.

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Interview Questions

Employment dimension

Ⅰ Description of your first employment in the city.

(1) When did you decide to leave the village and work in the city?
(2) What reasons helped you to make the decision to leave the village?
(3) Did you think it difficult to be employed in that city? If yes, can you give a simple description about the difficulties?
(4) Can you describe the whole process of how to get your first job? E.g. how to choose the sector and industry; how to compete with local labourers;
(5) What were the responsibilities of your first job?
(6) Have you signed a contract with your boss? And what do you think of that contract?
(7) Generally speaking, were you satisfied with your first job in the city?

Ⅱ Multiple employment experience in the city

(1) After the first employment in the city, did you think it much easier to find a job in the city?
(2) Can you list other jobs you had been employed in the city?
(3) Can you give a description of those jobs?
(4) What reasons did you consider to change another job?
(5) Please give comparisons with your first job from the following aspects: working environment; working responsibilities; attitudes from the boss and colleagues; promotions; welfare etc.
(6) What did you think the most important factor to get a good job in the city?
(7) Do you think your professional status has been promoted with the change of the jobs? Please indicate the reasons.
(8) Compared with the people with urban *hukou*, can you find any differences in employment?
(9) Did you have experiences of both intra-provincial employment and inter-provincial employment? If yes, can you make some comparison between them? E.g. working environment; working responsibilities; attitudes from the boss and colleagues; promotions; welfare etc.

Consumption dimension

Ⅰ General impression of consumption in the city

(1) What do you think of consumption level in the city?
(2) Which was the largest part among your monthly consumption?
(3) Can you compare your expenditure with the ordinary urban local people?

Ⅱ Details of consumption in the city

(1) Please describe your dwelling type in the city.

(2) Could you afford an apartment or any other type of dwelling in the city?
(3) Where do you afford your food?
(4) Where did your children receive the education?
(5) Did your children receive the same equal education as ordinary urban local children?
(6) Have you received further education in the city? If yes, how did you evaluate it?
(7) What did you think of consumption on public transportation in the city?
(8) Do you have other consumption aspects in the city?
(9) Did you have experiences of both intra-provincial employment and inter-provincial employment? If yes, have you found out any difference of consumption between different destinations?

Social welfare and security dimension

(1) Were you eligible for social welfare scheme in the city?
(2) Do you think it necessary for rural-urban migrants participate in such welfare schemes? Please indicate your reasons.
(3) What do you think the urban local people participating in the welfare schemes?
(4) How do you understand the opinion of "land is another form of protection"?
(5) If government made a welfare policy to cover all of the populations, which place do you prefer to participate in the social welfare scheme?

Social networks dimension

Ⅰ Description of social networks in the city
(1) Who did you contact most in the city? Please indicate the reasons.
(2) Did you have some urban friends? How did you know each other?
(3) What are the differences between urban people and rural people?

Ⅱ The situation of encountering difficulties in the city.
(1) Had you encountered any difficulty in the city?
(2) Who would be the first one you would contact and turn for help?

Ⅲ Relations with public administration
(1) When you got unemployed, was it possible for you to get any public service? For example, did you seek help from the community committee in the city or some non-government organization?
(2) If you had some complaints as for your employment, had you seek for any public service?
(3) How did you evaluate the public service in the city?

Other Questions

(1) Can you feel any impacts of hukou system on your urban life?
(2) If you could be issued an urban hukou once you give up the land in the village, what do you think of it?
(3) Please describe your permanent living place and your favourite lifestyle.

木马口村外出务工人员个人访谈提纲

城市就业方面

1、请您描述您第一次在城市打工的情况

（1） 您是什么时候决定离开村庄外出打工的呢？
（2） 您为什么当时考虑要外出打工呢？
（3） 您认为在城市就业困难吗？如果是，请您描述一下您所遇到的找工作的困难？
（4） 您能谈谈您获得第一份工作的过程吗？（工作的单位选择，行业选择等）
（5） 您的第一份工作的工作内容是什么呢？
（6） 您与您的老板签订合同了吗？您如何评价所签订的合同呢？
（7） 总体看来，您对您在城里的第一份工作满意吗？

2、在城市多次务工的经历

（1） 有了第一次外出打工的经历，您是否觉得在城里找份工作容易点了呢？
（2） 您能列举一下第一次务工以后，您还从事过其他哪些职业呢？
（3） 您能描述一下那些职业主要工作内容是什么吗？
（4） 是什么理由让您考虑换工作呢？
（5） 您可以简单对比一下您的第一份工作和您后来的工作吗？比如工作环境；工作性质；老板和同事的态度；工作提拔以及福利等方面
（6） 您认为在城里找到一份好工作最重要的因素是什么？
（7） 您认为在您换工作的过程中，您的职业地位是否得到了提高呢？请给出提高或没提高的理由。
（8） 与具有城镇户口的人相比，您认为您的就业跟他们的就业有哪些不同呢？
（9） 您同时具有省内迁移和省外迁移的经历吗？如果有，您能从工作环境、工作性质、老板和同事的态度、工作提拔以及福利等方面进行一些对比吗？

消费方面

1、城市消费状况的整体感受

（1） 您怎么看待您所工作的城市的消费状况？如果在多个城市工作过，简单介绍一下所工作城市的消费水平。
（2） 您月消费中最主要的支出是哪一部分？
（3） 您能将您的消费状况与城市本地人进行一下对比吗？

2、城市生活的具体消费状况

（1） 请您简要描述一下您打工的城市。
（2） 请您描述一下您在打工城市的住房状况。
（3） 请您描述一下您在打工城市的食品开支状况。
（4） 请您描述一下您孩子的教育消费状况。
（5） 您的孩子是否与城市普通孩子获得同等的教育机会？
（6） 您自己是否在城市有其他教育的开支？如果有，您如何评价在城市的进一步教育。
（7） 请您描述您在城市的公共交通方面的开支情况。
（8） 除了刚刚谈到的以外，您还有没有其他方面的开支呢？
（9） 如果您既有省内迁移又有省外迁移的经历，您能对省内和省外的消费状况做一些对比吗？主要从衣食住行等方面比较。

社会福利方面

（1） 您在城市是否享受过养老、医疗、失业、工伤等保险？
（2） 您认为外来务工人员有必要参与国家提出的这些保险项目吗？请说明理由。
（3） 您如何看到城里本地人参与社会保险项目？
（4） 您对“土地也是一种保障”的观点怎么理解？
（5） 如果政府致力于实施覆盖全体成员的社会保障计划，您打算在哪里参保呢？

社会交往方面

1、城市社会交往的描述
（1） 您在打工城市联系最多的是谁？请说明理由。
（2） 您有城市朋友吗？你和他们怎么认识的？
（3） 您认为城里人和乡下人有什么区别呢？

2、城市遇到困难的情况
（1） 您是否在打工城市遇到困难？
（2） 如果遇到困难，您一般向谁寻求帮助？

3、您与城市公共服务机构的关系
（1） 您是否遇到失业等状况？如果有，您能否获得公共服务机构的帮助呢？如当地的社区或非政府组织的帮助？
（2） 如果您在就业中遇到纠纷，您是否有向公共机构寻求帮助的经历呢？
（3） 您如何评价城市公共服务？

其他问题

（1） 您认为户籍制度对您的城市生活有什么影响？
（2） 如果您放弃农村土地可以获得城市户口，您会做出什么选择呢？
（3） 请您描述您未来可能定居的地方，以及您的理想生活方式。

非常谢谢您接受本次访谈！

Reference number	☐☐☐☐

Date of survey	___Year ___ month ___day	Code ☐☐☐☐☐☐
Starting time of the survey	_____ hours _____minutes	

Village group		Code ☐☐
Name of the respondent		
Address of the respondent		
Telephone number		

(Please leave your address and telephone number here if you hope to hear from the research results)

	1st visit	2nd visit	3rd visit
Date			
Time			
Results of visit 1 interviewed; 2 refused; 3 not at home, notes left			
Other notes			

B．This questionnaire is for family members with migration experience

B1	Sex(1. M，2. F)		B2	Age	
B3	Education level		B4	Ethnicity	
B5	Current household registration place		B6	Marital status	
B7	Migratory status		B8	How many children do you have?	
B9	How many people in your family are over 60 years old?		B10	How many sisters and brothers do you have?	

Showcard B3 0.文盲 1.学龄前 2.幼儿园 3.小学 4.初中 5.高中 6.中专，技校 7.大专 8.本科以上 9.辍学 10.休学	Showcard B6 1.未婚 2.已婚 3.离婚 4.未婚同居 5.丧偶 Showcard B7 1. 已经返乡，不再外出 2. 取得其他城市户籍，打算继续外出务工 3. 未取得其他城市户籍，打算继续外出务工

Personal migration experiences

B11	B12	**B13**	B14	**B15**	**B16**	**B17**	**B18**
Times of outgoing work	Working city	City type	Working period(month/year-month/year)	Type of occupation	Type of sector	Type of employment	Type of working places
1							
2							
3							
4							

Showcard B13	**Showcard B15**	**Showcard B16**	**Showcard B17**	**Showcard B18**
1.省内本市(南昌) 2.省内本县(进贤县) 3.本省其他城市 4.本省其他城镇 5.东部大城市(北京，天津，上海，广州，深圳，宁波，南京，杭州，厦门，济南，青岛，大连) 6. 东部一般城市 (无锡、苏州、温州、福州等) 7.东部城镇 8.中西部省会城市 9.中西部一般城市 10.中西部城镇 11.海外	1.普通工人 2.职员 3.销售人员 4.服务人员 5.农副业劳动 6.保安 7.仓储工作人员 8.货运司机 9.出租车司机 10.保洁人员 11.家政服务人员 12.物质回收 13.维修人员 14.其他(请注明)	1.制造业 2.建筑业 3.零售商业 4.批发商业 5.宾馆餐饮娱乐业 6.其他服务行业 7.社区组织 8.机关团体 9.交通运输业 10.其他(请注明)	1.完全国有 2.国有控股 3.完全外资 4.中外合资 5.私有 6.个体经营 7.集体 8.非政府组织 9.乡镇企业 10.其他(请注明)	1.工厂(生产部门) 2.公司(管理部门) 3.建筑工地 4.正式的商场 5.集贸市场 6.宾馆饭店 7.社区组织 8.家庭 9.社区福利机构 10.医院 11.党政机关 12.其他事业单位 13.社会团体 14.无固定场所 15.服务性店铺 16.其他(注明)

C. Employment Dimension

General information about your employment(from C1 to C9)

C1. What was the nature of the time you worked in the city?
(1) working for the whole year in the city;
(2) working in the city in slack seasons;
(3) working temporarily in the city;
(4) Other arrangements: _____

C2. How easy was it to find a job in the city?
(1) Quite easy;
(2) Relatively easy;
(3) Relatively difficult;
(4) Quite difficult;
(5) Not sure

C3. How would you evaluate the impact of the following factors on finding work in the city?
(Place a "√" in the most appropriate column)

	Most influential	Quite influential	Not very influential	No influence
（1） Age				
（2） Sex				
（3） Education level				
（4） Rural Hukou				
（5） Working skills				
（6） Social networks				
（7） Work experience				
（8） Others (please specify)				

C4. To what extent did you receive help from the following people or organizations during your job search?
(place a "√" in the most appropriate column)

	Much help	Some help	Little help	No help
（1）Relatives and friends				
（2）Rural organizations				
（3）Urban official government				
（4）Urban enterprises				
（5）Other urban official organizations				
（6）Urban community organizations				
（7）Job agencies in the city				

（8）Urban NGOs				
（9） Urban people				
（10） Various media such as newspapers				
（11）Others (please specify)				

C5. Have you felt any discrimination during the employment process?
(1) No discrimination (Go to question C6)
(2) Yes, great discrimination;
(3) Yes, a bit of discrimination;

C5.1 If possible, please indicate the reasons for which you felt discriminated: ____
_____
_____

C6. Among your colleagues, are there more urban people than rural people?
(1) More rural colleagues;
(2) More urban colleagues;
(3) Not sure

C7. Do you think rural people have equal opportunities as urban people?
(1) Yes;
(2) No;
(3) Not sure

C7.1. If you think that you don't have the equal opportunities as others, please explain the reasons.

_____

C8. How satisfied are you with your work in the city?
(1) Very satisfied; (go to question C8.1)
(2) Relatively satisfied; (go to question C8.1)
(3) Moderately satisfied; (go to question C8.2)
(4) Relatively unsatisfied; (go to question C8.2)
(5) Very unsatisfied (go to question C8.2)

C8.1 Are the following statements indicative of your reasons for satisfaction with the employment in the city? Please tick the answer(s) applying to you. (You may tick more than one.)
(1) My earnings in the city were much higher than in the rural areas;
(2) The material or cultural life was much richer in the city;
(2) I didn't feel any difference in my lifestyle compared with local urban people;
(3) There were more opportunities to learn in the cites than rural villages;
(4) Compared with those who live in rural areas, I am more like an urban person;
(5) The urban prosperity was what I was looking for;
(6) My children had a much better developmental chance in the city;
(7) I had much better developmental chance in city;

(8) Urban people treated me equally;
(9) I could use my earnings to build a large house in my village/town, which made me feel satisfied and happy;
(10) I had a lot of friends in the city;
(11) Other reasons, please specify: _____

C8.2 Are the following statements indicative of your reasons for dissatisfaction with your employment in the city? Please tick the answer(s) applying to you. (You may tick more than one.)(1) Though working in city, I felt that I was still a rural person;
(2) I could earn more money in the city, but I still couldn't afford lots of material items;
(3) The consumption level was too high in the city;
(3) I felt discriminated against by urban people;
(4) I had very few urban friends, and often felt lonely living in the city;
(5) Compared with farming in rural areas, my salary in the city wasn't any higher;
(6) Compared with the earnings of local urban people, my earning was much less;
(7) Although I had worked in the city, it was still difficult for my children and family to live permanently in the city;
(8) My children couldn't get equal access to education in the city;
(9) My family and children sometimes encountered bully in city;
(10) I often couldn't quite understand what local people talked about; it was difficult to communicate with them;
(11) We were often looked down upon as 'outsiders';
(12) Urban people come across as cunning;
(13) Other reasons, please specify: _____

C9. Do you think that urban organization should increase the support offered to help rural-urban migrants get employed?
(1) Yes, they should;
(2) No, they shouldn't ;
(3) Not sure

Questions C10 to C24 are about the situation when you initially came to the city

C10. How did you get your first job in the city?
(1) I was introduced by friends or relatives;
(2) I was referred by rural village committee;
(3) An employer enrolled workers in my village;
(4) I responded to recruitment information in a newspaper or other forms of media;
(5) I attended a recruitment expo in the city;
(6) Other channel. Please specify: _____

C11. When you first came to the city, how many hours did you work everyday? __ _____

C12. Can you estimate your monthly salary for your first job in the city?__ _____yuan

C13. For your first job, did you get paid the same salary as the local urban people?
(1) Yes (Go to question C14);
(2) No (Continue to answer question C13.1);
(3) Not sure (Go to question C14)

C13.1 What do you think were the reasons for the unequal payment in your city job?
(1) I came from the rural areas;
(2) My skills or techniques was not as proficient;
(3) I wasn't as highly educated;
(4) Other reasons, please specify: _____

C14. How satisfied were you with the salary you received in your first job?
(1) Very satisfied;
(2) Relatively satisfied;
(3) Moderately satisfied;
(4) Relatively unsatisfied;
(5) Very unsatisfied

C15. Did you ever encounter a situation of a "delayed salary"?
(1) Never (go to question C16);
(2) Sometimes;
(3) Always

C15.1 How did you deal with your salary being delayed?
(1) Didn't take any measure, continued to do the work;
(2) Turned to legal assistance;
(3) Turned to labor union;
(4) Other response, please specify: _____

C16. Would you be paid if you worked extra hours?
(1) No;
(2) Yes;
(3) Not sure

C16.1 If other colleagues worked extra hours, would they get the same payment that you would get?
(1) Yes;
(2) No;
(3) Not sure

C17. Please rate your working environment (from 1 to 10, where 1 is extremely bad, 10 is perfect) : _____
(Note: a rating of 5-10, Go to question C19; a rating of 1-4, continue to answer question C18)

C18. What were the reasons for your dissatisfaction with the working environment? (Tick as many answers as apply)
(1) The employer was too strict;
(2) the work was dangerous;
(3) I had longer working hours but was paid less;
(4) The work was dirty and tiring;
(5) Low professional status;
(6) Difficultly being promoted;
(7) Other reasons, please specify:_____

C19. Did you participate in any work training during your first employment?
(1) Yes (Continue to answer question C19.1 to C19.5);
(2) No (Skip to question C20)

C19.1. Who organized this training?
(1) My employer;
(2) Government;
(3) Non-government organization;
(4) Technical school or evening school;
(5) other (please specify) _____

C19.2. The training was in the area of _____

C19.3. Was there a fee for the training?
(1) Yes;
(2) No

C19.4. If there was a fee for the training, who paid the fee?
(1) The employer;
(2) yourself;
(3) the employer and yourself paid together;
(4) Others

C19.5. How would you evaluate the work training in terms of its usefulness?
(1) Very useful;
(2) A little useful;
(3) Moderately useful;
(4) Not very useful;
(5) No use

C20. Did you have the same training opportunities as other local urban colleagues?
(1) Yes;

(2) No;
(3) Not sure

C21. Did you sign any contract with your employer?
(1) I did not sign any contract (continue to answer question C21.1);
(2) I signed a contract of up to twelve months;
(3) I signed a one year contract;
(4) I signed a two to five years contract;
(5) I signed five years above contract;
(6) Other type, please specify: _____

C21.1. Why did you not sign any contract with your employer?
(1) the employer wasn't willing to sign a contract with me;
(2) I thought it was unnecessary to sign a contract
(3) It was necessary to sign a contract, but the contract increased the working cost in the city;
(5) Other reasons, please specify _____

C22. Was your first boss a rural person or an urban person?
(1) Rural person;
(2) Urban person;
(3) Not sure

C23. What was your general feeling towards your first job?
(1) Very satisfied;
(2) Relatively satisfied;
(3) Moderately satisfied;
(4) Relatively unsatisfied;
(5) Very unsatisfied

C24. Did you have more than one opportunity to work in the city (ie more than one job)?
(1) Yes(Continue to answer questions C24.1-C24.12)
(2) No(Go to **section D**)

The questions C24.1 to C24.12 are about your most recent employment in the city

C24.1. How did you get your most recent job in the city?
(1) Introduced by friends or relatives;
(2) Referred by a rural village committee;
(3) The employer enrolled workers in my village;
(4) Recruitment information in newspaper or other forms of media;
(5) Attended a recruitment expo in the city;
(6) Introduced by friends in the city;
(7) Through former employer(s) or clients;
(8) Other channel _____

C24.2. Compared with your first job in city, did the salary increase?
(1) Yes (Go to question C24.21);
(2) No(Go to question C24.22)

C24.21. What reasons were responsible for the salary increase? _____
_____
_____(Go to question C24.23.)

C24.22. What reasons were responsible for no increase in your salary? _____
_____
_____

C24.3. How do you regard the professional status of your most recent job, compared to your previous job?
(1) Much higher than before;
(2) A little bit higher that before;
(3) More or less the same;
(4) a little bit lower than before;
(5) much lower than before.

C24.4. For your most recent job, how often would you encounter "salary delay"?
(1) Never;
(2) Sometimes;
(3) Always

C24.5. When/if you worked extra hours, did your employers pay you at the same rate as other colleagues?
(1) Yes;
(2) No;
(3) Not sure

C24.6. In your most recent employment, did you get the same pay as your local colleagues?
(1) Yes;
(2) No;
(3) Not sure

C24.7. Please rate your most recent job in terms of its working environment on a scale of 1-10 score, where1 is extremely bad and， 10 is perfect) _____

C24.8. Did you attend any other training course(s) after your first employment?
(1) Yes (Go to question C24.81);
(2) No (Go to question C24.9)

C24.81. How useful was the training?
(1) Very useful;

(2) Relatively useful;
(3) Not very useful;
(4) Not useful at all

C24.9. Did you have the same opportunities to receive training as other local colleagues?
(1) Yes;
(2) No;
(3) Not sure

C24.10. What sort of contract have you signed with your most recent employer?
(1) I haven't signed any contract;
(2) I signed a less-than-one-year contract;
(3) I signed a one year contract;
(4) I signed a two to five year contract;
(5) I signed a five year and above contract;
(6) Other type, please specify _____

C24.11. Do you think your most recent job is/was better than your first job in this city?
(1) Yes, it is much better;
(2) Yes, it is a little bit better;
(3) No, it is more or less the same;
(4) No, it is a little bit worse;
(5) No, it is much worse

C24.12. Which factors would most influence you in taking a different? (Please tick no more than two of the following options.)
(1) Higher salary;
(2) Higher job security (ie a more steady job);
(3) Having the chance to obtain urban *hukou*;
(4) Higher professional status;
(5) Easier and less stressful work;
(6) Other factors, please specify: _____

D. Urban Consumption Dimension

D1. Compare your urban consumption level with the rural consumption level：
(Place a √ in the appropriate column)

	Much worse	A little bit worse	The same	A little bit better	Much better
D1.1 Food					
D1.2 Clothing					
D1.3 Dwelling					
D1.4 Transportation					
D1.5 Tele-communications					
D1.6 Children's education					
D1.7 Estovers					

D2. Compare your consumption level in the city with other local urban people:
(place a √ in the appropriate column.)

	Much worse	A little bit wors e	The same	A little bit better	Much better
D2.1 Food					
D2.2 Clothing					
D2.3 Dwelling					
D2.4 Transportation					
D2.5 Tele-communication					
D2.6 Children's education					
D2.7 Estovers					

D3. What do you think of consumption levels in the city, compared with in the rural area(s) with which you are familiar?
(1)Much higher;
(2)A little higher;
(3)About the same;
(4)Not as high;
(5)Much lower

D3.1. Which consumption level in the following places do you think is the most acceptable?
(1)Rural village;
(2)Small town;
(3)Common cities;
(4)Provincial and above cities;
(5)Other area. Please specify: _____

Your urban housing consumption (Questions D4 to D5)

	[1] Living location (showcard)	[2] Type of dwelling(showcard)	[3] Quality of dwelling(showcard)	[4] Living area(square meters)	[5] The number of people living together	[6] Living expenditure(yuan/month)
D4 The city you Initially moved to						
D5 The city you most recently moved to						

Showcard [1]：(1)市内;(2)郊区;(3)城乡结合部
Showcard [2]：(1)自己买房;(2)自己租房;(3)与其他人合租;(4)集体宿舍;(5)亲友家中;(6)住工作场所;(7)其他(请注明)
Showcard [3](compare with common local dwelling)：(1)好于普通居民住房;(2)与普通居民住房差不多;(3)比普通居民的差一些;(4)比普通居民的差很多

Children's educational consumption (questions D6 to D6.5)

D6. Do you have any children under 18 years of age?
(1)Yes(Continue to answer questions D6.1 to D6.4);
(2)No(Go to question D7)

	[1] Age	[2] Sex: 1. M 2. F	[3] Education level(showcard)	[4] Type of school (showcard)	[5] Duration of education in the city?	[6] Current schooling fees(yuan/year)	[7] Sponsor fees(yuan/year)	[8] Other fees(yuan/year)
D6.1 1st child								
D6.2 2nd child								
D6.3 3rd child								

Showcard [3]：(1)学龄前;(2)幼儿园;(3)小学;(4)初中;(5)高中;(6)中专/技校;(7)大专;(8)本科以下;(9)辍学;(10)休学
Showcard [4]：(1)城市公立学校;(2)城市民办;(3)城市农民工子弟学校;(4)老家县镇中的学校;(5)老家农村学校;(6)其他(请注明)

D6.4. Where would you like your children to get an education?
(1) In a rural village school;
(2) In an urban public school;
(3) In an urban peasant school;
(4) In an urban private school;
(5) I'm not concerned where, but would like them to finish schooling as soon as possible;
(6) Other environment. Please specify: _____

D6.5. What chance do you think your children have of receiving the same education as urban children?
(1) A high chance;
(2) A low chance;
(3) No chance

Other consumption situation

D7. _Please estimate your monthly basic expenditure? _____ yuan / month, accounting for your whole monthly salary? _____ %

D8. Where do you normally buy food and clothes for yourself and your family members? (Tick only one column.)

	1 Street vendor	2 Department store	3 Super-market	4 Street open market	5 Self-made	6 Employer provided
D8.1.Food						
D8.2.Clothes and daily necessities						

D9. Which of the following descriptions apply to you in terms of your urban living expenditure habits?
(1) The salary was not enough for urban living expenditure.;
(2) I save as much as I can;
(3) I save to a moderate degree;
(4) I do not save much ;
(5) Not sure

E. Social welfare dimension

E1. What is the current state of your health?
(1) Very good;
(2) Relatively good;
(3) Moderately good;
(4) Not so good;
(5) Very bad;
(6) I do not know

E2. Have you had any sickness since you came to the city?
(2) No (Go to question E6)
(1) Yes (Answer questions E3-E5);

E3. How would you describe your sickness? (Tick as many options as applied to your situation)
(1) Indisposition;
(2) Severe sickness;
(3) Occupational illness;
(4) Other. Please provide some details: _____

E4. How did you deal with your illness? (Tick as many options as applied to your situation)
(1) didn't use any medicine;
(2) bought medicine for myself;
(3) treated in an urban private clinic;
(4) treated in a health service organization in my local community;
(5) treated in a large hospital's out-patient department;
(6) hospitalized in a large hospital;
(7) treated in a county hospital;
(8) treated by a countryside medical organization;
(9) Other method of treatment. Please specify: _____

E5. How did you pay for your medical fees? (Tick as many options as applied to your situation)
(1) I used my own saving;
(2) I borrowed money from other people;
(3) My employer provided all or some of the funds;
(4) Social urban medical insurance paid all or part of the fees;
(5) Rural cooperative medical insurance paid all or part of the fees
(6) Other sources. Please specify _____

E6. Your information on participating all of the insurance schemes:

	[1]	[2]	[3]	[4]
	Participation status (showcard)	Insurance type (showcard)	Insurance payment (showcard)	Is it necessary? 1.很有必要;2.有必有;3.一般;4.没有必要;5完全没有必要
E6.1 Urban medical insurance				
E6.2 Urban injury insurance				
E6.3 Urban unemployment insurance				
E6.4 Urban aging insurance				
E6.5 Urban maternity insurance				
E6.6 Rural cooperative medical insurance				
E6.7 Rural aging insurance				

Showcard [1]：(1)目前参保;(2)过去曾参保但现在没有参保;(3)从来没有参保;(4)不清楚
Showcard [2]：(1)职工社会保险;(2)商业保险;(3)互助保险;(4)小城镇社会保险;(5)专门为外来打工人员的社会保险;(6)其他(请注明)
Showcard [3]：(1)全部个人缴费;(2)用人单位缴纳;(3)用人单位和个人共同缴纳;(4)个人缴费，政府或集体补助;(5)其他(注明)

E7. Have you been eligible for the service of any of the insurance schemes listed above?
(1) Yes (Continue to answer question E7.1);(2) No (Go to question E8)

E7.1. Which type of insurance have you been eligible for? _____

E7.2. How would you evaluate the service of the insurance scheme?
(1) Very good;(2) Relatively good;(3) Not so good;(4) Very bad, a waste of money

E8. What are the reasons for you not participating in any insurance scheme? (Multiple choice)
(1) I didn't have the urban *hukou*;

(2) I was not willing to participate;
(3) Transferring the money to other places was difficult;
(4) It was unnecessary since I was going back to the countryside;
(5) I did not consider the welfare institution as steady or mature;
(6) Other reasons please specify: _____

F. Social networks dimension

F1. Have you encountered any difficulties since you moved to the city?
(1) Yes;
(2) No(Go to question F3)

F2. Have you received any help from the following persons or organizations?
(Place a √ in as many columns as apply.)

	Most help	Some help	Moderately	Not so much	Never
F2.1 Relatives and friends					
F2.2 Employer(s)					
F2.3 Social assistance in urban areas					
F2.4 Rural organizations in your original countryside					
F2.5 Urban community					
F2.6 Non-government organization(s)					
F2.7 “Good persons” in the city					
F2.8 Others					

Communication with urban people

F3. Do you feel comfortable communicating with urban people?
(1) Yes;
(2) No

F3.1 How many urban friends do you have?
(1) Many (above 20);
(2) Some (10-20);

(4) A few (1-9)
(5) None

F3.2 Which group of people did you think you mostly communicated with when you first moved to the city? (Please tick no more than three options)
(1) People from my original home village/town;
(2) Old friends;
(3) Colleagues;
(4) Friends met through work;
(5) Neighbours;
(6) People in the community;
(7) Other people, please describe: _____

F3.3 How would you consider your relationship with the local urban people?
(1) Very good;
(2) Relatively good;
(3) Not good;
(4) Very bad;

F3.4 Do you think urban people are trustworthy?
(1) Most urban people are trustworthy;
(2) Some urban people are trustworthy;
(3) Very few urban people are trustworthy;
(4) I cannot trust any urban person

Social Activity Participation

F4. Did you participate in any social/community activities when living in the city?
(1) Yes(Go to section G.);
(2) No(Continue to answer question F4.1);

F4.1 Which factors do you think prevented you from participating in such activities? (Please select no more than 3 choices.):
(1) Bad economic situation;
(2) Professional status;
(3) Education level;
(4) Sex;
(5) Age;
(6) Agricultural Hukou;
(7) Language;
(8) Religion;
(9) Political orientation;
(10) Insufficient information aobut the activity;
(11) Busy working;
(12) Other reasons. Please specify: _____

G. Other questions

G1. What were the main purposes for your working in the city? (Please tick no more than three options)
(1) To earn more money;
(2) To experience city life;
(3) To experience urban prosperity;
(4) To live and work permanently in the city;
(5) To acquire more knowledge and/or skills;
(6) To maintain companionship with family members;
(7) To maintain companionship with boyfriend or girlfriend;
(8) Other reasons: _____

G2. Compared with rural village, how do you evaluate the following aspects? (Place a √ in the appropriate column for each aspect))

	Much better	A little better	Nearly the same	A little worse	Much worse	Not sure
G2.1 Earnings						
G2.2 Working intensity						
G2.3 Hazards of working environment						
G2.4 Steadiness of working and earning conditions						
G2.5 Dwelling conditions						
G2.6 Daily living						
G2.7 Support						
G2.8 Health						
G2.9 Safety						
G2.10 Part-time recreation						
G2.11 Job satisfaction						
G2.12 Confidence regarding the future						

G3. Which of the following aspects describe your dissatisfaction with urban life? (Please select no more than five choices):)
(1) Earnings were low;
(2) I was often busy, stressed and tired;
(3) The job was too dangerous;
(4) The job was unstable;
(5) Salary was often delayed;
(6) Living expenses were too high;
(7) Housing conditions were unsatisfactory;
(8) There was a high level of social disorder;
(9) Medical expenses were too high;
(10) Nobody helped me when I was in trouble;
(11) Life was boring in the city;
(12) Family reunion was difficult;
(13) It was hard to build social networks with local people;

(14) I experienced discrimination in the city;
(15) Other reasons. Please specify:_

G4. Which of the following represents your plans for the future? (Please tick no more than two choices):
(1) To live and work in the city;
(2) To return to work on a farm;
(3) To return to work in a non-agricultural area;
(4) To return to my original town;
(5) To be self-employed in my hometown;
(6) Other plans. Please specify: _____
_____
(7) I haven't made any plans for the future

G5. Where do you think is the best place for you to live? (Please tick no more than two choices):
(1) My most recent working city;
(2) A city in my hometown;
(3) Another city;
(4) A rural village;
(5) A county town;
(6) Other place. Please specify: _____

G6. Do you still own land in your original village?
(1) Yes (Continue to answer question G6.1);
(2) No (Go to question G7)

G6.1 If you still own land in a rural area, please estimate how much land you own: _____

G7. Imagine you had an opportunity to obtain non-agricultural *hukou* in the city provided you gave up your land in the country. How willing would you be to make this deal?
(1) Very willing;
(2) Relatively willing;
(3) Neither willing nor reluctant;
(4) Relatively reluctant;
(5) Very reluctant;
(6) Not sure

G8. Based on the information you have provided in this questionnaire, how likely is it that you will return to live permanently in a rural area?
(1) Very likely;
(2) Probable;
(3) Quite unlikely;
(4) Very unlikely;

(5) Not sure

Thank you for participating in this survey!

H1. Are you willing to participate in the individual interview if you're sampled?
(1) Yes;
(2) No

H2. Do you mind the interview recorded by a record pen?
(1) Yes, I mind;
(2) No, I don't mind

调查表序号	□□□□

调查员		编码	□□
调查日期	___/___年___/___月 ___/___日	编码	□□□□
问卷开始时间	_____ 时_____分		

村小组		编码	□□
被访人姓名			
家庭住址			
联系电话			

(如果需要了解研究信息，请您留下地址及联系方式)

	第一次	第二次	第三次
日期			
时间			
访问结果 1 成功访问 2 拒绝 3 不在家，已留言			
其他记录			

B．请家庭中具有外出务工经历的成员填写。

外出务工人员基本信息

B1	性别(1 男，2 女)		B2	年龄	
B3	教育程度		B4	民族	
B5	目前户籍所在地		B6	婚姻状况	
B7	您的务工状态		B8	您目前有几个 12 岁或 12 岁以下的子女？	
B9	您家目前有几个 60 岁以上的老人？		B10	您有几个兄弟姐妹？	

B3 教育程度代码： 0.文盲 1.学龄前 2.幼儿园 3.小学 4.初中 5.高中 6.中专，技校 7.大专 8.本科以上 9.辍学 10.休学	B6 婚姻状况代码： 1.未婚 2.已婚 3.离婚 4.未婚同居 5.丧偶 B7 您的务工状态代码： 1. 已经返乡，不再外出 2. 取得其他城市户籍，打算继续外出务工 3. 未取得其他城市户籍，打算继续外出务工

个人外出务工经历：

B11	B12	B13	B14	B15	B16	B17	B18
外出务工次数	外出务工地点	城市类型(见代码)	外出务工的时间(年/月-年/月)	外出务工的职业类型(见代码)	外出务工的行业类别(见代码)	外出务工的单位性质(见代码)	外出务工的工作场所(见代码)
1							
2							
3							
4							
10							

B13 城市类型代码： 1.省内本市(南昌) 2.省内本县(进贤县) 3.本省其他城市 4.本省其他城镇 5.东部大城市(北京，天津，上海，广州，深圳，宁波，南京，杭州，厦门，济南，青岛，大连) 6. 东部一般城市 (无锡、苏州、温州、福州等) 7.东部城镇 8.中西部省会城市 9.中西部一般城市 10.中西部城镇	**B15** 职业类型代码： 1.普通工人 2.职员 3.销售人员 4.服务人员 5.农副业劳动 6.保安 7.仓储工作人员 8.货运司机 9.出租车司机 10.保洁人员 11.家政服务人员 12.物质回收 13.维修人员 14.其他(请注明)	**B16** 行业类型代码： 1.制造业 2.建筑业 3.零售商业 4.批发商业 5.宾馆餐饮娱乐业 6.其他服务行业 7.社区组织 8.机关团体 9.交通运输业 10.其他(请注明)	**B17** 单位所有制性质代码： 1.完全国有 2.国有控股 3.完全外资 4.中外合资 5.私有 6.个体经营 7.集体 8.非政府组织 9.乡镇企业 10.其他(请注明)	**B18** 工作场所代码： 1.工厂(生产部门) 2.公司(管理部门) 3.建筑工地 4.正式的商场 5.集贸市场 6.宾馆饭店 7.社区组织 8.家庭 9.社区福利机构 10.医院 11.党政机关 12.其他事业单位 13.社会团体 14.无固定场所 15.服务性店铺 16.其他(注明)

C．城市就业情况

谈谈您在城市就业的总体情况(C1 到 C9)

C1.您在城里打工的时间安排是：
(1)常年在城里工作；(2)农闲时就到城里工作；(3)临时到城里工作；(4)其他

C2. 您认为在城里找工作容易吗？
(1)很容易；(2)比较容易；(3)一般；(4)比较难；(5)很难；(6)说不清

C3. 您认为以下哪些因素对您的城市就业影响如何？(在相应的空格中画 √)

	影响很大	有些影响	很少影响	没有影响
（9） 年龄				
（10） 性别				
（11） 学历				
（12） 农村户口				
（13） 工作技能				
（14） 社会关系				
（15） 工作经验				
（16） 其他(请注明)				

C4. 您在找工作中得到以下组织和个人的帮助吗？(在相应的空格中画 √)

	帮助很大	有些帮助	很少帮助	没有帮助
（12）亲朋好友				
（13）原籍农村组织				
（14）城市政府部门				
（15）城市企事业单位				
（16）城市中工青妇等组织				
（17）城市社区组织				
（18）城市中营利性的职业介绍机构				
（19）城市中非营利民间机构				
（20）城市中不认识的好心人				
（21） 求助新闻媒体报道呼吁				
（22） 其他 (请注明)				

C5. 您在就业过程中是否感觉受到歧视？
(1)有很大歧视(继续回答 C5.1)；(2)有一些歧视(继续回答 C5.1)；(3)没有歧视

C5.1 如果您在就业中受到歧视，是什么原因造成的歧视？

_____

C6. 总体上看，您的同事中，农村人多还是城市人多？
(1)农村人多；(2)城里人多；(3)不清楚

C7. 您认为您在工作中具有和城里人一样的发展机会吗？
(1)具有同样的发展机会；(2)不具有同样的发展机会；(3)不清楚

C7.1. 如果您认为您与城里人没有一样的发展机会，您认为是什么原因呢？

_____

C8. 您对您在城市就业的整体感受是：
(1)非常满意；(2)比较满意；(3)一般；(4)不满意；(5)非常不满意
(注：请填写 1、2 选项的继续填写 C8.1；请填写 3、4、5 选项的继续填写 C8.2)

C8.1 下面是对城市就业感受满意的原因，您同意以下说法吗？
(1)城里工作的薪水比农村高很多；
(2)城市的物质文化生活更加丰富
(2)感觉自己的工作与城里人没什么不一样；
(3)自己在城里学习到很多知识，这是农村学不到的；
(4)与家乡种地的农村老乡比，我更像个城里人；
(5)城市的繁荣是我所向往的；
(6)我的孩子有机会在城市获得更好的发展机会；
(7)我在城市有更好的发展机会
(8)城里人对我很平等；
(9)想到自己以后可以用城里的钱在乡下盖所大房子，很开心
(10)我有很多城里朋友
(11)其他原因 _____

C8.2 下面是对城市就业感到不满意的原因，您同意以下说法吗？
(1)自己尽管在城里工作，感觉自己还是个乡下人；
(2)尽管城里可以多挣点钱，但自己还是很多东西都消费不起；
(3)城里消费水平太高；
(3)我在就业中有时候会受到城里人的歧视；
(4)我在城里的朋友很少，感觉很孤独；
(5)与老家种地的老乡比，我的收入并不是太多；
(6)与城里人的收入相比，我的收入太少了；
(7)尽管我在城里工作了，但我的孩子和家人还是难以在城里长期生活下去；
(8)我的孩子很难在城市获得平等的发展机会；
(9)我的家人和孩子在城里受欺负；

(10)我听不太懂城里人说话，难以跟他们沟通；
(11)我们外地人在城里总是被看不起的；
(12)城里人太狡猾；
(13)其他原因 _____

C9. 您认为城市机构应该加大对农民工的就业帮助吗？
(1)应该；(2)无所谓；(3)不应该加大

谈谈您初次到城市打工的基本情况(C9 到 C20)

C10. 您是如何得到您的第一份工作的？
(1)亲朋好友介绍；(2)农村村委会等组织介绍的；(3)用人单位直接到村里招工；(4)电视广告报纸等招工宣传；(5)参加城市中的招聘会；(6)其他 _____

C11. 您第一次到城市做工，每天通常工作_____ 小时？

C12. 您在城市里从事的第一份工作，月收入是_____ 元

C13. 在第一次打工的单位，您和城里人同工同酬吗？
(1)是(跳至 C14)；(2)不是(继续填写 C13.1)；(3)不清楚(跳至 C14)

C13.1 你认为您与城里人不能同工同酬的原因是什么？
(1)我是农村人；(2)我的技术水平比较差；(3)我的学历太低；(4)其他 _____

C14. 您对您第一份工作的收入满意吗？
(1)非常满意；(2)比较满意；(3)一般；(4)不满意；(5)非常不满意

C15. 您是否被雇主拖欠工资？
(1)从来没有；(2)有时；(3)经常
(注：回答 1 的跳至 C16；回答 2、3 的继续回答 C15.1)

C15.1 如果雇主拖欠您工资，您怎么应对？
(1)不采取任何措施，继续工作；
(2)寻求法律援助；
(3)寻求工会帮助；
(4)其他 _____

C16. 如果您加班，您的雇主是否支付加班费？
(1)没有；(2)有；(3)不清楚

C16.1 如果您的其他同事加班，您的雇主是否支付同样的加班费？
(1)是的；(2)不是；(3)不清楚

C17. 如果您给您工作的环境打分(1-10 分，1 分代表恶劣，10 分代表非常好)：_____
(注：填写 1-4 分的继续回答问题 C14；填写 5-6 分的跳至 C15)

C18. 您对工作环境不太满意的原因是(可以多选)：
(1)雇主太苛刻；(2)工作很危险；(3)工作时间长，薪水低；(4)劳动强度大；
(5)职业地位比较低；(6)很难提升；(7)其他 _____

C19. 您在初次就业中，是否参加相关的工作培训？
(1)是(继续回到 C19.1 到 C19.4)； (2)没有(跳至 C20)

C19.1. 您参与的培训是由谁组织的？
(1)用人单位；(2)政府机构；(3)非政府组织；(4)技校、夜校；(5)其他 _____

C19.2. 您参与的培训内容是 _____

C19.3. 培训是否收费？
(1)有；(2)没有

C19.4. 如果收费，是谁缴费的？
(1)雇主；(2)自己；(3)雇主和自己共同负担；(4)其他

C19.5. 您对培训的效果评价：
(1)非常有用； (2)比较有用； (3)一般； (4)用处不大； (5)完全是浪费时间

C20. 在单位中，您与城里人具有同样的培训机会吗？
(1)是；(2)不是；(3)说不清

C21. 您的第一份工作，是否与雇主签订了合同？
(1)没有签订劳动合同(继续填写 C21.1)； (2)半年及半年以上； (3)1 年； (4)2 到 5 年； (5)5 年以上； (6)其他 _____

C21.1. 如果您没有与雇主签订合同，其原因是什么？
(1)雇主不愿意与我们签订合同；
(2)我觉得没有必要签订合同；
(3)有必要签订合同，但签订合同增加了打工成本；
(4)即使签订了，也对自己没有什么作用；
(5)其他原因 _____

C22. 您第一份工作，上司是农村人还是城里人？
(1)农村人；(2)城里人

C23.总体来看， 您对您的第一份工作满意吗？
(1)非常满意； (2)比较满意； (3)一般； (4)不满意； (5)非常不满意

C24. 您是否有两次及以上的城市务工经历？
(1)是(继续回答 C24.1-C24.12)；(2)否(直接跳至 D 部分)

谈谈您最近一次到城市打工的基本情况(C24.1 到 C24.12)

C24.1. 您是如何得到最近这份工作的？
(1)亲朋好友介绍；(2)农村村委会等组织介绍的；(3)用人单位直接到村里招工；(4)电视广告报纸等招工宣传；(5)参加城市中的招聘会；(6)城市中认识的朋友介绍的；(7)原雇主或客户介绍的；(8)其他 _____

C24.2. 与您的初次打工收入相比，您的收入水平是否有增加？
(1)是 (继续回答 C24.21)；(2)否(继续回答 C24.22)

C24.21. 如果您的打工收入有提升，您认为是什么原因： _____

C24.22. 如果您的收入水平没有提升，您认为是什么原因： _____

C24.3. 您如何看待您的职业地位？
(1)有很大提高；(2)有一点提高；(3)一般；(4)没有提高；(5)有些下降

C24.4. 您是否被雇主拖欠工资？
(1)从来没有；(2)有时拖欠；(3)经常拖欠

C24.5. 如果您加班，您的雇主是否支付与其他同事平等的加班费？
(1)是的；(2)不是；(3)不清楚

C24.6. 在最近一次的就业中，您和城里人同工同酬吗？
(1)是；(2)不是；(3)不清楚

C24.7. 如果给这次的工作环境打分(1-10 分，1 分代表恶劣，10 分代表非常好)：

C24.8.您后来的就业过程中还参与了 其他培训吗？
(1)是(继续回答 C24.81)；(2)否(直接跳至 C24.9)

C24.81. 您对培训的效果评价：
(1)非常有用； (2)比较有用； (3)一般； (4)用处不大； (5)完全是浪费时间

C24.9. 在单位中，您与城里人具有同样的培训机会吗？
(1)是；(2)不是；(3)说不清

C24.10. 这份工作，是否与雇主签订了合同？
(1)没有签订劳动合同； (2)半年及半年以上； (3)1 年； (4)2 到 5 年； (5)5 年以上； (6)其他 _____

C24.11. 您认为这份工作要比您的第一份工作好吗？
(1)好得多；(2)好一些；(3)一样；(4)差一些；(5)差得多

C24.12. 如果您换工作，主要考虑哪些因素？
(1)收入更高；(2)工作更稳定；(3)有机会获得城市户口；(4)职业地位更高；(5)工作强度不太大；(6)其他因素 _____

D．城市消费状况

D1.您在城市打工的消费状况，与农村消费状况比：(在相应的空格中画 √)

	差很多	差一点	一样	好一点	好很多
D1.1 吃					
D1.2 穿					
D1.3 住					
D1.4 交通					
D1.5 通讯					
D1.6 子女教育					
D1.7 赡养费					

D2. 与一般城市市民相比，您认为您的消费状况是：(在相应的空格中画 √)

	差很多	差一点	一样	好一点	好很多
D2.1 吃					
D2.2 穿					
D2.3 住					
D2.4 交通					
D2.5 通讯					
D2.6 子女教育					
D2.7 赡养费					

D3. 您认为打工城市的消费水平：
(1)很高；(2)有点高；(3)一般，可以承受；(4)不太高；(5)很低

D3.1. 您比较能接受的消费水平是：
(1)农村老家；(2)小城镇；(3)一般城市；(4)省会以上城市；(5)其他

您的住房消费情况(回答 D4 到 D5)

	[1] 居住区域 (代码)	[2] 住房类型(代码)	[3] 房屋质量状况(代码)	[4] 居住面积(平方米)	[5] 共同居住人数	[6] 居住总费用(元/月)
D4 刚进城时						
D5 最近一次						

[1]居住区域：(1)市内；(2)郊区；(3)城乡结合部
[2]住房类型：(1)自己买房；(2)自己租房；(3)与其他人合租；(4)集体宿舍；(5)亲友家中；(6)住工作场所；(7)其他(请注明)
[3]房屋质量状况(与所在城市普通居民住房相比)：(1)好于普通居民住房；(2)与普通居民住房差不多；(3)比普通居民的差一些；(4)比普通居民的差很多

子女教育消费状况(回答 D6 到 D6.5)

D6. 您是否有 18 岁以下的子女？
(1)有(继续回答 D6.1 到 D6.4)；(2)没有(直接跳至 D7)

	[1] 年龄	[2] 性别: 1. 男 2. 女	[3] 教育程度(代码)	[4] 学校类型 (代码)	[5] 已在城里上学年数	[6] 目前学杂费(元/年)	[7] 外来赞助费(元/年)	[8] 其他需要的额外费用(元/年)
D6.1 子女 1								
D6.2 子女 2								
D6.3 子女 3								

[3]教育程度代码：(1)学龄前；(2)幼儿园；(3)小学；(4)初中；(5)高中；(6)中专/技校；(7)大专；(8)本科以下；(9)辍学；(10)休学

[4]学校类型代码：(1)城市公立学校；(2)城市民办；(3)城市农民工子弟学校；(4)老家县镇中的学校；(5)老家农村学校；(6)其他(请注明)

D6.4. 您更愿意您的子女以下列哪种方式接受教育？
(1)留在老家农村上学；(2)到城市公立学校上学；(3)到城市农民工子弟学校；(4)到城市里私立学校；(5)提前结束上学，早点打工挣钱；(6)其他_____

D6.5. 与城里孩子相比，您认为您的子女是否有希望获得平等的教育吗？
(1)有很大希望；(2)有些希望；(2)几乎没有希望；(3)完全没有希望

其他消费情况

D7. 您每月的生活必需品开销是 _____ 元，占您总收入的比例是_____

D8. 您的消费产品主要在哪里购买？(可以多选，在相应的空格中画 √)

	1 街头小贩	2 百货店	3 超级市场	4 农贸市场	5 自制	6 雇主提供
D8.1.食品						
D8.2.服装和日用品						

D9. 您认为您在城市生活消费状况是：
(1)非常拮据；(2)尽量节省开支；(3)一般节省；(4)不太节省；(5)不好说

E．福利及社会保障状况

E1. 您认为您的身体状况如何？
(1)很好；(2)比较好；(3)一般(4)不太好；(5)很不好；(6)说不清

E2. 您进城以来是否有生病的经历？
(1)有(继续填写 E3 到 E5)；
(2)没有(直接跳到 E6)

E3. 如果您有生病的经历，有下列哪些生病的种类呢？(可多选)
(1)一般小病；(2)大病(需住院)；(3)工伤职业病；(4)其他

E4. 您生病期间，主要治疗方式有哪些？(可多选)
(1)没有用药，扛过去；
(2)自己买药治疗；
(3)到本城市里的私人诊所；

(4)到社区卫生服务机构；
(5)到大医院门诊；
(6)到大医院住院治疗；
(7)回老家城里的医院；
(8)回老家农村医疗机构；
(9)其他(注明)

E5. 您的医疗费来源主要是：(可以多选)
(1)自己存款；
(2)找他人借钱；
(3)雇主提供；
(4)社会保险；
(5)其他 _____

E6. 您所参加各种保险的情况：

	[1]	[2]	[3]	[4]
	参保情况 (见代码)	保险类型 (见代码)	缴费情况 (见代码)	你认为有必要参加吗？ 1.很有必要；2.有必有；3.一般；4.没有必要；5 完全没有必要
E6.1 城镇医疗保险				
E6.2 城镇工伤保险				
E6.3 城镇失业保险				
E6.4 城镇养老保险				
E6.5 城镇生育保险				
E6.6 农村合作医疗				
E6.7 农村养老保险				

[1]参保情况代码：(1)目前参保；(2)过去曾参保但现在没有参保；(3)从来没有参保；(4)不清楚
[2]保险类型代码：(1)职工社会保险；(2)商业保险；(3)互助保险；(4)小城镇社会保险；(5)

专门为外来打工人员的社会保险；(6)其他(请注明)
[3]缴费情况：(1)全部个人缴费；(2)用人单位缴纳；(3)用人单位和个人共同缴纳；(4)个人缴费，政府或集体补助；(5)其他(注明)

E7. 您有没有享受过上述保险所带来的服务？
(1)有(继续填写 E7.1)；(2)没有(跳至 E8)

E7.1. 您享受过哪种保险带来的服务：_____

E7.2. 您如何评价保险带来的服务？
(1)非常好；(2)比较好；(3)一般；(4)不太好；(5)不好，完全是浪费钱

E8. 您认为影响您参保的主要原因是：(可以多选)
(1)没有城市户口；(2)自己不愿意参保；(3)考虑到参保后，保险费难以转移；(4)以后考虑回农村，没有必要参保；(5)制度不太稳定；(6)其他_____

F．社会交往情况

F1. 您进城以后有没有遇到困难的时候？
(1)有；(2)没有(跳至 F3)

F2. 当你遇到困难的时候，有没有获得以下方面的帮助？(在相应的空格中画√)

	很多	较多	一般	有但较少	没有
F2. 1 亲戚朋友					
F2. 2 工作单位					
F2. 3 城市政府救济					
F2. 4 家乡农村组织的帮助					
F2. 5 城市社区的帮助					
F2. 6 城市民间组织的帮助					
F2. 7 城市里认识的好心人					
F2. 8 其他					

跟城里人交往情况

F3. 您愿意跟城里人交往吗？
(1)愿意；(2)不愿意

F3.1 您目前在城里朋友多吗？
(1)很多；(2)较多；(3)不太多；(4)很少；(5)几乎没有

F3.2 您刚进城时和目前在城里主要交往最多的是哪些人？(选最多的前三项)
(1)同乡；(2)老同学；(3)同事(一起打工的人)；(4)工作中结识的其他人；(5)邻居；(6)社区中其他居民；(7)其他 _____

F3.3 目前您与居住地本地居民的交往情况如何？
(1) 交往很多; (2)交往一般; (3)交往很少; (4)几乎没有交往; (5)没有与当地人住在一起

F3.4 您觉得城里人值得信任吗?
(1) 大多数人都可以信任；(2) 有一些人可以信任；(3) 少数人可以信任；(4) 没人可以信任

城市社会活动的参与情况

F4. 您参与过城市中的社会活动吗?
(1) 有(跳至 F4.1.)； (2) 没有(继续填写 G 部分)；

F4.1 如果有您无法参与的活动, 主要是什么原因使您不能参与? (最多可选 3 项)
(1) 我经济状况不好；(2) 我的职业；(3) 我的教育水平不够；(4) 我的性别；(5) 我的年龄；(6)我没有城市户口；(7)我语言不通；(8)我的宗教信仰；(9)我的政治取向；(10)没有相关活动信息；(11)工作繁忙；(12)其它

G．其他问题

G1. 您进入城市工作的主要目的是：(最多可选 3 项)
(1) 打工挣钱；
(2)体验城市生活；
(3)羡慕城市的繁荣；
(4)争取永久在城市就业和居住；
(5)学习知识技能；
(6)跟随家人进城；
(7)跟随男友/女友进城；

(8)其他 _____

G2. 与您家乡农村情况相比，您对在城市里的各种情况的评价(在相应的空格中画 √)

	①比在农村时好多了	②比在农村时好一些	③与在农村时差不多	④比在农村时差一些	⑤比在农村时差多了	⑥说不清楚
G2.1 收入状况						
G2.2 劳动强度						
G2.3 工作环境的危险性						
G2.4 工作和收入的稳定性						
G2.5 居住条件						
G2.6 一般生活状况						
G2.7 获得各种服务/帮助的情况						
G2.8 本人健康状况						
G2.9 人身安全状况						
G2.10 业余时间娱乐活动						
G2.11 对当前生活的总体满意度						
G2.12 对未来生活的信心						

G3. 您对自己在城市里就业和生活最不满意的是什么(可选 5 项)
(1)收入太低；(2)干活太累；(3)干活太危险；(4)工作不稳定；(5)常常被拖欠工资；(6)生活费用太高；(7)住房条件太差；(8)社会治安不好；(9)看病太贵；
(10)遇到困难没人帮助；(11)生活枯燥；(12)家庭难以团聚；(13)难以与当地人交往；(14)常受到城里人歧视；(15)其他 _____ (请注明)
G4. 如果让您自己选择，您对将来的工作有什么打算：(最多可选 2 项)
(1) 长期留在城市工作；
(2) 回到农村务农；
(3) 回到老家农村从事非农产业；
(4)回老家县(镇)上打工；
(5)回家乡自己创业；
(6)其他 _____
(7)还没有想好。

G5. 您认为最适宜于你长期定居的地方是(可选 2 项)
(1)目前所在的城市；
(2)家乡地区的城市；
(3)另外的城市；

(4)家乡农村；
(5)家乡县城(镇)；
(6)其他 _____

G6. 您家在农村还有土地吗？
(1)有(继续回答 G6.1)；(2)没有(跳至 G7)

G6.1 如果您家还有土地，大约有_____亩

G7. 如果让您放弃农村的土地而获得目前所在城市的非农业户口，您是否愿意？
(1)非常愿意；(2)比较愿意；
(3)无所谓；(4)不太愿意；
(5)很不愿意；(6)还没有想好

G8. 根据各种情况判断，您认为自己将来是否有回到农村劳动和定居？
(1)肯定会回去；(2)有可能会回去；(3)不大可能回去；(4)肯定不会回去；(5)说不清楚。

谢谢您回答本问卷！

H1. 您是否愿意参加后面的访谈？
(1)愿意；(2)不愿意

H2. 如果您愿意参加访谈，您同意访谈被录音吗？
(1)同意；(2)不同意

Appendix 3 of this thesis has been removed as it may contain sensitive/confidential content