

Permanent Migrants, Temporary Migrants, and the Labour Market in Chinese Cities

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Introduction

Migration and the development of a labour market are among the most revealing facets of the rapid transformation of Chinese cities during the past two decades. Both processes are intricately related to the household registration (*hukou*) system, one of the most definitive legacies of China's socialist institutions. At the same time, structural changes in the form of transition from a central planning mode toward marketization, from an economy dominated by the state sector to one with a more heterogeneous mix of activities and ownership types, and from urban economies guided by socialist models to cities with increasingly diverse and commercialized functions define the contexts for understanding the interrelationships among migration, labour market processes, and the *hukou* system.

Since the late 1950s, the *hukou* system has been used to monitor and control population movements, especially those to urban areas, in China

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(e.g., Shen and Tong, 1992). *Hukou* is a record of one's (1) registration classification, and (2) registration location, and it is usually passed from one generation to the next. Registration classification refers to the "nonagricultural" and "agricultural" categories, designated respectively to the urban population entitled to state benefits and subsidies, and to the rural population that receives little state support other than the right to farm. Registration location refers to where a person's *hukou* "resides," which essentially records where he/she belongs. Having one's *hukou* in a city, or obtaining a local *hukou* in cities, is an entitlement to fully enter the labour market and to have access to subsidized benefits such as housing and education. It is very difficult for peasants to obtain nonagricultural *hukou* and to "move" their *hukou* to urban areas, making their survival in cities difficult. Therefore, for decades the *hukou* system has tied Chinese peasants to the countryside and has contributed to low levels of urbanization and mobility (Hsu, 1994; Wong and Huen, 1998).

But the socialist transitional process is marked by constant adjustments of state agencies and institutions to new demands and circumstances (Solinger, 1999). The magnitude of surplus agricultural labour, the infusion of foreign investment seeking cheap labour, and the marketization and commercialization of an urban economy that demands labour in industrial and services work have all prompted the state to create new channels for peasants to migrate to work in towns and cities. A variety of new innovations such as "temporary residence permits" and "identification cards" have become available since the mid-1980s to facilitate migration (e.g., Chan and Zhang, 1999).¹ However, by denying local urban *hukou* to peasant migrants, the state retains its role of gate-keeper of urban permanent residence. Most peasant migrants living and working in cities continue to hold agricultural *hukou* and their *hukou* still reside in their home villages. Their migration is considered "self-initiated" rather than sponsored by the state, and it is not accompanied by a *hukou* transfer to the cities. They are referred to as "temporary migrants." Without a local *hukou*, temporary migrants are excluded from many jobs (especially in the state sector) and from subsidized benefits.

At the same time, migrants who move to jobs assigned by the state, marry migrants to rural areas, and migrants who enter universities are eligible to obtain local *hukou* in their destinations. They are referred to as "permanent migrants." Though the state's roles in job assignments (to school graduates) and job transfers of state employees have subsided in recent

years, they continue to be a factor of labour allocation that is responsible for the slow development of a labour market in China (Knight and Song, 1995; Maurer-Fazio, 1995). Not only do permanent migrants in cities have the legitimacy and right to stay there, they also have access to an array of jobs closed to temporary migrants, including high-paying and secure positions that are accompanied by health care and other benefits. On the other hand, temporary migrants in essence are considered "outsiders" and they are expected eventually to return to their origins. Many take jobs that are shunned by local residents. In the view of the state, permanent migration is official and "within the state plan," whereas temporary migration is unofficial and "outside of the state plan." In other words, the migrants' residence status, namely their *hukou*, symbolizes their geographical (rural versus urban) origins, defines their opportunities and constraints, and connotes their socioeconomic status (Cheng and Selden, 1994; Christiansen, 1990). In the city, a dichotomy of access, opportunities, and socioeconomic status is immediately associated with one's residence. A variety of terminologies have been used to address this dichotomy — permanent versus temporary migration, *hukou* versus non-*hukou* migration, "plan" versus "non-plan" or self-initiated migration, and formal versus informal migration (Chan, 1996; Chan et al., 1999; Fan, 1999; 2001; Goldstein and Goldstein, 1991; Goldstein and Guo, 1992; Yang, 1994; Yang and Guo, 1996). This paper adopts the terms permanent migration and temporary migration because they are most widely used in the literature.

Increased volumes of rural-urban migration and the centrality of *hukou* to migrants' opportunities and constraints have important implications for the evolution and organization of the Chinese urban labour market. The development of a labour market in Chinese cities has been accelerated by their transformation from "producing" entities where social and residential stratifications were minimized, heavy industry was emphasized, the tertiary sector was kept small, and city size was strictly controlled, to "consuming" entities characterized by consumerism, burgeoning markets, divisions of labour, a thriving service sector, a growing middle class, and a more international and Western outlook (French and Hamilton, 1979; Lo, 1994; Lo et al., 1977; Yang and Guo, 1996; Wang, 2000). Services such as domestic work, hotels and restaurants, repair shops and hair salons, and industrial work in foreign-invested enterprises have expanded and accelerated social stratification in cities. These jobs are at the lower end of the occupational hierarchy, and are mostly filled by temporary migrants.

The complexities of the migration system, labour market development and the continued roles of socialist institutions (especially *hukou*) in China call for analytical approaches that can cut across all three dimensions. The labour market segmentation theory offers a logical starting point for such efforts. It is especially relevant because of the emphasis on the contrasts between a primary or formal sector and a secondary or informal sector, and on the relationship between rural-urban migration and the segmentation process. The most popular representation of the theory involves the bifurcation of a labour market into a primary sector with relatively stable, high-skilled jobs offering high pay and good benefits, and a secondary sector with less stable, low-skilled, low-paying jobs with few benefits (e.g., Piore, 1979). This theory is especially popular among studies on developing countries that are characterized by a dual economy model with a Harris-Todaro (1970) type of rural-urban migration (Gupta, 1993). Migrants who cannot be absorbed by the primary sector in cities have accelerated the growth of a secondary sector (e.g., McGee, 1982). But most studies assume that migrants to cities are relatively homogeneous, and very few researchers examine the heterogeneity among migrants and how that affects the segmentation of the labour market.² In this paper, I argue that *hukou* and the distinction between permanent migration and temporary migration are central to an understanding of migration and labour market processes in Chinese cities.

The interrelationships among *hukou*, migration and labour market development are poorly understood and are mostly examined based on broad perspectives and macro-level data. This paper uses a combination of census-type data and survey data, and aims at documenting salient differences between migrants with different residence statuses and describing their varied migration and labour market processes. Specifically, I employ data from the 1990 Census and from a survey conducted in Guangzhou in 1998. Guangzhou is one of the biggest cities in China, its economy is diverse, and it has attracted a large number of migrants from rural and urban areas from throughout the country. In order to evaluate the role of residence status on migration and labour market processes, the analysis in this paper is guided by a comparative approach that seeks to identify the most salient differences between permanent migrants and temporary migrants. In addition, comparisons between these two types of migrants and non-migrants are also made, wherever possible. Though non-migrants and permanent migrants both have local *hukou*, for the sake of convenience I refer to these

three sub-populations — non-migrants, permanent migrants and temporary migrants — as three types of residence status.

The 1990 Census and the 1998 Guangzhou survey

The empirical analysis uses data from a one-percent sample of the 1990 Census³ and a survey in Guangzhou conducted in 1998. The 1990 Census defines a migrant as an individual five years or older whose usual place of residence on July 1, 1985 was in a different city, town, or county than that on July 1, 1990, and (1) whose *hukou* was in the 1990 place of residence (permanent migrants); or (2) who had stayed in the destination for more than one year or had left the *hukou* location for more than one year (temporary migrants). By definition, the 1990 Census underestimated the actual volume of migration because it excluded moves within cities or counties, migrants younger than five years old, migrants who died between 1985 and 1990, multiple moves between the two years, return migrants, and migrants who did not satisfy the “more than one year” requirement (mostly temporary migrants). But the 1990 Census inquired about the reason for migration, which makes it a more useful source of migration data than more recent national-level surveys such as the 1995 One-Percent Population Sample Survey.

Typically, census-type data provide information about general demographic patterns, while survey-type data can yield more in-depth information about specific processes. In June and July of 1998, I conducted a questionnaire survey in Guangzhou,⁴ in order to examine migration and labour market processes in more detail. The survey (1998 Guangzhou survey) included three types of respondents — 305 non-migrants, 300 permanent migrants, and 911 temporary migrants. A larger number of temporary migrants was included because they are the newest and most dynamic migrants in Chinese cities and because their migration and labour market processes are less well understood. The sample was arrived at using stratified quota sampling, with stratification both across major occupational categories and geographic districts in Guangzhou. The Appendix describes the sampling framework and the sampling process.

In the Guangzhou survey, I employ definitions for non-migrants, permanent migrants and temporary migrants that are somewhat different from those in the 1990 Census. Specifically, non-migrants refer to individuals who lived in Guangzhou for at least 15 years and whose *hukous* were in Guangzhou; permanent migrants refer to migrants who moved to

Guangzhou from 1990 and whose *hukous* were in Guangzhou; and temporary migrants refer to migrants who stayed in Guangzhou for at least three months but whose *hukous* were not in Guangzhou. I assume that individuals who moved to Guangzhou more than 15 years ago and who had local *hukou* were for all practical purposes non-migrants or permanent residents in that city. I use the “since 1990” criterion for permanent migrants in order to focus on relatively recent migrants whose moves were accompanied by a *hukou* transfer or who had obtained a local *hukou* in Guangzhou by the time of the survey. A “three months” rather than the census “one year” criterion for temporary migrants was used because the latter would likely exclude large proportions of temporary migrants in large cities such as Guangzhou. Finally, the survey includes only individuals ages 15 or older. Although the “duration of stay” and “arrival time” criteria are quantitatively different from those in the 1990 Census, the qualitative definitional distinctions, between temporary migrants and permanent migrants, and between migrants and non-migrants, are similar.

The Guangzhou survey has two limitations that must be taken into consideration before interpreting the data. Firstly, a survey of one site, albeit a major city, should not be considered representative of other urban areas in China. Secondly, unlike the 1990 Census, the volume, occupational and gender distributions of the 1998 Guangzhou survey sample are a function of the sampling framework and should not be the objects of inquiry (see Appendix). Despite these limitations, Guangzhou is a major magnet of migrants of all kinds; it has attracted large numbers of migrants from other parts of the province and from other provinces; it has a large, diverse and changing economy, and it has a rapidly expanding and relatively developed urban labour market. For these reasons, Guangzhou is among the best field sites to study migration and labour market processes in Chinese cities.

Demographic characteristics

Comparisons between the 1998 Guangzhou survey sample and the 1990 Census can help us assess the quality of the survey data and reveal broad differences between non-migrants, permanent migrants and temporary migrants. The two samples selected from the 1990 Census for comparison are the Guangzhou (*shiqi* or urban districts) sample and the cities (all *shiqi* or urban districts) sample, respectively, based on a one-percent sample of the 1990 Census (see note 3) (Table 1).

Table 1. Comparison of the 1998 Guangzhou survey sample with the 1990 Census samples: demographic characteristics

1998 Guangzhou survey*		Guangzhou (ages 15+)		Cities (ages 15+)	
	Non-Permanent	Permanent	Non-Permanent	Permanent	Non-Permanent
	migrants	migrants	migrants	migrants	migrants
	305	300	911	31,822	4,038
N	%	%	%	%	%
Age	29.8	27.5	39.5	23.2	28.4
Mean	35.9	29.8	39.5	23.2	28.4
15-39 (%)	65.2	89.7	90.2	56.8	61.5
Sex ratio	107	142	128	112	186
Nonagricultural hukou (%)	92.1	97.7	32.4	82.2	99.3
Place of birth (urban) (%)	90.8	69.4	29.9	—	—
Education (%)	8.9	2.7	17.3	30.8	23.2
Illiterate/Primary	26.2	5.3	53.3	30.2	51.1
Junior high	35.7	13.7	19.1	25.2	14.6
Senior high	29.2	78.3	10.2	13.8	79.7
Above senior high	17.2	46.0	7.2	25.4	61.0
Occupation (%)	17.2	46.0	7.2	25.4	61.0
Professional	26.0	27.9	26.5	7.6	11.2
Commerce	18.2	16.1	27.9	9.1	13.5
Services	32.8	8.1	33.9	40.9	29.6
Industrial	5.7	2.0	4.5	16.9	2.2
Agriculture	12.1	41.7	23.2	41.7	23.2
Illiterate/Primary	12.1	41.7	23.2	41.7	23.2
Junior high	22.5	34.8	51.1	34.8	51.1
Senior high	16.0	15.0	14.6	15.0	14.6
Above senior high	49.4	8.5	11.1	8.5	11.1
Occupation (%)	39.7	18.4	12.4	18.4	12.4
Professional	6.4	39.7	18.4	12.4	61.0
Commerce	12.9	4.9	5.3	11.2	7.6
Services	12.4	5.8	13.5	4.7	13.5
Industrial	57.3	34.1	30.8	60.4	29.6
Agriculture	10.9	15.5	40.3	2.6	2.2
Illiterate/Primary	34.2	12.1	41.7	23.2	41.7
Junior high	49.1	22.5	34.8	51.1	34.8
Senior high	11.5	16.0	15.0	14.6	15.0
Above senior high	5.2	49.4	8.5	11.1	8.5
Occupation (%)	29.9	27.1	37.6	23.2	28.4
Mean	29.9	27.1	37.6	23.2	28.4
15-39 (%)	82.6	86.9	61.5	86.7	61.5
Sex ratio	141	137	105	186	105
Nonagricultural hukou (%)	17.1	89.1	52.9	19.6	99.3
Place of birth (urban) (%)	—	—	—	—	—
Education (%)	34.2	12.1	41.7	23.2	41.7
Illiterate/Primary	34.2	12.1	41.7	23.2	41.7
Junior high	49.1	22.5	34.8	51.1	34.8
Senior high	11.5	16.0	15.0	14.6	15.0
Above senior high	5.2	49.4	8.5	11.1	8.5
Occupation (%)	39.7	18.4	12.4	18.4	12.4
Professional	6.4	39.7	18.4	12.4	61.0
Commerce	12.9	4.9	5.3	11.2	7.6
Services	12.4	5.8	13.5	4.7	13.5
Industrial	57.3	34.1	30.8	60.4	29.6
Agriculture	10.9	15.5	40.3	2.6	2.2

* Source: 1998 Guangzhou survey.
** Source: 1990 Census one-percent sample.

While the sample size (N) of the 1998 Guangzhou survey is a function of research design, those of the 1990 Census samples can be used to estimate population size. In 1990, a total of 17.2 percent (10.5 percent permanent migrants and 6.7 percent temporary migrants) of the Guangzhou population ages 15 and above were migrants, compared with 8.3 percent (4.5 percent permanent migrants and 3.9 percent temporary migrants) in all Chinese cities. The higher rate of in-migration in Guangzhou reflects the attractiveness of Guangdong as a migration destination as well as the high level of mobility within the province (Fan, 1996). In both the 1990 Census samples, permanent migrants accounted for larger proportions than temporary migrants. But the Census definitions that required a "more than one year" residence, described earlier, likely underestimated the number of temporary migrants in cities.

In all three samples, non-migrants were the oldest, as demonstrated by their higher mean ages and smaller proportions in the 15–39 age group, whereas both permanent and temporary migrants were heavily concentrated in the 15–39 age group. In the 1990 Census samples, temporary migrants were older than permanent migrants, but in the 1998 Guangzhou survey sample permanent migrants (29.8) were older than temporary migrants (27.5). Migrants had higher sex ratios than non-migrants, which is consistent with the conventional wisdom that men are more mobile than women. But the sex ratio of permanent migrants in the 1990 Census Guangzhou sample was exceedingly high — 427. These age and sex ratio discrepancies are probably related to educational attainment, occupational distributions and reasons for migration, which will be elaborated upon below.

As expected, in all three samples, the vast majority of non-migrants and permanent migrants, and only a minority of temporary migrants, held nonagricultural *hukou*. The relatively low proportion of non-migrants in the 1990 Census cities sample holding nonagricultural *hukou* (52.9 percent) suggests that some cities included significant proportions of the rural population within their administrative (*shiqi*) boundaries. This observation is further supported by the relatively high proportion of non-migrants in the cities sample who engaged in agriculture (40.3 percent). But Guangzhou was more urbanized than the average city in China, hence a high proportion of non-migrants holding nonagricultural *hukou* (82.2 percent) and a low proportion of them engaging in agriculture (16.9 percent) in 1990. The place-of-birth data from the 1998 Guangzhou survey, which show that 69.4 percent and 29.9 percent of permanent migrants and temporary migrants

respectively were born in urban places (cities and towns), further highlight the contrasts in background between them — permanent migrants were more likely to have urban backgrounds and temporary migrants were more likely to have rural backgrounds.

In all three samples, permanent migrants were the most highly educated, with "above senior high" educations, while temporary migrants were concentrated at the "junior high" level. Non-migrants were less concentrated at specific education levels, but in general they were more highly educated than temporary migrants. As a whole, the 1998 Guangzhou survey sample and the 1990 Census Guangzhou sample were more highly educated than the 1990 Census cities sample, which reflects Guangzhou's relatively high level of development as well as its concentration of educational institutions. A comparison of the 1998 Guangzhou survey sample with the 1990 Census Guangzhou sample suggests that the former resembles the educational attainment of permanent migrants and temporary migrants in that city. Non-migrants in the 1998 Guangzhou survey sample, however, had higher education levels than their counterparts in the 1990 Census Guangzhou sample. All in all, the 1998 Guangzhou survey sample yields a clear educational ranking among the three types of residence status: permanent migrants, non-migrants, and temporary migrants in descending order.

In both the 1990 Census samples, permanent migrants were most highly represented in the professional (including administrative) occupations, while temporary migrants were most highly represented in industrial work. In the 1990 Census Guangzhou sample, in particular, professional occupations accounted for 61.0 percent of permanent migrants, and industrial work accounted for 60.4 percent of temporary migrants. These observations underscore a strong relationship between the *hukou*-based migration system and segmentation of the labour market. In both the 1990 Census samples, the economic structure of the respective cities was likely the main driving force of the non-migrants' occupational distributions. For example, Guangzhou's industrialized and relatively developed economy resulted in higher proportions of non-migrants in industrial (40.9 percent) and professional (25.4 percent) occupations than the average city in China.

As described earlier and in the Appendix, the occupational distribution of the 1998 Guangzhou survey sample is a result of a predetermined sampling framework. Specifically, using the 1990 Census Guangzhou sample as a reference, I increased the proportions in commerce and services

for all three subpopulations, in order to adjust for the expansion of these occupations in Guangzhou during the 1990s. Correspondingly, the relative proportions of professional and industrial occupations were adjusted downward. The net result was that the three subpopulations surveyed had the same modes, with deflated proportions, as the 1990 Census Guangzhou sample, namely, industry (32.8 percent) for non-migrants, professional (46.0 percent) for permanent migrants, and industry (33.9 percent) for temporary migrants.

The concentration of permanent migrants in the "above senior high" education level and in the professional occupation in Guangzhou is probably related to their high sex ratio — 427 according to the 1990 Census — that was observed earlier. The concentration of educational institutions in Guangzhou has attracted large numbers of migrants who want to pursue higher education. This kind of migration is mostly represented as permanent migration, as admission to universities entitles the migrants to obtain a local *hukou* (see also Table 2). The large number of migrants moving to Guangzhou to pursue education has probably resulted in a relatively young average age among permanent migrants in that city, as observed earlier. But persistent gender discrepancies in access to higher education suggest that there are considerably more men than women who participate in migration for educational purposes, boosting the sex ratio among permanent migrants. Similarly, the higher representation of men than women in professional work also contributes to a high sex ratio among permanent migrants.

The above analysis highlights important socioeconomic differences among the three subpopulations, and underscores residence status as an important definition of social and economic stratification in Chinese cities. In general migrants are younger than non-migrants. But a young age is probably the only similarity between permanent and temporary migrants. Non-migrants and permanent migrants are associated with urban backgrounds, and temporary migrants are associated with rural backgrounds. Contrasts in terms of human capital are marked by a hierarchy in educational attainment, especially notable in Guangdong where permanent migrants are the most highly educated and temporary migrants are the least educated. These discrepancies in human capital and backgrounds have probably resulted in differentials in labour market opportunities, as illustrated by the observed hierarchy in occupational attainment, with permanent migrants again at the top and temporary migrants at the bottom.

Table 2. Comparison of the 1998 Guangzhou survey sample with the 1990 Census samples: migration

Origin type (%)	1998 Guangzhou survey*				1990 Census**			
	Guangzhou (ages 15+)		Cities (ages 15+)		Guangzhou (ages 15+)		Cities (ages 15+)	
	Per- manent migrants	Tem- porary migrants	Per- manent migrants	Tem- porary migrants	Per- manent migrants	Tem- porary migrants	Per- manent migrants	Tem- porary migrants
City	59.5	17.0	43.9	8.3	31.7	10.4		
Town	22.4	25.3	33.4	14.8	25.4	13.5		
Village	18.1	57.6	22.7	76.8	42.9	76.1		
Interprovincial (%)	49.5	53.9	20.1	16.5	25.3	34.2		
Source of interprovincial migrants (%)								
Eastern	37.2	16.8	33.0	11.3	38.2	47.2		
Central	51.4	66.9	55.6	80.4	39.3	33.8		
Western	11.5	16.2	11.4	8.3	22.5	19.0		
Reason for migration (%)								
Job transfer	15.7	1.3	5.3	1.0	20.5	5.2		
Job assignment	24.0	0.4	17.4	0.4	12.7	2.8		
Industry/business***	14.3	93.1	0.9	66.5	1.7	57.8		
Study/training	28.3	0.7	68.2	10.2	34.8	3.5		
Friends/relatives	—	—	1.2	6.7	6.5	12.1		
Retirement	—	—	0.2	0.5	1.3	0.8		
Joining family	5.7	2.1	3.6	1.6	8.8	4.2		
Marriage	7.3	1.3	1.0	4.1	7.6	9.0		
Other	4.7	1.1	2.2	9.0	6.1	4.6		

* Source: 1998 Guangzhou survey.

** Source: 1990 Census one-percent sample.

*** Note: "Industry/business" in the 1990 Census is considered the same as "self-initiated" moves in" the 1998 Guangzhou survey.

Migration processes

In both the 1990 Census Guangzhou and cities samples, the majority of permanent migrants originated from villages, and the majority of permanent migrants originated from cities or towns (Table 2). The 1998 Guangzhou survey sample shares these general characteristics. Specifically, 57.6 percent of the temporary migrants surveyed came from villages, and 81.9 percent

of the permanent migrants surveyed came from cities or towns. These statistics again indicate that permanent migrants are more likely to come from urban areas and that temporary migrants are more likely to come from rural areas.

But the 1998 Guangzhou survey sample seems to have over-represented inter-provincial migration. The respective proportions of inter-provincial migrants among permanent and temporary migrants — 49.5 percent and 53.9 percent — are significantly higher than those of the 1990 Census samples (see also Figure 1). This discrepancy likely is related to the higher representation of commerce and services, which tend to attract large numbers of inter-provincial migrants. But the regional origins of inter-provincial migrants in the 1998 Guangzhou survey sample resemble those in the 1990 Census Guangzhou sample. Specifically, the majority of the inter-provincial migrants originated from provinces in the central region, but significant proportions of the permanent migrants came from provinces in the eastern region. This pattern is consistent with the observation in recent research that eastward movements from inland to coastal provinces dominate inter-provincial migration, but it also suggests that permanent migrants are more likely than temporary migrants to have origins in the more developed eastern region.

The 1998 Guangzhou survey data permit more detailed analyses of the migrants' origins. As shown in Figure 1, the origins of the permanent and temporary migrants differed. Specifically, higher proportions of temporary migrants originated from other provinces and the periphery (northern and non-coastal parts) of Guangdong, and a higher proportion of permanent migrants originated from non-Pearl River Delta open areas in Guangdong. These differences suggest that permanent migrants are more likely to come from more developed origins and temporary migrants are more likely to come from less developed localities. But the higher proportion of temporary migrants originating from the Pearl River Delta (16.5 percent) seems to refute the above generalization. A closer examination of the data shows that 66.0 percent of the temporary migrants who originated in the Pearl River Delta were not first-time migrants (Figure 2). In other words, they had migrated from other provinces or other parts of Guangdong to the Pearl River Delta before their most recent migration to Guangzhou. In fact, among temporary migrants originating from Guangdong, the proportion of non-first-time migrants grew with an increasing level of development — lowest for the peripheral origins (16.9 percent) and highest for Pearl River Delta

Figure 1. Origins of migrants: 1998 Guangzhou survey.

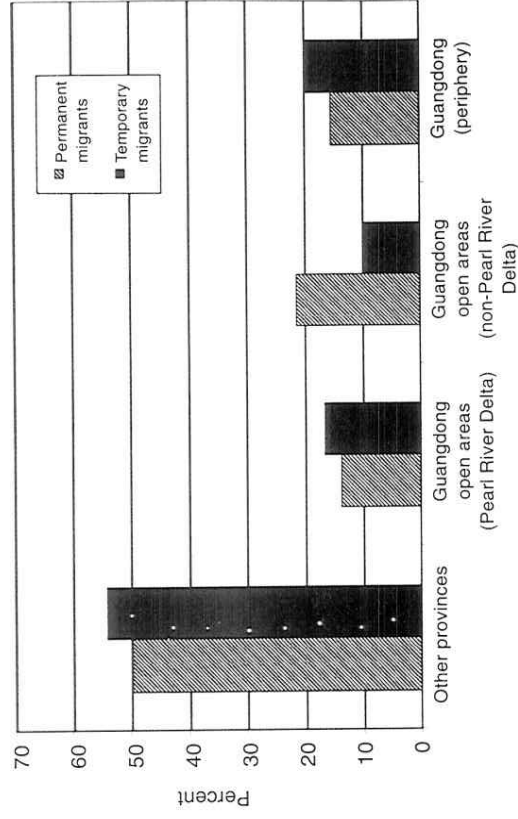
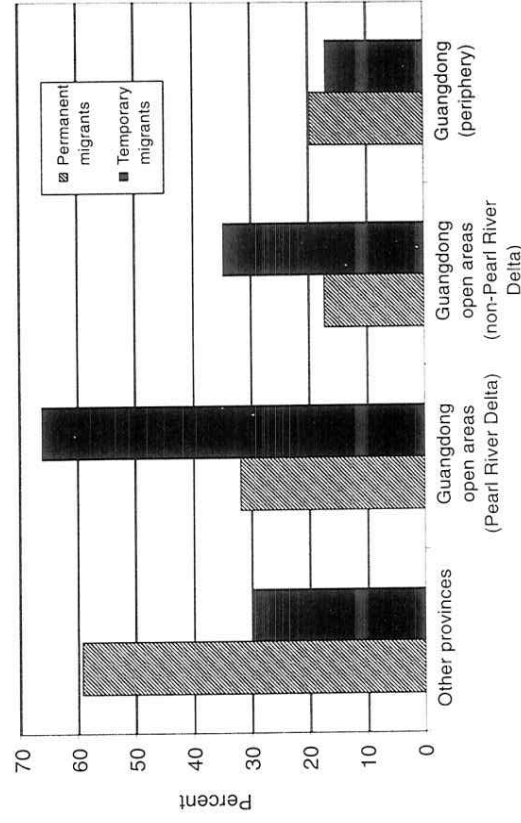


Figure 2. Non-first-time migrants: 1998 Guangzhou survey.



origins (66.0 percent) — suggesting a pattern of migration in stages from less developed areas to more developed areas.

Permanent migrants and temporary migrants differed considerably in their reason for migrating. Here, a clarification of “reason for migration” is in order. The standard nine “reasons for migration,” listed in Table 2, have their origins in Chinese census-type surveys, including the 1987 One-Percent Sample Survey and the 1990 Census. But the definitions of these “reasons” indicate that they denote the means and types of migration and the degrees of state involvement more than the motives behind population movement (Fan, 1999).⁵ For example, “job transfer” and “job assignment” refer to the state’s allocation of human resources by assigning school graduates and transferring workers to specific jobs and regions; “industry/business” refers to self-initiated migrants wishing to engage in industrial, commercial or trade sectors; “friends/relatives” refers to migration to seek the help of friends and relatives, and it is mostly associated with self-initiated migration; and “study/training” refers to migration to attend schools or training programs. While “job transfer” and “job assignment” are results of the state’s role in shaping the labour market, “industry/business” is most closely identified with migration “outside of the state plan.”

In all three samples, “industry/business” was the dominant reason for temporary migration, while “study/training,” “job assignment” and “job transfer” were the leading reasons for permanent migration. These differences highlight the varied opportunities available to migrants. Migrants whose jobs are allocated by the state and those who migrate for education purposes — “within the state plan” migrants — are eligible for local *hukou* in the cities, while “outside of the state plan” migrants who move on their own initiative and are not sponsored by the state by and large are not eligible for city *hukou*.

“Study/training” was the most prominent reason for permanent migration, accounting respectively for 34.8 percent, 68.2 percent and 28.3 percent of permanent migrants in the 1990 Census Cities sample, the 1990 Census Guangzhou sample, and the 1998 Guangzhou survey sample. These statistics reflect the concentration of educational institutions in Chinese cities. The prominence of “industry/business” among temporary migrants highlights the availability of “outside of the state plan” employment opportunities, especially in industry, services and commerce, in large cities such as Guangzhou. “Marriage” was relatively less important in all three samples, since most marriage migrants in China are rural-rural

migrants and are not highly represented in the cities (Fan and Huang, 1998).

In general, the 1998 Guangzhou survey sample reflects the types of migration observed in the two 1990 Census samples as well as the adjustments made in the sampling framework. The larger proportion of temporary migrants selecting “industry/business” (93.1 percent), and the lower proportion of permanent migrants selecting “study/training” (28.3 percent), are partly due to the higher representation of commerce and service occupations in the sampling framework. But as a whole the distribution of reasons for migration in the 1998 Guangzhou survey sample closely resembles the contrasts observed in the two 1990 Census samples — permanent migration is more closely associated with institutional opportunities related to education and state allocation of human resources, while temporary migration is overwhelmingly represented by self-initiated moves.

While census-type “reasons for migration” focus on migration types and institutional involvement more than migration motives and decision-making, the 1990 Guangzhou survey data permit more detailed analyses of the latter (Table 3). “Job search” was the most important motive among both permanent and temporary migrants surveyed; and “increase income” and “study” were the second leading motives respectively for temporary migrants and permanent migrants. The greater prominence of “job search” and “increase income” reasons among temporary migrants suggests that direct monetary returns and improvements in economic well-being were the major forces behind their moves. Temporary migrants’ reasons for leaving their origins — 63.5 percent citing “low income” and 19.1 percent “few jobs,” compared respectively with 28.0 percent and 5.7 percent among their permanent migrant counterparts — further support this observation. These statistics, combined with earlier observations about migrant origins, suggest that temporary migrants to Guangzhou are mostly “upward” movers from poorer and less developed areas, while permanent migrants are represented by both “upward” and “level” movers, including those from urban and more developed areas.

Finally, the reasons for choosing Guangzhou as a destination reflect the perception that there are available economic opportunities in the city (Table 3). The survey permitted multiple responses to this question, which partly explains the scattered distribution of the responses. Nevertheless, “higher wages” and “ease in finding jobs” accounted respectively for

Table 3. Migration considerations: 1998 Guangzhou sample

Motive for migration (%)	Permanent migrants	Temporary migrants
Job search	38.5	55.7
Increase income	11.7	37.7
Family/marriage	15.1	3.2
Study	28.8	1.1
Other	6.0	2.2
Reason for leaving origin (%)		
Low income	28.0	63.5
Few jobs	5.7	19.1
Family	16.0	8.8
Study	39.3	0.6
Other	11.0	8.1
Reason for choosing Guangzhou (multiple) (%)		
Higher wages	30.8	23.2
Ease in finding jobs	19.0	32.1
Family/relatives	17.7	26.2
Proximity to origin	12.9	13.0
Other	19.6	5.5

55.3 percent of the responses by temporary migrants and 49.8 percent of those by permanent migrants. Among both permanent and temporary migrants, "proximity to origin" was not an important reason for choosing Guangzhou, which not only reflects the large proportion of interprovincial migrants among the survey sample, but also points to the strong economic pull of Guangzhou which likely offsets the friction of distance for migrants.

Labour market processes

The data on occupational distribution that were summarized earlier suggest that the labour market in Guangzhou and in other Chinese cities is highly segmented, and that the segmentation is correlated with residence status. The 1990 Census Guangzhou sample, in particular, shows that permanent migrants concentrated in professional occupations, temporary migrants concentrated in industrial work, and non-migrants were well represented in both (Table 1). In short, permanent migrants had the highest occupational levels, followed by non-migrants and finally temporary migrants.

A comparison of the job search experiences of non-migrants, permanent migrants and temporary migrants further reveals important processes relevant to labour market segmentation. While census-type data do not provide such information, the 1998 Guangzhou survey data can shed some light on job search experiences in that city. Table 4 shows that "income" was the leading job search criterion of all three subpopulations, and that it

Table 4. Job search and sector: 1998 Guangzhou sample

	Non-migrants	Permanent migrants	Temporary migrants
Criteria for job search (%)			
Income	40.9	45.3	62.7
Ownership sector	18.6	23.0	4.7
Stability	24.9	13.2	18.8
Location	1.7	7.4	3.6
Benefits	4.7	5.7	3.2
Other	5.3	4.1	3.7
Information about labor market (%)			
Relatives in Guangzhou	50.8	49.0	41.2
Relatives outside Guangzhou	0.7	4.7	36.9
Advertisement	11.5	15.3	8.8
Work unit/school	22.4	11.0	0.2
Agencies in Guangzhou	4.1	6.0	4.1
Agencies outside Guangzhou	0.0	0.3	1.7
Other	9.8	13.7	6.6
Medium for this job (%)			
Self	55.7	64.0	87.1
Recruitment	23.9	21.7	7.6
Work unit assignment	18.7	9.0	0.7
Other	1.6	5.3	4.6
Ownership sector (%)			
State	43.3	57.1	16.4
Collective	13.0	5.1	9.1
New-economy	22.0	20.9	55.0
Self-employed	21.7	16.9	19.4
Stability			
Number of jobs (mean)	2.2	1.9	2.5
Years at present job (mean)	9.9	3.9	2.7

was most prominent (62.7 percent) among temporary migrants. "Ownership sector" accounted respectively for 23.0 percent and 18.6 percent of non-migrants and permanent migrants, but only 4.7 percent of temporary migrants. These differences again suggest that income was a predominant incentive for temporary migration, while non-migrants and permanent migrants were driven not only by income but also by non-monetary considerations such as ownership sector (see below). "Location" and "benefits," on the other hand, were of little importance to all three subpopulations.

In the 1998 Guangzhou survey, respondents were asked to specify their main source of information about the labour market and the medium for finding their present job. Responses to the questions suggest that temporary migrants had less access to institutional resources than their non-migrant and permanent migrant counterparts, and that they had to rely on self-help and network-type resources. Table 4 shows that "relatives in Guangzhou" was the leading source of labour market information for all three types of samples. But "relatives outside Guangzhou" was also a very important source of information for temporary migrants (36.9 percent). Most likely, these were relatives from the migrants' home towns or villages. In other words, social and kinship networks were the dominant source of information for temporary migrants. Though networks were also important among non-migrants and permanent migrants, as indicated by the high percentages of "relatives in Guangzhou," the relative importance of "advertisements" and "work unit/school" suggests that these two groups were more connected to institutional and organized information sources. As a whole, the data show that a social network is generally important for a job search, but it is probably more important for temporary migrants who are relatively detached from institutions and other organized sources in Guangzhou.

As a result of differing occupational distributions, job search experiences and opportunities in the labour market, the sectoral distribution varies considerably among the three subpopulations. The analysis focuses on four ownership sectors — state, collective, new-economy and self-employed. The state and collective sectors are the traditional ownership types in the Chinese socialist economy. In large and older cities such as Guangzhou the state sector continues to be prominent. On the other hand, recent reforms of state-owned enterprises and changes in the urban economy have reduced the dominance of the state sector and promoted shifts of the labour force to the non-state sector. In order to address the complexity of the non-state

sector, in the analysis it is further broken down into the "new-economy" and "self-employed" sectors. New-economy refers to employment in other than state- and collective-owned enterprises. This sector, mainly represented by foreign-invested, private, family and individual-owned enterprises, has rapidly gained prominence since the 1980s. It is characterized by jobs in industry and services, and is very important to temporary migrants who have less access to institutional resources and who have more opportunities outside the state sector. Secondly, the self-employed sector refers to employers and individuals who own their own businesses, as opposed to employees in state, collective or new-economy sectors. Like the new-economy sector, the self-employed sector has increased in size since the economic reforms. It is more developed in large and commercialized cities such as Guangzhou where reforms and a concentration of human resources have given rise to a more open and plural economy, to a critical mass of entrepreneurs, and to many business opportunities.

Data from the 1998 Guangzhou survey show that the state sector accounted for 57.1 percent of non-migrants, 43.3 percent of permanent migrants, but only 16.4 percent of temporary migrants (Table 4). The majority of temporary migrants — 55.0 percent — was in the new-economy sector. These statistics support the notion that non-migrants and permanent migrants have greater access to well-established and institutional labour market processes, while temporary migrants are mostly channeled to newer and less institutionalized segments of the urban economy. In addition, 16.9 percent, 21.7 percent and 19.4 percent respectively of non-migrants, permanent migrants and temporary migrants were in the self-employed sector, suggesting that self-employment has emerged as an important segment in Guangzhou's labour market.

Finally, Table 4 shows that job turnover was the highest among temporary migrants and lowest among non-migrants. The average number of jobs one has had was 2.2 for non-migrants, 1.9 for permanent migrants and 2.5 for temporary migrants. The relatively small number of jobs for non-migrants, despite their older ages, suggests a high level of job stability, which is further illustrated by their long duration at the present job (averaging 9.9 years). By contrast, temporary migrants' higher job frequency (2.5) and shorter duration at the present job (2.7 years) depict a relatively high level of job turnover, further underscoring their association with less established and less stable segments of the labour market.

Summary and conclusion

This paper has highlighted residence status as a critical determinant of the differences in migration and labour market processes in Chinese cities. Results from the empirical analysis suggest that the complex Chinese urban labour market is intricately related to migration processes and institutional legacies. Drawing from census data on Chinese cities as well as on a recent survey on Guangzhou, the findings support the argument that labour market segmentation in China must be understood and conceptualized in relation to residence status and the transition in the urban economy. Though the Guangzhou survey examines migrants and the labour market in only one city, that city's attractiveness to migrants and its diverse and relatively developed economy suggest that observations here may well be repeated in other large Chinese cities that have also received large numbers of migrants. In many ways, the findings from the survey support and complement those based on the 1990 Census.

There are clearly enormous socioeconomic, migration and labour market differences among non-migrants, permanent migrants and temporary migrants. The differences are especially acute between permanent and temporary migrants, and are in no small part due to a society-wide sorting mechanism that allocates urban *hukou* to migrants with higher educations from urban and more advantaged locations. They are, so to speak, state-sponsored migrants who are differentiated from those with low education from rural and poorer regions, who must migrate without the benefit of a local *hukou*. The sorting continues during migration and in the labour market, partly because of the migrants' different residence statuses and partly because of their human capital differences. Permanent migrants have greater access to institutional resources and information and are engaged in more prestigious occupations. By contrast, most temporary migrants are dislocated from institutional resources and are clustered in less prestigious occupations and sectors.

The findings in this paper support the notion that residence status is central to the processes of migration and segmentation of the urban labour market in China.⁶ Attempts toward theorization of these processes must first take into consideration the selectivity, opportunities and constraints associated with residence status. In the city, the biggest divide appears to be between permanent migrants and temporary migrants, rather than between migrants and urban natives. In this regard, the traditional dual

labour market model, which does not emphasize the heterogeneity among migrants or the institutional factors of migration, is useful but too simplistic for the Chinese case. The transitional setting, where socialist-type and newer economic activities are both in flux, and where market and institutional mechanisms coexist, adds further complexities to our understanding of migration and labour market processes in Chinese cities.

Appendix

A sampling framework with stratification across both occupational categories and the eight urban districts in Guangzhou was used to guide the sampling process. Using the distribution of major occupations in Guangzhou from the 1990 Census as a basis (see Table 1), four types of adjustments were made. The first adjustment was made to reflect the changes in the city's economic structure between 1990 and 1998, by increasing the relative proportions of commerce and services. I then adjusted the occupational proportions of the three types of residence status in order to estimate their likely occupational distributions. The actual occupational distributions of these three subpopulations in Guangzhou are not known because official data do not include migrants who have not registered with the local authorities, but who account for a significant proportion of the temporary migrants in the city. Therefore, I relied on informants in Guangzhou, including State Statistical Bureau survey specialists, as well as a variety of scholarly and journalistic sources that estimated the breakdowns of occupational categories (e.g., management, street vendors, garment workers, etc.) among migrants in Guangzhou. Thirdly, in order to facilitate comparison among the three subpopulations, adjustments were made to ensure that sufficient numbers in the respective occupational categories were included. For example, I adjusted upward the proportions of permanent migrants and non-migrants in commerce. Finally, I roughly allocated the proportions of men and women, except for the occupational categories that are clearly dominated by one sex (e.g., nannies and construction workers).

The geographic proportions for the initial sampling framework across the eight urban districts of Guangzhou were derived from existing data on the geographic distributions of population, nonagricultural population, and migrants in Guangzhou, as well as the settlement history of individual urban districts. For example, Yuexiu and Haizhu were allocated larger proportions because they are among the oldest and most urban parts of Guangzhou,

and they are known for an increasing concentration of permanent and temporary migrants during the 1990s. Conversely, smaller proportions were allocated to suburban districts, such as Baiyun, that are less known for migrant concentration.

Using an initial sampling framework, a team of six interviewers employed the quota sampling technique and randomly interviewed respondents who satisfied the occupational and geographical criteria until the predetermined numbers or proportions in the initial sampling framework were reached. Table 1 shows the occupational breakdowns of the survey sample. See Fan (2001) for more details about the sampling and survey processes.

Notes

1. Since the early 1990s large cities have begun to offer "blue stamps" or "blue seals" (*lanyin hukou* for sale, subject to regulations set by local governments. But most peasant migrants are not eligible for or cannot afford this relatively new type of *hukou* (Wong and Huen, 1998).
2. One exception is Gordon (1995), who differentiates contracted migration – migration secured with employment – from speculative moves where a job search follows migration and where employers seek to minimize their commitments and responsibilities toward labour.
3. The one-percent sample is a clustered sample containing information about every individual in all households of the sampled village-level units (villages, towns, or urban neighborhoods in cities) drawn from China's 1990 Census. It includes a total of 11,475,104 records.
4. The survey was designed together with Kam Wing Chan, Ling Li and Yunyan Yang.
5. See SSB (1993: 513–514, 558) and Fan (1999) for definitions of the nine reasons for migration.
6. See Fan (2001) for a discussion of the relationship between residence status and labour market returns.

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