

## TEMPORARY MIGRANTS IN SHANGHAI, CHINA: HOUSING CHOICES AND PATTERNS

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### Summary

Migrant residential patterns are a major influence on urban development. Since the restrictions on temporary migration to China's cities were formally lifted in 1983, there have been massive waves of internal migration from rural to urban areas. Given the persistence of the country's migration trends, it is important to explore whether residential patterns of temporary migrants in China's cities resemble those in other developing countries and to understand the potential socioeconomic outcomes of migrant settlement. The analysis will mainly focus on migrant housing choices, conditions and geographical location in China's largest city, Shanghai.

Interpretations of migrant residential patterns in urban settings need to be linked with China's unique institutional factors, in particular the circulating nature of migration, the existing household registration system, and the transitional state of the urban housing market. Together they define constraints migrants face in making housing and settlement decisions. Employment factors have significant impact on housing patterns of migrants in the destination city. Proximity to employment also is the most important factor for determining geographical locations of migrant settlement, followed by housing availability. The urban periphery is where both conditions are present, and therefore is the primary receiving area for migrants.

Current reforms in China have to take into consideration the need for affordable housing and the greater access to jobs and educational facilities in order to help improve the conditions for migrants in the cities. The current practice of linking household registration with urban services must be discontinued in order to meet the needs of the migrants.

## 1. Introduction

Restrictions on temporary migration to China's cities were formally lifted in 1983 and, since then, an estimated 70 to 100 million people have joined the country's largest tide of migration in its history. Such waves of internal migration, largely from rural to urban areas, reflect a rapidly urbanizing society undergoing a transition from a planned to a market economy. Migration takes place in two forms: through permanent migration (*qianyi*) with formal changes of household registration (*hukou*) and through temporary movement (officially called "floating population" or *liudong renkou*) without official changes of *hukou* from the origin to the destination. The latter group, which makes up the bulk of China's internal migration, is expected eventually to return to their home places. Nevertheless, many temporary migrants stay in the city for a prolonged period of time and often with their families in tow. For instance, Beijing's 1997 Floating Population Survey reports that close to a half million migrants had lived in the city for over three years.

This increasing level of mobility is accompanied, however, by an institutional structure unable to accommodate migrants arriving in cities. The *hukou* system still links residency with formal employment and social welfare. Migrants without local *hukou* do not have access to local schools, citywide welfare programs, or state sector jobs, and they cannot acquire property easily. This situation is most obvious in the highly segmented urban labor markets. Most jobs in state and collective industries and institutions are available to local residents and permanent migrants with local *hukou*. As a result, the majority of temporary migrants are restricted to jobs undesirable to the local population, such as in construction, domestic services, factory and farm labor, and retail trade. Housing, an important element of urban amenities associated with *hukou*, also remains difficult to obtain for temporary migrants. Recent reforms in urban housing provision seem largely to overlook the needs of this population.

This chapter examines migrant housing patterns in China's largest city, Shanghai. The main subjects are temporary migrants who have moved to the city since the 1980s from outside Shanghai for economic reasons. The temporary status refers to migration without official changes of registration from the origin to the destination. The key findings are based on data drawn from the 1997 Shanghai Floating Population Survey as well as results from earlier surveys, and a new migrant housing survey conducted in Shanghai in 1999. In a few specific instances, this chapter discusses patterns related to the entirety of the "floating population" due to lack of detailed data. After a brief discussion of China's unique institutional context for studying migration, this chapter analyzes migrant housing choices, conditions and geographical locations in Shanghai.

## 2. Studying Migrant Housing in China's Context

The notion of temporary migrants is peculiar, as it does not denote a time frame but an official designation. For authorities, the distinction between permanent and temporary migration is important, since permanent migration with official change of household registration has continued to be strictly controlled in large cities. Temporary migrants have restricted access to employment, housing, and education in the destination. Moreover, much of China's migration is considered circular, in that migrants tend to

maintain strong linkages with areas of origin. These linkages manifest themselves in frequent home visits, family ties, possession of farmland at home, remittance of money, or intention to return to the origin. Migrant circulation is primarily stimulated by the security related to home ties and by official restrictions imposed at urban destinations. A specific type of circulation, seasonal or temporary migration, may reasonably characterize most of China's migrants who search for work to augment agricultural income and thus tend to invest very little financially and socially in cities. This circulating nature, as shown in other developing countries, is likely to affect how migrants make housing choices in cities.

Given the persistence of the country's migration trends since the mid-1980s, it is important to explore whether residential patterns of temporary migrants in China's cities resemble those in other developing countries and to understand the potential socioeconomic outcomes of migrant settlement. Many of the prevailing theoretical inquiries on migrant settlement have evolved in a context in which private land ownership, housing and rental markets are functional, and thus have largely focused on microanalyses. Turner's benchmark model suggests a two-stage process for rural-urban migrants in urbanizing countries: initial settlement in central city slum rental units and subsequent intra-urban relocation to peripheral self-built or squatter settlements. Research on many developing countries suggests that migrant residential pattern is affected by a number of individual-level factors, including duration of residence in the city, employment status, and income level.

Such institutional factors as housing and land market dynamism are important factors influencing migrant housing patterns. In a number of developing countries with continuing urbanization, inner-city slums are no longer found to be the major receiving areas for new migrants due to the expansion and redevelopment of the commercial core and in turn the rapid rise of land costs. Large-scale squatting has occurred in cities where there are large areas of state-owned land around the city, often in poor conditions. Where the private sector or government is highly resistant to such invasions, illegal subdivisions are often the alternative. Thus the availability of land, which is shaped by the quality of land (e.g. steep slopes, swamps, or riverbanks) and unclear public ownership of land, is a major factor affecting the formation of squatter settlements. Squatter settlements have also arisen as a result of the inability of the government to meet the increasing demand for low-income housing, as well as speculative price levels in formal housing markets. Tenure or amenity considerations are often less important in driving migrants into peripheral settlements than the mere urge to escape continuously rising rents within the city. Hence, supply aspects of the housing market, rents and housing prices, are critical.

Housing and land systems operate with a significant level of uncertainty and fluidity in China, as the country undergoes continuing reform. There is not yet a well-developed housing market and the rental housing market is still in its infancy with little regulatory supervision. Although housing is no longer a free public good to most people and rent has increased significantly, so far housing distribution by working units has not been completely replaced. There is still a long way to go before the allocation of housing is controlled by the market. The rental market is further limited by the acute housing shortage in many large cities; for instance, per capita living space in Shanghai is

currently about 12 m<sup>2</sup>. Moreover, unlike some other former socialist states, China so far has not initiated a privatization program for land. It has chosen to preserve state ownership but permitted user rights (as distinct from ownership rights) of urban land to be leased out during recent urban land management reforms since the late 1980s. As a result, the security of obtaining housing and land tenure, shown as a chief factor for migrant residential mobility in many developing countries, may become less relevant in China's context.

The tendency of migrants to cluster and congregate by areas of origin is relevant in China's context. Native place identity often is a critical component of personal identity in the ethnically homogeneous Chinese population. The function of social or kinship networks is often intensified if they are structuralized, with the emergence of migrant community elite and hierarchies. This structure may provide some protection to migrants in dealing with the outside world, offer assistance with information and housing, and reduce risks associated with migration and circulation. There has been some evidence that such structuralized social or kinship networks operate in emerging migrant communities in some Chinese cities.

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### **Biographical Sketch**

**Dr. Weiping Wu** is currently an associate professor of urban studies and geography at Virginia Commonwealth University, where she is also a faculty advisor in the Ph.D. program in public policy. She received a doctorate degree in urban planning and policy development from Rutgers University in the United States and was a research fellow at the Brookings Institution prior to joining Virginia Commonwealth University. She has been a consultant to the World Bank and was a member of the 1999/2000 *World Development Report* team. She also has been a consultant to the Ford Foundation, evaluating its Beijing Office's funding activities on labor mobility in China.

Dr. Wu's research interests have been in the areas of urban economic geography and policies, migrant settlements and urban morphology, and China's urban development. Her book, *Pioneering Economic Reform in China's Special Economic Zones*, examines the effects of foreign investment on the local industrial structure. In collaboration with Shahid Yusuf of the World Bank, she has co-authored a book published by the Oxford University Press, *The Dynamics of Urban Growth in Three Chinese Cities*. The book provides a historically grounded analysis of changes in the urban economies and strategies for future urban development. Currently Dr. Wu is undertaking research on settlement patterns and adaptation of China's rural migrants in urban settings, funded by grants from the U.S. Department of Education and the National Science Foundation. She has completed extensive fieldwork in Beijing and Shanghai, and has begun to disseminate results from this study.

Dr. Wu has published widely in her areas of research. In addition to the above two books, she has co-edited two books, *Local Dynamics in a Globalizing World* and *Facets of Globalization: International and Local Dimensions of Development*, and published about 20 journal articles and book chapters. She is a member of the advisory board for the Urban China Research Network and on the editorial board of *Journal of Planning Education and Research*.