Population and sustainable development in China: Population and household scenarios for two regions

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4 Urbanisation and Temporary Population

4.1 Background

During the 1950s and 1960s, great successes were obtained in reducing mortality in China. A dramatic decline of fertility has characterised Chinese population trends from the early 1970s. After the second half of the 1980s, a tremendously growing internal migration, largely typified as movements from rural to urban, and from underdeveloped regions to relatively developed regions, has become another feature of China’s recent demographic development.

The volume of internal migration was rather small in China before the 1980s, in order to control urban growth and to avoid many undesirable side-effects of development as observed in other nations: massive urban unemployment, great strains on urban infrastructure, and slum development. Various migration control policies have been employed in China since the early 1950s. All these control efforts were based on the household registration system. Under this system, each individual has an official place of residence, the record of which is maintained by the Public Security Bureaus, at the brigade level in rural areas, and at the neighbourhood level in urban places. To effect a permanent change in residence, a person must be granted permission by the appropriate authorities in the places of origin and destination. Furthermore, each individual is assigned either urban or rural registration status. Change in status was difficult, and, as a result, peasants were effectively tied to the rural areas, and migration to the cities was carefully controlled. During times of urban expansion, as during the Great Leap Forward (1958), the constraints of the registration system were largely lifted, but they were reinstalled when it was deemed necessary to send thousands of peasants back to the countryside. With a limited number of exceptions, therefore, moves from rural to urban places were kept at a minimum till the mid-1980s.

These policies constrained population movement before 1980 in two ways. On the one hand, the volume of migration was highly limited, although government-organised population movement was spectacular in some specific regions during specific periods. On the other hand, the policies were generally effective in containing the vast majority of the population in the countryside and in limiting the growth of the cities. Urbanisation was kept at a rather low level.

After 1980, the Chinese government remained keen on controlling urban growth, although there has been a debate on the urbanisation strategy among scholars and officials. Proponents of a ‘bottom-up’ strategy argued that China should give priority to rural development, along with the development of small cities and towns, to avoid over-concentration of industries and population in a few major urban centres (e.g., Guo, 1980; Wang and Wu, 1985; Xu and Ye, 1985). Opponents argued that, at the early stage of economic development, concentration of modern industries and population in a few major urban centres was necessary in order to acquire maximum economies of scale with limited investment (e.g., Feng, 1983; Zhou and Li, 1989). While the debate on the best development strategy continues, economic reforms since 1978 have given priority to rural development and the development of small cities and towns, in order to disperse economic opportunities to rural areas and to absorb rural surplus labour in situ. The 1982 Urban Distribution Policy prescribed strict control of the growth of large cities, rational
development of medium-sized cities, and encouragement of the growth of small cities and towns.

Concurrently, reforms in the rural areas have dismantled a considerable portion of government control of agricultural production, replacing it with individual incentives and decision-making. Under the household responsibility system, land is allocated to and cultivated by individual households under a contract; non-agricultural activities, including cottage industries, are promoted; and peasants are allowed to keep the side products as well as the profits of basic agricultural production under the contract and to use them in their own way. These policy changes have offered rural peasants a great incentive to maximise their production. This more efficient household-based organisation of agriculture and side production has resulted in hundreds of millions of rural surplus workers. In 1984, China had a surplus rural labour force of about 94,850,000; it exceeded 200 million in 1994, and will surpass the 300 million mark in the year 2000 (Li, 1996).

Recognising the pressure of rural surplus labour, one development priority since the reforms has been to promote rural township and village industries with collective or private ownership as a major means of absorbing rural surplus labour in situ. This policy orientation is clearly reflected in the development slogans, such as ‘leaving the land without leaving the countryside’ and ‘leaving the land without entering the city’. Consequently, rural township and village industries have grown rapidly and played an increasingly important role in rural development. By 1996, the town and village industries employed close to 120 million rural surplus labour and contributed more than 60 per cent of the total rural GDP (Li, 1996). Despite the success of rural industrialisation since 1978, the ability of township and village enterprises to absorb rural labour may be limited. Investigations show that township and village industries are facing great challenges in competing with more urban-based state-run and joint-venture enterprises, and recently are encountering increasing deficits (Xia Wangjun, 1998). Moreover, some studies have actually found that the development of rural township and village industries tends to increase rural out-migration (Zai and White, 1994; Yang, 1994).

Being aware of the important role of the urban sector in economic development and in absorbing rural surplus labour, the central government adjusted the criteria for urban designation in the mid-1980s (Zhang and Zhao, 1998). According to the lenient standards set in the State Council’s 1984 and 1986 circulars, whole rural townships were in many cases redefined as towns. Moreover, many counties were abolished, to be re-established as cities. Consequently, a speedy proliferation of designated cities and towns and urban population was observed. Administrative designation of urban areas was the foremost driving force of the growing urbanisation during 1980–1986: it accounted for 53 per cent of the total increase of urban population in the period 1980–1983, and as much as 91 per cent in 1983–1986 (Li and Li, 1996).

Because of the “Coastal Area Economic Development Strategy” implemented since the early 1980s, the gap in urbanisation levels between the eastern coastal areas and the central and western hinterland areas was even enlarged. Urbanisation is preferred for both developed and underdeveloped regions of China. However, this preference is regulated by regional accessibility, economic situation and regional organisation. The ‘bottom-up’ strategy for rural development gave rise to different outcomes for the regions. A conspicuous socio-economic development in the developed regions promoted the designation of towns into cities, and townships into towns. Non-agricultural production became the main economic activity of the rural residents. Great achievements of village/township industries absorbed not only most of the local labour force, but also
labour force surpluses from underdeveloped regions. However, the increase of village/township enterprises in the rural or underdeveloped regions was limited because of lack of capital investment and technology. The weak urban economy severely restricts its capacity to absorb surplus labour released by and resulting from the more efficient household-based organisation of agricultural production. The relative lack of opportunities in the cities, together with a stagnant rural economy, has forced many rural peasants to move out of the underdeveloped regions to look for employment opportunities in developed regions.

Concurrently, reforms in the cities had led to the opening of free markets to the rural peasants, who were allowed to enter commercial channels and to work temporarily in urban places through individual or collective contracts or simply through self-employment. The household registration system is losing its prominent role in regulating people's residence and spatial movement, leading to a flood of migrants into the cities. This increasing spatial movement is often referred to as 'temporary population', because it involves no change in the migrant's official household registration.

In this chapter, our discussion concentrates on regional disparities in many facets of the urbanisation and the temporary population of Taihe and Shenzhen, based on historical data and findings from recent surveys.

4.2 Urbanisation

4.2.1 Definition and measurement

Conventionally, urbanisation level refers to the proportion of a country's/region's total population residing in 'urban areas'. However, the definition of what constitutes an urban area and the procedures for demarcating such areas vary considerably between nations, and at times even within individual countries/regions. One survey in the late 1950s showed that more than 30 definitions of 'urban' were in use internationally (Macura, 1961). The situation has not changed appreciably since then, nor should one expect it to improve in the near future (Petersen and Petersen, 1986). Moreover, the measurement of urbanisation level is even more complicated in China (Goldstein and Sly, 1979; Kirkby, 1982; Hu, 1983; Goldstein, 1985; Zhou and Qi, 1986; Ma and Cui, 1987; Wang, 1992; Gu, 1993; Zhou, 1993; Li and Li, 1996; Zhang & Zhao, 1998). To measure China's urbanisation level, one should deal with four relevant factors: the criteria for designation of a settlement as urban, the physical and administrative boundaries of places thus demarcated, the household registration system, and the urban status of the temporary population.

The Chinese urban system consists of two major components: cities and towns, which are administrative units designated by the state through certain legal procedures. Boundaries of cities and towns are demarcated by the state for the purpose of differentiating them from the countryside. The state has established specific powers and privileges to each individual city and town. The criteria for the designation of urban places have been modified several times during the history of the People's Republic of China. Urban population is defined within the context of such urban designations. The discordance between administrative delimitation and physical reality casts questions on the way in which urban population is counted.
Corresponding to the change in urban designation criteria, the official indicator of urban population has also changed several times. In general, there are two indicators used when counting urban population.

Firstly, all people residing within the administrative boundaries of designated cities and towns – the so-called Total Population of Cities and Towns (TPCT) – were required to register and were counted as urban. The indicator of TPCT has two problems. The official urban population includes the people in designated urban settlements only. However, the number of qualified settlements has fluctuated periodically with the changing criteria for designation and with the changing political and economic considerations regarding urban designation. Moreover, there often was administrative reorganisation of territory in the history of the People’s Republic of China. During such an administrative reorganisation of territory, many rural areas and even whole counties were annexed by cities on the basis of legislation but without a clear standard.

Secondly, those living in urban areas with a non-agricultural household registration were classified as urban by the system of household registration (Non-agricultural Population of Cities and Towns, NPCT), regardless of their actual occupation. With the introduction of a nation-wide household registration system, citizens were divided into agricultural and non-agricultural categories. A transfer of a registration status from agricultural to non-agricultural has to go through official channels, either as a regular or as a special transformation. It is clear that the bulk of the non-agricultural population is found in designated cities and towns. However, non-agricultural households are not confined to urban places, but extend to the state bureaucracy in rural areas. For instance, cadres, teachers, and some military servicemen who serve in a rural area may hold a non-agricultural household status, and therefore enjoy the benefits of urban citizens. Moreover, household status does not necessarily reflect a person’s actual occupation. Many urban residents who are classified as agricultural by the household registration system actually engage in non-agricultural jobs.

In general and at the national level, urban population was exaggerated by the TPCT indicator but underestimated by the NPCT indicator. However, the accuracy of the two indicators for estimating the actual urbanisation level was different across the regions. For example, NPCT overestimated the urbanisation level in Taihe, while TPCT gave an underestimation. This will be discussed in the sections below.

Another difficulty in measuring China’s urbanisation level is the question how to consider the increasing numbers of temporary population members which are highly concentrated in the urban areas, especially those in the developed regions. According to the official registration system, temporary population members who move to cities or towns without a change of residence are out of the record in the urban areas. Since the implementation of the economic reforms and opening-up policy, a growing number of spontaneous migrants moved from the central and western parts of the country to the eastern coastal areas, especially from rural to urban territory. Most migrants moved

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1 Before Oct. 1984, agricultural population was defined as those who were engaged in farming, forestry, animal husbandry, and fishery, plus their dependants, or all those who were engaged in other industries without grain supply from the state, plus their dependants (Central Committee of the Chinese Communist Party and State Council “Directive for adjusting criteria on designation of cities/towns status and reduction of suburban areas, 1963”). After Oct. 1984, those (and their dependants) who conducted non-agricultural activities in cities and towns and took responsibility for their own grain could obtain residence in the urban area and be registered as non-agricultural population (State Council “The circular of the State Council concerning the matters of peasants settling down in market towns”, issued on 13 Oct. 1984).
without a change of their official residence, even though they may have lived in their current place of residence for many years already. Although the Ministry of Public Security issued a household regulation in 1985 which stipulated the compulsory registration of temporary population in all urban areas, statistics of this kind for most of the regions are far from complete. Moreover, it is controversial whether the temporary population living in cities and towns should be considered as urban population. Both the 1982 and the 1990 Census enumerated population based on a one-year period of residence, which provided a complete record of the residents of urban areas for the two points in time. However, other statistics could hardly register the temporary population in the urban areas.

4.2.2 General regional disparities in urbanisation in China

From the discussion above it can be concluded that, generally speaking, changes in the proportion of urban population in China depended not only on socio-economic development, but also on changes in the criteria for urban designation and enumeration of urban population based on practical and political considerations of the central government. The trends over time of urbanisation in the People’s Republic (figure 4.1) is the product of this mix of factors.

![Figure 4.1 Proportion of urban population in China (1949–1996)](image)

In order to look for the patterns of effects of these various factors on urbanisation in different regions of China, we collected data on proportions of urban population in the total population and on several socio-economic indicators for the 28 provinces, autonomous regions and municipalities (excluding Tibet, Hainan, Taiwan\(^2\)) for the period 1950–1992. The selected socio-economic indicators include GDP per capita (indicating the comprehensive economic development level), proportion of industrial output value in the total agricultural and industrial output value (representing the level of industrialisation), number of hospital beds per 1,000 people, number of doctors per 1,000 people, number of university and college students per 1,000 people, number of secondary school students per 1,000 people (as indicators of social development), grain production per capita, and area per capita (indicating the geographical environment). The results of statistical calculation evidently show that the urbanisation levels of all regions in the period 1950–1992 are positively correlated with their socio-economic development levels. The correlation coefficients between proportion of urban population and the indicators of comprehensive economic development, industrialisation, and social development were around 0.65 or higher, whereas the correlation between proportion of urban population and geographical environment is not very significant. After focusing on regional disparities by controlling for the year variable, the correlation between

\(^2\) China had 31 units at the provincial level in the period for which the data were collected. Chongqian became the 32nd unit in October 1997, after approval by the 15\(^{th}\) National People’s Congress.
urbanisation level and the socio-economic indicators is still very significant. However, the correlation coefficients apparently decrease compared with those before controlling for the year variable, which is partially due to the fact that regional disparities in urbanisation level are correlated not only with regional socio-economic development level, but also with administrative registration and political considerations of the government. Using this set of data, we constructed a very simple linear regression model to predict the urbanisation level by some socio-economic indicators in China. The outcome was a model in which number of college students per 1,000 people, proportion of industrial output value in the total agricultural and industrial output value, GDP per capita, number of hospital beds per 1,000 people, and area per capita were selected to explain the provincial proportions of urban population in China. Using these five independent variables, 65 per cent of the variance over space and time in provincial levels of urbanisation could be explained.

Therefore, urbanisation is generally correlated with socio-economic development over space and time in China, although government administrative and political considerations, and changes in criteria for urban designation and enumeration of urban population have also played very important roles. Explanatory variables of regional differences in urbanisation vary in different stages of the history of the People’s Republic. More adequate and accurate indicators are needed to estimate the regional urbanisation levels in the two most recent decades, especially when temporary population has to be taken into account.

4.2.3 Urbanisation in Taihe and Shenzhen

Based on the discussion above, in this section we approach the urbanisation of Taihe and Shenzhen by mainly using the NPCT indicator, and believe that this NPCT can properly represent the urbanisation processes and levels in these two regions before 1979, given that the number of agricultural people living permanently in urban areas was negligible due to strict control of rural-to-urban migration. However, this indicator only reflects the situation of permanent residents. Since 1980, growing numbers of temporary population who are mainly engaged in non-agricultural activities are not included in the category of urban population. This may produce a bias when determining the urbanisation level. Therefore, statistics from the 1982 and 1990 Censuses, which include all persons (both permanent and temporary residents) who have lived within the official boundaries for one year or longer, will be used in supplement as more accurately reflecting the urbanisation processes and levels in these two regions in the period since the introduction of the reforms.

On the basis of the household registration by the Public Security office, we obtained the number of non-agricultural population of Taihe and Shenzhen in 1949–1996 (some years are missing for Shenzhen). When comparing the proportions of non-agricultural population of Shenzhen, Taihe and China as a whole, it is obvious that Shenzhen has a higher proportion of non-agricultural population than China as a whole, while the indicator for Taihe is significantly below the national level (figure 4.2), although there were important fluctuations in different periods. This implies that the discrepancies in urbanisation level between these two regions in general reflect their relative socio-economic status in China. Urbanisation, as a process of transfer of rural into urban population, is not only a demographic phenomena but also closely related to socio-economic development.
A closer look at the changes in proportions of non-agricultural population in different parts of the period 1949–1996 reveals a very similar trend in both Shenzhen and Taihe, although there are some differences (figures 4.3 and 4.4).

In the early stage of the People's Republic, the household registration system was not well established and the non-agricultural population was not strictly registered. Rather large amounts of people stuck around Taihe's urban towns. They were all registered as non-agricultural population. This was related to the historical events, given that Jiangxi
provincial government had been moved to Taihe for the period 1941–1945 due to the Japanese invasion (see also Chapter 2), which involved tremendous industrial and commercial demands and triggered a big volume of migrants from villages into its sole urban town – Congjiang Town. When the provincial government moved out in 1945, most of the recently arrived residents of the town did not follow the provincial government, nor returned to their place of origin, but remained in Congjiang Town. Hence, a rather high proportion of non-agricultural population was observed there in the very beginning of the new China. When the government initiated a land reform in the early 1950s, which aimed at redistributing land previously owned by landlords to individual farmer households, large numbers of urban residents returned to their rural area of origin to benefit from the land reform. Therefore, one could observe a dramatic drop in the proportion of non-agricultural population in Taihe in the early 1950s. However, a similar decrease did not happen in Shenzhen since there was not such a special historical event like in Taihe. In fact, there was a slight increase in the proportion of urban population during this period in Shenzhen.

In response to the heavy government investment in the urban economy and the ensuing growing labour demand in the urban sector during the first Five-Year Plan (1953–1958), rural-urban migration was strong from 1953 on. Moreover, during the ‘Great Leap Forward’ movement in 1958 the government mistakenly called on rural peasants to abandon their land and move to urban areas to operate the industries. Consequently, tens of thousands of peasants, influenced by the government call, moved to urban places. One could see a rapid growth of the proportion of urban population in Taihe during the second half of the 1950s. Unfortunately, there are no data for Shenzhen for this period. However, we believe that there was a similar increase of the urban population as in Taihe since 1953, as other researchers of Guangdong Province and neighbouring regions of Shenzhen do (e.g. Liu, 1985). The artificial rapid urbanisation was not justified by the pace of economic development. It soon became an overwhelming socio-economic burden on cities, and at the same time greatly handicapped rural agricultural production. The situation was further aggravated by unrealistic expectations of the top leaders and false reports about the “great successes” of the movement from lower government levels. By 1960, when the national economy was in serious jeopardy, steps were taken to reduce the numbers of state employees and urban population; great numbers of urban people were sent back to rural areas between 1960 and 1965. Accordingly, the proportion of non-agricultural population in both Taihe and Shenzhen decreased very fast after 1960.

In the decades that followed, political turmoil was coupled with a stagnant economy. During the ten years of the ‘Cultural Revolution’, the leftist ideology continued to dominate policy formulation, and economic development was lowest since 1949. By the end of the ‘Cultural Revolution’ in 1976, the national economy was on the verge of collapse. The urban economy was not able to absorb even the urban population entering the labour force, let alone rural-urban migration. Hence, it could be observed that the proportion of non-agricultural population continued to decrease and remained at a very low level in both Shenzhen and Taihe during the 1960s and 1970s. Moreover, the decrease in proportion of non-agricultural population in Shenzhen was much more striking than that in Taihe in this same period. Since Shenzhen was identified as a defence frontier and obtained very little investment, its proportion of non-agricultural population decreased from above to below the national level. At the same time, Taihe received some industrial projects and other financial and technical support from the State or from other regions, which involved in-migrating workers and technicians who were registered as non-agricultural population. Nevertheless, the proportion of non-agricultural population
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of Taihe was still lower than that of Shenzhen and China as a whole, because there was no significant socio-economic development involved in this limited support.

After 1979, when the political turmoil had ended and the economic reforms and opening-up policies had been introduced, economic development obtained top priority on the government agenda. Because of the rapid economic development, the preconditions for industrialisation and urbanisation had been greatly strengthened. Recognising the importance of urbanisation in economic development and of absorption of surplus rural labour, policy-makers adjusted the policy of strict control over increase of urban population. Many rural townships were designated as market towns or urban towns, some former towns were designated as cities. At the same time, non-agricultural activities among rural household were not only legalised but, in fact, encouraged by the new economic policy, and so were private business and industries. Consequently, a big number of peasants who opened their own business in market towns and took responsibility for their own grain supply could obtain a non-agricultural household status in these towns. Accordingly, the proportion of non-agricultural population showed an increasing trend from 1980 in both Shenzhen and Taihe. However, the increase in Taihe is not as significant as that in Shenzhen, because socio-economic development was much more pronounced in Shenzhen. More importantly, as the first SEZ in China, Shenzhen is a newly established city. This involved a tremendous in-migration in the period of establishment and construction of the city. Since only the permanent residents were considered in calculating the proportion of non-agricultural population, and most of the in-migrants with a permanent residence were non-agricultural household status holders, the increase in the proportion of non-agricultural population in Shenzhen was dramatic. In 1995, the proportion of non-agricultural population was 75 per cent, while it was only 13.6 per cent in Taihe.

Selecting some socio-economic variables, we studied the relations between proportion of non-agricultural population and socio-economic development in Taihe and Shenzhen. The variables include GDP per capita, industrial output value per capita, agricultural output value per capita, total value of retail sales per capita, number of doctors per 1,000 of population, number of hospital beds per 1,000 of population, number of college students per 1,000 of population, number of secondary school students per 1000 of population, government revenue per capita, and government expenditure per capita.

In Taihe in 1949–1996, the proportion of non-agricultural population is significantly related to government expenditure per capita (correlation coefficient is 0.7134), government revenue per capita (0.7117), agricultural output value per capita (0.5145), industrial output value per capita (0.4723), and total value of retail sales per capita (0.3776). We applied a multiple regression model to fit the trend of proportion of non-agricultural population of Taihe in the period 1949–1996, using the stepwise method. The only independent variable which enters the model is government expenditure per capita (standardised coefficient \( \beta = 0.6740 \)). The result shows that changes in the proportion of non-agricultural population in Taihe were also affected by other very complicated factors (the adjusted \( R^2 \) is only 0.4406); they were greatly influenced by government behaviour, politically and economically. It is also notable that this kind of government behaviour, to a considerable extent, was closely related to the economic situation, given that government expenditure per capita was closely related to GDP per capita (with correlation coefficient 0.9529), industrial output value per capita (0.9128), agricultural output value per capita (0.9168), and government revenue per capita (0.9494). In this
sense, urbanisation was generally affected by the level of socio-economic development, through government control.

Being aware of the different patterns before and after 1979, when the economic reforms policy was introduced, we separately studied the driving forces of urbanisation in these two phases. For the period before 1979, excluding the abnormal years 1949–1953, the zero-order coefficient statistics produce the result that the proportion of non-agricultural population was not significantly correlated with any of the socio-economic indicators. This indicates that urbanisation in Taihe in 1949–1979 was very irregular, fluctuating, and unpredictable, given that it was greatly influenced by the central planning system and the policy of artificial control of urban population. For the period after 1979, the proportion of non-agricultural population in Taihe is highly correlated with GDP per capita (correlation coefficient 0.8855), agricultural output value per capita (0.8456), industrial output value (0.8199), government expenditure per capita (0.8343), government revenue per capita (0.8210), total value of retail sales per capita (0.8151), number of doctors per 1,000 of population (0.7264), and number of hospital beds per 1,000 of population (0.6350). This shows that after 1979 the urbanisation process in Taihe was in the usual way accompanied by socio-economic development, given that China was putting great efforts in developing a more efficient and market-oriented economy. The multiple linear regression model used to fit the pattern of changes in the proportion of non-agricultural population in Taihe since 1979 includes two predictors: agricultural output value per capita (standardised coefficient Beta 1.091), and number of secondary school students per 1,000 of population (standardised coefficient Beta -0.436); the adjusted $R^2$ value is 0.904. The model indicates that the urbanisation process in present-day Taihe, which is a highly agrarian and underdeveloped region in China, still largely relies on the development of agricultural productivity.

Lacking relevant socio-economic data, it is impossible to quantitatively approach the driving forces behind the urbanisation process in Shenzhen before 1979. However, our statistical calculations indicate that the proportion of non-agricultural population in Shenzhen since 1979 was highly related to socio-economic development. It shows very high correlation coefficients with agricultural output value per capita (−0.9559), government expenditure per capita (0.9107), GDP per capita (0.8905), total value of retail sales per capita (0.9322), number of secondary school students per 1,000 of population (−0.7909), and number of college students per 1,000 of population (0.5224). Predictors in the multiple regression model for fitting the changes of proportion of non-agricultural population are agricultural output value per capita (standardised coefficient Beta −0.6377) and government expenditure per capita (standardised coefficient Beta 0.3891); the adjusted $R^2$ value is 0.9584. Therefore, industrialisation in Shenzhen was playing an important role in the urbanisation process, given that the proportion of non-agricultural population has a very high positive correlation with GDP per capita and industrial output value per capita, but was highly negatively related to agricultural output value per capita. As Shenzhen is a newly built-up city, government expenditure also played a very important role in promoting the urbanisation process.

According to traditional urbanisation theory, in the early stage of urbanisation growth of agricultural productivity is crucial to providing the preconditions for urbanisation. The development of agriculture makes it necessary to establish market centres for the exchange of surplus agricultural products; abundance of goods and surplus labour from agricultural production make it possible to allow a growing number of population to engage in non-agricultural activities; the expansion of market and manufacturing centres
and the growth of non-agricultural activities eventually promote the development of urbanity in society. Taihe is obviously in the early stage of urbanisation, mainly started up by its internal input because the external input was rather small, in contrast to Shenzhen and other coastal areas which received great volumes of capital inflow from the state government and tremendous investment from other domestic and foreign regions/countries. Therefore, it is understandable that the development of agricultural production is one of the paramount important driving forces behind the urbanisation in Taihe in the recent past. In contrast, tremendous capital and labour inflows directly promoted industrialisation in Shenzhen, enabling Shenzhen to experience a jumping speed of urbanisation during the past two decades. Hence, industrialisation is the most important driving force behind urbanisation in Shenzhen.

One should note that the discussion above on proportions of non-agricultural population is based on permanent residents and household registration types (agricultural/non-agricultural) only. As we mentioned in section 4.1.1, agricultural or non-agricultural household holders do not necessarily engage in agricultural resp. non-agricultural activities. This inaccuracy of NPTC in reflecting the degree of urbanisation of a region became apparent since 1980, when the volume of migration tremendously increased, especially in relatively developed regions such as Shenzhen, while the problem was not very serious before 1979. Moreover, given that many rural townships were designated as market towns when the government promoted its small town development strategy in the mid-1980s, a large group of people who lived in basically rural-character market towns are now identified as non-agricultural population. For example, besides Congjiang Town which is the only urban town in Taihe where the county government is located, Taihe has four other market towns (Xiaolong, Heshi, Mashi, and Tangzhou) in which some proportion of the population is identified as non-agricultural population. In fact, all four market towns still lack political, economic and essential cultural attributes of urbanity, and should only be regarded as transitional from rural to urban. Moreover, some proportion of the non-agricultural population (local official cadres, rural school teachers, medical staff, etc.) lives in the other 21 rural townships. Therefore, the indicator of proportion of non-agricultural population significantly overestimates the degree of urbanisation of Taihe.

All this raises questions about the use of proportion of non-agricultural population only to estimate the urbanisation level of a region after 1980. Therefore, we used statistics from the 1982 and 1990 Censuses to further inquire into this issue.

Whereas the indicator proportion of non-agricultural population (NPCT) is based on the permanent household registration, the enumeration of urban population in the 1982 Census was based on a one-year period of residence in an urban area. More precisely, urban population in the 1982 Census includes all persons who had lived within the official boundaries of a city/town for one year or more, and those who had resided in that city/town for less than one year but had been absent from their place of household registration for one year or more (State Council, 1982). In the 1990 Census, two indicators of urban population were applied. In order to be consistent with the 1982 Census, the first indicator defined the urban population exactly as was done eight years before. As the administrative changes in the territorial organisation took place in the mid-1980s, the designated cities/towns included large stretches of rural area and a huge proportion of rural population. In order to exclude the large urban agricultural population, in the second indicator the urban population only included those de jure residing in the
subordinate area of the city/town and organised in so-called residents’ committees (State Council, 1989).

According to the 1982 Census, 6.28 per cent of Taihe’s total population lived in Congjiang—the urban town of Taihe (in contrast to 9.28 per cent of the total population being identified as non-agricultural population in the same year). However, this proportion declined to 5.84 per cent in 1990. Although the absolute number of urban population increased from 25,951 to 27,231 during these eight years, the proportion of urban population decreased by 7 per cent. Of course, we cannot simply conclude from these figures that the urbanisation level of Taihe has decreased in this period, given that some new market towns appeared and many former members of the rural population are now conducting non-agricultural activities in the (urban or market) towns. If the population of market towns were included, the proportion of population of Taihe living in the towns would be 25.6 per cent in 1990. Another reason for explaining the decrease in proportion of urban population in Taihe is that the family planning policy was much more strictly implemented in the urban towns which resulted in a substantially lower fertility level in the urban than in the rural areas. Therefore, natural population growth in the rural parts was much faster than that in the urban areas.

In fact, socio-economic development, especially growth of agricultural productivity, had accelerated the urbanisation process in Taihe, although many areas of the county are still in the middle of a transition from rural to urban. Further socio-economic development in the decades to come is expected to significantly promote industrialisation and urbanisation. According to its government planning, Taihe is going to speed up the urbanisation process in the next two decades. Many market towns are very likely to be developed into urban towns, and large numbers of rural population are going to complete their transfer into the urban population. Organisationally, Taihe is applying at central government level to be upgraded from a county status to a city status before the year 2000; up to 2010, the current urban and market towns are supposed to be connected and to constitute a medium-sized city in which 200,000 people will reside, and 15 other market towns will be established (Taihe County government, 1996). Although the plan seems to be too optimistic, a speedy urbanisation process will very likely be observed in the foreseeable future.

To be precise, the urban population in the second indicator of the 1990 Census was composed of: (1) cities above the county level (which were subdivided into subordinate city-districts), all residents of subordinate districts; (2) county level cities (without further subdivision into subordinate city-districts), only the residents who were constituting residents’ committees; (3) towns, with the exception of those living within the boundaries of the cities above the county level (they were effectively counted as city population), the population of all residents’ committees.

1 In fact, many counties eagerly apply for city designation in China, because city status in many respects is related to a settlement’s position and dignity in the hierarchical Chinese political system, and to the settlement’s financial privileges. City status can bring economic benefits, because cities enjoy considerable advantages denied to other kinds of settlements. City expenses are usually covered in the state budget and cities receive a great deal more financial support from the state than do other settlements for the maintenance of their services and facilities as well as for their housing development and other types of construction. Since 1980, all large and some medium-sized cities have been allowed to use 5% of the total net profit tax paid by the city’s industrial and commercial enterprises for city development and construction projects. Therefore, application for being designated as a city is considered a chance to reap the benefits of greater financial autonomy. Meanwhile, central and provincial authorities’ reluctance to designate certain cities may just arise from a desire to avoid further financial responsibilities for city development. A neighbour of Taihe, Jinggangshan which actually still is a backward and less populated region, was approved to be designated as a city in the late 1980s, because it was the ‘cradle of Chinese revolution’ and the central base of the Red Army in the late 1920s and early 1930s. However, at the end of 1998 Taihe’s
The 1982 Census indicates that 32.28 per cent of Shenzhen's population lived in the urban part of the municipality (in contrast to the 27.95 per cent of the total population identified as non-agricultural population in the same year). In 1982, Shenzhen still was in the early phase of its fast industrialisation and urbanisation. Up to 1990, the proportion of urban residents increased to 64.86 per cent, which is slightly higher than the proportion of non-agricultural population (62.64 per cent) in the same year. It is noteworthy that about two-thirds of the total population of Shenzhen were temporary population in 1990. The indicator proportion of non-agricultural population is just based on permanent residents, which counted only one third of Shenzhen's total population. As most of the temporary population in Shenzhen were agricultural population by household registration, the 1990 Census pointed out that only 34.55 per cent of the total population were non-agricultural population. Therefore, it is clear that one would seriously underestimate the urbanisation level of Shenzhen when using the proportion of non-agricultural population in the total population (permanent plus temporary residents).

One cannot simply classify the 35.14 per cent of the total population who lived in the rural part of Shenzhen in 1990 as a rural group, because townships and village enterprises play an important role in Shenzhen's rural society, and rural industrialisation has absolutely changed the way of life of the rural residents. According to the 1990 Census, 10 per cent of the labour force only were still engaged in agricultural activities. The proportion of the agricultural labour force has even decreased to 8 per cent according to the 1995 1% sample survey. It is evident that most rural residents of Shenzhen are engaged in non-agricultural activities, and enjoy a life which is absolutely different from that in the traditional rural settlements. Therefore, the rural part of Shenzhen can be expected to develop into urban settlements in the foreseeable future, since Shenzhen is experiencing great socio-economic development in both its urban and rural parts. Indeed, Shenzhen Municipality has made a plan to transfer all its rural area, excluding a few remote and mountainous regions, into urban settlements, according to the requirement that Shenzhen should be developed into a modernised international city by the year 2010 (Zhang, 1996).

4.3 Many facets of the temporary population
The economic reforms have dramatically increased migration in China from 1980. To study the great volume of population movement, statistics from the household registration system cannot provide a complete picture. As we discussed in Chapter 3, the household registration system, although it was the main data source for migration studies before the 1980s, only records migrations with official permission to change place of residence. The great amount of spontaneous migration, moving without a change of official residence, was not covered by the household registration system. So, it would cause a significant bias if our research were based on records of the household registration system only.

application for city designation still had not been approved. The operation of the newly constructed Beijing–Kowloon railway since 1997 is highly expected to provide tremendous opportunities for Taihe's socio-economic development. However, up to now the influence of the newly running railway is far less significant than the local government expected. According to recent statistics, Jiangxi province was one of the two Chinese provinces that had a negative increase in attracting investment in the first season of 1998.

This categories of settlements and inhabitants, which are identified as rural by statistics but actually have basic urban characteristics, are labelled 'latent urban settlements' and 'latent urban population' by many Chinese scholars (Chen Weiming, 1993; Li and Li, 1996).
It is a peculiar demographic phenomenon of China that people who have moved without official permission to change their place of residence are all identified as temporary population. Although these people may have some ‘temporary’ attributes due to the fact that they are still in a transient position and need a government certificate to become ‘permanent residents’ somewhere, part of the temporary population has nothing to do with the notion of temporarity, since they may have lived and worked in their current place of residence for more than a decade and would not consider their permanent home to be somewhere else. This peculiarity of China’s temporary population calls for an extensive, deep and careful approach. Therefore, the importance of this Section focusing on the temporary population in both Taihe and Shenzhen is manifold.

First, many studies concur that it is mobility without registration transfer, rather than change of permanent household registration, which makes up the bulk of population movement in the reforms period (e.g. Ma, 1997; Cai, 1997). Although the share of the temporary population in China as a whole is not very big, its distribution over the regions is very uneven. The Censuses show that the proportion of temporary population in the total population of the country was only 0.8% in 1982 and increased to 1.9% in 1990, which seems negligible at the national level. However, the temporary population accounts for a great proportion in many developed regions such as Shenzhen, while it forms a very small part only in some underdeveloped regions. According to the 1990 Census, 0.98 per cent only of people in Taihe were temporary population (1.73 per cent in the urban town of Congjiang and 0.93 per cent in other townships), while the temporary population accounted for around two-thirds of Shenzhen’s total population in the same year. In 1995, the temporary population in the Pearl River Delta accounted for more than 30 per cent of the total population; the proportion of temporary population of Shenzhen even reached 71.3 per cent. Therefore, it is necessary to pay much attention to the study of the temporary population members: their status in their current place of residence, their difference from the permanent residents, their effects on different regions, etc.

Second, the influence of the temporary population on estimating urbanisation level or latent urbanisation level varies across regions, given that most members of the temporary population are rural-urban migrants, concentrated in the urban areas, especially the urban areas of the coastal developed regions. Generally speaking, the degree of urbanisation of the developed regions was greatly underestimated by the statistics that did not take the temporary population into serious consideration (Ma, 1997; Cai, 1997). Our discussion in Section 4.2 also stressed the importance of the temporary population in the urbanisation research on both Shenzhen and Taihe.

Third, while migration of the permanent population is regulated by the government migration policy and channelled by quotas given by the government, temporary population members move most spontaneously and voluntarily, driven by economic and social interests, although political factors also influence their migration decision-making and migration behaviour. To a great extent, the movement of members of the temporary population provides a much more authentic picture of the relation between migration and socio-economic development. Accordingly, it will better reflect actual regional disparities.

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6 They may also be called ‘floating population’, ‘provisional population’, etc.
7 Actually, the registration in 1982 and 1990 was based on ‘resident population’ who had lived for more than one year in the current place of residence, or had lived there for less than one year but had left their original place of residence for more than one year. A great number of temporary population who had lived in their current place of residence for less than one year were excluded from registration in that place, but rather were recorded only in their original place of permanent residence.
in socio-economic development levels, and new trends and potential developments in the present and the near future. As China is striving for development of a market-oriented economy and is experimentally lifting the strict control over the household registration system and of migration, studies on the movement and characteristics of the present-day temporary population could undoubtedly provide clues to future population migration in specific regions and in China as a whole.

Fourth, most existing migration theories, ‘laws’, or models are based on Western experience or at least applied to free economies and/or social settings. It is assumed that migration is realised under free-choice conditions, upon rational calculation, maximising benefits and profits, under a set of intervening obstacles, to use Lee’s terminology. However, most of these presuppositions are invalid under Chinese circumstances when applied to the migration of permanent population. From the mid-1950s, private choice of place of residence was more and more turned into a State/Party matter. The paramount majority of the migrations have been regulated or organised by the government departments according to the strict migration policy under the planning system. It was only in the era of economic reforms that free choice of movement for work was accepted and grew very fast. Most of these free choices of migrants only occurred among the temporary population. Therefore, the study of the current temporary population is relevant and close to the existing migration theories, regularities, or models applied to the free economy context, and may thus add to the applicability of these theories and models to the Chinese setting.

Last but not least, good intentions in studying temporary population are often frustrated by a shortage of data (Scharping, 1997). The regular population registration only considers the local permanent residents. Although the Public Security Ministry has called for registration of the temporary population since 1986, this kind of data is not published and is provided for ‘internal use’ only. Information from the Censuses, which register all the resident population who have lived within the administrative boundaries for more than one year, or lived for less than one year but left their original place of registration for more than one year, at the most provides information in the form of simple tabulations on temporary population. Obviously, this will limit attempts to study the temporary population. Fortunately, we could obtain data from the registration of temporary population for both Shenzhen and Taihe, and detailed information on temporary population could also be collected from the One hundred per cent statistical tape of the 1990 Census for these two regions. Moreover, we could also use data on ‘out-moving for work’ from a survey conducted in 1996 by the Statistical Bureau of Taihe. Finally, a specific sample survey on migration and floating population in Shenzhen SEZ, a cooperative effort of the Department of Population and Employment Statistics of the State Statistical Bureau in China and the Institute of Modern China Studies at Cologne University, Germany, provides us with detailed information on the temporary population in the places investigated. Note that the One hundred per cent statistical tape of the 1990

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8 The State Statistical Bureau takes a long-term national sample survey on rural households. A sample of rural households, including 70 from Taihe, is selected to regularly report information on household structure, income, expenditure, consumption, etc. A specific investigation of ‘out-moving for work’ by rural residents was conducted in July, 1996. All members of the households selected who ever had worked (or were still working) outside their township for more than 3 months during the past year were registered. Some relevant information, e.g. characteristics of the out-movers, duration of working outside, places of stay, income, remittances, was collected.

9 This survey was conducted in July 1993, and covered the Special Economic Zone of Shenzhen Municipality and the two urban districts of Foshan City. The survey targeted the de facto population of both
Census for Shenzhen is available for the Special Economic Zone only, and the 1993 Migration and floating population survey was also conducted within the confines of the SEZ. Therefore, our discussion of Shenzhen can only touch this part of the most developed zone of Shenzhen. All these data, combined and supplementing each other, made our research possible. Of course, this could expand to a large research topic by itself, which could not be done in the context of this small Section. Our purpose here is to understand the relation between socio-economic context and temporary population dynamics in the specific regional setting, in order to approach the potential effects of change in temporary population on regional population growth and socio-economic development.

4.3.1 Who move as temporary population?

According to estimates by the relevant government department, in the middle of 1995 China had about 80 million persons classified as temporary population, i.e., living away from their county or city of origin where their household registration was deposited. Only 44 million of them were registered at the Public Security Office (Li, 1996), indicating that approximately 7 per cent of China's current population was identified as temporary population. Most members of the temporary population were concentrated in the coastal developed regions. Investigations show that the temporary population accounted for more than 25 per cent of the total population of Shanghai and Beijing in 1993–1994 (Liu, 1995; Ji, 1995). The proportion of temporary population in Shenzhen even increased from 61 per cent in 1990 to 71.3 per cent in 1995. In contrast, the share of the temporary population in the underdeveloped regions is quite small. For example, it was only 0.98 per cent in Taihe in 1990, and even slightly less (0.85 per cent) at the end of 1995. According to one source (Mallee, 1997) the ratio of in-migration into the eastern, central and western regions can be put at 4:1:1. On the other hand, there is less out-migration from the eastern, coastal provinces, whereas the underdeveloped regions, especially the rural areas in them, are the main senders of temporary population.

The rural household survey of Taihe in 1996 indicates that among the 70 surveyed households there were 33 workers from 22 households who had ‘moved out for work’ for more than three months during the past year, which means that about one-third of Taihe rural households had members migrated out of the township, and about 20 per cent of Taihe rural labour force had worked for at least three months in other places. These figures are basically compatible with the results of nation-wide surveys (Mallee, 1997). Among the out-migrating workers, the youngest was only 14 years old, while the oldest was 46; about 70 per cent were younger than 20; the mean age was 21.3, the medium age was 18.5 only. Females formed the majority of the out-migrants (69.7 per cent). About 85 per cent of them were unmarried. All of them had at least a primary school education; 57 per cent had at least a junior secondary school education. This contrasts with the educational level of Taihe’s total population: the 1995 ‘micro-census’ (the 1% sample survey) shows that among the total population aged 13 and over (including the urban population), 38 per cent were at primary or lower educational level, and 28 per cent only had attained junior secondary school or higher education. Hence, the people out-migrating from Taihe to become a member of the temporary population elsewhere are younger, better educated, and predominantly females.
With respect to the characteristics of the households, the survey reveals that all 22 households with out-moving workers had more than 4 members; 6-to-8-person households constituted some 70 per cent of the total; their mean household size of 6.4 was significantly above the average household size of Taihe as a whole (4.3). The survey also show that one of the out-movers only was a household head, two were spouses of household heads, whereas more than 90 per cent were 'children' in the family. Thirteen of these rural households had one out-mover only, 7 households had sent out two of their members, and two families had three out-movers. Therefore, out-migration is closely related to household characteristics. Larger rural families are more likely to send out workers. Moreover, out-migration is often relevant in a certain stage of family development: households in the developmental stage when two generations of working members are present are more likely to engage in mobility and account for the majority of mobility. It was often the second generation that made use of the mobility option. Most (20 out of 33) of the Taihe rural out-movers were not the sole one from their household to work in another place. Since rural households usually keep as few as possible household worker(s) out of out-migration, to take care of matters at home, all other working-age members are sent out to pursue better working opportunities in the urban parts of the developed regions.

These facts taken from the Taihe survey on 'out-moving for work' refer to the characteristics of the temporary population from the perspective of their places of origin. In contrast, statistics from the 1990 Census of both Shenzhen SEZ and Taihe and the 1993 Migration and floating population survey of Shenzhen SEZ refer to the temporary population from the perspective of their places of destination.

It should be noted that tourists, seasonal workers, etc. are excluded from our discussion because of their features of mobility, fluidity and flexibility which are difficult to capture and study. In our study, temporary population refers only to those people who move to certain destinations and intend to stay there for a very long time, perhaps even forever. For example, the 1990 Census in Shenzhen SEZ recorded 366,458 permanent residents (accounting for 43 per cent of the total population), 472,729 (54 per cent) people who had stayed in Shenzhen SEZ for more than one year but without a SEZ household registration, and 26,027 people (3 per cent) who had stayed in SEZ for less than one year but had left their original place of household registration for more than one year. The other circa 120,000 members of the ‘floating population’ were excluded from being recorded as temporary population of SEZ because they had not yet stayed in the SEZ for more than one year and had left their household registration place for less than one year only, although they had already managed to find a place to live and a stable job, and had applied for temporary population registration.

Of the whole temporary population of Shenzhen SEZ in 1990, 72 per cent belonged to an agricultural household, and 28 per cent only were non-agricultural population; 11.7 per cent of the temporary population only had lived in Shenzhen SEZ for more than five years. Of those in the temporary population who had moved in during the last five years, about 80 per cent had come from other counties and cities within Guangdong province; some neighbouring provinces such as Guangxi, Hunan, and Fujian had contributed another 6 per cent; the other major provinces of origin were Sichuan (3.4 per cent), Zhejiang (1.9 per cent), and Jiangsu (1.5 per cent). Of the newcomers in the temporary population, 62 per cent had lived in a rural area in 1985, 23 per cent had come from a town, and 15 per cent only from a city. Therefore, the temporary population of Shenzhen SEZ had mainly come from the rural parts of other Guangdong counties or neighbouring
provinces after 1985; most of them held an agricultural household status. The situation is similar for Taihe. Seventy-four per cent of its temporary population were agricultural household holders; 80 per cent of them had lived in a rural area in 1985, 17 per cent in a town, and 3 per cent only in a city. But 43.3 per cent of the temporary population had lived in Taihe for more than five years up to 1990. Of the newcomers in the temporary population during 1985–1990, more than 70 per cent had come from other places within Jiangxi Province; the neighbouring provinces had contributed more than 26 per cent, e.g. Zhejiang (15.3 per cent), Hunan (4.4 per cent), Guangdong (4.2 per cent), and Fujian (2.3 per cent). It is obvious that one of the most important ‘laws of migration’ of Ravenstein – migration decreases with distance – applies to the case of China as far as the temporary population is concerned (Ravenstein, 1885/1889).

The 1990 Census indicates that about 53 per cent of the temporary population of Shenzhen SEZ are males. Although this figure is only slightly below that for the permanent residents (54 per cent), the sex ratio of 113 (males to 100 females) demonstrates a similar male-dominated pattern of the temporary population as that for China as a whole (Zha etc., 1996). However, the sex composition of Shenzhen’s temporary population in 1990 varies considerably by age (figure 4.5a): the age-specific sex ratios were 52 and 89 for age groups 15–19 and 20–24, against 340 for age group 45–49 and 326 for age group 40–44. This indicates that the young working-age groups are dominated by females, whereas males outnumber females in the senior working-age groups. This has to do with the fact that a great number of construction workers, in majority males, had moved in for building-up the new city in the 1980s. Although they might have stayed in Shenzhen for many years, they were still identified as temporary population. Since the prolongation of their contracts was not guaranteed, the administration feared unbearable welfare costs should these workers eventually become unemployed and not be forced to leave the city. This serves to explain the high sex ratio for age category 30–50. Later on, the quickly emerging industries, highly concentrated in the textile, garment, and electronic assembling sectors, attracted and absorbed a large volume of young female workers as temporary population moving into Shenzhen SEZ. Gradually, the sex ratio for the age category 15–24 decreased to a very low level. As these industries continued to grow in the 1990s, there was an ongoing in-migration of young females into Shenzhen SEZ. The 1993 survey shows that the sex ratio of the temporary population in Shenzhen SEZ was about 75 only.

Figure 4.5b displays a very young age structure for the permanent residents of Shenzhen in 1990. However, the age structure of its temporary population was much younger even. Mean age of the permanent residents was 28, while it was less than 25 for the temporary population. The vast majority of the temporary population consisted of young workers aged 15–29. The share of the temporary population aged 15–29 increased from 69 per cent in 1990 to 76 per cent in 1993.
The age structure of the temporary population in Taihe in 1990 demonstrates a similar trend as that in Shenzhen SEZ (figure 4.6a) where working-age youngsters were the main category. However, there was significantly less concentration in the age composition than in Shenzhen. Moreover, the temporary population in Taihe was highly dominated by men, women accounting for 38 per cent of the total only. The sex ratio of the temporary population in Taihe was 160.
In both Taihe and Shenzhen SEZ, the age and sex composition of the temporary population is different from that of the permanent residents (for Taihe, see figure 4.6b). On average, the temporary population is much younger than its permanent counterpart. And while Taihe’s temporary population is male-dominated, females significantly outnumber males in the temporary population in Shenzhen.

According to the 1990 Census, the educational level of the temporary population in Shenzhen SEZ was different from that of its permanent residents (figures 4.7a and 4.7b). The majority of the temporary population aged 12 and over had a junior secondary school education; the second-biggest group had attended senior secondary school, and about 5 per cent only had vocational training or a college education. The proportions of illiterates and of those with a primary-school education only among the temporary population were lower than among the permanent residents. However, the permanent residents showed a much higher proportion with vocational or college education. In other words, at least junior secondary school education is necessary to move into and work in Shenzhen SEZ; many illiterates or primary-school educated members of the temporary population in Shenzhen SEZ are very likely the aged and the kids moving as co-migrants; however, those with vocational training or a college degree are more likely to have moved in as permanent residents to Shenzhen.

With respect to Taihe, the temporary population was obviously more educated than its permanent counterpart (figures 4.7c and 4.7d). More than 42 per cent of the temporary population had at least a junior secondary-school education; in contrast, some three-quarters of the permanent residents had an education lower than junior secondary school. Moreover, the educational level of both the temporary and the permanent residents of Taihe is remarkably lower than that of their Shenzhen SEZ counterparts. This hints at a general trend in China, i.e., that members of the temporary population, as spontaneous
migrants, are educationally selected, those moving into developed regions being much more educated than those moving into underdeveloped regions.

**Figure 4.7a Educational level of the temporary population in Shenzhen SEZ (1990)**

- **Senior middle school**: 21.7%
- **Vocational school**: 1.6%
- **College**: 3.0%
- **Illiterate**: 3.5%
- **Primary school**: 15.5%
- **Junior middle school**: 54.2%

**Figure 4.7b Educational level of the permanent residents in Shenzhen SEZ (1990)**

- **Vocational school**: 7.4%
- **Senior middle school**: 30.5%
- **Junior middle school**: 24.2%
- **Primary school**: 19.0%

**Figure 4.7c Educational level of the temporary population in Taihe (1990)**

- **Senior middle school**: 9.3%
- **Vocational school**: 1.2%
- **College**: 1.8%
- **Illiterate**: 13.4%
- **Primary school**: 44.3%
- **Junior middle school**: 30.2%
4.3.2 Why moving?

In the 1990 Fourth Census, all migrants (including permanent and temporary population) were asked to answer questions on reasons for migrating. Nine categories of reasons for migration were identified: job transfer, job assignment, labour and business, study and training, moving to relatives, retirement, moving with family, marriage, and others.

It is evident from the statistical results that members of the temporary population in both Taihe and Shenzhen SEZ who had migrated during 1985–1990 were mostly driven by economic incentives (table 4.1). Eighty-five per cent of the Shenzhen SEZ temporary population and 59 per cent of the Taihe temporary population had moved for reasons of "labour and business". In comparison, only about 7 per cent of the migrants with a permanent change of household registration were grouped into this category in both Taihe and Shenzhen SEZ. To become a permanent resident of Shenzhen SEZ, migrants should have been officially accepted by the newly established municipality, mostly through the governmental formal channels of job transfer and job assignment (for college graduates and demobilised military personnel) or just as co-migrants: spouses and children. They might have applied for moving by themselves or might have been called for and organised by government requirements, since Shenzhen still needs large numbers of administrative cadres and professional and technical personnel to support the fast-developing new city. In Taihe, although job transfer and job assignment are still grounds for migration of permanent residents, marriage is the most important reason for changing permanent residence, which complies with the prevalent migration pattern in China's rural areas (Zha et al., 1996; Scharping, 1997). While the reasons for migration of the permanent residents who were regulated by the government policy and quotas were quite diversified, most spontaneous and voluntary migrations of the temporary population in Taihe were motivated by economic incentives only.

The 1993 Shenzhen SEZ Migration and floating population survey provided a more detailed picture of migration reasons among Shenzhen in-migrants (table 4.2). The survey tabulations that have been published, however, do not distinguish between permanent residents and temporary population, so that interpretation and explanation for the temporary population are limited. However, the tabulations can provide a good reference basis for explaining why the temporary population moved out of their places of origin and migrated into Shenzhen SEZ, given that more than 65 per cent of the total migrants were temporary population members. The survey analysts made a wise decision when they distinguished between the reasons why people moved into the place of destination and the reasons why they moved out of the place of origin, although these two kinds of reasons
are always quite similar, often complementary to each other: the former reflect the pull factors, while the latter represent the push factors. The results (table 4.2) evidently show that economic interests and employment opportunities are the most important motives behind the vast majority of the migrations.

Almost all studies point out that migration reasons differ for men and women. While most men move for economic reasons, many women migrate for family-related reasons, e.g., marriage, move with spouse, etc. (Ma et al., 1997; Zha, 1996; Davin, 1997; Banister, 1997). The 1990 Census shows that this trend is basically true for for Taihe and Shenzhen SEZ too (table 4.3). However, some variation is observed. With respect to migration of permanent residents, males more likely move for job-related reasons or for the sake of study and training, both often arranged by the government. This kind of migration accounts for about seventy per cent among men in both Taihe and Shenzhen SEZ, in contrast to 24 per cent for Taihe women and 50 per cent for Shenzhen SEZ women. On the other hand, family-related migration motives such as moving with family, marriage, or going to relatives, account for 71 per cent and 35 per cent of Taihe and Shenzhen SEZ female migrants respectively, while they account for 14 per cent and 20 per cent only among the men.

Table 4.1 Migration reasons for Shenzhen SEZ and Taihe (1990 Census) (%)

<table>
<thead>
<tr>
<th>migration reasons</th>
<th>Shenzhen SEZ</th>
<th>Taihe</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>temporary population</td>
<td>permanent residents</td>
</tr>
<tr>
<td>job transfer</td>
<td>4.41</td>
<td>46.33</td>
</tr>
<tr>
<td>job assignment</td>
<td>0.42</td>
<td>9.82</td>
</tr>
<tr>
<td>labour and business</td>
<td>83.52</td>
<td>7.39</td>
</tr>
<tr>
<td>study and training</td>
<td>0.46</td>
<td>3.84</td>
</tr>
<tr>
<td>going to relatives</td>
<td>1.61</td>
<td>0.63</td>
</tr>
<tr>
<td>retirement</td>
<td>0.29</td>
<td>0.22</td>
</tr>
<tr>
<td>moving with family</td>
<td>2.75</td>
<td>24.13</td>
</tr>
<tr>
<td>marriage</td>
<td>0.28</td>
<td>2.36</td>
</tr>
<tr>
<td>others</td>
<td>6.26</td>
<td>5.29</td>
</tr>
</tbody>
</table>

Table 4.2 Migration reasons of Shenzhen SEZ in-migrants (1993 survey) (%)

<table>
<thead>
<tr>
<th>reasons for migrating out of the place of origin</th>
<th>Shenzhen SEZ</th>
<th>reasons for moving into Shenzhen SEZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>low income</td>
<td>39.6</td>
<td>looking for a job</td>
</tr>
<tr>
<td>marriage</td>
<td>16.4</td>
<td>study</td>
</tr>
<tr>
<td>unsatisfied with former work</td>
<td>12.6</td>
<td>family visit</td>
</tr>
<tr>
<td>rural labour surplus</td>
<td>7.5</td>
<td>retired</td>
</tr>
<tr>
<td>hired by local enterprises</td>
<td>4.4</td>
<td>marriage</td>
</tr>
<tr>
<td>care for children</td>
<td>2.3</td>
<td>migration with family</td>
</tr>
<tr>
<td>wrong work for training</td>
<td>0.8</td>
<td>others</td>
</tr>
<tr>
<td>bad living conditions</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>bad transportation</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>discharged by former work unit</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>pregnancy</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>illness</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>others</td>
<td>15.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Scharping and Sun (1997).
In comparison, much fewer members of the temporary population move for family-related reasons. The proportion of female temporary population moving for family-related reasons remarkably drops to 51 per cent and 6 per cent in Taihe and Shenzhen SEZ, respectively, although it is still higher than among males (13 per cent and 3 per cent). Job-related or study and training migration are dramatically lower for both the male and the female temporary population, when compared with migration of permanent residents. Migration for the sake of labour and business becomes the first reason for both sexes in both regions. While the percentage of migration for reasons of labour and business for females is far lower than that for males, the difference is very small in Shenzhen SEZ. The reasons for migration are quite similar in the male and the female temporary populations of Shenzhen SEZ.

<table>
<thead>
<tr>
<th>Shenzhen SEZ</th>
<th>Taihe</th>
</tr>
</thead>
<tbody>
<tr>
<td>migration reasons</td>
<td>permanent residents</td>
</tr>
<tr>
<td></td>
<td>male</td>
</tr>
<tr>
<td>job transfer</td>
<td>52.27</td>
</tr>
<tr>
<td>job assignment</td>
<td>11.59</td>
</tr>
<tr>
<td>labour and business</td>
<td>6.56</td>
</tr>
<tr>
<td>study and training</td>
<td>4.74</td>
</tr>
<tr>
<td>going to relatives</td>
<td>0.43</td>
</tr>
<tr>
<td>retirement</td>
<td>0.16</td>
</tr>
<tr>
<td>moving with family</td>
<td>19.72</td>
</tr>
<tr>
<td>marriage</td>
<td>0.13</td>
</tr>
<tr>
<td>others</td>
<td>4.40</td>
</tr>
</tbody>
</table>

In conclusion, while migration of male permanent residents was mainly due to job-related reasons or for the sake of study and training arranged and approved by the government, migration of female permanent residents was mostly family-related. However, most temporary population members were only driven by the single reason of labour and business. Also, in contrast with Taihe female migrants who were much likely to have moved as a co-migrant, female migrants in Shenzhen SEZ had moved for their own sake, because fewer of them had migrated for family-related reasons. Moreover, there was not much difference in migration reasons between the male and the female temporary population in Shenzhen SEZ: both men and women had left their hometowns and moved into Shenzhen for seeking employment opportunities and a higher income.

4.3.3 Where and how to move?

The 1996 ‘Out-moving for work’ survey indicates that only 9 per cent of the Taihe rural out-moving temporary population worked in Jiangxi Province, and all others worked in other provinces – 9 per cent in Zhejiang, Fujian and other neighbouring province, and 82 per cent in Guangdong province, most likely in the Pearl River Delta. To some degree, this could serve to explain why the Pearl River Delta has become the largest receiver of China’s temporary population.

According to the Shenzhen Migration and floating population survey, when respondents were asked “What was your main source of information on work and living conditions here?”, 45.3 per cent stated that they had obtained information from relatives, and 33.7 per cent from friends. These relatives and friends were people who had already worked...
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and lived in the new place and who shared experiences and knowledge of this place with friends from the same place of origin. Therefore, kinship ties and social networks play a very important role in distributing information on migration, in contrast with official guidance or public media which had provided information to 7.5 per cent of the migrants only. This indicates that, firstly, the government is not able any more to use official propaganda for urging people to move; and, secondly, that the communication system is underdeveloped, and people cannot be quickly informed through the media. Local governments of labour-exporting regions like Taihe have encouraged 'out-moving for work', given that out-migration can effectively lessen employment pressures on their weak local economy, and provide an important source of government revenue. Taihe County government, through its Labour Bureau, has tried to provide support for and organise moving out. However, it worked less effectively than the non-official channels. Very few enterprises in the developed regions would choose the official channel to recruit employees, since they believed that it was not necessary to pay the service fee for the local government to attract new workers because in general there was a large excess supply over demand on the labour market. Sometimes entrepreneurs encouraged employees to introduce their fellow villagers and acquaintances to come, by paying them a small bonus. During visits to their hometown, out-movers very often spoke with their relatives and fellow villagers about the enterprises where they were working, not only for the bonus but also for the fact that they felt responsible to help their relatives and fellow villagers to find employment opportunities. Moreover, relatives and fellow villagers were (and still are) the main reliable supporters for members of the temporary population in the new abode when they need help. Kinship ties still play a very important role in contemporary rural society of China. Peasants have a common mistrust of local cadres, and are reluctant to follow the channels for out-moving provided by the local government. Instead, relatives and acquainted fellow villagers are supposed to be the most reliable and trustful intermediaries.

Among those who had decided to migrate, 67.8 per cent of Shenzhen SEZ in-migrants state that they took the decision on their own, while 19.6 per cent name their spouse as the decision-maker. The third most prevalent way (7 per cent) to take a migration decision was to listen to other relatives. Only very few (5.1 per cent) let other persons outside the categories mentioned above take the decision. Such 'others' are superiors, employers and colleagues. It is evident that a great number of members of the temporary population moved for their own purposes, which absolutely differs from migrants organised and arranged by the government in the old days. Opinions of other family members are also very important. As migration is a significant event in life, people must not only take into account its influence on their own career, but also to consider its impact on the family. In some cases the extended household is still exerting a strong influence on people's life. Many extended households pursue a collective income-maximising strategy, in the form of sending some of their household members to work elsewhere. In migration

10 This is just the opposite of the policy implemented in the period of the Cultural Revolution, when moving out for work by the peasants was labelled as capitalist practice and strictly controlled. Peasants' economic activities other than agrarian cultivation were forbidden and punished at that time.

11 Some local cadres in certain regions were described by the peasants as a kind of person who is specialised in 'collecting money' (taxes and all kinds of administrative fees), and 'wanting/killing life' (referring to the family planning campaigns). During our field work, some local cadres used their administrative power to require the peasants to save the remittances of the out-movers in a certain bank appointed by them for at least some time, before they could be used for the peasants' own purposes, so that the local cadres could easily control and meet the goal of taxes and administrative fees.
decision-making, differences between males and females exist. Eighty per cent of Shenzhen male in-migrants made the decision by themselves, in contrast to only 57 per cent of the females. About 32 per cent of female in-migrants name their spouse as the decision-maker, but less than 5 per cent of the males only do so. This is consistent with the point discussed in the section above that females more likely act as co-migrants.

Furthermore, the Shenzhen SEZ survey indicates that many migrants did not move individually. Twenty-seven per cent of the migrants migrated with their spouse, 19.5 per cent with sister(s) or brother(s), 15.8 per cent with children, 5.7 per cent with parents, and 15.3 per cent with other relatives. On the question “Did you know anyone here before you moved?”, 54.2 per cent of the in-migrants answer that they had relatives living there before they moved, 48.4 per cent mention good friends, 14.5 per cent former colleagues, and 14.1 per cent other acquaintances. These acquaintances had already lived in Shenzhen for an average of approximately 6.6 years.

Eighty-nine per cent of the surveyed migrants had found a job immediately upon arrival in Shenzhen SEZ. This is understandable, given that most of them knew people there, a lot of them were actually introduced and led by their relatives or townsman to the enterprises before moving. However, this percentage perhaps is an overestimation, since there have also been migrants who failed to find a job and returned home or moved on to another place, and therefore were not covered in the survey. According to the survey, 11 per cent of the in-migrants still present there did not find a job upon arrival. How could these unemployed people survive? The survey results show that their first resource was own savings (32.5 per cent), followed by assistance from relatives at home (25.1 per cent), and assistance from relatives in the place of destination (28.3 per cent). This reflects the fact that the economic ties within Chinese families are very close. Although some people received financial assistance from friends and acquaintances, this amount was very small.

The survey also inquired into the job search avenues for finding the first work place. The main method, accounting for about 55 per cent, was being recommended by relatives and friends. The next important way was to go out and look for self-employed work on one’s own (about 10 per cent), followed by being hired by a work unit (7 per cent) and job transfer (6 per cent).

4.3.4 Adaptation to the new circumstances

Most in-migrants into Shenzhen SEZ had found a job immediately upon arrival. Even those who were not employed immediately after having arrived, succeeded in finding a job within a very short time. At 3 months after arrival, only 2 per cent were still unemployed. However, the majority of the temporary population held a short-term work contract, usually valid for 3 to 12 months, whereas most permanent residents were tenured or long-term contracted. The survey results show that 63 per cent of the permanent residents of Shenzhen SEZ are tenured, 25 per cent hold a long-term contract, 7 per cent only have a short-term contract, and another 5 per cent are self-employed. In comparison, less than 5 percent of the temporary population only holds a tenure position, 18 per cent has a long-term work contract, while more than 50 per cent has a short-term contract with less social security and a high risk of unemployment.

About 60 per cent of the temporary population is employed in the industrial sector, mainly in textile, garment, electronic assembling, and construction; 25 in the business sector, and 5 per cent only works in the public sector. In comparison, 35 per cent of the permanent residents work in the public sector, and 25 per cent in the industrial sector and
in business each. With respect to occupational composition, the discrepancies between the temporary population and the permanent residents are even sharper. Only 17 per cent of the temporary population works as a specialist or cadre, 83 per cent being workers or service personnel, while the percentages for the permanent residents were 60 and 40, respectively. Occupations in prestigious fields such as the health sector, education, or banking and finance are mostly held by people with a permanent residence. The same holds true for posts in party or government institutions. The temporary population mainly consists of workers with lower-level jobs in industry, or restaurant waiters or sales personnel.

In terms of work unit ownership, about 80 per cent of the permanent residents of Shenzhen SEZ worked in state-owned or collective enterprises, while about 80 per cent of the temporary population worked in enterprises with 'other' ownership (including private enterprises, various mixed-ownership forms, enterprises totally or partially in Hong Kong, Macao or Taiwan ownership, foreign enterprises or joint ventures), or were self-employed. The high share of employment of the temporary population outside the state and collective sectors goes along with long working hours. The survey shows that 30 per cent of the temporary population had to work 9 to 11 hours daily, and 15 per cent worked more than 11 hours. In contrast, working-days for permanent residents exceeded 9 hours in about 10 per cent of the cases only. The average number of working hours was 7.86 per day for permanent residents, but 9.01 hours per day for the temporary population. On the other hand, monthly income of permanent residents was largely surpassed by that of the temporary population. The survey demonstrates that the 95% confidence interval for the mean difference between monthly income of the permanent and the temporary population amounted to 256–308 Yuan. In combination with the difference in number of working hours, payment of the temporary population was much less than that of their permanently resident counterparts.

In addition, the temporary population is most vulnerable to labour abuse and maltreatment, which has arisen as companies increasingly seek to cut costs and maximise profits. Their concentration in the private sector, where government regulations have the least influence, further exacerbates their situation. Reports of unpaid overtime work, poor working conditions, filthy living quarters, and on-job injuries are all on the rise, prompting growing concern for issues pertaining to workers’ rights. Temporary workers in Shenzhen often complain that they do not get their wages in time. Some enterprises owe several months of payment to their labourers. Some workers who quit their job in reaction to such circumstances do not only lose their lower wage, but also forfeit the deposit which they often are required to pay on taking up work. Such cases may not be the rule, but they shed some light on problems behind the glittering facades of the SEZ and they show what it is that many temporary labourers in Shenzhen are worrying about.

Although the temporary population members usually had a lower-paid, lower-level job only, with less favourable social benefits compared with the permanent residents, they...
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hope to keep staying in Shenzhen SEZ. In fact, they still regard their work in Shenzhen as a rare employment opportunity and a way of increasing their income. According to the survey of Taihe, the average income of out-movers was 4,450 Yuan in 1996, which is very likely to be underreported, as always happens in income-relevant investigations. In fact, many out-movers recently left, some of them having spent only several months outside their village during the past year. If the duration of their stay outside the village would be taken into consideration, the average monthly income of out-movers was 624 Yuan (amounting to about 7,500 Yuan on an annual basis), substantially higher than Taihe’s rural income per capita. The peasant income per capita and the income per worker in Taihe in 1996 were only 1,913 and 3,480 Yuan. In fact, the calculation of the peasant income included the income of ‘out-moving workers’, which accounted for a big proportion of the total. The income of peasants staying behind is much lower than that of out-movers. The survey in Shenzhen SEZ shows that the income of the temporary population was 2.5 times that before moving. Of course, costs for the out-movers are significantly higher than for those who stayed behind in the villages, given that the living standard in cities is higher. However, most of the out-movers try to minimise their costs as much as they can, since they keep in mind their responsibility to support their family in the village of origin. Mean costs of living of Taihe out-movers were only 1,524 Yuan during the year preceding the survey in 1996. They spent 797 Yuan on food, 263 Yuan on clothing, 192 Yuan on transportation and communication, 93 Yuan on other merchandise and services, 75 Yuan on medicine, 73 Yuan on education and entertainment, 43 Yuan on accommodation, and 3 Yuan only on family equipment and other things. Excluding the costs of living, 261 Yuan in average was spent on ‘investment in production’, e.g., the deposit paid for taking up a job, or investment by the self-employed. Therefore, it is evident that for out-movers costs were primarily necessities for living outside their home town. Subtracting these basic costs from their total earnings, 2,647 Yuan were left, 1,845 of which were sent or taken back home.

It should be noted that costs of accommodation of Taihe out-movers were extremely low, as most temporary residents had free accommodation from their work unit or their relatives at the place of destination. The Survey in Shenzhen SEZ indicates that 52 per cent of the temporary population members were provided free housing by their employer, mostly in a collective dormitory; 13 per cent lived on the construction site; 5 per cent lived with relatives; and 10.4 per cent lived in squatter hut or hotel. Less than 20 per cent lived in rented housing. However, rent was very low since temporary residents used to rent housing of a rather poor condition, in order to save money. Eighty-five per cent of monthly rents were below 24 Yuan. The 1995 temporary population registration of Taihe shows that 32 per cent of the temporary population lived on the construction site; 20 per cent of them were provided free housing by their work unit; 23 per cent lived with relatives; 18.7 per cent rented housing; 4.5 per cent lived in a hotel. Therefore, free housing in a collective dormitory of the work unit was the main form of accommodation of the temporary population, and relatives’ help was another important source for the temporary population in reducing their costs of living.

Many reports point out that the members of the temporary population is not fully accepted by the locals. They are often regarded as having come to do the heavy, dirty and dangerous but low-paid jobs often rejected by urban local residents. On the other hand, their presence in the cities is perceived as a challenge to the privileges given to the urban non-agricultural population in terms of employment, transportation, food supply at low prices and other social services. They are also blamed for the recent increases in fertility, crime, environmental pollution, traffic congestion and many other ills. Not infrequently,
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the temporary population is mistrusted and the local non-migrants avoid contact with them. Moreover, in the new ‘in-migration city’ of Shenzhen there still is a long way to go to integrate the newcomers in the community. The 1993 survey demonstrates that 55 per cent of the migrants spent their leisure time with people from the same native place only, 25 per cent spent their free time with local people. In need of help, 51 per cent of migrants in Shenzhen SEZ asked for assistance from relatives and friends in the place of origin, 29 per cent looked for help from relatives and friends in Shenzhen, and 12 per cent did not ask any other people for help. Although a few migrants (4.7 per cent) returned home to see their relatives once a month, most went home once every six months or once a year (22.8 and 32.5 per cent, respectively). Twenty-four per cent went home less than once a year, and another 16.2 per cent had never returned home since they came to Shenzhen SEZ. The latter percentage has something to do with the fact that these migrants have arrived just a short time ago. Besides earning income for their own use, about 60 per cent of the migrants in SEZ regularly sent money to their relatives at home. The purpose of the remittances is to help family members to solve financial difficulties and to subsidise their daily life. Judged on the basis of the data above, the adaptation of migrants to their places of destination seems to be going ahead.

4.3.5 Perspectives

As the studies indicate, employment opportunities and economic benefits are the most important driving forces for the temporary population to take the road out of their places of origin, mostly rural areas in the underdeveloped regions. To a great extent, most of their expectations have been fulfilled. For example, more than 90 per cent of the temporary population in Shenzhen SEZ found a job immediately upon arrival or within three months. Although the segmented labour market denies most members of the temporary population access to high-paid, prestigious jobs with good working conditions and good social security benefits compared with local permanent residents, their income is significantly higher than that of their fellow villagers left behind at home.

The Shenzhen SEZ survey also asked respondents to evaluate their life and work in their present place in contrast to their place of origin. The standardised answers have been scaled from very bad (value 1) to very good (value 5). Migrants in the SEZ gave an average rating of their present income situation of 3.38, of job opportunities of 3.26, of medical treatment of 3.38, of cultural entertainment of 3.36, of promotion prospects of 2.67, all higher than their rating of their home town (2.46, 2.78, 3.06, 2.83, and 2.46, respectively). However, their evaluations of items such as housing conditions, opportunities to find a marriage mate, and educational opportunities in their present place (3.12, 3.00, and 3.27, respectively) were lower than those for their home town (3.34, 3.18, and 3.29, respectively). About 20 per cent of the migrants selected low income as their main current difficulty, 14.8 per cent chose housing problems, 12.6 per cent selected high prices, 7.1 per cent deemed getting a household registration to be the main difficulty; others indicated finding a job (6.0 per cent), entering school (2.3 per cent), or finding a marriage mate (2.2 per cent). With respect to economic expectations for the future, migrants were quite optimistic. About 70 per cent believed that they have good prospects and their economic situation will improve; less than 20 per cent thought their future would not be much different from their present situation; 1 per cent only were pessimistic about their future; and 9.4 per cent answered that they didn’t know.

It is noteworthy that the temporary population evaluated the job and income opportunities in Shenzhen SEZ much higher than did the permanent residents, in spite of the discrimination on the segmented labour market against the temporary population in
general. This indicates that former income levels rather than current wage differentials with permanent residents are the primary yardstick used by the temporary population for making a comparison and reaching a predominantly positive assessment of their present situation. Despite the hardships of the migrant’s predicament, urban employment prospects and wage standards attract many peasants from the interior and pull them to leave the countryside. The Shenzhen 1993 survey shows that more than 70 per cent of the temporary population wanted to keep their present job in Shenzhen SEZ. Although about 30 per cent of the temporary population was dissatisfied with their present job and wanted to change work unit, the proportion wanting to return home or move to another place was rather small. Among those who wanted to change their current job, more than 85 per cent just wanted to find another job in Shenzhen SEZ. Only 3.4 per cent of them chose to return home, and 4 per cent expected to move to some other place. Therefore, Shenzhen is a privileged place in China according to its working population. Altogether, only about 2 per cent of its temporary population wished to leave, less than 2 per cent were unsure (including ‘not clear’, ‘reject answer’, ‘no answer’ and ‘other’), while the other 96 per cent expressed their willingness to continue staying in Shenzhen SEZ.

Although most members of the temporary population wish to stay in Shenzhen for a longer period or even forever, reality does not support the optimism of their prospects. Being absent from their place of official household registration, temporary population members are never regarded as permanent residents in their new abode, even when they have already lived there for many years. Although they solved the problem of labour shortage arisen because of the rapid economic growth in the developed regions, filled the job vacancies declined by the urban youngsters, and provided conveniences for the urban residents through their servicing activities, the temporary population is always blamed as the source of all kinds of social disorders. Some authors have openly labelled the 80 million temporary population as China’s volcano and linked their migration to crime waves in the cities. In times of economic retrenchment, such as in 1988–1990, temporary population members, especially rural migrants, were once again the first ones to be sent back to their places of origin, mostly the countryside. In 1989 Shenzhen Municipality issued a “Notice on overall checking up the personnel without legal and valid certificate, without legal and proper occupation, without legal accommodation” – who are called the ‘three withouts’ in abbreviation, which aimed at emphasising social order and retrenching the volume of temporary population. After promulgation of this notice, the public security office and other relevant departments took action to check the ‘three withouts’ several times a year. According to their – incomplete – statistics, up to April 1995 1.02 million persons of the temporary population were ‘checked up’, some of them were sent out, 94,273 squatter huts built by temporary population members alongside hills, roads, and waters were removed. Actually, most of this checking-up was done in 1989–1990 when Shenzhen experienced a major economic recession. The retrenchment enforced in 1989, however, was short-lived. Continued economic reform policy and the further economic boom in the 1990s have only led to an increased population mobility, the temporary population more than doubled between 1989 and 1996, and the proportion of temporary population to the total population increased from less than 60 per cent in 1989 to more than 71 per cent in 1996.

A popular book, “Viewing China Through the Third Eye” (Wang, 1994), published recently, praised the People’s Commune system as a ‘modern Bao-Jia system’ and suggested such a system as a possible alternative to tie peasants once again to ‘their’ place. The book received strong approval from certain parts of the urban elite.
The residential status of members of the temporary population highly depends on the economic situation and labour demand in their current place of residence. Restrictions on the inflow of temporary population are often lifted in times of a boosting economy, but enhanced as soon as an economic recession arrives. Recently, the Chinese government is trying to reform and rectify a large number of deficit state-owned enterprises. About 8 to 10 million workers in state-owned enterprises have been or will be fired in a three-year period, which is considered to be a big challenge for China with respect to continuing economic reforms and retaining social stability. Assistance in re-employment of laid-off workers has been urged to be one of the top priorities of government departments at different levels (China Daily, 1998b). In order to provide more employment opportunities for laid-off workers who are identified as permanent residents, many cities have issued regulations to limit employment opportunities for temporary population. For example, Beijing Municipality has formulated policies which allow people with a local permanent residence status only to engage in several trades, such as insurance, accounting, or law. The temporary population, mostly from rural origin, is envisaging severe competition and employment and residence difficulties in the more developed urban regions.

The problem of re-employment of laid-off workers in Shenzhen is not as serious as in many other cities, given that its proportion of state-owned enterprises is comparatively small and most of its state-owned enterprises are newly established and running well. However, the Shenzhen government has been aware of the social problems arising from the fast-growing population and has stipulated a policy of slowing down population growth. To upgrade its industrial structure, from mainly labour-intensive industries to capital- and technology-intensive ones, Shenzhen is engaged in enhancing the educational and technical levels of its labour force. A newly promulgated household registration system has been decided upon, to cover household status reforms for the temporary population. The inflow and sojourn of low-educated and low-technical temporary population will be limited more strictly. On the other hand, some members of the temporary population will be transferred, first into quasi-permanent residents (so-called ‘blue-sealed household booklet’ holders) who once were a member of the temporary population but have invested, buying a house in Shenzhen or purchasing a Shenzhen household status by paying an ‘urban infrastructure construction fee’. Second, all ‘blue-sealed household status’ holders will gradually be transferred into the permanent residence status within a decade (Zhang, 1996).

Though Shenzhen has received a great amount of temporary population and is planning to accept many of them as permanent residents, many studies demonstrate that the majority of the temporary population in other regions will go on circulating. The household registration system is still a ‘great wall’ by limiting people, especially the agricultural population, to change their permanent residence (Wang, 1997). To a large extent, this ‘great wall’ has been undermined in several aspects since the economic reforms. The emergence of a labour market and the large number of employment opportunities outside the state sector have taken over the government assignment system which relied on the household registration system. The establishment of the identification system and the

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14 Before the 1980s, Chinese citizens held only a household booklet which was controlled by the household registration system. The national Resident Identification Card program was introduced in 1985. The card was issued to all citizens above age 16. It serves as proof of citizenship and functions as an identification document for all kinds of purposes. Although it contains a person’s name, gender, ethnicity, address and date of birth, the ID card does not differentiate explicitly between agricultural and non-agricultural status. Therefore, it is an important step in changing the social status differences created under the household registration system.
abolition of the food ration coupon system which guaranteed grain supply for urban residents \(^{15}\) have made the household registration system increasingly less relevant for people's place to live. Moreover, the much decentralised political power structure has opened doors for local authorities to challenge and undermine the system by selling a household status to whoever can afford it. The household registration system is still used, however, to control and block the flow of temporary population in many regions. Cities use it to protect the privileges of urban residents over rural people; developed regions are not willing to share their wealth with people in underdeveloped regions. Therefore, the temporary population is often put in a marginal position, facing all kinds of discrimination in housing, employment and education, medical care, etc. Due to lack of a permanent residence status, their position in the current place of living is highly unstable. They may easily be sent back to their place of origin if they fail to find a job as soon as some retrenchment occurs. Their unstable position poses them many difficulties. For example, it is difficult for a temporary population member to find a marriage partner in the current place of residence. Some of them marry a fellow town person from their home town and then bring the spouse to their current place of residence. Even after getting married, it is difficult for them to really establish a stable 'home', and especially to give birth at the current place of residence, since costs of living are high. And, more important, their children do not have access to the normal educational facilities which are only provided for the children of people with a permanent residence status. In order to offer educational opportunities to their children, temporary population members have to pay much higher tuition fees which most of them cannot afford. Some communities of temporary population in the cities developed their own schools and gave lectures to their children under very poor conditions.\(^{16}\) Family and children are extremely important for most Chinese people, including those belonging to the temporary population. The survey conducted in Shenzhen shows that 'children and family' was the most important consideration for migrants of all seven items offered (the other considerations, by rank of importance, were 'high-income work', 'career and work', 'leisure time', 'political involvement', 'going abroad', and 'religion').

Therefore, temporary population members often migrate alone, leaving children and family behind. Especially in the rural areas, peasants keep their responsibility for land and other property in the village of origin as a route of retreat and insurance. On the other hand, it is also difficult for them to completely return to their village of origin. Having been in touch with modern life in the city, having experienced urban styles of living and working, many of them have met extensive difficulties to get adapted to their backward home towns. During our field work, many returned 'out-moving workers' expressed their depression and conflicts with other folk-villagers and family members who were left behind during the migration period. Some of them were not familiar with agrarian

\(^{15}\) Under the old household registration system, one of the major advantages of an urban household was the guarantee of grain supply at a low price in the form of food ration coupons. In fact, coupons were needed for the purchase of any grain products, including processed food, in stores and restaurants. Different provinces had different coupons. Without a coupon, one could not purchase any food in the cities, which imposed a strong disincentive for population migration, especially moves from rural to urban. As the food supply increased and stabilised and a non-state-controlled grain market emerged, the food ration coupon system was abolished between April 1992 and July 1993.

\(^{16}\) Among the best-known cases is the Zhejiang village in Beijing, which houses temporary population members mostly from Zhejiang province and exists for over 10 years now. It not only has the largest clothing market in Beijing, but has also developed its own hospitals and schools. A recent report outlines the plan of the Beijing municipal government to clean up the Zhejiang village and to incorporate it into a better laid-out urban plan (China News Digest, Nov. 8, 1995).
production, because many had left directly after graduating from secondary school. Most returnees stated that they would move out again, and those who are still out don’t want to come back to the countryside. Given that government is making efforts to further release the limitations of the household registration system, one can believe that it will become easier for them to settle down in their new abode.

4.4 Conclusion and discussion

Since the introduction of the economic reforms, the strict control of population moves between regions implemented for more than two decades, especially moves between rural and urban, has been lifted for the major part. Although internal migration cannot change the total national volume of population, regional population distribution can greatly be altered. In general, the urban and eastern coastal areas are the main receivers of internal migrants.

Owing to its higher level of urbanisation and socio-economic development, the eastern coastal area has a significantly lower fertility rate than the hinterland area. Since the early 1970s, much stricter family planning regulations have been implemented in the urban and relatively developed regions. The inland area, especially the western part of the country, is the poorer part and the home of minority groups who enjoy looser regulations of fertility control and are allowed to have more births than their counterparts in the eastern coastal areas. If this fertility differential would continue, the degree of population concentration in the southeastern part would be gradually lessened. However, the dramatically increasing population moves cancel out the effects of the fertility differential. In fact, the eastern coastal area, favoured by its more rapid economic development, receives most migrants and becomes more densely populated even.

To a considerable extent, rural-urban fertility differentials, as resulting from different family planning regulations and influences of socio-economic development disparities, should have greatly increased the proportion of rural population in the total national population. One of the important sources of the rise in level of urbanisation during these years originates from the increasing flow of rural-urban migration. Due to the implementation of family planning policy since the early 1970s, many cities are affected by a shortage of labour force because of the recent rapid economic growth. The immigrants from the rural areas fill the vacancies and meet the needs of urban development. Migration is one of the driving forces behind China’s urbanisation. However, administrative changes and changed demarcations of towns/cities are another important source of increase of the urban population since the 1980s. In the experience of most western countries, urbanisation was inevitably accompanied by population concentration which resulted from great volume of migration. However, population density in many rural areas of China is very high. Population size and density of many Chinese settlements designated as rural are even higher than those of urban regions in other countries. Therefore, urbanisation in China does not necessarily result in great population concentration and migration. To a considerable extent, this is the basis for the Chinese government to propose a ‘local transfer’ urbanisation strategy, which aims at the transfer of agricultural into non-agricultural population, by changing rural townships into market towns first, and then into urban towns, through rural industrialisation by developing village and township enterprises. This constitutes a very important feature of the ‘small town development strategy’ stipulated in the early 1980s. The implementation of this strategy has significantly promoted urbanisation in China. According to relevant statistics,
up to 1994 village and township enterprises absorbed 120 million peasants into non-agricultural production, which accounted for 60 per cent of the 200 million rural surplus labour force. The output value of village and township enterprises accounts for more than 70 per cent of the total rural output value (Cao, 1997). ‘Local transfer’ will continue to play an important role in the urbanisation of rural China. The expectation of accelerating urbanisation in Taihe’s socio-economic development plan apparently complies with this urbanisation policy.

On the other hand, a policy of ‘local transfer’ and development of village and township enterprises means a great challenge. Problems of low efficiency, over-consumption of resources and land, big pollution, and low competitiveness of village and township enterprises have aroused tremendous controversies, both in China and abroad. The advantages for these enterprises provided by the government policies were greatly reduced by the growing market-oriented economy in recent years. The capacity of village and township enterprises to absorb surplus rural labour forces will accordingly decline. In 1994, there were more than 80 million surplus rural workers taking the road to the city and staying there for the longer term as temporary population. According to a government estimate, the rural labour surplus will exceed 300 million in 2000, and 150 million will leave their local place and move into urban areas (Li, 1996). Although the household registration system has gradually changed, the fence between agricultural and non-agricultural residence will not be completely removed in a short time. Therefore, most migrants will very likely remain being identified as temporary population.

No matter whether the rural population will be transferred in situ into non-agricultural population or move into urban regions, the urbanisation process in China will demonstrate an accelerating trend in the foreseeable future. It is reported that China’s proportion of non-agricultural population in the urban areas increased from 7 per cent in 1978 to about 18 per cent in 1997. In the experience of the western countries, once this proportion in a country approaches 20, urbanisation enters a phase of acceleration (People’s Daily, 1998). We may expect that China will experience a process of rapid urbanisation in the years to come. Urbanisation will not only change the population distribution between the rural and the urban, and over regions, it will also further decrease the national fertility level, given that an increasing proportion of the population will spend childbearing age under more strict fertility control in the urban areas. More importantly, modern urban culture will directly influence the preferences, values and attitudes about marriage, childbearing, family formation, etc. of ever more people.

As China is in the middle of a transition from a centrally planned economy to a market economy, market and economic factors will exert an even more important role in migration. The well-known neo-classical migration theory considers migration as an equilibration mechanism for labour and wages in a dualistic economic system. That system is perceived as consisting of a fast-growing, urban-based, modern industrial sector with high productivity and a traditional agrarian sector characterised by peasant self-sufficiency, correspondingly low degrees of commercialisation and productivity, and a rising level of hidden unemployment. With the marginal productivity in agriculture equaling zero or even reaching negative values, migration to the cities releases surplus labour and lessens rural consumption. It is expected to continue till surplus labour reserves are depleted, rural and urban incomes have become equilibrated and urban areas begin to suffer from rising costs of agricultural supplies. An underlying assumption is that rapid economic growth in the cities and urban industries in need of manpower can accommodate the influx from the villages. Other versions of the neo-classical theory also
expect that capital will flow to low-wage areas in the countryside, thus contributing to the eventual equilibrium (Scharping, 1997).

However, the idea of a free interplay between rural labour supply and urban demand has been challenged by the notion of segmented labour markets, which pays attention to rising urban unemployment due to a rural exodus that exceeds job expansion in the cities, to the probabilities of obtaining a job, to the real and expected wage differences. Many studies in developing countries point at the existence of a labour market segmented along regional community lines which is governed by protectionism in favour of the organised urban work force and split in a high-wage formal sector and a low-wage informal one (Todaro and Michael, 1970). In our research, the segmented labour market is demonstrated for Shenzhen SEZ and many other cities in China. There has been no labour market in China in the past decades. It is only in the era of economic reforms that differences in wage levels and benefits, caused by regional differentiation, increasing diversification of forms of ownership and abolition of directive planning of labour and wages, have started to play a major role. Peasant labour began to pour into the urban areas, where migrants crowd in low-skill occupations and the segmentation of the labour market with a newly created low-wage sector has become a fact. Moreover, although state influence in China is declining, individual migration decisions keep being hampered by many bureaucratic interventions and complicated institutional arrangements. One of the biggest barriers for migrants to integrate into the urban community is the household registration system. The 'temporary population' status blocks their access to high-paid and more prestigious jobs, and to social benefits and public services, which consequently influences their stability in their current place of living and their decision-making in matters of marriage and family expansion. Nevertheless, most studies testify to the fact that the temporary population shows a steady increase in both proportion of long-term migrants and in average duration of stay (Central Policy Analysis Office of the Chinese Communist Party, 1994; Guo, 1995; Ji et al., 1995; Scharping, 1997). The survey in Shenzhen SEZ indicates an overwhelming desire to stay in the city. In reality, the proportion of the temporary population who have stayed in Shenzhen SEZ for more than five years has increased from 11 per cent in 1990 (Census) to about 20 per cent in 1993 (survey). Given that the surging in-migration of temporary population only began in the late 1980s, it is believed that the proportion of the temporary population who have stayed for more than five years will significantly increase as time will go by. A reform of the household registration system will strengthen the temporary population's willingness and practice of living in their current city forever.

The harshest criticism of neo-classical migration theory has come from those who did not envision equilibrium, but rather a malign process with rural 'brain drain' and high dependency ratios, and decreasing investment and reduced income in backward areas accumulating to produce ever-widening regional disparities (Lipton, 1977). Our research and many other investigations prove that migration selectivity in favour of more educated and skilled personnel puts the central and western underdeveloped regions in an even more disadvantageous position, so that future development may cause a vicious circle.

Increasing numbers of young workers move out of their village and work permanently or temporarily in the urban area. Research convened by the United Nations Food and Agricultural Organization carried out during the past three years shows that the number of rural migrants has reached 120 million or so, which suggests that more than 15 per cent of the total rural labour force in China have left their villages, 88 per cent of them being in the age category 18–40. Rural out-migration is increasingly being encouraged and
facilitated by the county, township and village, as one of the most rapid, frequently the only, means by which the rural population can increase its living standards without requiring prior or large-scale investment. Local cadres assume that migration will benefit all categories of rural population. Villagers left behind will receive remittances and through that share in the risen incomes and living standards of migrants on the one hand, and on the other have their share in the rapid economic development and wealth of developed regions. Micro-studies show that migration is a supplement to agricultural and non-agricultural activities in the richer regions, a subsidy for agricultural and non-agricultural activities in mid-income regions, and a substitute for agricultural activities in poor and remote regions. Peasants themselves have concluded that agriculture is an unprofitable, unattractive and even redundant economic activity (Croll and Huang, 1997). In many villages, only those who are considered as 'not suitable to move out for employment in non-agricultural enterprises' are left behind. It are very often the married and less-educated women and some men aged between 38 and 45 who are 'the main labourers in farming'. In fact, there was the joke that those left behind in the village to do farm work belong to the 386199 group (March 8 - women's day, June 1 - children's day, 99 - the elderly). Some of the villages suffer from a shortage of labour for cultivation. A consequence of this labour shortage is that either the land is left uncultivated, or less demanding crops are grown. It is observed that the lack of educated and strong workers has limited the application and dissemination of new agricultural technologies and of crop innovation. For example, the leaders of one village have been forced to abandon plans to change to the cultivation of flue-cured tobacco because the women farmers had been unable to furnish the new technical inputs or night hours necessary to grow this new cash crop.

Given that most of the educated, experienced and knowledgeable young villagers move out, many rural communities find it difficult to hold qualified candidates for local administrative organisation, and to actively and creatively operate public services in the villages. It is true that out-migration to urban and developed regions helps to provide free training for the peasants and broaden their perspectives. However, out-movers who have experienced the seductive urban life and been in contact with modern ideology show a large reluctance to return to the rural area. If they can, out-movers prefer to stay and find a marriage partner or move their nuclear family to the developed and urban regions. The more educated and capable the out-movers are, the more likely they stay away from the villages forever. While remittances of the out-movers provide support to their family left behind and subsidise agriculture in the villages, agricultural production has more evidently become unprofitable and unattractive compared with the income from non-agricultural activities of the out-movers. In many cases, large amounts of remittances were not invested in agricultural production, since the comparative benefits of agriculture convinced peasants that it was not worthwhile to do so. As soon as the family has collected enough money from the remittances, they may invest in non-agricultural activities outside the village. Moreover, many studies prove that after the out-movers reunite with their family and move their nuclear family to the developed or urban region, the remittances to their parents' family left behind decrease significantly.

The problem of the 'brain drain' has aroused increasing concern and worries both inside and outside China. Attention is paid in particular to the declining investment of labour and capital in agricultural production, especially grain cultivation, which will greatly influence the capacity of China to feed its huge population.