

Fragmented Social Exclusion and Rural-Urban Migration in China: A Case Study of Xi'an

By

Ian Cooper

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Abstract

Rural-urban migration is one of the most significant phenomena characterizing contemporary China. Numbering about 168 million in 2014, the rural-urban migrant population is expected to grow to 230 million by 2030. The impact of migration is such that it influences the economic, social, political and cultural development of urban China. While geographic mobility is no longer restricted by the state and migrants are free to move about the country, it is well documented that migrants face differential access to, and are excluded from, a variety of socio-economic opportunities compared to their local urban counterparts. The dominant discourse explaining the social exclusion of China's rural-urban migrants has long focused on the impact of the Household Registration System (*hukou* system), which historically confined individuals to their location or origin, and which continues to influence access to local social services, benefits and resources. Using data derived primarily from interviews with subject matter experts, public officials and migrant workers in the city of Xi'an, the capital of Shaanxi province, this paper identifies, compares and contrasts major formal/legal and informal/social factors that contribute to the social exclusion of rural-urban migrants across several socio-economic dimensions, including employment, education, healthcare and housing. The results of this study demonstrate that migrant social exclusion in Xi'an is multidimensional, fragmented across socio-economic dimensions, and more complex than the prevailing *hukou*-based discourse would suggest.

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1 Chapter: Rural-Urban Migration in China

The emergence and growth of domestic migration since the introduction of reform in 1978 is without question one of the most important phenomena characterizing contemporary China. Affecting virtually every facet of society, domestic migration has significantly influenced the course of the country's regional, economic, and social development. As such, it deserves special attention when attempting to understand the challenges and opportunities linked to China's current and continued development and growth.

1.1 An Overview of Domestic Migration and Urbanization in China

Tightly controlled by the state in the pre-reform period of the People's Republic of China (1949-1978), migration has become increasingly commonplace since political, economic, and social reforms began to take hold, beginning in 1978. Some of the most influential factors that have contributed to the emergence and growth of domestic migration in the post-reform period include a gradual relaxation of regulatory controls and restrictions such as the Household Registration (*hukou*) System, which had previously confined individuals to particular locations; industrialization and urbanization, which created a demand for cheap labour; the development of a labour market, which spurred mobility throughout the country as people sought out better employment opportunities; and an increasing rural-urban income gap, which drew people away from the countryside toward China's urban centres. As a result, domestic migration, and particularly rural-urban migration, has increased dramatically to the point where it is frequently associated with the image of "tidal waves" of migrants "flooding" into China's cities (Goodkind and West 2002; Liang and Ma 2004). As a phenomenon that was virtually nonexistent at the

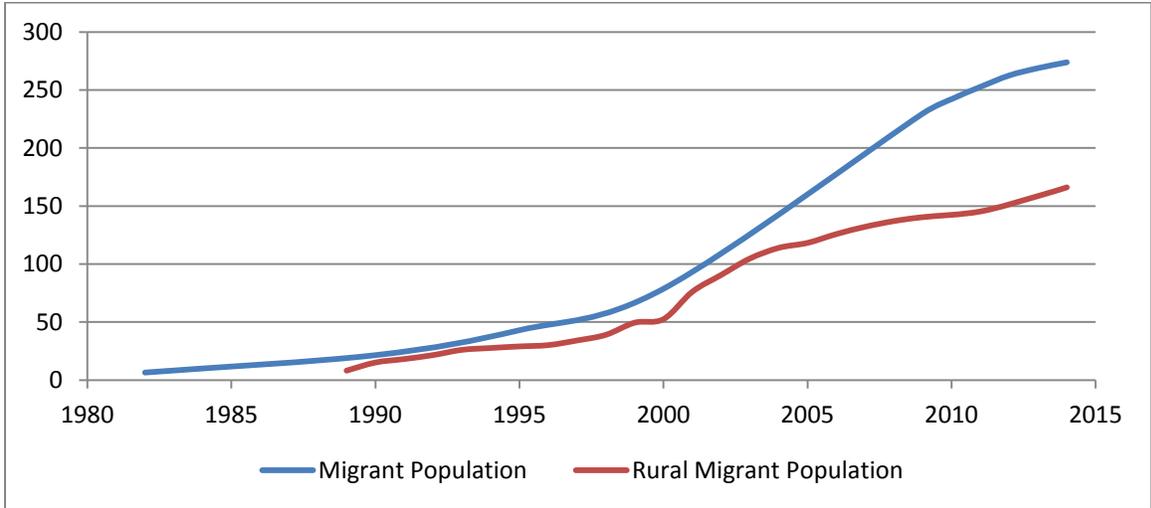
outset of reform, the migrant population is estimated to have grown from about 6.6 million in 1982 (Liang, Li and Ma 2014) to more than 274 million in 2014¹ (NBS 2015), comprising about a fifth of the overall population. The migrant population is composed of several origin-destination-based sub-groups, including urban-urban, urban-rural, rural-rural, and rural-urban migrants. Over the first two decades of reform, rural-urban migrants accounted for almost the entirety of the migrant population. However, since the early 2000s, the migrant population has become more diverse, and the proportion of migrants belonging to other subgroups has increased. However, even with this increased diversity, rural-urban migrants still make up the majority (61 percent) of China's migrant population (Figure 1.1). In 2014, there were roughly 168 million rural migrants living in China's cities (NBS 2015). Moving forward, it is estimated that the migrant population will reach 310 million by 2030, with about 230 million of these being rural-urban migrants (Xinhua 2015, July 10).

Urbanization, defined as an increase in the proportion of the population living in urban areas (OECD 2003), has been significantly affected by the emergence and growth of domestic migration in China, and the number and size of Chinese cities have grown rapidly as a result. According to the National Bureau of Statistics, China's urban population increased from 17.9 percent (170 million) of the total population in 1978 to 51.3 percent (690 million) in 2011, representing the first time that the proportion of urban dwellers has exceeded 50 percent (NBS 2012). Conversely, the percentage of the rural population dropped from 82.1 percent to 48.7

¹ The National Bureau of Statistics (NBS) identifies migrant workers as "those who are employed outside their villages and towns for more than six months in the year and those who do non-agricultural work in their villages and towns for more than six months in the year" (NBS 2015).

percent over this same period (China Daily 2013, January 28). Mirroring trends in the migrant population, urban population growth has increased dramatically since the turn of the millennium (Figure 1.2). For example, from 2002 to 2011, the urban population posted an average annual growth of 3.8 percent, equivalent to an increase of about 21 million people a year. Growth is expected to continue into the near future as remaining surplus rural labour is released from the countryside and transferred to the urban population. It is estimated that another 20 million rural people will become urban residents annually, and that urban residents will account for 64 percent of the total population by 2025 (McKinsey 2009:18). In addition, by 2025 China will have 202 cities with more than one million residents; by comparison, there are 35 such cities in all of Europe today (McKinsey 2012:4).

1.1 Estimated Migrant and Rural Migrant Population (millions)

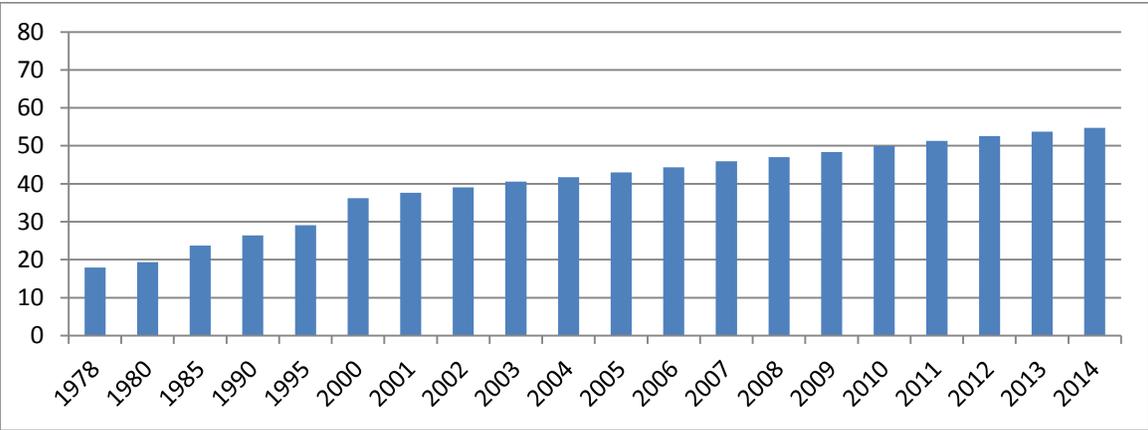


Source: NBS various years; Chan 2008; Liang, Li and Ma 2014

Rural-urban migration is recognized as the main driver of urbanization, and is thought to account for between 70 and 75 percent of urban growth in the post-reform period (Zhang and Song 2003; Koen et al. 2013). Without the emergence of the domestic migration phenomenon,

it is estimated that the population growth of China’s cities would have been relatively static due to the strict enforcement of the “One Child Policy,” which has limited the natural growth of the urban population to around 0.6 percent per year (Koen et al. 2013:30). Migration and urbanization are mutually reinforcing phenomena: urbanization spurs migration, and migration contributes to urbanization. The rapid growth of China’s urban economies has created a huge demand for cheap labour, and has directly attracted surplus workers from rural areas. The result is a large population of rural migrants in cities who contribute to further economic activity, growth, and subsequent urbanization. Said one expert when asked about the relationship between migration and urbanization, “without migrant workers, there is no urbanization in China. You cannot separate the two” (Interview 14:7).

1.2 Urbanization in China 1978-2014 (percent of population)



Source: NBS multiple years; Xinhua (2015, January 20); Researcher’s calculations

The flow of domestic migration has evolved over the course of the reform period. Initially, the primary destination for rural-urban migration included large metropolises (e.g. Beijing, Shanghai) and cities along China’s coast designated as Special Economic Zones, which had benefited from preferential tax and land-use policies (e.g. Xiamen, Shantou, Shenzhen),

subsequently spurring investment, development, and employment opportunities. Conversely, the most popular destination for today's migrants (rural and urban alike) are "medium" and "large" Tier 2 cities (a discussion on China's city tiers is provided in Chapter 4). According to Luan (2013), who analyzed population growth in thirty-eight Chinese cities from 2000 to 2007, the proportion of population growth (including both urban residents and migrants) in Tier 2 cities increased more (32.1 percent) than larger Tier 1 (15.8 percent) and smaller Tier 3 cities (23.4 percent). This suggests that Tier 2 cities are gradually attracting a larger share of migrants, and subsequently playing a crucial role of carrying the population pressure stemming from both Tier 1 cities and rural areas in China (Luan 2013:370). Moving forward, the migrant population is expected to constitute around 50 percent of the population of Tier 2 mid- and larger-sized cities by 2025 (McKinsey 2009:20).

1.2 Relationship between Migration and Development

Theories of economic growth and development have long recognized that migration has a positive impact on the economic and social development of receiving areas, as well as positive consequences for the living standards and well-being of those who migrate. In China, the impact of migration on a city's urban landscape is significant, to the point of influencing its economic, social, and political development (Fan 2008:65). According to one government official in Xi'an, "for a city to develop, it is essential to have migrants. They are very important. The development of the city needs them" (Interview 13:6). The relationship between migration and development is mutually reinforcing. Development processes tend to initially increase people's capabilities and aspirations to move, explaining why development often boosts migration.

Similarly, migration impacts the development of cities, making them powerful engines for economic growth and providing benefits and advantages inherent with increased population size, such as increased labour, tax revenue, construction, and transportation infrastructure. In addition, larger cities are typically more productive, contribute to industrial restructuring and upgrading, and promote the growth and development of consumer services (e.g. trade, catering, and tourism), producer services (e.g. finance, insurance, and logistics) (China Daily 2013, January 28), and perhaps most importantly, more local consumption and business investment.

In China, domestic migration has helped spur economic development across the country, and is thought to account for between 16 to 22 percent of the country's GDP growth (Wang 2008:1). The importance of migration to China's economic and social development has been highlighted by the country's new leadership. In his first speech as President, delivered on March 17, 2013, Xi Jinping indicated that people should strive to realize the "Chinese dream" and the great rejuvenation of the Chinese nation (China Daily 2013a, March 18). Premier Li Keqiang elaborated, saying that migration and urbanization are key components to realizing the Chinese Dream because of their potential to boost domestic consumption, particularly if the country's migrant workers can be turned into productive urban residents (China Daily 2013b, March 18). Later, on November 12, 2013, the conclusion of the Third Plenum of the 18th Central Committee provided plans for a blueprint for the country over the coming decade. According to Zweig (2013), the main goal of the plan is to improve the "distribution of resources" (*ziyuan fenpei*) and remove constraints on the flow of people, goods, and services across institutional boundaries by establishing the dominance of the market economy and taking the government

out of the business of the nation, with the goal of renewing growth and implementing a fairer distribution of wealth and social benefits (Zweig 2013:3). As a result, much of the administration that oversees China's dual urban-rural economy and underpins the *hukou* system will likely begin to be gradually dismantled in the coming years, contributing to a more favourable environment for further population mobility and urbanization. As a key policy priority of China's new central leadership, urbanization (including the successful integration of migrant workers) is being promoted as a central means of increasing the economic and social development of provinces, cities, and towns. The importance of strengthening inclusive urban growth has been further addressed by the central government's 12th Five Year Plan (2011-2015) (Xinhua 2010, October 13) and the "National New-Type Urbanization Plan" for the 2014-2020 period (Xinhua 2014, March 16). Ultimately, the government plans to fully integrate 70 percent of the country's population into cities by 2025 (China Daily 2013, June 18). Urbanization is central to meeting China's economic growth targets. With the country on track to triple its GDP between 2010 and 2025, if current urbanization trends continue the proportion of China's GDP generated by cities will rise from 80 percent to 90 percent over the same period (McKinsey 2009:13).

However, simply promoting urban in-migration is unlikely to provide a clear path to China's future prosperity. In addition to the recognized economic benefits associated with urbanization, migration, and especially rural-urban migration, has also contributed to the emergence of numerous economic and social challenges for China's rapidly growing cities. The contribution of migrants to urban development is well recognized by the state, which has stated that "rural migrant workers have become a crucial component of the industrial work force, and create

wealth for cities and generate tax revenues” (Wang and Cai 2007:20). However, large-scale immigration can exert significant pressure on the carrying capacity of local infrastructure, economic resources, and social services. As one government official in Xi’an has observed, “the management of the floating population is difficult and brings problems for any city in China, for the government it is a big headache and presents many problems that need to be addressed” (Interview 18:5). Challenges identified by local government officials in Xi’an who were interviewed for this study, for example, include transportation infrastructure, traffic congestion, public security and safety, pollution and cleanliness, as well as severe socio-economic challenges related to education, employment, healthcare, and housing. This presents significant challenges to sustainable urban growth. In many cases, the number of migrants entering urban cities is outpacing the ability of governments to fund, build, and maintain appropriate local infrastructure and economic and social support systems. One of the largest costs for local governments moving forward will be extending the provision of social services to the migrant population. Even though migration and urbanization can theoretically expand consumption and contribute to growth, according to Zhang Xiaoshan from the Chinese Academy of Social Sciences, “the government first needs to be willing to spend on public services and infrastructure construction, as well as providing social welfare for the migrant worker.” Sound urbanization, then, is in large part contingent on “whether the government is willing to pay the huge bill” (China Daily 2013, January 28). It is estimated that by 2025, almost 2.5 percent of urban GDP (1.5 trillion RMB) will be required to extend public services and benefits, including healthcare and education, to migrants across China (McKinsey 2009:23). The capacity of local governments to finance these initiatives however is highly constrained.

This is largely a consequence of changes in the structure of intergovernmental relations and related responsibilities over the course of the reform period, characterized by the trends of increasing decentralization and a subsequent shift of authority and responsibility of many formerly centralized economic powers to lower levels of government (Wu and Ma 2005). Whereas China's economy was highly centralized in the pre-reform era, from a financial perspective, it has since become one of the most decentralized economies in the world (Wong 2012). In 2009, the central government accounted for just 20 percent of national budgetary expenditures, while the remainder was distributed among the provinces (18 percent), municipalities or prefectures (22 percent), and counties (40 percent) (Wong 2012:7). However, while lower levels of government are financially more independent, they have also inherited many vital and costly responsibilities, as the central state has removed itself from many of its previous fiscal and social obligations (Wu and Ma 2005), and has downloaded much of the responsibility for providing social services to lower levels of government. In China, aside from a few favoured cities in prosperous coastal provinces, the financial distribution system does not provide sufficient resources for cities to meet centrally assigned responsibilities and expectations for delivering social services (Wong 2012:3). The provision of social services, in addition to the need of increasing capital to build infrastructure, will continue to strain the entire public-funding system. If the allocation of funding to different cities and regions is not resolved, there will likely be imbalances across the nation (McKinsey 2009:24). In order to overcome financial challenges, city governments have increasingly come to rely on local economic development schemes as a source of financing to fund local infrastructure and to provide social services. Up until recently, cities often financed these initiatives through

revenues from land sales. However, the central government has since introduced restrictions making it difficult for cities to acquire additional land (McKinsey 2009:24), subsequently removing a significant source of revenue for local governments. It is in this context, with China's urbanization presenting both tremendous opportunity and great risks, that analyzing and understanding how cities navigate the situation has acquired great importance.

Moving forward, many of the most critical decisions influencing urban development in China will be made by local governments. As such, local policy choices will significantly shape the future of the country's development. While China's cities and municipal officials are under much pressure to maintain economic growth, they also have an opportunity to develop innovative policy solutions. Even though GDP growth targets are set by the national government, city officials exercise significant discretion in deciding how to reach these targets, as well as in shaping many policies that directly impact local development (McKinsey 2012:5). Pressure from central government to meet various economic and social targets, combined with a fervent growth motivation, has led localities to pursue many innovative and entrepreneurial approaches to obtain and develop those factors considered essential for economic growth. Immigration and the attraction of both skilled human capital and unskilled labour is a key component of many local growth strategies. However, as cities are also required to shoulder the burden of providing public goods and services to the local population (Zhang and Wang 2010:163), there is a resulting tension between the promotion of development and the need to provide social services (Zhang 2008). Local governments are often faced with the situation where they must balance conflicting economic and social interests regarding the social exclusion and the social integration of rural-urban migrants. This tension provides an

interesting policy challenge, where many cities are simultaneously following economic growth strategies that require significant in-migration (both skilled and unskilled), while at the same time developing and implementing restrictive policies with regard to the access and provision of public services to many of these same migrants. China's rapid march toward urbanization makes urban planning a priority at all levels of government.

The role of migration in urban development strategies is currently facing the challenge of shifting from the pursuit of quantity to quality (Qiu 2012:4-5). According to Ding Yifan, Deputy Director at the China Development Research Center, "the most important task is to improve the quality of urbanization, so as to absorb cities' new immigrants, help them become modern citizens, and improve cities' planning and construction" (Ding 2013). The successful social integration of rural-urban migrants into the urban environment is a key component of this process. To date, however, the integration of this population segment has been inconsistent and questionable.

1.3 The Plight of Rural Migrants in Urban China

Even though the current population management system provides relative freedom to move across the country, observers have long noted that migrants, particularly those of rural origin, do not enjoy the same benefits, rights and entitlements in their adoptive host cities when compared to their local urban counterparts (Solinger 1999; Wang 2005; Yi 2005; Zhang et al. 2007). An extensive body of literature has emerged on the topic of social stratification in urban China, and on the issue of inequality between rural migrants and local urban residents. This includes an abundance of rich and robust descriptions that illustrate the lives of rural-urban

migrants, and the extent to which they are excluded and discriminated against in urban China. This research has helped to illuminate the plight of China's rural-urban migrants and the inequality that they encounter across a number of socio-economic dimensions, including but not limited to labour-market access, employment, and wages; social insurance and social assistance programs; basic public services such as healthcare and education; and access to quality housing conditions.

One of the most challenging issues for China's continued urbanization will be coping with continued in-migration in the face of persistent shortages and shortcomings related to the provision of economic and social services. For example, while most migrants are able to find employment in the city, they are typically confined to the informal labour market, and relegated to jobs that are undesirable to local residents, which are low-end, low-skilled and in the "3D" category of "dangerous, dirty, and demeaning" (Chan 2012:189). This is evident when one looks at those industries that employ the largest numbers of migrants, such as manufacturing, construction, services, catering, and wholesale and retail (Wang 2008:7-8). These are jobs that are often unstable and temporary, physically demanding, where the hours are long and overtime pay is non-existent, where salaries are low and frequently delayed or in arrears, and where workers are less likely to be covered by social security. In addition, because formal employment contracts are hard to come by for migrants, it is difficult for them to protect their rights through official arbitration and settlement channels when labour disputes arise. Furthermore, as a result of poor working conditions, rural migrant workers also face high rates of work-related illness, injury, and death (Wang 2008:9-12).

While the employment situation facing migrants is dire, much of the inequality that exists between rural-urban migrants and local residents is found in non-income indicators (Park and Wang 2010), which occur in socio-economic dimensions under the responsibility of local governments. It is well documented that migrants enjoy fewer employment and social benefits than urban residents, and have almost no chance of obtaining retirement pensions, unemployment insurance, or health insurance benefits (McKinsey 2009:45). This is not only a result of their position in the informal labour market where such benefits may not be provided, but also often as a result of discriminatory policies enacted by local governments (Park and Wang 2010:64). In the realm of education, for example, urban schools often refuse to admit the children of migrants, and those who do find places in city schools often must pay significantly higher “entrance” fees in order to enroll their children (Wang 2008:9; Park and Wang 2010:64). Not surprisingly, a low percentage of rural migrant workers send their children to local urban schools (Wang 2008:15). Migrant workers also face much greater health risks than their urban counterparts (Li et al. 2006). For example, migrant maternal and infant health levels are lower, and they experience higher rates of occupational injury and contagious disease (Hu et al. 2008). Furthermore, mental health issues, including depression and suicide contemplation are more prevalent among migrants compared to the non-migrant urban population (Li et al. 2007). Housing is another area where access is restricted, and housing conditions are generally worse off for migrants than the urban population. As a result of low incomes, migrants often cannot purchase housing and are required to rent. Furthermore, they are excluded from support provided by urban work-unit housing allowances or privatization program, and are also excluded from local government low-rent public housing programs (Sato 2006:46). When they

do find housing, conditions are typically poor. Compared to the local population, migrants' housing is inferior in both size and quality, often overcrowded and with few amenities (Wu 2002:115).

Realization of the plight faced by rural-migrants in urban China has led to calls to improve their integration into urban society. For example, China's new leadership has stressed that the transition of migrant workers into productive urban citizens is a top priority for the central government (China Daily 2013, February 27). According to early 2013 policy documents, central government authorities recognize the need to help rural migrant workers become urban residents, calling it an important task for the country's urbanization (Xinhua 2013, February 1). They have also stated that migrant workers should enjoy equal rights and benefits in payments, education of their children, public health, housing and cultural services, and that basic public services should be extended to all permanent residents in cities. However, the costs and the management difficulties involved in radically altering or abolishing the *hukou* system presents a significant concern for local city governments, particularly for the country's largest cities, which are far from enthusiastic about the idea of dramatic *hukou* reform. If rural-urban migrants become urban citizens, it would likely place a tremendous burden on already insufficient local finances because of the local funding and provision of entitlement programs, social protection, and public services (Wang 2008:17). According to Qiao Runling, deputy director of the China Center for Urban Development under the National Development and Reform Commission, the "real reason" why the *hukou* system so hard to reform "is (because of) the social benefits behind it. You need money to pay for the benefits" (China Daily 2013, February 27).

1.4 Existing Perspectives on Social Exclusion and Rural-Urban Migrants in China

Research on the social exclusion of rural-urban migrants has its roots in the wider body of literature related to social inequality and social stratification in China (Solinger 1999; Bian 2002; Wu and Treiman 2004). This research has been instrumental in shedding light on the situation facing China's rural-urban migrant population. Owing to contributions from the likes of Tang (2002), Wang (2005), Li (2005) and Chan and Buckingham (2008), the conversation has focused on the role of the state and public policy in the social exclusion of migrants. The majority of this research focuses on the lingering impact of the *hukou* system as the leading, and sometimes only, significant institutional and structural factor contributing to social exclusion and integration. In recent years, however, evidence from the likes of Huang, Guo and Tang (2010) and Zhan (2011) suggest that the situation is more complex, and that there is a need to go beyond *hukou* explanations of migrant social exclusion.

1.4.1 *Hukou* Explanations of Social Exclusion

Introduced in 1958, the *hukou* system is a remnant of pre-reform socialist China. Despite its prominence and influence, the *hukou* system is not based on a comprehensive set of concise or clear policies. Instead, it encompasses a large number of laws and regulations, many of which continue to be inaccessible and unavailable for public analysis. As a result, there is considerable confusion and uncertainty surrounding the system. Much of what is known about the *hukou* system is the result of select robust academic inquiries, such as those provided by Wang (2005), who succeeded in unpacking many of its intricacies. The foundations of the *hukou* system, and its legal and administrative basis, can be found in the 1958 Regulation on Household

Registration, and the 1985 Regulation on Resident's Personal Identification Card (Wang 2005:62-63), as well as observations of how these have been put into practice. *Hukou* is a system that documents and registers individuals and households, manages strategic target populations such as political dissidents (Wang 2005, 2011), divides the population into rural and urban categories, and restricts population migration across regions and between rural and urban areas. Originally, the system registered and provided individuals with a corresponding *hukou* status based on two interrelated dimensions: residential location and socio-economic eligibility (Wang 2005). While the former bound individuals to their location of permanent residence, regulated spatial mobility and implemented barriers that curtailed permanent migration and relocation, the latter organized individuals according to "agricultural" and "non-agricultural" professions, and regulated the distribution and access to a range of public entitlements. This included the provision of basic social security and social welfare, access to subsidized public services (e.g. education and healthcare), subsidized housing, and guaranteed employment (Wang 2008:16), the provision of which were all in accordance with the makeup of an individual's ascribed *hukou* status. While travel throughout the country was still technically possible, individuals were unable to seek education and employment, access public services and healthcare, or receive food coupons and other subsidies outside their designated *hukou* location, which was determined by their location of birth. Since the *hukou* system penetrated nearly every aspect of an individual's socio-economic position, over the course of its development, it emerged as a key mechanism of state-led social control (Cheng and Selden 1994).

Considered static and inviolate from its inception in 1958 until the beginning of reform in 1978, the *hukou* system has since been subjected to considerable change over the last three decades, and the state's perspective on population mobility has gradually evolved from being very strict to being accepted and even encouraged (Wang 2008:19). There is some debate as to whether the impetus for this change has been the result of formal decision-making from the central government, in realization of the vital contribution that migration makes to the country's development and growth, or if the shift was made in order to maintain political legitimacy and social stability as a result of public pressure from civil society (e.g. media and academics). The reality is likely a combination of both.

The *hukou* system has undergone gradual change over the reform period. As an amalgamation of various policies and regulations, changes to the *hukou* system have invariably been implemented by the state. Migration policy in the post-reform period can be characterized by two broad periods. The first (1978-1992) is characterized by "leaving the land without leaving the village" and "leaving both the land and the village" policies. Following the Third Plenary Session of the 11th National Congress in December 1978, a model of contracting out farm land for cultivation by rural households, known as the Household Responsibility System, was launched in 1979. Under this model, households could operate independently within the limits of the contract agreement, and could freely dispose of surplus production over and above quotas set out by the government and the collectivity. This spurred agricultural production and productivity in the countryside, and subsequently contributed to a large supply of surplus rural labour. Initially, this pool of labour facilitated the emergence of private enterprises in rural towns and villages, and soon a huge number of farmers left the land to be employed by these

enterprises, creating the employment pattern of rural workers “leaving the land but not the village.” This policy served to move workers out of agriculture, allowing them to seek employment in rural industry, while continuing to reside in their home towns and villages. As reforms deepened, rapid economic development in eastern coastal cities required large numbers of workers. To accommodate this, the state adjusted its policies, allowing farmers to enter urban areas to seek employment, albeit with the precondition that their *hukou* registration status remained unchanged (ILO 2011:3). Thus, while migrants were “leaving both the land and the village,” their status as rural citizens did not change. During this period, the state strictly controlled the development of large cities, while actively promoting the development of small cities and towns. The second period (1992-present) can be characterized by a shift from “passive” to “active” migration policies. Following the 1989 incident at Tiananmen Square, which resulted in an immediate crackdown on undocumented migration and a slowdown of the economy by the state, by 1992 the Chinese economy was rising again, creating a surge in demand for rural migrant workers in urban areas. However, as privatization of the economy took hold in the mid 1990s, the supply of workers in many large cities began to outstrip demand. In addition to rural-urban migrants, new labour entrants and laid-off urban workers from state-owned enterprises were all competing for the same jobs. In some cities, strict measures to control the recruitment of migrant workers were adopted, forcing them to return to their villages, resulting in a temporary slowdown in the overall rate of migration. By 1998, many municipalities began to experiment with policies that provided temporary or permanent transference of *hukou* registration. However, these schemes were considered by many to be money-making schemes for local governments, which effectively sold off urban

hukou permits to the highest bidders, usually migrants who were already living in the city, had a fixed residence, and a stable and legal occupation.

The state, particularly at the level of central government, has taken a number of policy actions to enhance public services and to protect the rights and interests of rural-urban migrants. In recent years, the Chinese government has adopted a series of policies and measures that have proved to be effective in improving economic and social conditions for rural migrant workers, safeguarding their legitimate rights and interests while promoting and enhancing their employment opportunities (ILO 2011:1). Following the 16th National Congress in 2000, in order to comprehensively develop both urban and rural areas and to increase the income earning opportunities for farmers, the state adopted policies aimed at providing guidance for rural migrant workers seeking employment in urban centres (ILO 2011:4). The central government and some local governments have also extended training, services, and social security to rural migrants (Wang 2008:17). In the early 2000s, the importance of migrant labour to the national economy, combined with demographic pressures and growing level of migrants in major Chinese cities, contributed to a shift in policy focus toward migrant workers. New policies were created in order to reduce inequality, legitimize migrants as members of the working class, and provide them with greater freedom of movement and protection in the cities (Becker 2014:76). Notably, in 2002 and 2003, two landmark policy documents from the State Council – Document Number 2 from 2002 and Document Number 1 from 2003 – called for the “fair treatment, reasonable guidance, improvement of management, and better services” for migrant workers, and triggered a proliferation of workplace regulations and social-security provisions over the following few years. Then, in March 2006, seven measures were passed under the name

“Notice on Employment Management and Service to Rural-Urban Migrant Workers” to further protect the rights and interests of rural workers to meet the multidimensional challenges of transferring rural surplus labour. The contents of this policy document include: (1) a guarantee of the minimum wage and a system to monitor the delivery of wages to migrant workers; (2) enforcement of the labour contract system and regulation of labour administration of rural workers; (3) the provision of employment services and job training to migrant workers and the removal of discriminatory restrictions; (4) an enlargement of rural workers’ social security coverage to include employment injury, medical care, and pension schemes; (5) the provision of access to urban public services and improvement of migrants’ housing conditions; (6) improvements to the mechanism protecting migrants’ democratic political rights and land contract ownership; and (7) the promotion of local economic development and township and village enterprises to encourage the local transfer of the surplus rural labour force (Wang 2008:17-18; Wei 2007:5). Its implementation is typically tasked to lower levels of government, which issue policies according to the Notice in order to improve the protection of rights and interests of rural-urban migrants.

Despite statements by the central government indicating the need to make changes to the *hukou* system and improve the livelihoods of migrant workers, *hukou* status still greatly impacts the living conditions and life chances of migrant workers, and plays a crucial role in the provision of social benefits and social integration (Yue et al. 2013). In urban China, the migrant population is often seen as being composed of two distinct population segments: those with local *hukou*; and those without local *hukou* (Chan, Liu and Yang 1999). Migrants in the first category are eligible for the same array of social benefits and rights available to local residents,

while those without local *hukou* are not. Without local *hukou* status, migrants are excluded from regular urban welfare benefits and social services (access to local schools, urban pension plans, public housing, etc.) and other rights that are available to those with local *hukou*. In the eyes of the local government, when it comes to the provision of social benefits, those without local *hukou* status are treated as outsiders, even if they have worked and lived in that location for many years. Since children inherit the *hukou* status of their parents, this situation also extends to the families of migrants, even when they are born in the location that they reside. The precarious situation of rural-urban migrants, as well as their inability and ineligibility to access local entitlements and benefits, makes them vulnerable, expendable, and “second-class citizens” in China’s cities (Solinger 1999). Migrants are thus trapped as a result of the *hukou* system in a permanent situation that is neither rural nor urban (Saunders 2012).

Transferring one’s *hukou* registration and status from one location to another is technically possible. Processes exist, but the procedure involves a complicated course of action involving multiple conditions, regulations, and stipulations, as well as official approval from public authorities (Chan and Zhang 1999). In practice, attempts to officially transfer *hukou* status are rarely successful, as the requirements for obtaining local *hukou*, even under the reforms that have been introduced in many cities, are too difficult for most migrants to satisfy (Chan 2012:189). Most cities employ a variation of a point system for formal *hukou* transfer, which pertains to education, wealth, stable employment, and the payment of taxes (Cooper 2012). While there are no official data on the number of people nationwide who have successfully transferred *hukou* status by fulfilling these criteria, anecdotal evidence suggests that those who have been able to obtain local *hukou* generally include a small select group composed of the

rich, the highly educated, those who transfer from another city, and immediate family members of existing residents with local *hukou* (Chan and Buckingham 2008; Wang 2008; Koen et al. 2013:41). Currently, those without local *hukou* status make up the vast majority of all migrants in urban China.

Even though most provinces have begun to allow people without local registration to obtain registration or to merge local rural and urban registrations, these changes have had limited effect. More than half of the provinces have merged their local rural and urban *hukou* status types, but not generally on a province-wide basis, and applicable only to small towns and villages. Such changes have little impact on migrants as they come from outside local areas. In addition, most cities have reformed the rules for migrants to obtain a local *hukou*. In most provinces the presence and degree of *hukou* reform varies with city size. For small and medium-sized cities, the qualifications to change residence status focus on employment stability and appropriate housing. In large cities the most common requirement is a university education, though some poorer provinces only require a vocational high school certificate. In addition, many provinces have a residential or tax payment requirement. As a result, in China's largest cities (Tier 1 and 2), reforms have had little impact. And even in smaller cities it can be difficult for migrants to meet the conditions, as the employers of migrants often avoid affiliating their employees to social-security systems and thus paying taxes (Koen et al. 2013:37).

Moreover, even where *hukou* reform has been implemented, it varies significantly across the country, from province to province and on the basis of city size. While small towns have been more open to providing rural migrants with local *hukou* (often requiring only a stable source of

income and a fixed place of residence), in larger cities, which is where the majority of migrants desire to be, the thresholds are higher and the procedures more complex. Generally, the larger the city, the harder it is for migrants to transfer their *hukou* and obtain local residency status (Fan 2008:68). As well, many city governments use *hukou* status inconsistently, not only to exclude members of society from accessing urban welfare benefits, but also to make the urban economy more competitive by exploiting the capital and human resources made available by the migrant population (Zhang and Wang 2010) by not providing them with social amenities. Ultimately, only a small fraction of the number of total migrants can qualify as urban residents entitled to full urban citizenship.

There is no question that the *hukou* system plays a significant role in limiting opportunities for rural-urban migrants (Solinger 1999; Chan and Zhang 1999; Fan 2002). The historic rural-urban division underlying the *hukou* system in China has penetrated deeply into institutions such as the employment, welfare, education, and healthcare systems, and other public redistribution systems (Wang 2005); most migrants, particularly rural migrants, are still unable to access the wide range of entitlements afforded to the local population as a result of *hukou* status.

Comparing the differences between *hukou* status types in urban entitlements, rural migrants receive inferior treatment across a number of socio-economic dimensions (Zhang and Wang 2010:160-163). Economic disparities are exacerbated by institutional arrangements that have created a two-class society based on *hukou* status, with sharp rural-urban distinctions in the public provision of schooling, healthcare, housing, and retirement benefits (Treiman 2012). As a result, rural migrant workers in urban labour markets are discriminated against in their jobs,

wages, access to public services, and social protection, thus suggesting the unfinished nature of *hukou* system reform and urban employment protection for local workers (Wang 2008:1).

Given the significance, duration, and perceived omnipresence of the *hukou* system, it is not surprising that the majority of the literature on social stratification in China argues that the *hukou* system is the determining factor and root cause of social exclusion for rural-urban migrants. This argument, found in multiple variations, has been the dominant discourse adopted in the literature over the last three decades to explain the plight of rural migrants in urban China. This line of reasoning suggests that the *hukou* system remains “potent and intact” (Wang 2005), and that reform has not addressed issues related to local versus non-local *hukou* status in localities; it thus significantly affects the livelihood of millions of rural migrant workers, and “continues to be a major wall in preventing China’s rural population from settling in the city” (Chan and Buckingham 2008:604-5), representing a formidable barrier to the integration and social inclusion of rural migrants. Furthermore, the *hukou* system is also seen as the leading cause of many other social problems in contemporary rural and urban Chinese society. These include issues such as the “three agrarian issues” (*sannong*, 三农): the problems associated with industrializing agriculture, the development gap between rural and urban areas, and improving the income level of farmers; “urban villages” (*chengzhongcun*, 城中村): rural villages that have been surrounded by urban expansion; and the urban “ant tribe” (*yizu*, 蚁族): highly skilled and educated university graduates and their families who live a poverty-level existence. From this perspective, the solution is to remove the *hukou* system altogether, and numerous calls have been made for its abolishment, either gradually or abruptly (South China Morning Post 2012, July 19).

1.4.2 Beyond *Hukou* Explanations of Social Exclusion

Conversely, there is an emerging body of literature coalescing around the understanding that migrant social exclusion must go “beyond *hukou*” explanations. While not an organized school of thought, academic studies are increasingly suggesting that migrant social exclusion is more complex than a question of *hukou* status, and that solutions such as abolishing the system outright or providing local *hukou* status to rural-urban migrants will do little to improve social integration, or combat the social exclusion, inequality and discrimination faced by rural migrants in urban China (Huang, Guo and Tang 2010; Zhan 2011). Recently, evidence has emerged suggesting that *hukou* status is playing a declining role in the social exclusion of rural-urban migrants, and that other factors play a more important role. This includes market competition and a lack of social welfare opportunities (Huang, Guo and Tang 2010), a lack of human capital (Gagnon et al. 2009), and the absence of strong social networks in the host location (Li and Wu 2010). While not discounting *hukou* status as a contributing factor to social exclusion, the “beyond *hukou*” perspective contends that as a result of gradual economic reform, overall improving socio-economic conditions, and reform of the *hukou* system, that *hukou* status is not the sole determinant of social exclusion for rural-urban migrants in contemporary urban China; in some cases, it is not even the most significant factor.

Proponents of this position argue that an examination of deeper reasons for the social exclusion of rural-urban migrants is needed. Obtaining a local urban *hukou* is a means rather than an end to the process of migrant urban integration. In order to arrive at successful processes and procedures for integrating rural migrants into urban China, it is necessary to

uncouple migrant workers' *hukou* status from settlement because a significant number of this population has in effect settled in an urban area without obtaining local urban *hukou*, both in large cities and in medium-sized cities (Zhan 2011:249). Evidence suggests that in large cities, the exclusion of poorly educated, unskilled, and poor people is experienced not only by rural-urban migrants, but also by those who have urban *hukou* status and are also poor (Huang, Guo and Tang 2010:183). Thus, even if urban status were granted immediately, not all of the inequalities faced by rural-urban migrants would be resolved; abolishing the remnants of the system will not improve the life chances of migrant workers significantly (Zhan 2011:248). As identified by Zhan (2011), it is not *hukou* status, but social exclusion and market resources that most concern the majority of migrant workers in urban China. Migrant workers lack at least two important types of resources: human capital, including education and marketable skills; and economic capital, including income and property (Zhan 2011:268). Furthermore, evidence also suggests that the impact of social capital is also important (Li and Wu 2010). The social exclusion or integration of migrants in urban China presents its own selection mechanism, and institutions respond to urban market demands, adjusting urban policies to open or close opportunities to absorb or exclude outsiders.

1.5 Overview of Research Project, Objectives and Research Questions

This research project contributes to the literature on domestic migration and urbanization, social stratification and the social inclusion/exclusion of rural-urban migrants in China. I focus on the rural-urban migrants after they have arrived in the city, the social inequality and exclusion that they experience in the city, and the factors that contribute to these exclusionary

barriers. Specifically, I examine social exclusion at the local level, using the city of Xi'an, a Tier 2 city and the capital of Shaanxi province, as a case study. While much of the existing research on migrant social exclusion focuses on the role of the state and impact that the *hukou* system has on migrant integration and exclusion, my approach goes beyond *hukou*, at once recognizing its importance and incorporating additional processes that contribute to the integration and exclusion of rural-urban migrants. I am interested in the formal/legal (e.g. policies, regulations) and informal/social (e.g. social capital, cultural capital) factors that contribute to the social exclusion of the rural-urban migrant population at the local level. I examine the scale and scope of social exclusion across a variety of dimensions, including education, employment, healthcare and housing: areas identified in the literature as important to the successful social integration of migrants. To frame my investigation, I adopt a theoretical framework based on Weber's theory of social closure and social exclusion, adapted for the Chinese context and informed by developments in the country's march towards marketization, and shifting intergovernmental and state-society relations. As a result of adopting this perspective, this project has the potential to not only describe and explain the social exclusion of rural-urban migrants in Xi'an, but also contribute to the understanding of broader societal transformations regarding urbanization, development, and social justice that are occurring across the country.

The successful social integration of migrant labour into China's cities is a stated priority of the central government. However, cities do not have adequate financial resources to support successful integration, which places them in a situation where they are required to balance competing priorities. The interests of migrants usually lose out to the protection of established interests that benefit urban citizens, which results in migrants facing barriers that exclude and

limit them from accessing local resources, opportunities, and benefits. The majority of the existing literature identifies the *hukou* system as the primary factor that influences the social exclusion of rural-urban migrants. However, relying only on *hukou* status to explain the social exclusion of rural migrants in urban China does not account for the complexity of this phenomenon, nor does it explain the variance of social exclusion that exists across the country, or within particular cities.

In this study, I test the *hukou* hypothesis in the context of emerging research and evidence suggesting that the social exclusion of rural-urban migrants is due to additional factors beyond *hukou* status. To do so, it is necessary to understand the diversity of factors that inhibit migrant integration. It is well known that migrants encounter challenges across a wide range of economic and social dimensions, including education, employment, healthcare and housing. In many of these cases, the local state is heavily involved in the development and implementation of processes (e.g. policies and regulations) that contribute to the exclusion and/or integration of migrants. Given this involvement, it is important to examine formal/legal factors, how cities plan, prepare and react to the arrival of large numbers of rural-urban migrants, and how local policy development and implementation contribute to the exclusion and integration of migrants. It is also important to examine those informal/social factors that exist largely outside the realm of the state and contribute to social exclusion.

1.6 My Position and Key Arguments

An investigation into the social exclusion of rural-urban migrants is needed that goes beyond *hukou* explanations. This is not to disregard the importance of the *hukou* system or the impact

that it has on the social exclusion of migrants. Despite three decades of reform, the issue of *hukou* reform is still found at the centre of the migrant exclusion question. However, the social exclusion landscape has become more complex over this time. In contemporary urban China, attempts to integrate rural-urban migrants through transferring *hukou* status alone, but ignoring other structural barriers, are unlikely to have much success. Social exclusion has evolved beyond being solely a question of *hukou* status. Furthermore, as a result of reform and decentralization, it is no longer solely a question directed at the central state. In contemporary China, much of the authority and responsibility for *hukou* has been offloaded to local governments. Therefore, it is at the level of the municipality that these questions need to be examined. Social exclusion not only maintains boundaries between migrant workers and urban residents, but also keeps the former from accessing goods and opportunities that are shared among urban residents through their social networks or are based on their identities (Tilly 2005). Without these goods and opportunities, it is much more difficult for migrant workers to find employment, move socially upward, or obtain the necessary means to become permanent residents of the city (Zhan 2011:266-267). By looking at the social exclusion of migrants across socio-economic dimensions that are often thought of as being inextricably linked to *hukou* status, we can see how other local formal/legal and informal/social factors influence the social exclusion of migrants.

I contend that the complexity of social exclusion is under-represented in the existing literature, particularly in the majority of studies where the *hukou* system is held up as the primary, and sometimes only, contributing factor. Chinese society has undergone tremendous transformation over more than three decades of reform, and the structures that produce the

conditions and processes of social exclusion have not been exempt from change. While *hukou* status may have been the leading factor explaining rural-urban migrant social exclusion in the early years of the post-reform period, I demonstrate that the impact of *hukou* on migrant social exclusion is greatly diminished in contemporary urban China. This is largely as a result of three factors: 1) the marketization and privatization of social services; 2) the evolving nature of relations between the central and local levels of government; and 3) shifting state-society relations. The impact of these transitions has affected the underlying social, political, and economic structures of social exclusion. I contend that social exclusion has become a local phenomenon that varies across the country, and that local actors and local conditions have become more involved in determining the form and content of social exclusion. I also contend that the influence of additional formal and informal factors has increased, while the influence of *hukou* status has decreased. Furthermore, I argue that the form of social exclusion in urban China is multidimensional, fragmented and varies across socio-economic dimensions, each the result of a unique mix of formal/legal and informal/social factors.

This study examines the following four interconnected socio-economic dimensions: education, employment, healthcare, and housing. Investigating the conditions that contribute to the social exclusion of migrant workers in urban China is a timely and necessary exercise to shed light on the potential for the country to realize the “Chinese Dream.”

1.7 Organization of Dissertation

This dissertation is organized into nine chapters. The intention of this first chapter has been to identify the overarching issues at hand and provide a context for the phenomena of urbanization, domestic migration, and the social exclusion of rural migrants in urban China.

Chapter 2 provides an overview of my theoretical framework. It begins by describing three important characteristics of China's post-reform transition period – marketization, economic and political decentralization, and shifting state-society relations – and the emergence of fragmented authoritarianism. It discusses the impact that these transitions have had on the nature of integration and exclusion of the rural migrant population in urban China. Informed by these factors, the chapter outlines my theoretical framework, which is an adaptation of the theory of social exclusion and social closure as developed by Weber and neo-Weberians such as Frank Parkin. The chapter also discusses the implications of adopting this position, and its ability to go beyond *hukou* explanations of migrant social exclusion in China.

Chapter 3 discusses the methodology used in this project, which adopts a variety of quantitative and qualitative research methods within the context of a case-study approach. This includes archival research, secondary statistical analysis and key informant interviews. Chapter 4 provides an overview of the city of Xi'an, including statistics and figures related to the city's urbanization, economic structure, general demographics, and the local migrant population.

Chapters 5 through 8 contain unique analyses of socio-economic dimensions that are important to the successful social integration of migrants, including education, employment, healthcare, and housing, respectively. Each of these chapters is organized in a similar fashion. The first part describes "how migrants are excluded," making use of a variety of sources, including national,

provincial and local government resources, policy documents, secondary statistics and existing studies, as well as information garnered from interviews with migrants, experts and government officials, to provide an overview of the general situation and experiences of social exclusion faced by rural-urban migrants in Xi'an. Additional context is provided by comparing and contrasting the Xi'an migrant population with national trends in order to differentiate and demonstrate the variance that exists between the situation encountered by migrants in Xi'an and elsewhere in China. The second part of these chapters investigates "why migrants are excluded," and relies primarily on interviews with local government officials, experts and migrant workers to identify those key formal/legal and informal/social factors, and ascribed and achieved characteristics that contribute to social exclusion. These chapters close with summary observations on the unique characteristics of social exclusion in each socio-economic domain.

Chapter 9 concludes this study by comparing and contrasting the social exclusion and social integration of Xi'an's migrant population across the four socio-economic dimensions. The implications of this research are discussed as they apply to general societal transformations occurring across the country, such as state-society relations, social justice, and the social exclusion and integration of rural migrants in urban China. The chapter also discusses policy implications in relation to the socio-economic dimensions examined in this study, and in the context of recent reforms to the *hukou* system. The chapter ends with a discussion of suggestions for future research.

2 Chapter: Theoretical Perspective

Chinese society has undergone significant change since the introduction of reform in 1978. This chapter provides an overview of three aspects of this ongoing transition, which have significantly influenced the contemporary structure of social exclusion for rural-urban migrants: the marketization of social policy, economic and political decentralization, and shifting state-society relations. In this chapter, I describe the shift toward the marketization of social services and how this has impacted the parameters of social exclusion. I also describe how decentralization and shifting state-society relations have contributed to the emergence of a political decision-making environment characterized by fragmented authoritarianism. I develop my theoretical approach by incorporating these insights into a framework based on social exclusion. In addition, I provide an overview of how social exclusion has been studied in the existing literature, and focus on Weber's conceptualization of social exclusion and theory of social closure, as well as advancements made by neo-Weberians such as Frank Parkin. The chapter ends with a discussion of the implications of adopting this integrated theoretical approach, and the benefit that it provides in being able to go beyond *hukou* explanations of social exclusion to study rural-urban migrants in the city of Xi'an.

2.1 Reform and Social-Service Marketization

Key characteristics of pre-reform China included public ownership over the means of production, a centrally planned economic system with predominant, if not total, state

ownership of the means of production overseen by a hierarchical and highly centralized political power structure concentrated within a one-party state (Guan 2000; Saich 2004). Within this context, social services were provided to urban residents through work units (*danwei*) or local governments. This included healthcare, education, housing, employment support and pensions, as well as subsidies for food, clothes, heating, and transportation (Li 2004:27).

Conversely, the social welfare system in the post-reform period has been characterized by the restructuring of state-owned enterprises and a decrease in the importance of the *danwei* work unit as a structure of governance, as well as the de-monopolization of the state (Mok 2008).

Consequently, the provision of social services and subsidies has gradually shifted from the state to the market. The marketization, privatization, and commodification of social services has redefined the relationship between the state, the market and other non-state sectors, and has influenced the development of social policy, implementation, and financing. The restructuring of the economy along capitalist lines, increasing power of the market, liberation of foreign capital, adoption of capitalist labour relations, and massive privatization and corporatization of state-owned assets has fundamentally transformed the country's socio-economic relations (Hong 2010:312), as well as the mode of governance for the provision of social services.

However, there is some debate as to the implications of this transformation.

For many, the reliance on the market for the redistribution of what were previously public resources means that this new mode of governance reflects a neoliberal restructuring of state activities (Hong 2010). Pointing to numerous examples of decollectivization, marketization, fiscal decentralization, privatization and corporatization of state enterprises, and

commodification of services, commentators suggest that the situation is best described as “neoliberalization with Chinese characteristics” (Harvey 2006:34).

However, while it is evident that there has been a substantial shift in the governance and provision of social services in China, the claim of Chinese neoliberalism is rife with controversies and inconsistencies (He and Wu 2009). It is difficult to reconcile the substantial degree of authority and interventionism of the Chinese state with the notion of neoliberalism, especially given the state’s high degree of autonomy and capacity to carry out its goals, control over resource allocation, and intervention in the economy (So 2007).

The Chinese social-governance structure therefore consists of two seemingly contradictory elements: a market mechanism and strong state control (Wu 2010:628). On the one hand, despite the profound market reorientation that China has experienced over the reform period, the level of state control remains very high. And while the state’s presence is not always clearly evident, it rarely hesitates to intervene when it sees fit. On the other hand, the increasing prominence of the market makes it possible to refer to the changes occurring under market transition as a process of neoliberalization (Wu 2010:629). In the current Chinese context, these two elements can also be seen as complementary to each other.

In contemporary China, state control that supports market mechanisms is part of the overall transformation of China’s social governance. The state acts as facilitator and enabler of public policy and management, setting out the regulatory framework for governing social policy. But, in many cases, the financing, delivery, and provision of social services often reside with the market and other non-state sectors (Mok 2008). The parallel existence of a strong state and the

marketization of social policy can be interpreted as a strategy adopted by the state to strengthen its capacity to deal with pressing demands for social services rather than a genuine ideological shift toward neoliberalism. The state consciously makes use of the market and other non-state actors as policy instruments to reduce the burden of the state in social-service provision (Mok 2008:24). Thus, it is not surprising to see practices commonly adopted in neoliberal economies used to provide social services in China.

This shift in the governance structure of social policy and the provision of social services has had a profound impact on the structure of state-society relations in China. Whereas previously the life chances of an individual were predominantly dependant on their direct relationship with state, this shift towards marketization has inserted property, understood here as capital, as an additional causal variable in the equation. This shift has many implications for social exclusion in contemporary China, namely that in order to access many of the social resources and services, an individual is required to pay for them, lest they be excluded.

2.2 Decentralization and Central-Local State Relations in China

Understanding China's central-local state relations is important for understanding the institutional and structural components of social exclusion because it provides insight into how policies developed at higher levels of the formal system are implemented by local actors (Li 2010). The prevailing perception of the Chinese political and governance system in the pre-reform period is that of a highly centralized, Party-controlled state apparatus, with the balance of power resting with the central government in Beijing. Within this model, lower levels of government, including provinces, prefectures, counties, and townships, served as appendages

of the central government, responsible for the implementation of policies, regulations, and strategies designed by central-government decision-makers. Highly centralized decision-making was particularly dominant in the early years of the People's Republic, as the Party sought to consolidate its power. However, central-local state relations in the pre-reform period also exhibited intermittent periods of decentralization. Throughout this period (1949-1978), there was often acute tension between central branch agencies and local party committees and governments, which contributed to cycles of administrative decentralization and recentralization. The former was often used to "unleash" local enthusiasm for development and various state projects, which were followed by recentralization in order to rectify excesses associated with such decentralization measures (Li 2010:178-179). As a result of this repeating cycle, leading up to the introduction of reform in 1978, provinces were able to accumulate an increasing amount of power and resources (Lieberthal and Oksenberg 1988).

One of the defining characteristics of post-reform China has been the ongoing gradual decentralization of the political landscape. Even though the state flirted with decentralization in the pre-reform period, these experiments were episodic, intermittent, and largely administrative in nature. In order to enhance the efficiency of resource allocation, make the economic system more flexible to change, and take advantage of market opportunities, administrative decentralization in the post-reform period has been accompanied by a significant increase in economic decentralization (Zhang 2008:13). Consequently, local governments now have unprecedented jurisdiction over financial resources and investment decisions, in addition to planning and decision-making authority.

Administrative decentralization is characterized by the delegation of authority to local governments or local branches of central agencies (White 1991:215). Administrative decentralization has been canonized by the central government. The modern Chinese Constitution, passed in 1982, gave the People's Congresses and the standing committees of provinces, autonomous regions, and municipalities the authority to formulate local regulations in light of the constitution, laws, and administrative regulations. Similarly, the Organic Law of the People's Congresses and Local People's Governments (first adopted in 1979) provided authorization for congresses at the level of the province, provincial capital, municipality, and large cities to formulate and enact local regulations – although legislation enacted at the municipal level still requires approval at the provincial level before becoming law (Dong 2007:9). However, at the outset of this new political environment, even though localities had administrative authority over decision-making, many of them lacked the resources necessary to carry out local development initiatives. The provision of economic authority to local governments, which began in 1982 and has continued over the course of the reform period, has helped to alleviate this challenge. Economic decentralization is characterized by the devolution of power over planning, coordination, and management to lower level administrative units and enterprises (White 1991:215). With the demise of the pre-reform period's centrally planned economic system and its unified revenue and expenditure system, alternative revenue-sharing systems have been adopted in order to encourage local initiatives and economic development. As a result, provinces and cities now have greater access to financial resources and decision-making power in areas such as public investments and capital construction projects, local taxes on business, pricing, and wages (Dong 2007:8). Thus, as a result of reform, decentralization, and

the corresponding transference of administrative and economic authority and responsibility from central to lower levels of government, localities have become increasingly important economic and political entities, as local governments have gained more control over the direction of economic growth. This has meant greater de facto independence for the localities to pursue their own development strategies within broadly defined guidelines (Saich 2004:123). This suggests a substantial shift in China's intra-governmental relations, particularly central-local state relations.

Despite recognition of the devolution of administrative and economic responsibilities from central to lower levels of government, there is some debate as to whether or not this has resulted in political localism, or if the central state continues to dictate the activities of lower levels of government. The decentralization and re-scaling of central and local state authorities is not as simple as the decline of central power and a converse rise in local power. As identified early on by Lieberthal and Oksenberg (1988), local and central governments are involved in dynamic and interactive negotiations over important administrative and economic decisions, and policy outcomes are often shaped by intense deliberation between agencies and government bodies at all levels of the state.

Reform has thus fostered new relationships and mechanisms between higher and lower levels of government (Zhang 2008:13). The 1982 Constitution changed the lines of authority and the flow of resources between the central and local government (Zhang 2008:2-3), allowing cities to generate, save, and use extra-budgetary incomes for local initiatives. While there has been some alternating ebb and flow between centralization and decentralization since then, the

overall effect of these financial changes is that more funds are the control of localities (Lieberthal and Oksenberg 1988:139), and cities are now mostly fiscally independent from the central state. The majority of urban economic activities are closely tied to local budgets, which are funded through collection of taxes, fees for land-use rights, and other urban services (Ma 2006:376). However, the connection between cities and higher levels of government has not been completely severed. Economically, they remain tied to revenue-sharing agreements, and after dividing revenues with provincial and central governments, city governments are able to use the remainder to fund local projects (Walder 1992:309), such as infrastructure projects or the provision of social services.

In the West, popular opinion continues to regularly associate China with its political past, characterized as a centralized state with uniform policies across the country. In reality, however, China is a very diverse nation with diverse policies and practices (Liu 2002). Power is diffused across geographic regions and economic sectors, among individuals and corporate entities. At the local level, a city's development strategy and policies are uniquely shaped by its geographic location, history, and culture (Friedmann 2005). The degree of control that the central state is able to exert over different provinces and cities varies greatly, as each possesses a differing degree of leverage over the center. This is dependent on factors such as local economic wealth, strategic significance, and the personal connections, ambition, and acumen of their leaders (Lieberthal and Oksenberg 1988:139). Many provinces and cities have grown powerful due to the decentralization of economic decision-making. Even though Beijing may hand down a set of rules that local governments are supposed to carry out, when central policy filters down to the different localities it takes on different forms according to local conditions.

Regional institutions exhibit certain patterns that mould central policy to local conditions (Chen 2004:186-7).

Today, policy development and implementation has distanced itself from the pre-reform model of centralized, top-down decision-making. While the possibility of central state intervention is ever present, contemporary political and economic decision-making reflects a more decentralized relationship between different levels of government. While in theory, lower levels of government are still subservient to the central government, in practice they have gained a great deal of discretionary authority. They now have more control over local decision-making than at any other time in China's modern history. Whereas this authority was limited to delivering central state initiatives in the pre-reform period, they now have more power at their disposal with regard to policy, standards, and oversight in areas such as social-service provision, environmental management, and land-use planning (Wu et al. 2007:121). In contemporary China, it is the municipality rather than the central government that is shaping China's urban landscape (Zhang 2008:2-3).

As municipalities have become increasingly responsible for the majority of local administrative and economic activities, they have subsequently become the primary location for interactions between the state and society. In the absence of an exhaustive and comprehensive centralized system, cities employ local solutions to local problems, often in response to and in collaboration with local interests, which have become active players in the development of China's cities. As local economic and social bases continue to grow and diversify, pressures for participation and interest articulation have increased. The rise in the articulation of non-

governmental interests taking place both inside and outside formal institutions has led to a corresponding increase in engagement between state and societal interests at the local level.

In summary, reform and decentralization has resulted in the devolution of administrative and economic authority from central to lower levels of government. This has weakened the central state's governing capacity, resulting in the accumulation of much decision-making power at the local level, and the emergence of political and economic localism. Subsequently, as individuals and groups increasingly encounter the local state and its institutions in their articulation and promotion of interests, the location of state-society relations has also shifted to a more local level.

2.3 Shifting State-Society Relations in China

Examining the dynamic of state-society relations in China is important because it provides insight into the degree of agency accorded to both state and societal interests in relation to economic, social, and political development. In addition, it contributes to the understanding of China's social and political structure, the extent of political pluralism within society, and the competition for available resources, rights, and benefits among different segments of the population.

There are numerous analyses of state-society relations in China, all of which attempt to address and incorporate the seemingly omnipresent Community Party of China, which has been in power since 1949. Over this time, several diverse theoretical political models have emerged to describe and explain the structure of China's state-society relations. It is generally accepted

that in the period leading up to economic reform in 1978, China's state-society relations were totalitarian in nature, characterized by a strong state and weak society, with control over the means of production firmly in the hands of the state-run socialist economy. With all independent social forces having been purged during the socialist transformation, the Party held firm control over society and had sole discretionary power over decisions related to economic, political, and social policy. Ordinary citizens on the other hand, lacked meaningful opportunity to influence policy (Lieberthal and Oksenberg 1988:6). Beginning in 1949, over the course of three decades, the party-state had established strong organizational control over society, as well as the organizational dependency of individuals on socialist economic institutions (Whyte and Parish 1984; Walder 1986). State-society relations were maintained through a large and complex administrative structure, social control policies and systems, and political and ideological mobilization campaigns.

However, in the post-reform period, the state has gradually distanced itself from some, though not all, areas of economic, political, and social responsibility, and in many instances, new groups and organizations representing various societal interests have emerged and become influential in their respective domains. Articulating the balance of power within this new context is the cause of some debate, and there are several competing interpretations used to describe and explain the current situation. The dominant approaches include authoritarian, corporatist, and civil-society models, each of which possesses its own set of assumptions concerning the degrees of authority and agency within the state and society.

Authoritarian regimes can be understood as “political systems with limited, not responsible, political pluralism, without elaborate and guiding ideology, but with distinctive mentalities, without extensive nor intensive political mobilization, except at some points in their development, and in which a leader or occasionally a small group exercises power within formally ill-defined limits but actually quite predictable ones” (Linz 1964:255). They penetrate society, preventing – sometimes forcibly – the political expression of certain group interests, but in contrast to totalitarianism, the distinction between state and society is not fully obliterated (Linz 2000:160-1). While the pluralistic element is the most distinctive feature of authoritarian regimes differentiating them from totalitarian systems, it is a limited pluralism. This limitation of pluralism may be legal or de facto, implemented more or less effectively, confined to strictly political groups or extended to interest groups, as long as there remain groups not created by or dependent on the state and that influence the political process one way or another (Linz 2000:161).

Gordon Skilling (1970) suggests that there are several typologies of authoritarianism, and identifies several relevant to the Chinese case, including: consultative authoritarianism and quasi-pluralistic authoritarianism. Within consultative authoritarian systems, certain groups are provided opportunities to articulate interests, either their own or those of others, based on their accepted status as experts. Here, there is a willingness on the part of the state to incorporate experts, such as professional economists and scientists, into the decision-making process. In this model, the party maintains superiority and authority, both in theory and in practice. Broader social groups are typically politically impotent, and their interests are typically only expressed, if at all, by more powerful groups or experts (Skilling 1970:223). For Skilling,

experts (both individuals and groups) are able to influence policy in the party and state administration as a result of their specialized knowledge. Thus decisions may be made on the basis of expert advice and orderly administration, allowing for bargaining to take place within even highly centralized systems (Curtis 1979:110). Conversely, in quasi-pluralistic authoritarian systems, while the party remains the dominant political force, there is some interaction between the state and other political or societal groups, the latter of which is more likely to have influence in the political process. The party cannot entirely exclude intellectual and opinion groups from participation, and both types of groups show a determination to express interests and values in opposition to the party line, advance alternative policies, and criticize official decisions and actions. These active groups are generally non-institutionalized, whereas organized groups such as trade unions remain impotent (Skilling 1970:224).

Corporatism is a subset of authoritarianism, and is conceptually similar to quasi-pluralistic authoritarianism. According to the classic definition of corporatism put forward by Philippe Schmitter:

“Corporatism can be defined as a system of interest representation in which the constituent units are organised into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports.” (1974:93-4)

Thus, while corporatist regimes penetrate society, sometimes forcibly preventing the expression of certain group interests, they also utilize patron-client networks (clientism) to limit, shape, and direct participation through controlled channels (Hague and Harrop 2007:172). Corporatism focuses on the linkage of society to the state through hierarchically ordered and functionally differentiated institutions representing various economic and social sectoral interests. According to Unger and Chan, arguably the leading proponents of the corporatist position in China, in an ideal-type corporatist system:

“[A]t the national level the state recognizes one and only one organization (say, a national labour union, a business association, a farmers’ association) as the sole representative of the sectoral interests of the individuals, enterprises or institutions that comprise that organization’s assigned constituency. The state determines which organizations will be recognized as legitimate and forms an unequal partnership of sorts with such organizations. The associations sometimes even get channeled into the policy-making processes and often help implement state policy on the government’s behalf.” (1995:30)

As such, corporatism implies that associations are able to exert some influence in state decision-making and policy-making, albeit only within the context of their sectoral interests, and in a highly institutionalized and controlled setting.

In contrast to the authoritarian and corporatist models, the civil-society approach places the most emphasis and agency in the hands of society. Civil society has been conceptualized in many different ways, but is usually recognized as a sphere that is analytically independent of

the state, the market, and other spheres (Alexander 1998:6). This contemporary conception of civil society is perhaps best represented in the work of Jurgen Habermas, who sees civil society as a sphere of identity formation, social integration, and cultural reproduction. Habermas describes civil society as follows:

“[T]he now current meaning of the term ‘civil society’ [...] no longer includes a sphere of an economy regulated by labour, capital and commodity markets [...]
[T]his much is apparent: the institutional core of ‘civil society’ is constituted by voluntary unions outside the realm of the state and the economy and ranging from churches, cultural association, and academies to independent media, sport and leisure clubs, debating societies, groups of concerned citizens, and grass-roots petitioning drives all the way to occupational associations, political parties, labour unions and ‘alternative institutions’.” (1992:453-4)

Accordingly, civil society is defined as the realm of society outside the institutionalized political and administrative mechanisms of the state and the state-regulated part of the economy, where people carry on their publicly oriented social and economic activities. Within this sphere, citizens may freely organize themselves into various levels of groups and associations in order to influence the state into adopting policies consonant with their interests (Arato and Cohen 1988). Subsequently, civil society is also regarded as the location for the potential development of critical political spheres capable of generating resistance to forms of unaccountable expert authority and administrative power, such as the state (Ashenden 1999:146).

In China, reform has significantly transformed the nature of the economy, the state, and society. The economic and institutional foundations of the previous system have been largely dismantled (Liou 2000), including a separation of party and state, and separation of state and economy (Fewsmith 1999:92). Politically, the government has shifted from an anti-market totalitarian state to an authoritarian one that is pro-business. Within this context, state-society relations have been reordered, becoming more complex and dynamic. The Party's control over society is in decline, as the latter has become more organic, dynamic, and increasingly liberalized. While the state has not relinquished complete control over society and maintains the power to interject and react to perceived threats at will, it has distanced itself from many aspects of society. This has led to the emergence of numerous social groups and interests outside the sphere of the state.

State-society relations have changed dramatically in the post-reform period, as demonstrated by the end of state-led mass movements, a decline of ideology as a steering mechanism (Cabestan 2004:3), as well as the partial and gradual, yet significant, withdrawal of the state from economic and social spheres. Decentralization, and the devolution of responsibility and authority to lower levels of government has also led to a shift in the dispersion and control over some economic and social resources and responsibilities, from the state to society. This in turn has spurred the creation of economic and social spaces that are at least partially autonomous and beyond the reach of the state (Lieberthal 1995:293). The emergence of "public space" and "social space" has been paralleled by rapid growth in the number of non-state interest groups, organizations and associations who are willing and able to occupy this space (White 1991:17), resulting in a more complex and pluralistic society.

Post-reform state-society relations can be characterized by a redistribution of power away from the state towards group and individual interests (White 1991:16). This balance of power between state and society has been gradually shifting since the introduction of reform, with more space for the articulation of interests, and more opportunities for social forces to exert influence over state institutions (White 1994). This has led to an increasingly dynamic, interactive, and deliberative relationship between state and society. While the state still plays the lead role in policy-making, interest groups are playing an increasingly significant role, though opportunities are still limited. However, there appears to be continuous growth in the amount of space and opportunity for non-state actors to articulate their concerns and views in socio-economic, and policy decision-making processes, particularly at the local level.

2.4 Fragmented Authoritarianism

Based on my review of the literature, my own personal experiences and observations, and interviews with government officials and experts that I conducted for this project, it is apparent that China is an authoritarian country. The central state still has the capacity to enforce its interests, and is never excluded from major economic, political, and social decisions. However, it is also apparent that since the introduction of reform, there has been an ongoing gradual transference of administrative and economic authority to lower levels of government, who subsequently now possess substantial amounts of responsibility and authority. In conjunction with this vertical devolution of power, reform has also facilitated the emergence of horizontal opportunities in new public and social spaces, that have been populated by relatively

independent and autonomous societal interests, some of which have increasingly been able to negotiate and influence socio-economic decision-making and policy processes.

In comparison to the authoritarian and civil-society perspectives discussed above, I find that while the civil-society model adequately captures the emergence of influential interest groups stemming from society, it is incapable of explaining the devolution of power and authority across different levels of the Chinese government. Similarly, I find that the corporatist model and consultative authoritarian model are not broad enough to incorporate the impact of shifting state-society relations, the emergence of new interest groups outside of the state, and their growing participation and influence in decision-making processes. I contend that the most appropriate model for understanding the nature of political decision-making and policy development and implementation in China, especially at the local level, reflects the fragmented authoritarianism model first developed by Lieberthal and Oksenberg (1988), and more recently advanced by Mertha (2008).

Lieberthal and Oksenberg (1988) developed this model to explain the nature of policy development and implementation in China. Their analysis demonstrates that beyond the confines of the central state, the authority of the Chinese political system has become increasingly “fragmented and disjointed” since the introduction of reform (Lieberthal 1992:8). They assert that policy made at the centre becomes increasingly malleable to the parochial organizational and political goals of various vertical agencies and spatial regions charged with implementing and enforcing policy. Others have demonstrated that this malleability becomes more apparent the further that one ventures from Beijing (Blum and Jensen 2002). Structurally,

the plethora of bureaucratic agencies and the vague division of jurisdictional authority combine to produce a political landscape where it is difficult for a single agency to solely affect functional decision-making. Rather, outcomes are shaped by the incorporation and negotiation of the interests of the agencies involved in the development and implementation of policy (Mertha 2008:996). In a system where no single organization has ultimate authority over others, agreement must be negotiated in order to carry out major projects or policy initiatives (Lieberthal and Oksenberg 1992; Lieberthal 1992), or else bureaucratic impasses prevent successful implementation.

While Lieberthal and Oksenberg's fragmented authoritarian model examines the complex configuration of the state and the policy process there within, it is arguably incomplete as initially developed and unable to account for the emergence of opportunities to influence policy and decision-making that arise from outside the state system. Recently, Mertha has developed their model under the moniker of "fragmented authoritarianism 2.0" (2008), by demonstrating an increasingly pluralized policy-making and policy implementation process. Using case studies, Mertha demonstrates that previously excluded members of the policy-making process in China, including peripheral officials, the media, non-governmental organizations, and select individuals, have successfully entered the political process as "policy entrepreneurs" (Mertha 2009:996). In his view, these actors are able to affect policy by allying with each other, and with state actors, through avenues such as the appropriate issue-framing to mobilize a broad audience and social sympathy. In the context of migration for example, on March 17, 2003, Sun Zhigang, a 27-year-old university graduate from Wuhan who had moved to Guangzhou to work for the Guangzhou Daqi Garment Company, was stopped and detained by

local police for not being able to produce his temporary residence card. Within hours he was beaten by eight people, and died two days later, all the while in police custody (China Daily 2003, June 10). The story went unreported until it was finally published by the Southern Metropolitan Daily on April 25, 2003. While urban residents generally did not exhibit much sympathy toward rural migrants in the 1980s and 1990s, the fact that Sun was a successful graduate with a good job elicited a large amount of sympathy from the general public toward the plight of migrant workers (Becker 2014:66). The mounting public pressure was so great that on June 22, 2003, the government introduced new regulations, replacing the 1982 Measures for Internment and Deportation of Urban Vagrants and Beggars, which had been the basis for detaining migrants without a temporary residence card or work permit. Since then, while harassment from government authorities still occurs, forcible deportation and detainment are no longer a part of everyday life for the migrant population.

According to Mertha, although contemporary China remains authoritarian, it has nevertheless become responsive to the increasingly diverse demands of society. There has been an increasing pluralization of the policy-making process in China as a result of the opportunities available under fragmented authoritarianism as barriers to entry have been lowered for hitherto non-participating groups (Mertha 2008:996). An increasing number of non-traditional, and increasingly non-state, policy entrepreneurs – such as peripheral officials, non-governmental organizations, and the media – have been able to enter and significantly shape the policy process in China by adopting strategies necessary to work within the structural and procedural constraints of the fragmented authoritarianism framework (Mertha 2008). The point of entry is through the “agency slack” that results from the inability of institutions to

adapt sufficiently to rapid socioeconomic change, the aggressive lobbying of pressure groups or the changing expectations of the citizenry (Mertha 2008:996). Non-state actors, or policy entrepreneurs, can influence policy implementation in two ways: either by taking advantage of the cracks in the fragmented authoritarian system through consultation and cooperation with various government units, which are amenable to pressure from outside groups, or through institutional channels designed to bridge communication between citizens and state authorities (Li 2013:195).

Chinese society is undergoing a fundamental transformation in the nature of state-society relations in China as a result of reform processes such as decentralization, which have led to changes in intra-governmental, central-local state relations, as well as the emergence of influential non-state interests, particularly at the local level. Whereas the local state was previously an appendage of the centre, with responsibility limited to the delivery of central interests, policies and programs, today, the local state finds itself contending with interests being pushed on it from above by the central state, and from below by local societal interests. Together, the relationship between the changing nature of state-society relations (particularly the advancement of pluralism and non-state interest articulation), and the decentralization of central-local state relations and decision-making power in the localities has contributed to the emergence of localism. Accordingly, local governments are seeking to stimulate local economic development while simultaneously responding to, negotiating with, and integrating the growing number of local interest groups in decision-making processes. As such, there has also been a parallel trend toward the localization of state-society relations, particularly in China's cities. As a result, China's cities have increasingly become sites of pluralistic politics. They have

experienced rapid growth in the number of non-state actors who are increasingly able to articulate interests, negotiate with, and influence local state decisions across a number of socio-economic dimensions. While this is reflective of an apparent general trend, it is far from representative of the situation across the country. State-society relations in urban China are complex, dynamic, and ultimately fragmented. There are various degrees of state and non-state interest articulation, participation, and interaction that influence the outcome of decision-making and policy development in China's urban cities. The nature of state-society relations in urban Chinese cities varies according to local conditions, including geography, history, size, economy, local political leadership and the presence and strength of the various non-state interests groups. Together, the local makeup of these factors helps to determine the state and non-state actors in a particular city's decision-making process, as well as the degree of their participation and influence in the process.

I contend that the nature of social exclusion of rural migrants in urban China varies not only by location, based on the unique local political, economic, social, cultural, and historical characteristics, but is similarly fragmented across socio-economic dimensions within that same location. My use of the term 'fragmented' is reminiscent to that used by Lieberthal and Oksenberg (1992) and Mertha (2009), suggesting that there is singular form of social exclusion, but that the various factors that contribute to social exclusion are layered differently across socio-economic dimensions. In the same vein, I am not suggesting that the four socio-economic dimensions examined in this study are exclusive categories that exist independently from one another. On the contrary, in many cases, they are intimately interconnected to one another. My position is similar to Jackson's (1999) argument that individuals, and by extension groups,

can be simultaneously excluded in one domain while included in another. However, I contend that social exclusion is not a zero-sum game, but that it can take on a variety of forms across a qualitative range, from complete exclusion to full integration, and that the scale and scope of exclusion varies across multiple socio-economic dimensions, such as education, employment, healthcare, and housing.

In order to test this claim, it is necessary to adopt a theoretical framework with the flexibility to account for fragmented authoritarianism and trends such as political decentralization and shifting state-society relations, as well as the presence and pressures from multiple and competing public and private interests found throughout society. In the sections that follow, I provide an overview of how social exclusion has been conceptualized in the existing literature.

2.5 Conceptualizing Social Exclusion

The historical roots of the concept of social exclusion can be traced back as far as Aristotle, and various competing and overlapping conceptualizations have been promoted ever since (Sen 2000). The term has gained traction in recent years; however, as it increased in popularity it has become increasingly mystified, as its usage has been linked with a growing range of concepts and connotations. Often it is associated with economic, social, political, and cultural concepts such as “poverty,” “unemployment,” “deprivation,” and “underclass.” Whereas some perspectives define it as a state of affairs affecting certain groups in society, others see it in terms of processes embedded in unequal power relations that create inequalities and disadvantages. Some perspectives emphasize a lack of participation of individuals in society, while others focus on the access, or lack thereof, to citizenship rights for particular segments of

society (Mathieson et al. 2008:21). In addition, the term has been used to describe groups at risk of exclusion, what people are excluded from, the states associated with exclusion, the processes involved and levels at which they operate, and the actors involved (Atkinson 2000; Haan 2000; Silver 2007).

Efforts have been made to categorize the multitude of conceptualizations (Silver 1994, 1995; Levitas 1998, 2005; Beall 2002), and these have helped to shed light on the ideological and political roots associated with different meanings of the term, their usage, and on their respective implications and opportunities for social action. One of the most useful categorization schemes is provided by Silver (1995), who identifies three major categories of social exclusion, based on different notions of social integration and distinguished by different theoretical perspectives, political ideologies and national discourse. Each of these paradigms identifies the political ideologies underpinning different definitions of social exclusion, attributes exclusion to causes grounded in different political philosophies, and provides an explanation of multiple forms of social disadvantage (Rawal 2008:167). Silver's first paradigm, the Solidarity paradigm, views exclusion as the breakdown of social bonds between the individual and society, which are cultural and moral in nature. This perspective draws on French Republican political ideology and Durkheimian social theory (Room 1995). Durkheim was concerned with how social order and stability could be maintained in a society fraught with social dislocation stemming from the transition from an agrarian to industrial society. In his theoretical work on the relationship between state and society, Durkheim gives particular prominence to the concepts of social order and social stability, social cohesion and the problems created by weak social bonds. Similar to his analyses of deviance and anomie, for

Durkheim, exclusion both threatens and reinforces social cohesion (Silver 1994:542). According to Levitas (1996), the Durkheimian discourse treats social divisions within capitalist societies as resulting from an abnormal breakdown in social cohesion, which should be maintained by the division of labour. Within this discourse, terms such as social cohesion and solidarity abound, and social exclusion is contrasted not with inclusion but with integration, construed as integration into the labour market. Levitas equates this discourse with structural functionalism, which views social inequality as a central component of social life, and works to keep order and maintain equilibrium among social groups. This discourse sees social inclusion and exclusion primarily in terms of labour-market attachment, and obscures inequalities between individuals, masking differences between population groups such as those based on age, and gender (Levitas 2005:26).

Silver's second paradigm, the Specialization paradigm, typifies much Anglo-American liberal thought about social exclusion. It perceives social actors primarily as individuals who are able to move freely across boundaries of horizontal social differentiation and economic divisions of labour. This paradigm places emphasis on the individual and micro-causes of economic exclusion, reflecting supply-side positions that attribute poverty and long-term unemployment to individual failings (Silver 1994:560). As a result, this paradigm emphasises cultural rather than material explanations of poverty, whereby the excluded are to blame for their fate. It focuses on the behaviour of the poor and implies that solutions such as welfare benefits are misguided because they create dependency and undermine an individual's ability to be self-sufficient (Levitas 2005:21).

The third paradigm, the Monopoly paradigm, is influential in European social policy circles and draws on the conflict theories of Marx and Weber. It views the social order as coercive, imposed through a set of hierarchical power relations, where exclusion results from the formation of group monopolies and the control of resources by hierarchical and exclusive networks that restrict the access to resources for outsiders. Whereas Marxist analysis focuses on class as the major source of conflict and social stratification in society, Weberian analysis focuses on the market and exclusion as the primary sources of inequality of life chances. In the Monopoly paradigm, exclusion arises from the interplay of class, status, and political power, and primarily serves the political interests of the included. In this paradigm, theories of labour-market segmentation epitomize the link between social closure and economic exclusion (Silver 1994:543). Compared to the first two paradigms that conceptualize social exclusion as a state of affairs, this paradigm recognizes the social, political and cultural, as well as the economic, dimensions of power, and focuses attention on exclusionary processes, social interactions, and power relations embedded in formal and informal institutions (Beall 2002).

2.6 Weber and Neo-Weberian Social Closure and Social Exclusion

Weber posits that in capitalist systems it is the market that determines the life chances of individuals. Life chances in this context can be understood as the opportunities that individuals have for sharing in the socially created economic or cultural goods that exist in society (Giddens 1973:130-1) or, as the chances that individuals have of accessing resources that are valued in society.

Class is an important concept for Weber, but only insofar as a means to categorize and define groups of individuals that share common life chances. According to Weber, a class is where “there is a shared typical probability of procuring goods, gaining a position in life, and finding inner satisfaction” (1978:302). In addition to distinguishing members of a class on the basis of access and ownership of property and the means of production, as per the Marxist tradition, Weber’s analysis allows for numerous classes and class cleavages to exist, differentiated as a result of additional factors, such as existing assets and individual skills. Members of a particular class are defined by the resources that they bring to it. While the number of factors that contribute to class configuration is theoretically infinite, the important point is that the relevant factors only have value in the context of the market. For Weber, classes are of interest insofar as they shape individual life chances, and link individuals’ position in capitalist markets to inequality in the distribution of resources and opportunities that determine life chances, because variations in market position arise on the basis of differences in the possession of market-relevant assets.

In contrast to the Durkheimian (Solidarity) and Liberal (Specialization) paradigms described by Silver above, Weber's conflict theory sees the arrangement of the market and the value that it places on particular assets not as a naturally occurring state of affairs, but as socially constructed depending on the interaction of socially produced structures and actions, such as the prevailing political and legal orders (Weber 1978:930). Although Weber defines a class as the sharing of specific causal component of life chances (1978:927), there is no deterministic relationship between the resources that individuals bring to the market and the life chances that they receive in return. For Weber, social differentiation and stratification in society are largely the result of two factors: market exchange and exclusion.

The market contributes to the differentiation of opportunities in society because those who control greater resources can command a greater share of market exchanges compared to those with fewer resources. This preserves existing social differentiations and cleavages, and also strengthens inequality over time as the frequency of market exchanges increases (Weber 1958:181-2). Exclusion is closely linked to the theoretical concept of social closure, originally developed by Weber in *Class, Status and Power* (1958). His notion of social closure provides a theoretical basis for understanding subordination, domination, inclusion, and exclusion, which form the foundation for group membership and social inequality. The distinctions made between groups based on such criteria are further supported by the prevailing legal, political, and social order, which influences policy and which has implications for life chances and access to opportunities across social dimensions. Social closure can be understood as "the process by which social collectivities seek to maximize rewards by restricting access to resources and opportunities to a limited circle of eligibles" (Parkin 1979:44). Understandably, the concept of

social closure is useful for understanding social differentiation, stratification, and inequality in society.

Exclusion operates on different principles than those of market exchange. Exclusion is a process whereby certain social groups monopolize goods, resources, and opportunities, withholding them from free market exchange so that “outsiders” are unable to access them (Weber 1958:190-3). By restricting access, those belonging to the “insider” group are able to maximize rewards, benefits, and opportunities for themselves (Silver 1995:69). Weber identified two types of boundaries used by social groups to exclude outsiders: social and legal. While largely distinct from one another, both boundaries are erected to identify and differentiate groups on the basis of one or more defining attribute. Weber suggests that nearly any attribute can be used to provide a basis for exclusion, provided it can be used for the monopolization of specific, usually economic, opportunities (Parkin 1979). Some examples include race, age, gender, language, religion, and political membership. Exclusion begets exclusion, as the same attribute used to exclude outsiders provides an identifier and a basis for a common culture for members of the insider group, subsequently providing a normative mechanism for legitimating further exclusion (Silver 1995:69). When access to opportunities and benefits is restricted using social boundaries, exclusion is propagated through informal mechanisms erected by social groups through the function of “closed social relationships,” which result when the “participation of certain persons is excluded, limited, or subjected to conditions.” Social boundaries of exclusion and closed relationships are thus often used to guarantee advantages that are already monopolized by an insider group (Weber 1978:43-4). In this situation, social groups erect informal boundaries between themselves and others, excluding outsiders from access to

resources and opportunities within their social networks (Zhan 2011:247), and limiting the nature of social and economic relationships across group boundaries.

Whereas social boundaries are predicated on informal mechanisms and closed social relationships, legal boundaries of exclusion include formal mechanisms and processes that are defined by law and enforced by the state (Weber 1978:191), through policy, regulations, and policing. For Weber, the state is a key player in the maintenance of social closure and exclusion, and by extension, social stratification, differentiation, and inequality. This is because the parameters of exclusion are normative, determined by groups of insiders and ultimately reinforced and supported by the state, who uses the policy instruments at its disposal to protect the vested interests of the insider-dominated “ruling class” and barring “outsiders” from participating and/or accessing opportunities, privileges, and benefits. The instruments available to the state in this regard can range from legal to ultimately coercive sanctions, including the military, police, and the use of force. As such, the state can be seen as a gatekeeper for the primary determinants of “access to, or exclusion from, power, resources, and opportunities in society” (Weber 1978:302), and has a significant role to play in the social differentiation, stratification, and inequality of a given society.

Weber’s concepts of social closure and social exclusion have been elaborated on by neo-Weberians such as Frank Parkin. In *Marxism and Class Theory: A Bourgeois Critique* (1979), Parkin broadens the concept of exploitation from restrictions imposed on it by the Marxist conception of exploitation as only the capitalist appropriation of the surplus-value produced by labour, to include all exclusionary practices used by a group to enhance its rewards by closing

off opportunities to others. Parkin derives his theory from Weber's discussions of social closure, particularly those found in *Class, Status and Power* (Weber 1958). Weber untangles "class," which is based purely on economic standing, from "status," which implies a community with a common level of social honour maintained by exclusionary lifestyles and consumption patterns. Weber gives examples of social closure in society in areas beyond economic rewards and the means of production, including exclusivity as status hierarchies, competition for "honour," and standards of "good taste." Weber used the term "status-groups" to designate the social entities created by social closure. The mechanisms of closure and exclusion allow the certain status-groups to act collectively to gain political, economic, and material rewards from their ability to undertake collective action (Alexander 2005:4). Neo-Weberians like Parkin focus on these points of social closure, developing principles beyond Weber's analysis and separate from his discussion of power (Alexander 2005:4). In the process of doing so, Parkin extends Weber's notion of social closure to include additional forms of collective action that are designed to maximize rewards for one group by limiting opportunities for another. This effectively provides an opportunity to examine social closure and exclusion beyond labour economics, to include cultural, political and other modes of exploitation.

Parkin identifies two dominant types of social closure: exclusion and usurpation. Social exclusion refers to all those formal/legal and informal/social processes of subordination whereby one group monopolizes advantages by closing off opportunities to another group of outsiders that it defines as inferior and ineligible (Murphy 1986:23). The motives for erecting exclusionary boundaries generally occur in situations where there is a scarcity of resources and when members of a group feel that the admission of others will be detrimental to their

interests, by negatively impacting either the opportunities for their acquisition or consumption of resources and opportunities, or the quality of membership (Parkin 1979:146-8). For Parkin, exclusion is the predominant mode of social closure in modern societies. The criteria for exclusion may be based on any achieved or ascribed characteristic, or combination thereof, so long as it can create a recognizable and effective boundary. While exclusion based on ascribed characteristics tends to result in communal out-groups, exclusion based on achieved characteristics results in segmental status groups. Exclusion can be implemented in a wide variety of forms, and the insider group is able to pursue monopolistic practices through the use of law or force (Parkin 1979:148). Typically, in modern stratified societies, two tactics are used to maintain separation between insider and outsider groups: property, and qualifications and credentials. Here, property is understood as capital, or the “means of life and labour” (Parkin 1979). As a result of separating status from class, Parkin argues that social insider groups are able to create exclusionary boundaries based on education, credentials, and other qualifications. As such, Parkin argues that in modern society, credentials have become a new form of property facilitating exclusion.

Usurpation, on the other hand, is that type of social closure mounted by an excluded group in response to its outsider status and the collective experience of exclusion. Usurpation always begins as a consequence of, and collective response to, exclusion (Parkin 1979:166).

Usurpatory activities aim to increase access by the excluded group to resources and benefits accruing to dominant insider groups in society, and range from marginal redistribution of resources to complete expropriation. Usurpation is a type of social closure because excluded groups pursue activities to consolidate remaining resources and opportunities and erect

boundaries around their remaining privileges and exclude other outsider groups. However, usurpation can also be regarded as a strategy of social inclusion that can be pursued through either legitimate/formal or illegitimate/informal means, based on the relationship and participation of the state. In practice, usurpation tends to take place not when there is a large disparity between classes, but when the position of outsiders is not improving (Parkin 1979). It generally relies on the public mobilization of members and supporters, and takes the form of strikes, demonstrations, sit-ins, marches, picketing, symbolic vigils, and the like. As a result, usurpation activities usually stand in an uncomfortable relationship to the legal order and the state.

Exclusion is inversely linked to inclusion, and the two are interdependent: the more of one means the less of the other (Webb 2011). While exclusion is the exertion of power downward to restrict resources from those with less power, usurpation is the antithesis to exclusion, and refers to those collective attempts by excluded groups to appropriate and access a greater share of available resources. According to Murphy,

“[t]he main difference between these two modes is that exclusionary closure involves the exercise of power in a downward direction through a process of subordination in which one group secures its advantages by closing off the opportunities of another group beneath it, whereas usurpatory closure involves the exercise of power in an upward direction in order to bite into the advantages of higher groups.” (1986:23)

As a state of affairs, exclusion is never permanent, and continually runs the risk of provoking usurpation by excluded outsider groups that are marginalized in society (Webb 2011). Because exclusion is a historically specific configuration (Alexander 2005:6), the conditions of class conflict between insider and outsider groups are subject to change over time, political, economic, social and cultural conditions that subsequently change the grounds of identity and conflict.

Unlike exclusion, usurpation can be conducted from above (e.g. through government policy) as well as from below (e.g. social protest and resistance). Because of its ability to influence exclusion and inclusion, the state plays a unique role in the social stratification of society, at once contributing to the social exclusion of certain groups while simultaneously facilitating social inclusion through usurpation. State policy can play a role in counteracting the adverse impacts of exclusion, but also have a negative role in reproducing them (Kabeer 2000). This produces a tension within the state between the desire to utilize closure and exclusion to maintain or increase their position or the position of insiders (to whom they generally owe their current circumstances), and the desire to provide increased access to resources and opportunities to excluded and outsider groups. Some reasons that the state may support usurpation include attempts to increase political legitimacy, stimulate economic development, or promote social stability.

For the purposes of this study, social exclusion is understood as those formal/legal and informal/social structures and processes that limit access to available opportunities for outsider groups. This is similar to Narayan's (1999:4) definition: "the societal and institutional processes

that exclude certain groups from full participation in the social, economic, cultural and political life of societies.” It stresses the importance of the denial of access of outsider groups to participation in key activities and opportunities available in society, as a result of reasons beyond their control, but where they would like to participate (Burchardt et al. 2002). This includes hindered access and non-participation in education, employment, healthcare, and housing resources and opportunities, among other socio-economic dimensions. By adopting this conception of social exclusion, my approach is similar to the likes of Room (1995) and Reimer (2004) who treat social exclusion as multidimensional, dynamic, multileveled and relational. Social exclusion and inclusion are about access to the assets and resources that contribute to life chances (Weber 1978) and well-being (Room 1995). As such, it is highly correlated with the distribution of resources in a society and accessibility to publicly available resources, goods and services. According to Weber, all exclusion is a form of exploitation because it erects socially constructed barriers to the equal access of social goods to certain segments of the population. Thus, exclusion and inclusion are highly correlated with socio-economic social justice. Building off of Feagin (2001:5) definition of social justice, here I use the term socio-economic social justice to refer to resource equity, fairness and the eradication of existing forms of social oppression, and the redistribution of resources to those who deserve them.

2.7 Implications of Adopting this Theoretical Approach in China

The concept of social exclusion is distinctly European in origin. While heavily influenced by the French notions of “liberty, equality, and fraternity” (Sen 2000:24), this does not mean that it

does not relate to other cultures. Irrespective of culture, the major accomplishment of the concept of social exclusion is its contribution to the analysis of processes that lead to capability deprivation (Sen 2000:26), and to understand the multidimensional nature of deprivation and the importance of causal connections (de Haan 1997). The concept of social exclusion, understood as processes “through which individuals or groups are wholly or partially exclude from full participation in the society in which they live” (Sen 2000:26-27) has been used to shed light on a large variety of exclusion processes throughout Asia, including India, Thailand, Malaysia, Vietnam and the Philippines. By adopting a similar definition of exclusion in this study, in particular by focusing on those areas where rural-urban migrants in Xi’an themselves would like to participate, my use of the concept of social exclusion incorporates an understanding that is uniquely geared towards the Chinese context. As will be discussed in Chapter 3, the factors and processes of social exclusion examined in this study are derived from a thematic analysis of the findings from interview data with local Xi’an subject matter experts, public officials, and migrants themselves. This includes central and local government policies, as well as the *hukou* system, which are unique to the Chinese case, and which would not otherwise be examined in any other cultural context.

Thus, despite its European origins, social exclusion is a relative concept (Atkinson 1998) that can be applied to other societies and nations (Sen 2000). As such, its ideological underpinnings can be redefined over time and according to the particular configurations of local cultural, economic, and political specificities (Kennett 2001; Levitas 2005). In China, the explicit application and use of social exclusion as an analytical concept has been around since the late 1990s, but because of early challenges stemming from the perceived political implications of

the term, the concept did not become influential until recently (Li 2004:1). For example, Wang (2011) uses social exclusion as an analytical framework to examine education inequity in China. Now, the concept of social exclusion appears frequently in Chinese academic journals under the guise of “social integration” and “social inclusion” and is often utilized to explore policy questions such as “how to establish a more inclusive society and improve social solidarity” (Tang 2002). For example, Ren and Wu (2006) define integration in the Chinese context as processes of mutual cooperation and mutual adaptation between different individuals, groups, and cultural entities in the construction of a harmonious society. The concept of social exclusion, including those associational concepts of inclusion and integration, is now frequently used as an approach to study the situational experience and life chances of migrant workers in China. However, similar to other Western-generated discourse on the topic, much of the Chinese literature places primary importance on the impact of the *hukou* system, to the detriment of other influencing factors (Chen 2005; Zhang and Wang 2010). I contend that this is a narrow approach that does not reflect the complexity of the situation in China, the inclusion of other contributing factors, or the influence of various levels of government and societal interest groups participating under the presence of fragmented authoritarianism to influence decision-making and policy processes.

Recently, Chinese academics have developed more diverse descriptive and explanatory models for understanding migrant social exclusion. Many of these models incorporate not only socio-economic dimensions of exclusion and integration, but theories of identity integration as well. Identity integration for rural-urban migrants entails the process by which they take on and associated with the identity of urban residents (Wang and Fan 2012). For many migrants,

despite long term physical presence in the city, they still identify as rural residents rather than urban residents. For example, Yue, Li and Li (2012) developed a three-pronged model for examining the social integration of rural migrants in urban China that goes beyond *hukou* explanations, attributing importance to informal social and cultural factors as well. Yue, Li and Li conceptualize the social exclusion of migrants as resulting from the lack of social integration across three dimensions: socio-economic, cultural and psychological. They define socio-economic integration as a situation that enables migrant workers to gradually achieve socio-economic status (e.g. income) on par with that of local urban residents. Cultural integration is defined broadly and encompasses everything from language and vernacular, daily routines, and clothing style, to cultural values and norms. Psychological integration refers to the process of migrant workers developing a sense of identity, belonging, and community in the city. Whereas socio-economic integration is based largely on formal/legal factors and processes, migrants face a two-part challenge in cultural and psychological integration, namely, the degree that they seek to maintain the customs and habits of their hometown or region, and the degree that they wish to assimilate to the modern industrial culture of their present environment. Yue, Li and Li identify four strategies that migrants can employ: integration, assimilation, separation, and isolation (Yue, Li and Li 2012). Similarly, Yue, Li, Jin and Feldman (2013), move beyond *hukou* explanations of social exclusion, and focus instead on migrants themselves as active agents who develop extended social networks as a strategy for coping with, and mitigating difficulties associated with urban integration. Looking at the impact of social networks on migrants' acculturation, socio-economic and psychological integration, they find that developing social relationships with local residents is positively correlated with integration.

While this study does not venture into the realm of identity formation and integration, this project is complementary to the emerging beyond *hukou* literature on Chinese migration integration and exclusion. In particular, this project elucidates aspects of the complexity around socio-economic dimensions of social exclusion in urban China. I argue that by adopting a theoretical framework influenced by fragmented authoritarianism and a neo-Weberian understanding of social closure and social exclusion, I am able to approach the investigation of migrant social exclusion in Xi'an from a flexible position that allows me to go beyond *hukou* explanations, and incorporate both formal and informal processes, and mechanisms of exclusion, all of which stem from the market, the state, and society. This is consistent and complementary with recent approaches currently being applied by domestic Chinese academics, such as Yue, Li and Li (2012). Furthermore, because this theoretical framework examines and incorporates factors such as intragovernmental and state-society relations into the analysis of social exclusion of rural-urban migrants, this research contributes to the understanding of broader social and political transformations occurring across the country, including in terms of political pluralism and social justice.

2.8 Theories of Migration: Why People Migrate

While the focus of this project is on those factors that contribute to inequality and exclusion once rural-urban migrants have arrived in the city, it is important to consider this in the context of why rural migrants are coming to Xi'an in the first place. Given the definition of social exclusion that is being used in this study, in particular its focus on "those socio-economic areas

where migrants want to participate,” understanding the reasons behind their arrival in the city can help to frame real and perceived experiences of exclusion.

Several theories have been developed that attempt to explain ‘why people migrate’ and patterns of migration. Many of these are based on Ravenstein’s seminal “Laws of Migration” (1885), which introduced push-pull theory. Push-pull theoretical models typically list factors in origin and destination locations that contribute to migration. Push factors at the point of origin that trigger migration and pull factors are complementary, meaning that migration occurs if the push to migrate is remedied by the corresponding pull at the location of destination (Lee 1966). One of the most popular variations of this theory is the neoclassical economic model (Todaro 1969), which suggests that migration is related to the supply and demand for labour, and that locations with a low supply and high demand will have economic incentives that pull migrants from locations with a labour surplus and low demand. In the context of labour migration, push factors typically correspond to a lack of employment opportunities in the sending area, and pull factors often equate with economic opportunities available in the receiving area. Accordingly, the volume of migration from one place to another is expected to be associated with the quantity and quality of opportunities between each place, while taking into account intervening variables and obstacles (Todaro 1969; Harris and Todaro 1970).

However, this model fails to elaborate on the social, economic and political processes that lead to the push and pull factors that generate the migration response. As an alternative, segmented labour market theory (Piore 1979) argues that developed economies are structured in a way that requires a certain level of migration, and that these economies are dualistic, with a primary

formal labour market for high quality and high paying jobs, and a secondary informal labour market of low quality and low wage work. This theory posits that migrants are recruited to fill occupations that are necessary for the overall economy to function but that are avoided by the local population because of the poor working conditions associated with the secondary labor market.

In each of these models, the phenomenon of migration is determinant on the rational decision making of individuals to do so. This depends on general and situational aspirations and subjective perceptions of the opportunities and challenges in the both the location of origin and the destination. Contemporary scholarship on migration moves beyond the agency of the individual to also examine societal structures that create opportunities and challenges, including socioeconomic status, gender differences, and the roles of intermediaries, and the family as a socially constructed decision-making unit (Brettell and Hollifield 2008). More modern approaches such as the New Economics of Labour Migration (Stark 1991), which was developed in the 1980s, attempt to link micro and macro level factors, and stand out from the classical theories of migration by including a wide range of decision making factors. Similarly, those factors that serve as a catalyst to initiate migration flows may be substantially different than those that perpetuate ongoing migration (Massey 1990), including social capital and social networks.

Once migrants arrive in a receiving destination, the conditions that they encounter can have broad implications for their subsequent integration. As discussed in Chapter 1, in China it is well

documented that migrants encounter barriers and are excluded from equitable access to locally available public goods.

3 Chapter: Methodology

This chapter describes the methodology used in this study, including research design and methodological approach, selection of qualitative and quantitative methods, as well as identified ethical considerations and methodological limitations. In order to investigate the factors that contribute to the social exclusion of rural-urban migrants once they arrive in the city, this study adopts a case-study approach, focusing on the city of Xi'an. It is well documented that the policy development and implementation landscape in China is fragmented (Lieberthal 1995), and that policies and regulations often vary widely across the country. As such, it is necessary to arrive at a holistic understanding of how this occurs in a single location before comparisons can be made to other cities across the country. Adopting a case-study approach is thus appropriate, and potentially the best method for proceeding. Consistent with this approach, this project relies on data collected using multiple methods in order to triangulate the social phenomenon in question (Yin 1994). I rely principally on primary qualitative data collected using semi-structured interviews. In addition, I use supplementary quantitative and qualitative data collected from policy documents and existing statistics in a supporting role to provide context and a frame of reference for comparison and contrast with the primary interview-based data.

This chapter begins with a review of the research questions used in this project. The second section provides an overview of my research design and methodological approach. It focuses on the use of a case-study approach, entry into the field, and the selection of primary and secondary data. Section three discusses primary data collection using semi-structured interviews, and section four discusses secondary data collection and the use of archival

research, policy documents, and existing statistics. Section five describes the approach to data analysis, including the use of thematic analysis to interpret the qualitative data. The final section in this chapter touches on issues related to validity, reliability, and ethics.

3.1 Research Questions

As mentioned in Chapter 1, China's cities are faced with a number of substantial policy challenges related to rural-urban migration. On the one hand, local officials rely on migrants in order to initiate, sustain, and increase economic growth; on the other hand, in the absence of adequate funding and resources, the carrying capacity of urban infrastructure and local social services are compromised, subsequently encouraging local governments to respond with the development and implementation of policies that limit migrant integration, and resulting in social exclusion and limited access to opportunities for migrants in the city. It is this context and the tension created by this policy challenge that provided the impetus for this study. My original research question for this project was:

- How does the city of Xi'an plan for, prepare for, and respond to the arrival of a large number of rural-urban migrants?

While this is a descriptive question about a given phenomenon in a specific location, it is necessarily highly correlated with explanatory questions related to issues of social integration and social exclusion. In particular, it anticipates an examination of the nature of social exclusion and those factors, both formal/legal and informal/social, derived from the state, society and market that contribute to the social exclusion of rural-urban migrants. As such, it is necessary to

return to the discussions found in Chapters 1 and 2, and in particular to the *hukou*–beyond *hukou* debate, as well as ongoing trends in marketization, decentralization, and shifting state-society relations that bear significant impact on the social exclusion and social integration of rural-urban migrants. Subsequent research questions that developed out of this line of inquiry, meant to investigate the variety of factors that contribute to the social exclusion of rural-urban migrants, include:

- How does local policy development and implementation contribute to the social exclusion of migrants? What are the impacts of higher level, central, and provincial government initiatives?
- What is the impact of *hukou* status on the social exclusion of rural-urban migrants?
- Beyond formal/legal factors, what informal/social factors contribute to the social exclusion of rural-urban migrants? For example, how important is economic, human, and social capital to social integration and social exclusion?
- To what extent does the impact of formal/legal and informal/social factors vary across socio-economic dimensions, such as education, employment, healthcare, and housing?
- To what extent are migrants excluded on the basis of achieved and ascribed characteristics? And in particular, what role do property and credentials play?

As discussed in Chapter 1, it is well documented that migrants encounter challenges across a wide range of economic and social dimensions. Many of these occur at the level of the locality, where policy development and implementation is fragmented at the level of local governments

(Lieberthal 1995). It is important to look at the local cleavages of social exclusion across socio-economic dimensions that contribute to the social integration and exclusion of migrants. In this study, the questions above are focused on a single case, the city of Xi'an.

The questions above are framed by the contextual and theoretical discussions on social exclusion put forward in chapters 1 and 2, and touch upon trends and issues that extend deep into the fabric of modern Chinese society. As such, this study of social exclusion in urban China also provides fertile ground to contribute to the understanding of several broader fundamental social transformations underway in China as a whole. Based on the findings to the research questions above, the concluding chapter of this project reflects on the following questions:

- If the structures and processes of social exclusion are undergoing transformation, then what are the factors that explain this transformation?
- In an environment where migrant integration is identified as a key driver of future prosperity, why is status differentiation maintained? If the *hukou* policy is recognized as being outmoded and at odds with identified state interests, why does the state still support this and other structures that contribute to exclusion; what are the incentives?
- How do different segments of the local urban population benefit as a result of local policy? Who benefits from the current situation, and who is at a disadvantage?
- Who is able to influence the development and implementation of these structural processes? What pressures do local officials encounter from local insider groups, and how does this influence processes that contribute to social exclusion? Conversely, what

pressures exist from below, and how does this contribute to usurpation, inclusion, and the integration of rural migrants into society?

- What can the study of rural-urban migrant exclusion tell us about the fundamental nature of modern Chinese society? As it applies to China, what can this study us about the changing nature of modernity, social justice, localism, authoritarianism, and political pluralism?

3.2 Research Design and Case Study Approach

The questions above influence the research methods used in this project, and reinforce the use of a case-study approach focusing on the city of Xi'an. The case study relies primarily on data gathered through open-ended, semi-structured interviews with key informants, and also incorporates a variety of additional qualitative and quantitative methods to triangulate research findings and provide supplementary contextual information, including fieldwork, analysis of policy documents, and analysis of existing statistics.

Adopting a case study approach is an appropriate methodological strategy because of its ability to shed light on and improve understanding of complex issues. Case studies are a preferred approach to studying complex issues and situations where the questions being posed are “how” and “why” questions (Yin 1994), such as those posed in this project. A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, where the boundaries between phenomenon and context are not clearly evident (Yin 1994). The selected case that is the subject of the inquiry (i.e. Xi'an) is an example of a class of phenomena (i.e.

migrant social exclusion and integration in urban China) that provides an analytical frame within which the study is conducted, and which the case will illuminate (Thomas 2011). What distinguishes a case study is its goal of finding and revealing the features of the case (Bryman et al. 2009:38). Case studies can be deductive in nature, providing data to assess theories, or inductive, used as information to generate theories. As a research method, a case study is essentially the descriptive or explanatory analysis of events, decisions, policies, institutions, or other systems that are studied holistically by one or more methods and where multiple sources of evidence are used. Case-study design can incorporate both quantitative and qualitative methods. It often utilizes fieldwork and interview techniques because of their ability to generate intensive, detailed examinations of a particular case. For example, case-study data are typically gathered from documentation, archival records, interviews, direct observations, participant observation, and physical artifacts (Yin 1994). Field research is appropriate to research topics that defy simple quantification (Babbie 2007:286). Direct observations allow the researcher to observe subtle communications and other events that might not otherwise be anticipated or measured (Babbie 2007:289). The use of multiple methods is an attempt to triangulate the social phenomenon, and provides an effective method for the capturing and fixing of social phenomena in order to realize a more accurate analysis and explanation (Cox and Hassard 2005:111). As such, my investigation into migrant social exclusion is given a significant amount of depth by incorporating a case-study approach in my research design.

Similar to Burawoy's (1991) extended case-method approach, this project is deductive and endeavours to discover flaws in, and then modify, existing social theories (Babbie 2007:298).

This helps to rebuild or improve theory instead of merely approving or rejecting it. It looks at

how observations conflict with existing theories, and identifies “theoretical gaps and silences” (Burawoy 1991:10). Consistent with this approach, I entered into my fieldwork knowing the literature beforehand, unlike some grounded theorists who worry about other perspectives biasing their observations and theories. I entered the field with full knowledge of existing theories, but with the aim to uncover contradictions that require modification of those theories (Babbie 2007:300).

The decision to use Xi’an as the location for fieldwork was based on a combination of methodological and empirical considerations. Methodologically, Xi’an is an accessible and efficient location for me to conduct research. Accessibility and entry into the field is an important consideration for any researcher wishing to conduct qualitative research in a foreign location. In this case, my entry into the field was facilitated by my previous experience living and conducting research in Xi’an. Between 2006 and 2008, I spent twenty-seven months as a graduate student in the College of Social Sciences at Xi’an Jiaotong University (XJTU), eventually completing my Masters’ thesis in Sociology, entitled “The Emergence of Civil Society and Intellectuals in China” (Cooper 2009). Of China’s more than 2,000 colleges and universities, XJTU is one of nine “Ivy League” universities, and consistently ranks as one of the country’s top ten post-secondary institutions. Thanks to financial support received through the Canada-China Scholars Exchange Program, I was able to return to Xi’an in 2014 and conduct fieldwork for this research project. Using XJTU as my base of operations, I was provided logistical and research support from the Institute for Empirical Social Science Research (IESSR). This included office space, research materials, and access to archives, policy documents, and data not normally available to foreign researchers. In addition, since XJTU and the IESSR are home to a number of

subject-matter experts and academics who are familiar with the local policy development and implementation context, and who deal directly in research targeted at the migrant population, my relationship with the university facilitated access to an initial pool of prospective interviewees.

Selecting Xi'an as the location for this research project was also based on empirical considerations. To date, the vast majority of research on China's domestic migration and rural-urban migrant integration has been conducted in the country's eastern and coastal provinces and Tier 1 cities (e.g. Beijing, Shanghai, Shenzhen, Tianjin). As such, there is an empirical gap concerning migration in China's interior and western provinces, and the city of Xi'an in particular, especially in the English-language literature. Given that policy tends to become more varied and disparate the further that one ventures from the political centre (i.e. Beijing) of the country (Liu 2002), examining migrant integration and exclusion in an interior Tier 2 city (see Chapter 4 for a discussion on China's tiered cities) such as Xi'an provides intriguing insight into policy differentiation throughout the country. In addition, Xi'an has regional, political, and economic importance. Development in China's interior provinces and cities has been a priority of the central government since 1999 and the formulation of the Western Development Strategy (Lu and Deng 2011). Xi'an plays an important role in this strategy, and has also been identified by the central government as one of three "international metropolises" (the other two being Beijing and Shanghai). As a result, the city will receive added attention and resources from the government to promote development. In addition, recent trends indicate that industry is moving inland towards the interior of the country in order to maximize competitive advantages associated with available labour, lower labour costs, and opportunities to grow (Ma

and Summers 2009). As the interests of both government and industry in China's interior continue to grow, interior hubs such as Xi'an have potential to accelerate growth and increase in importance, making the need to examine the conditions of migrant exclusion and integration all the more pressing.

The phenomenon of domestic migration in China deserves special attention because of opportunities and challenges that it poses for China's growth. However, it has been well observed that there are significant data limitations that make studying China's migrant populations difficult (McKinsey 2012:4-5). As a result, an approach based on qualitative methodology is appropriate because of its ability to provide a great deal of descriptive detail, emphasize processes, and focus on explanations (Bryman 2004:280-1), which is essential to shedding light on the development and implementation of processes and effects of social integration and social exclusion of rural-urban migrants. This project relies primarily on the use of qualitative methods and semi-structured interviews with key informants, including public officials, subject-matter experts (e.g. intellectuals and academics), and migrants themselves, in order to investigate the social exclusion and integration of rural-urban migrants in Xi'an. This project also utilizes secondary qualitative and quantitative data collected from government documents and secondary research in a supporting role to provide context and a frame of reference for the research questions.

3.3 Primary Data Collection

Open-ended, semi-structured interviews are the main method for gathering data for this research project. In order to obtain cases (i.e. interviewees), I relied primarily on purposive

sampling techniques. The two most common methods for sampling in qualitative research are theoretical sampling and purposive sampling. Theoretical sampling, refined by contributions from Glaser and Strauss (1968), Glaser (1992), and Strauss and Corbin (1998), is a well-established method for data collection, based on grounded theory. It combines data collection with data analysis, resulting in adjustments to the sample categories of interview subjects as new categories emerge in the process of analyzing interview data. According to Glaser and Strauss, theoretical sampling is a process of data collection for generating theory where the analyst jointly collects, codes, and analyses data, subsequently deciding which data to collect next, and where to obtain them, in order to further develop theory as it emerges (Glaser and Strauss 1968:45). In this project, my sampling categories were identified primarily through purposive sampling. Purposive sampling is a type of non-probability sampling where the units are selected based on the researcher's judgment about their representativeness, and their ability to provide data correlated to the research questions (Babbie 2007:184). It involves choosing categories and cases that illustrate a feature or process that the analyst is interested in exploring. It also involves choosing sampling cases in advance, based on the parameters of the population being studied. While this typically requires more planning, critical thought, and sample selection before fieldwork begins, the benefit of purposive sampling over theoretical sampling is that because it is more targeted, it is generally more cost-effective and efficient (Silverman 2010:141-3). Taking cost-effectiveness and time-management into consideration, purposive sampling was used as the main sampling method for identifying prospective interview participants.

The process that I used for purposive sampling began by selecting potential interviewees on the basis that they would be able to provide the information that I needed to respond to my research questions. For example, because of the perceived influence of the local government on the social exclusion of rural-urban migrants, I identified local officials and policy analysts as potential interviewees based on their familiarity with local policy development and implementation. Similarly, subject-matter experts made up a second category of cases, as a result of their varied expertise and knowledge regarding migration, integration, and exclusion. To investigate how migrants experience social exclusion and integration in Xi'an, I included migrants as a third category for research. After identifying my categories, I set out a series of parameters for selecting cases in order to improve the representativeness of my interviewees. For public officials, this included parameters such as work experience, department or agency association, profession, and Party-membership status. For subject-matter experts, parameters included profession, areas of expertise, work experience, public policy experience, and research experience. For migrants, parameters included location of origin, profession, and *hukou* status. For all potential respondents, demographic factors including age and gender were considered. The purpose of these parameters was to ensure that I had a varied group of respondents, based on the assumption that respondents with different backgrounds would have different perspectives on the issue at hand. Finally, cases that met the criteria as potential interviewees were asked to provide suggestions for additional contacts and other potential interviewees who may also align with these parameters. The purposive sampling approach is not the same as employing a "snowballing" technique. Snowballing is a form of convenience sampling, where a convenience sample is selected based simply as a result of accessibility and availability (Bryman

2004). While accessibility is an important consideration for conducting interviews, and while snowball sampling is recognized as an appropriate procedure when the members of a population are difficult to locate, such as migrant workers (Babbie 2007:185), accessibility was only one of several criteria used in my project to select interviewees. In addition to accessibility, other factors that influenced the final selection of cases included relevance, suitability, and representativeness. In this case, purposive sampling provided a way to enhance the representativeness of my sample.

To facilitate purposive sampling and the identification of targeted interview participants, I used posters (Appendix A) and emails (Appendix B) to advertize my research project and solicit potential participants. To this end, they were posted and distributed in the hallways, bulletin boards, and websites of IESSR, other departments of XJTU, and other universities in Xi'an known to have an experts on topics related to my research topic.

Research often combines elements of both deductive and inductive approaches (Bryman et al. 2009:6), and while I relied on purposive sampling to identify my research cases, grounded theory and theoretical sampling did have a role to play in the overall collection of interview participants. Originally, I had intended to conduct interviews with four categories of informants, including government officials, subject-matter experts, workers from not-for-profit organizations (NFPs), and rural-urban migrants. While in the field, interactions with NFPs proved to provide little relevant information, and the decision was made to remove this category of informants from my research. Indirectly, I was able to gather information about the relationship between NFPs and migrants and the impact that they had on social integration by

speaking with public officials and subject-matter experts, who generally oversaw the operations of NFPs and who were better able to articulate the role they played in the social integration and exclusion of rural-urban migrants. Discussions with migrants themselves also helped elucidate the role of NFPs.

Fieldwork in the city of Xi'an was conducted over a three-month period between March and May 2014. The purpose of fieldwork was to collect primary and secondary data. Both qualitative and quantitative data were collected during this period. While three months may be viewed by some as a relatively short period of time when compared to similar research projects, my entry into the field was facilitated by previous time spent in Xi'an and at XJTU. Many of the contacts that I had initiated between 2006 and 2008 have been maintained over time, and those relationships facilitated the identification of subject-matter experts and other key contacts for this project. Adopting a purposive sampling method also enabled me to utilize these contacts to identify potential interviewees in advance and to make arrangements to conduct interviews immediately upon arriving in Xi'an.

3.1 Interview Categories and Cases

My sampling efforts provided leads on 60 prospective interview participants. However, in the end, 18 of these cases were removed from

Category	Number of Cases
Subject matter experts	17
Government officials	10
Rural-urban migrants	15
Total	42

consideration as a result of not meeting the required parameters for inclusion in this study. In total, I conducted interviews with 42 informants (Table 3.1), including 17 subject matter experts, 10 government officials, and 15 rural-urban migrants. Informants are distinct from respondents, as the former are well versed in the social phenomenon in question. The length of

the interviews varied between 30 and 90 minutes, and resulted in about 30 hours of recorded audio. With one exception, all interviews were conducted face-to-face by the researcher. There was only one situation where distance prevented a face-to-face encounter. In this instance, the interview was conducted over the phone. Participants were free to use the language of their choice during interviews. In the end, the majority (35 of 42) were carried out in Mandarin or a combination of Mandarin and English. Five interviews with migrants were carried out using a combination of Mandarin and another Chinese dialect. Two interviews were conducted wholly in English. It should be noted that most public officials and subject-matter experts spoke very good English. Qualitative interviewing is flexible, iterative, and continuous (Rubin and Rubin 1995:43). In this study, I used semi-structured interviews in order to bring out how the interviewees interpret and make sense of issues and events (Bryman et al. 2009:160). The format of the open-ended, semi-structured interviews involved asking questions based on a prepared interview guide (Appendix C), a fluid, dynamic document that changed according the category of informant being interviewed, and based on the information gathered from previous interviews. The guide was used to begin the interview process, but did not necessarily dictate the structure of the entire interview. The use of open-ended, semi-structured interviews provided flexibility and allowed respondents to identify and discuss those issues and themes that they found interesting and important. This created an engaging and collaborative environment. As a result, the data that emerged from the interview are the product of interaction by the speakers. This approach highlights the fact that interviews are interactive events and joint accomplishments between the interviewer and interviewee (Dingwall 1997:56), where the data are collaboratively produced (Rapley 2004:16).

While a few interviewees were initially somewhat guarded and cautious with their responses, the majority of the interviewees became increasingly comfortable and free with their responses as the interview progressed. Not only did they provide answers to the questions being asked, but they also provided additional information and freely elaborated on their responses. They were willing to express their attitudes, cite examples, and delve into issues that they felt were important, including those that were not specifically asked about. Initial guardedness on the part of the interviewees was anticipated and factored into the structure of the interviews. To put the respondents at ease, interview location was identified by the respondent, putting them in a setting of their choice – usually one that they were familiar with. In addition, interviews began with relatively simple questions related to their demographic background – questions designed to get them used to talking and engaging with the interviewer before delving into more thoughtful questions about their attitudes, opinions, and experiences. In several instances, interviews with certain participants were broken up into multiple sessions. While this was primarily done to accommodate their schedules, it also provided an excellent opportunity for both parties to reflect on the issues and think more deeply about responses. In many cases, these were some of the most in-depth and rewarding interview sessions.

3.4 Secondary Data Collection

Secondary data collected for this study included a variety of policy documents, media reports, and official statistics. This data played a supportive role in my research, and helped to triangulate findings, strengthen arguments, and provide additional information to help answer research questions.

Consistent with a case-study approach, this project used a combination of quantitative and qualitative methods to address the research objectives. In order to frame the context of migration, and gather background information related to the social dimensions of education, employment, healthcare and housing, I used a number of unobtrusive measures for gathering quantitative empirical data. These include secondary descriptive analysis of existing demographic and migration-related statistical datasets. Available data sources include the Xi'an Statistical Yearbook, compiled by the Xi'an Bureau of Statistics, and the China Statistical Yearbook, published by the National Bureau of Statistics (NBS) of China. Data from the China Statistical Yearbook are available in aggregate form online and in complete form through the XJTU archives. I also made use of quantitative data published by the government over the internet and statistical yearbooks. These data were presented in aggregate form, which provides information on policy implementation at the macro level. Official online government resources that I used to supplement my data include the city of Xi'an (www.xa.gov.ca), Shaanxi province (www.shaanxi.gov.cn), and the National People's Congress's Database of Laws and Regulations (www.npc.gov.cn/englishnpc/Law/Frameset-index.html). The websites for Shaanxi province and the city of Xi'an publish data on local populations, economic and social development and growth, and government expenditures. These resources were used as a supplementary source of data. The advantages of using existing statistics and archives are that they are inexpensive to obtain and easy to sample, and the restrictions associated with them are known and controllable through data transformations and the construction of indices.

The reliability of existing statistics depends heavily on the quality of the statistics themselves, as well as the process of record-keeping (Babbie and Benaquisto 2002:281-2). Government

statistics can be inaccurate, and questions about the reliability of Chinese official statistics have long been questioned by academics (Travers 1982) as well as the mass media (Chan 2004). There are a number of other challenges associated with Chinese migration statistics. Firstly, there is a paucity of reliable historical data. The 2000 population census was the first time the government collected nationwide information on migrants and including them in the urban population counts alongside the registered *hukou* population. Before that, all population was reported by birthplace, regardless of where individuals were living at the time of the survey (Chan 2003). As a result, reported population trends may not accurately reflect the momentous geographic shifts that began nearly two decades earlier. Subsequent changes gradually brought the Chinese reporting methodology for urban population closer to international norms (Chan 2009), and historical trends become more reliable with the passing of time. Secondly, city-level population data are “muddied” by the continued use of *hukou* population by many city officials, in contravention of the NBS’s call, since 2001, to use actual population statistics. Their motivation is simple: under pressure to boost per capita GDP and growth performance, it is tempting to use a lower population in the denominator. Chan (2009) has found many instances of cities using lower than actual population figures, and warns that “while national urban population figures are broadly accurate, individual city population numbers remain a statistical minefield” (Chan 2009:25-6), making the comparability of statistics on internal migration problematic (Liu and Chan 2001). The challenge of estimating urban populations with official statistics is that they often fail to differentiate between registered *hukou* populations and non-*hukou* populations such as rural-urban migrants (McKinsey 2012).

For migrant populations, measurement is even more contentious, as there are very little public data available on migrants. In order to guard against the problem of unreliable statistics, Babbie and Benaquisto (2002:281) suggest that it is necessary to investigate the nature of the data collection and tabulation to assess the nature and degree of reliability in order to judge its potential impact on research. Also, there are several potential problems associated with the reliability of official Chinese statistics, such as the entwinement of data with politics in such a way that reduces the accuracy of statistics. The NBS monopoly on official statistics means that the benefits of a competitive marketplace have not reached the data field. Furthermore, many crucial data series, like GDP, are used as success indicators for local officials, who therefore have incentives to inflate or distort the numbers that are reported. Caution must thus be exercised when using Chinese data and it is recommended that they be accepted only within a fairly large margin of error (Naughton 2007:141-2). In particular, given the political implications associated with China's modernization drive, it makes sense that respondents and officials at local and provincial levels may "trick" the data in their favour. However, despite ongoing problems associated with using these datasets, it must be mentioned that there are few plausible alternatives, and that the data produced by the NBS are the product of a data collection network systematically analyzed by a large group of government statisticians, making them the most reliable data available. In addition, despite these known challenges, the practice and use of statistics in social science in China has increased dramatically in recent years. Data availability has improved in recent years, and a number of researchers and institutions have developed their own independent surveys. In order to supplement information derived from official surveys, I also make use of data derived from a number of independent surveys that

have been conducted locally by academics in Xi'an, in collaboration with the local municipal government departments and agencies. These include the Investigation on the Living Conditions of Migrant Workers in Xi'an (Zhou 2010), and the Report on Xi'an Migrant Population Development (XJTU 2013). The latter of these is conducted by XJTU on behalf of the Municipal Government of Xi'an every two years. The latest published edition (XJTU 2013) covers the years 2011 and 2012 and was published in 2013. The proliferation of independent and local surveys, while not devoid of their own methodological limitations, has helped to provide a more holistic understanding of migration at the local level.

In addition to existing statistics and datasets, this study also makes use of policy documents and reports. Policy documents refer to the texts of laws, regulations, and policies announced by the central, provincial, and local levels of government, and represent public policies in textual format. Policy documents were collected from the internet, media releases, and XJTU archives. They provide information on what is stipulated in the policies related to migrant integration and exclusion across the dimensions of education, employment, healthcare, and housing. By examining these documents in detail, I was able to glean insights into the development of policy objectives, the clarity and feasibility of policy goals, as well as how the government system in China is designed and the relative strength of discretionary power that rests with various levels of government. In addition to formal policy documents, I also collected reports from academic think tanks and research institutions in Xi'an. These reports were particularly useful in providing additional information on policy development and implementation processes.

3.5 Data Analysis

I used thematic analysis techniques to analyze qualitative data collected from my semi-structured interviews, existing statistics, and policy documents and reports. Thematic analysis is a process for encoding qualitative information where patterns are found in the information that can describe and organize the possible observations, and that can interpret aspects of the phenomenon (Boyatzis 1998:4). It focuses on the identification and description of both implicit and explicit ideas and themes within the data, and typically uses codes to represent identified themes and link them to data as summary markers for analysis (Guest et al. 2012:10).

Thematic analysis of collected data began by transcribing my interview recordings into written texts. Once this was complete, I used an “open-coding” approach as suggested by Strauss and Corbin (1998). This refers to an initial classification and labeling of concepts based on the researcher’s examination and questioning of the data. The data are then broken down into discrete parts, compared for similarities and differences, and grouped together into abstract concepts or categories based on conceptual similarities (Strauss and Corbin 1998:102). Using this approach, I went through my collected interviews, statistics and policy documents and reports, identifying and encoding themes related to formal/legal and informal/social processes, and ascribed and achieved characteristics of social exclusion of rural-urban migrants across the areas of education, employment, healthcare, and housing. This was followed by the use of a “selective-coding” approach (Strauss and Corbin 1998), where I categorized these themes into different groups that align with my research questions. The final stage of my thematic analysis

involved interpreting codes, and reporting findings in my study, which are found in Chapters 5-8.

The concluding sections of Chapters 5-8 include visual approximations of the factors that contribute to social exclusion in terms of each chapter's respective socio-economic dimension. This is done using a matrix

3.2 Example Diagram of Factors Influencing Social Exclusion

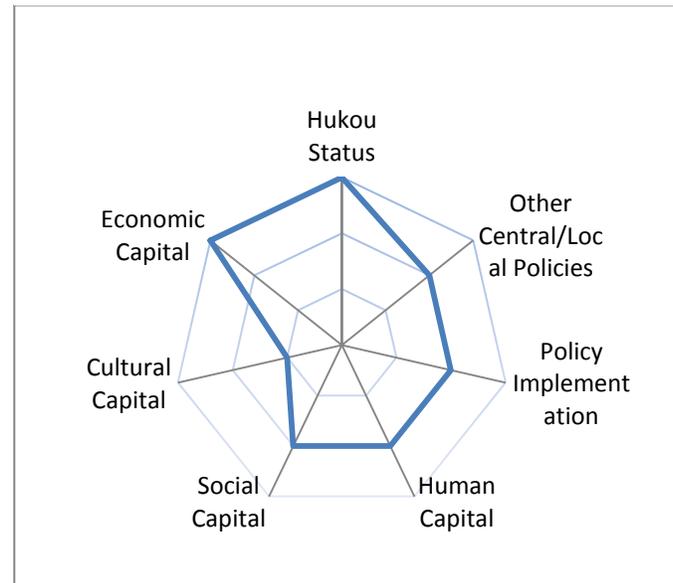


diagram (Figure 3.2). Utilizing this form of visual representation facilitates a comparison of the strength that these factors relative to one another. In Chapter 9, all four matrices will be compared against each other in order to provide a visual representation of how social exclusion varies across socio-economic dimensions. The dimensions of education, employment, healthcare and housing are invariably interconnected. Though they are largely looked at in this study independently from one another in order to highlight the multidimensional and fragmented nature of social exclusion, several connections are discussed throughout Chapter 5-8. This interconnectivity is elaborated on in Chapter 9.

The seven axis points of the matrix include three formal/legal factors (e.g. *Hukou* status, Other central/local policies, Implementation of policies) and four informal/social factors (e.g. Human capital, Social capital, Cultural capital, Economic capital), that have been identified based on a thematic analysis of the interview data collected during this project, and are those factors that subject matter experts, officials and migrants considered as having influence in the social

exclusion of migrants in China. In the context of this study, the factor ‘human capital’ refers to educational attainment, credentials, and knowledge and skills, which are normally associated with formal education and training. ‘Social capital’ refers to one’s social networks, including family, friends and kinship ties. This also includes the Chinese concept of *guanxi*, which is loosely defined as personalized networks of influence, or the relationships that individuals cultivate with one another for mutual benefit. ‘Cultural capital’ refers to the customs, traditions, fashions, accents, mannerisms that distinguish a local native resident of Xi’an from other regions. ‘Economic capital’ refers to the financial and monetary wealth of an individual, their access to credit, and their ability to procure goods and services on the open market. ‘*Hukou* status’ refers to one’s ascribed Household Registration status, and those policies that are directly associated with *hukou* status. ‘Other central / local policies’ refers to any policies or regulations from any level of government that are either mostly or completely removed from *hukou* status but that still impact migrant integration and exclusion. ‘Policy implementation’ refers to how existing policies and regulations are implemented, maintained and enforced, and whether the reality of the policy on the ground is different from what has been formally developed by the state.

The level of influence that each of these factors have in contributing to the social exclusion of rural-urban migrants in Xi’an is determined by their position on the matrix. Those factors that are plotted on the inner ring are deemed to have a “low” influence; those found on the second ring have a “medium” influence; and those on the outer ring have a “high” influence. The determination of whether a particular factor obtains a ranking of high, medium or low is a subjective estimation made by the researcher based on the data collected during the interview

process. Rankings are informed by the frequency that a factor is identified as well as the perceived degree of its influence.

Using a case-study approach, my research design also investigates and identifies those characteristics of education, employment, healthcare, and housing that make the migrant experience and social exclusion in Xi'an unique. In each chapter, I compare my findings against general trends observed from the wider body of research that examines rural-urban migration in China. The majority of this literature stems from research conducted in coastal provinces and Tier 1 cities such as Beijing, Shanghai, and Shenzhen. This body of research serves a foil with which to compare, contrast, and identify the uniqueness of policy development and implementation, social exclusion, and integration in Xi'an. It also enables me to make larger claims about my analysis by demonstrating similarities and differences across a number of settings (Perakyla 1997:214).

3.6 Limitations and Ethics

Conducting research in a foreign setting can introduce a number of challenges to the research process. In particular, issues related to language and cultural differences can significantly impact the collection and interpretation of data, and failure to consider these could potentially call into question the validity and reliability of the findings (Stening and Zhang 2007:121). For example, language and cultural barriers can make open dialogue with interviewees difficult, and participants may be hesitant about sharing opinions, especially about sensitive political and cultural issues, leading them to provide morally or politically correct answers rather than their own perspectives. Previous research has identified several politically sensitive topics specific to

China, including the political legitimacy of the Party, Taiwan, Tibet, HIV/SARS, and religion (e.g. Falun Gong). Problems can arise because participants worry about whether their responses will be reported or that the authorities will be alerted. Both national and international researchers have thus found it difficult to gain access to data on sensitive topics, which is often strictly controlled by the government (Yang and Le 2008:113). The majority of the research findings presented in the following chapters are based on qualitative research. As such, the issues of reliability and validity were primary concerns throughout the course of this project. Based on lessons learned during previous research (Cooper 2010, 2011), I incorporated several steps to improve the validity and reliability of the research findings in this project.

Validity refers to the extent that an account accurately represents the social phenomena to which it refers (Hammersley 1990:57). During the course of this project, I took a number of measures to ensure that both data collection and data analysis were conducted in such a way to improve the validity of the research and that the research findings would reflect what is really happening in the field. During data-collection phase, measures were taken to ensure that respondents were participating in a truthful manner. For example, since interviews were conducted with public officials and Party members (including public officials and subject matter experts), there was a risk that interviewees would limit their responses to prescribed official lines. Another potential issue affecting the validity of responses was related to the perception that respondents may consider some of the material sensitive or controversial, even though my discussions with all three categories of respondents demonstrated that this was not the case. By using open-ended, semi-structured interviews, the data gathered through these interviews corresponds with the experience, thoughts and ideas of the respondents. By taking efforts to

improve communication between respondents and the researcher, interviews began by the researcher providing a brief overview of the topic and the objectives of the research. This served to convey to the interviewee that I was knowledgeable about the topic and aware of the issues at hand, thus any false information received would be subject to follow-up questions and potential challenges, and that they would not necessarily be taken at face value. In addition, respondents were made aware that any data collected through the interviews would be used for academic purposes only, and that none of their personal information would be made public.

Case studies are typically seen as rarely being able to make claims on the representativeness of its samples. However, generalizability can be obtained by combining qualitative research with quantitative measures of populations, and through purposive sampling guided by time and resources (Silverman 2004:249). During the data-analysis phase, consistent with the case-study approach, triangulation was used to improve the validity of the collected data. As well, data are validated based on the basis of the adequacy of the evidence used to support them (Hammersley 1992:69). Triangulation, comparing different kinds of data and different methods to see whether they corroborate one another, and respondent validation (taking research findings back to the subjects being studied) were all used to improve the validity of this research. The main purpose of triangulation was to provide multiple reference points that would support a given position. Triangulation techniques include comparing findings based on qualitative and quantitative data. Thus, responses from interviews were compared and contrasted with data from existing statistics, archives, and policy documents. I also triangulated responses from different groups of interviewees. If multiple interviewees provided similar perspectives on a particular question or issue, then that perspective was considered to be more

valid and reflective of the situation on the ground. Where unique responses were provided, additional questions were asked to legitimate the responses. Although there are arguments against using triangulation in qualitative research (Silverman 2004:233), if the potential biases associated with these approaches are accounted for, then many of their potential shortcomings can be avoided.

The quality of research also depends on its reliability. Reliability refers to the degree of consistency with which cases are assigned to the same category, irrespective of the observer or the occasion (Hammersley 1992:67). As such, research should be conducted as objectively as possible, so that personal values do not unjustly bias the research. Steps were taken throughout the data collection and analysis phases to improve the reliability and objectivity of the findings. By using semi-structured interviews and open-ended questions, the researcher was able to limit the presence of leading questions. Respondents were encouraged to answer freely and to follow up and elaborate on issues that they found important, whether they were mentioned by the researcher or not. This project took a number of steps to ensure high reliability, and the use of low-inference descriptors (Silverman 2004; Seale 1999). With regard to data analysis, research findings were presented with minimum interference, where responses are reported as concrete and as accurately as possible, including verbatim accounts of what people say, as opposed to the researcher's reconstruction of generalities (Seale 1999:148). As such, direct quotations are used throughout the research project as evidence that supports arguments made in the thesis. Using standardized methods for recording all face-to-face interviews, carefully transcribing these recordings, and presenting long extracts of data

in the research report are also steps that one can take to satisfy the need for low-inference descriptors (Silverman 2004:230).

As mentioned above, all interviews in this project were conducted by the researcher. Outside support was used during the transcription process. Compared to the time needed to transcribe the English-language interviews, which for native speakers typically ranges from two to four hours per hour of recorded audio, the time needed for a native Chinese speaker to transcribe an hour of Chinese language audio recording typically ranges from six to nine hours. This is largely the result of non-language specific keyboards and the fact that words in the Chinese language generally have fewer morphemes, enabling most people to speak more words per minute in Chinese than in English. While I judge myself competent enough to conduct interviews without much difficulty, transcribing Chinese audio recordings myself would have been inefficient and would have required substantially more time to complete. To resolve this challenge, I sought out volunteers from XJTU for transcription services. All volunteers were required to sign a confidentiality agreement (Appendix D) outlining their responsibilities concerning the anonymity and confidentiality of respondents. Transcripts were carried out verbatim, and were checked against the original recordings to ensure their accuracy. Instead of translating the entirety of each interview from Chinese to English, thematic coding (as described above) was applied directly to the Chinese transcripts. Where sections of responses are included and referenced in the research project, these sections have been translated into English. The translation of the transcripts was conducted by the researcher. Any mistakes made in translation are unintentional and the sole error of the researcher. As is typical in this type of research, large portions of the interviews were not useful at the end of the day, so it is not a

common practice to transcribe interviews in their entirety, but only to transcribe those portions that seem useful or relevant (Bryman et al. 2009:167).

This research project was conducted in adherence to the principles and processes outlined by the Research Ethics Board at Carleton University, and by extension those enforced by the Tri-Council Agency, the Social Sciences and Humanities Research Council. Some of the most important ethical considerations include voluntary participation, no harm to the participants, informed consent, anonymity, and confidentiality. A number of measures were taken to ensure the anonymity of the respondents and the confidentiality of the data collected during this project. Importantly, informed consent was acquired by each respondent before participating in the project. Participation in this project was entirely voluntary. Participants were notified of their rights before interviews were conducted, and made aware that if they felt uncomfortable during any part of the study, that they had the right to refuse to participate or withdraw at any time. Participants were also provided with the researcher's contact information, and given the opportunity to have their interview responses removed from the study up to three months following the date of the interview. Where direct quotations are used, no personal information is presented in the research that could directly be used to identify the respondent. Where names are used, they are pseudonyms. The privacy and confidentiality of the participants was protected by keeping their identity anonymous and by not using identifiable names or positions during the course of the interview. In addition, anyone with access to the research data, including those providing translation and transcription support, was required to sign a confidentiality agreement (Appendix D), further protecting the identity of the participants.

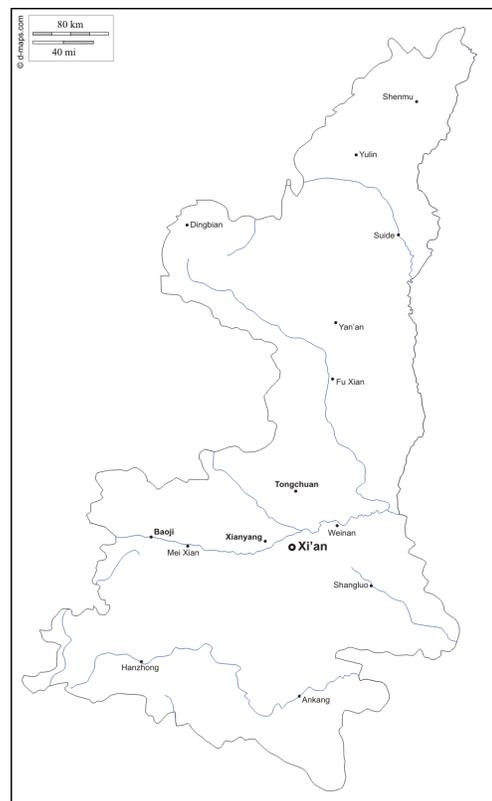
4 Chapter: Xi'an: Demographic Characteristics, and Urban and Economic Development

One of the four great capitals of ancient China, Xi'an is now the capital of Shaanxi province and an important economic, transportation, and cultural hub for the north-western part of the country. This chapter provides an overview of Xi'an, including its history, geography, economy, urbanization trends, demographics, and information about its migrant population. It pays particular attention to Xi'an's industrial structure and economic and urban growth, which has been heavily supported by state intervention. This chapter also provides an overview of the demographic characteristics of Xi'an's migrant population. Particulars related to education, employment, healthcare, and housing are dealt with in subsequent chapters.

4.1 The City of Xi'an

The city of Xi'an is located in central Shaanxi province on the banks of the Wei River, between the Qinling Mountains to the south, and the Loess Plateau to the north (Figure 4.1). As one of the four great capitals of ancient China, Xi'an is popularly known for being the beginning of the old Silk Road and as the home of the Terracotta Warriors. Xi'an is historically important to the development of Chinese civilization, and was the capital for 13 imperial dynasties, including the

4.1 Map of Shaanxi Province



Source: d-maps.com

influential Han and Tang dynasties, and served as the political, economic and cultural epicenter of the Chinese empire for over 1,000 years.

Today, Xi'an is the capital city of Shaanxi province. Geographically located near the center of the country (Figure 4.2), Shaanxi is commonly considered to be a part of “north-western” China. Xi’an is the region’s largest city, and serves as an important economic and cultural hub for the surrounding area. It is also a major gateway connecting China’s prosperous eastern region with the relatively less developed western part of the country. The city is a transportation hub, and is home to important infrastructure assets, including one of the country’s eight major national railway stations, and the sixth busiest airport in terms of passenger throughput (Xi’an Municipal Government Website). In 2013, passenger traffic from railways, highways, and civil aviation reached 382,890,000, up from 80,680,000 in 2000 (Xi’an Statistical Yearbook 2014:13).

4.2 Map of China



Source: d-maps.com

4.2 Urbanization in Xi'an

A number of categorization schemes have been developed that attempt to categorize China's many cities. The variety of schemes has led to some confusion surrounding ranking systems, as competing schemes use different factors to distinguish between different types. According to the City Planning Law of the People's Republic of China (implemented in 1989), "a 'large city' is one that has a non-agricultural population of 500,000 or more in its urban and inner suburban districts. A 'medium city' is one that has a non-agricultural population of over 200,000 but less than 500,000 in its urban and inner suburban districts. A 'small city' is one that has a non-agricultural population of less than 200,000 in its urban and inner suburban districts" (NPC 2007). Other categorization schemes exist. For example, Koen et al. (2013) identify five city types based on a hierarchical system of administrative units. In descending order, cities are identified as: directly controlled municipalities, special-plan cities, provincial capitals, prefectural-level cities, and county-level cities. Given the complicated nature of the administration-based classification system, however, the most common method identifies cities according to one of three tiers, based on a combination of population size, economic strength, and administration status (Luan 2013). Even though the central government does not officially define or recognize the three-tier system, generally speaking, Tier 1 cities include China's largest cities and those with provincial-level administrative authority, such as Beijing, Shanghai, Shenzhen, Chongqing, and Guangzhou. Tier 2 cities generally consist of the remaining provincial capitals and other high-population economic centres, such as Xi'an. Tier 3 cities include all remaining cities below these roughly defined threshold levels, such as prefecture or county-level city capitals.

While Tier 1 cities garner much of the world's media attention, China's smaller Tier 2 and Tier 3 cities have also attracted considerable interest because of their growth performance and potential. For example, according to Luan (2013), the most rapidly growing urban cities in China are Tier 2 cities. From 2000 to 2007, the proportion of the population (including both urban residents and migrants) in Tier 2 cities increased more (32.1 percent) than in Tier 1 cities (15.8 percent) and Tier 3 cities (23.4 percent). This suggests that the rapid growth of Tier 2 cities are relieving population pressures from Tier 1 cities, as well as increasingly attracting migrants from smaller centres (Luan 2013:370).

Urbanization, understood as total population growth, is typically achieved through a combination of three methods: 1) organically, as a result of increasing birth rates and life expectancy; 2) externally through migration, where in-migration outpaces out-migration; and 3) by reclassifying the defined borders of a given territory and amalgamating neighbouring populations. In China, the prolonged influence of the One Child Policy, which was most strictly enforced in densely populated areas, has limited the impact of local organic growth in many cities. In China, rural-urban migration is recognized as the leading contributor to urbanization, accounting for between 70 and 75 percent of urban growth in the post-reform period (Zhang and Song 2003; Koen et al. 2013). Migration is also the leading source of urbanization in Xi'an. The city's natural growth rate over the last decade, since 2004, has remained relatively static, between 3.3 and 4.6 percent, and most recently at 4.2 percent in 2013 (Xi'an Statistical Yearbook 2014:24). The geographic expansion of the city's borders has been relatively static in recent years, remaining unchanged since 2000. In 2013, the total land area of Xi'an was 10,096

square kilometers (Xi'an Statistical Yearbook 2014; Xi'an Municipal Government Website).

However, the conversion of rural land into urban land within the city itself continues to grow.

The jurisdiction of modern-day metropolitan Xi'an (Figure 4.3) is composed of nine districts and four counties (Zhouzhi, Lantian, Hu, and Gaoling), including 109 sub-districts, 67 townships, 782 communities and 2,991 administrative villages, comprising an urban area of 3,581 square kilometres (Xi'an Municipal Government Website; Xi'an Statistical Yearbook 2014). The urban core, made up of the six districts of Xincheng, Beilin, Lianhu, Baqiao, Weiyang and Yanta, is 415 square kilometres in size (Xi'an Municipal Government Website), up from 187 square kilometres in 2000 (Jaros 2013). Moving forward, Xi'an's urban core is expected to reach 800 square kilometers by 2020 (Xi'an Municipal Government Website).

4.3 Map of Xi'an Districts and Counties



Source: Xi'an Municipal Government Website

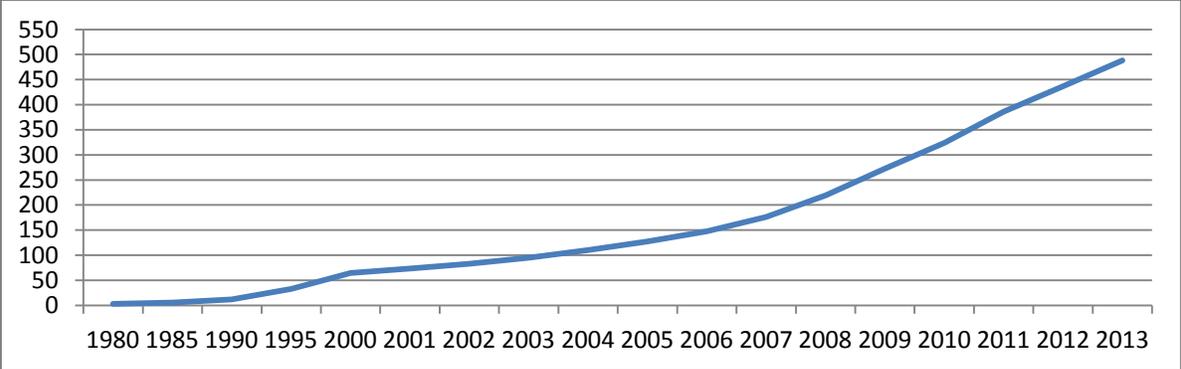
4.3 Xi'an's Economic and Industrial Development

In the pre-reform period, Xi'an's development strategy sought to promote industrial urbanization within a strict centrally planned economy, with the objective of turning the city into a "socialist production city" (Wang and Hague 1992). As such, Xi'an served as an important base for state-owned enterprises, particularly those involved in heavy industry. This was partly a result of security decisions (the city's inland location protected it from potential aggression from real and perceived enemies), and early efforts to diversify the national economy and develop the country's western region. In the early years of the reform period, Xi'an's urban development plan shifted to accommodate the introduction of market forces, including liberalization and privatization (Wang and Hague 1992). Despite benefiting from state interventionist policies, Shaanxi has long been one of the country's poorer provinces, and both the province and city of Xi'an struggled to adapt to economic transition in the early decades of reform. Even though the Xi'an economy, as measured by GDP, grew from 3.17 billion RMB in 1980 to 57.73 billion RMB in 1999, growth was relatively slower than competitor cities such as Chengdu and Wuhan. According to Kang and Yuan (1999), the city's urban development during this period was afflicted by a discordance between economic and population growth, and the construction of urban infrastructure and development of public services. This led to adverse challenges related to traffic congestion, environmental pollution, and housing quality and living conditions (Kang and Yuan 1999:115-118).

More recently, the city has witnessed rapid economic expansion since the beginning of the new millennium. This is largely a result of additional interventionist policies from the provincial and

central governments. The most prominent of these is the Western Development Strategy (WDS). Announced in 1999 and implemented beginning in 2000, the WDS is a central government-led initiative meant to spur long-term economic development in China’s western region. Since then, Shaanxi, and in particular Xi’an, have enjoyed considerable growth. Xi’an’s GDP sustained an annual growth rate of over 13 percent from 2000 to 2011, peaking at 15.6 percent in 2008. In 2012 and 2013, the city’s GDP growth rate dropped to 11.8 percent and 11.2 percent, respectively (XJTU 2013:143), but remained above the national growth rate figure of 7.7 percent. Most recently, Xi’an’s GDP reached RMB 488.41 billion in 2013 (accounting for about 30.4 percent of the provincial total), far more than the 64.61 billion posted in 2000 (Figure 4.4). Moving forward, high GDP growth rates are expected to continue as Xi’an is still in an early stage of development relative to some of China’s largest cities, such as Beijing and Shanghai. At a more granular level, in 2013 the per-capita disposable income of urban households was 33,100 RMB, and the annual per capita net income of rural residents was 12,930 RMB, compared to 6,364 RMB and 2,344 RMB in 2000, representing increases of 520.1 percent and 551.6 percent, respectively (Xi’an Statistical Yearbook 2014:17-18).

4.4 Xi'an GDP Growth (billions RMB)



Source: Xi’an Statistical Yearbook 2008; Xi’an Statistical Yearbook 2014

Xi'an's economic base is reliant on five key industries: equipment manufacturing, high-technology, tourism, modern services, and culture. Together, these accounted for about 51 percent of the city's GDP in 2012, up from about 41 percent in 2005 (Shaanxi Government Website).

Supported by rich regional reserves of natural resources, including coal and oil, heavy industry remains an important driver of Xi'an's economy and the city boasts strengths in machinery equipment, transportation, aerospace, and petroleum and chemical engineering. Efforts to diversify the city's economy beyond heavy industry have been encouraging, and the city has experienced success transitioning into higher value-added sectors, such as biomedicine, electronic components, software development, and high-tech research and development (Shaanxi Government Website). For example, in 2012 Xi'an attracted a US 7 billion investment from Samsung to establish a production facility for NAND flash memory drives. At the time, this was the largest foreign investment deal ever in western China.

The city's established and emerging industrial sectors are supported by the presence of eight industrial parks and technology zones, including three state-level development zones: Xi'an Economic and Technological Development Zone; Xi'an High-tech Industrial Development Zone; and the Xi'an Export Processing Zone. In addition, Xi'an's economic competitiveness is buoyed by its prominence as an education and research hub. Based on its sizeable stock of research assets, Shaanxi has a reputation for innovation, and Xi'an city has been identified by the Ministry of Science as a national innovation pilot city. The city is home to 63 colleges and universities, with a post-secondary student population of 872,100. In 2013 there were 223,500

graduates, including more than 10,000 masters' and doctoral graduates, providing a sizeable supply of high-level talent available to local industry (Lasalle 2014; China Knowledge Online; Shaanxi Government Website). Xi'an's reputation as an education hub has a large impact on its population demographics, and a sizeable portion of the city's formal urban population growth is attributed to students who have been granted local *hukou* registration in Xi'an after graduating college. Partly as a result of this practice, estimates suggest that in Xi'an, there are more established urban migrants than urban natives (Logan et al. 2009:10).

Like most other modern urban economies, the service sector has developed into an important engine of growth for the city. The city was an early entrant into the software and service outsourcing industry, and there are now over 800 of these firms in Xi'an, generating an annual output over RMB 23 billion in 2008 (China Knowledge Online). The service sector is also supported by tourism. Historically important and culturally rich, Xi'an is one of China's most popular tourist destinations and, as such, the tourism industry has been one of the strongest growth areas, propelling the development of the city's tertiary sector. In 2013 the city entertained over 101.3 million tourists and generated RMB 81.14 billion in revenue (Shaanxi Government Website).

Moving forward, the state's strategic vision for Xi'an is to "attract high technology industries and companies to the city" (Interview 18:3), and to become an important regional and national centre for trade, logistics, conference, exhibition and finance, research and development, a vital base for hi-tech industries and advanced manufacturing, and a first-rate international tourist destination (Shaanxi Government Website).

4.4 State Intervention in the Economy

Xi'an has benefited significantly from central and provincial government intervention, including the infusion of capital, infrastructure investment and economic incentives, which has helped to fuel explosive economic and population growth since the early 2000s. Xi'an epitomizes the central government's national development plan and economic strategy to establish regional growth poles and vibrant economic clusters across the country (Ying et al. 2012; Jaros 2013). Developing the country's western region has long been a priority of the central government. That the Western Development Strategy was announced in September 1999 by the Chinese premier in Xi'an emphasizes the city's importance to national economic growth. Xi'an also plays a central role in the wider regional economic growth of western China through its inclusion in the Guanzhong-Tianshui Economic Zone. Xi'an anchors the zone in a "West Delta triangle" that also includes Chongqing and Chengdu, as the new terminus of the Yangtze River inland-to-ocean shipping route. The city is also a part of the government's international development plans. For example, Xi'an is set to reclaim its historical position as the beginning of the Silk Road, through an ambitious 40 billion RMB plan to re-establish the starting points of the Silk Road Economic Belt and 21st Century Maritime Silk Road, including the building and expansion of railways, roads, and pipelines to support trade over land and shipping routes, to connect the economies of China and Europe (Xinhua 2015, March 28).

The provincial government also has significant influence on the economic development of Xi'an, and has launched a series of initiatives that contribute to a stronger Xi'an metropolitan region and the "core growth pole" for the provincial economy. This includes industry promotion as

well as approval for additional economic development zones. In 2002, provincial leaders announced a plan to physically and economically integrate Xi'an with the nearby city of Xianyang. Following the 2007 arrival of Zhao Leji as Shaanxi's Communist Party chief, the province negotiated with Beijing to obtain special policies to develop the Guanzhong economic region around Xi'an, culminating in State Council designation in 2009 for the broader Guanzhong region as a special economic area (Jaros 2013). This also included the approval of plans to accelerate Xi'an-Xianyang integration and the acknowledgement of support from Beijing for Xi'an to become a 10 million-person "international metropolis." The Xi'an-Xianyang New Zone is a 560-square-kilometre special development zone containing several new industrial and urban districts, lying within municipal boundaries but administered by the provincial government (Jaros 2013).

The current state-led vision promulgated by the central government is the identification of Xi'an as the country's third "international metropolis," the other two being Beijing and Shanghai (Xi'an Municipal Government Website). This drive has filtered down to municipal government decision-makers. According to one official, "all development decisions in Xi'an are now influenced by this" (Interview 23:4). Added another official, "other cities like Guangzhou, Shenzhen and Chengdu may mention this, but the central government has not explicitly approved plans for those other cities" (Interview 18:3). The process of becoming an international metropolis will open up numerous employment opportunities for migrant workers. According to one official, "to improve the overall environment Xi'an will need a lot of labour to help Xi'an transform. There will be lots of construction going forward and there will be a substantial need for these workers. There is lots of development going on now, and you

can see hundreds and thousands of migrants waiting on the side of the street, waiting in the wings to join renovation and construction jobs. Xi'an is in a crucial developing stage right now, and migrant workers play an essential part" (Interview 23:7).

However, achieving this goal will not be easy. Xi'an has a five-year strategic plan to achieve the desired result and reach over 10 million people by 2020, but according to one official, "this will be very difficult to accomplish because Xi'an will need to enhance its overall environment.

There is so much to do" (Interview 23:3). The level of economic and social development is far below that of both Beijing and Shanghai, and there are a number of issues that will need to be addressed, including public-infrastructure development, and numerous greenfield and brownfield development projects. According to this same official, "I think the biggest challenge is probably that it is not easy to improve the appearance of the old city. It is easy to build and develop greenfield projects, but transforming old existing parts of the city, especially in old industrial areas in Dongcheng and Xincheng districts, take a long time, and this is very difficult within a five-year plan. I think you will need a decade or more to develop those areas properly" (Interview 23:2).

While Xi'an is receiving significant economic and political support from the provincial and central levels of government in order to support ambitious development plans, there are concerns from local planners that higher-level policymakers may not be attentive to the internal coherence of the city's urban development and have created confusion and discordance in economic development planning, which has led to the emergence of several challenges for local government (Jaros 2013). For example, where some special investment and

development zones are controlled by the province (e.g. Xi'an-Xianyang New Zone), others are controlled by the city (e.g. Weibei Industrial Zone), which has created competition and duplication of investment across the metropolitan area (Jaros 2013).

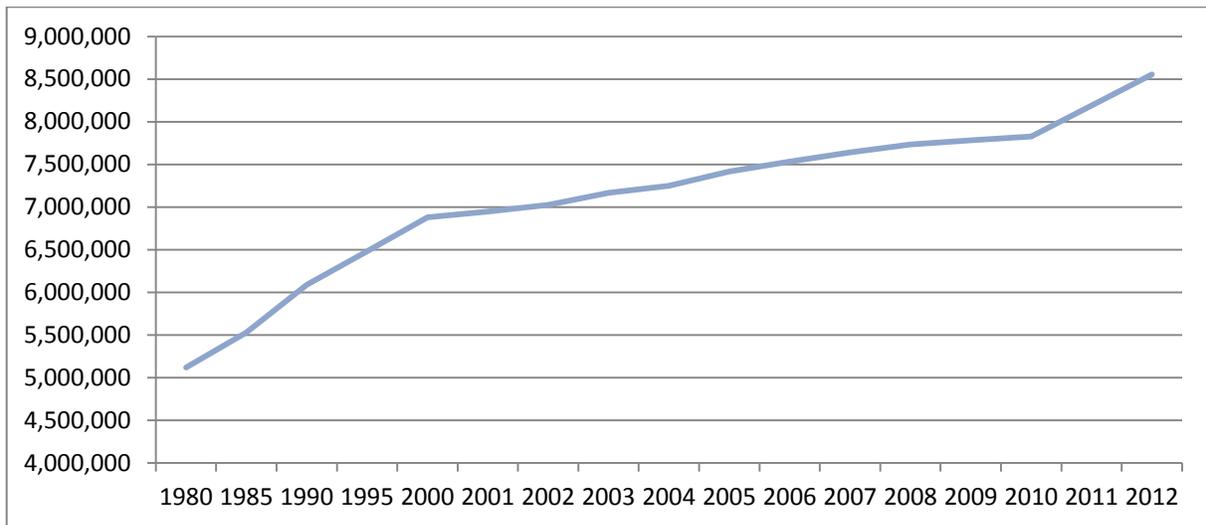
4.5 Xi'an Demographics

With a total population of 8,552,900, Xi'an is the most populous city in both Shaanxi Province and north-western China, and the third largest in western China, behind Chongqing and Chengdu.

According to official figures, the population is 50.7 percent male and 49.3 percent female (Xi'an Statistical Yearbook 2014). Ethnically, Xi'an is extremely homogeneous, with people of Han Chinese origin making up 99.1 percent of the total population. There are only around 97,800 people of non-Han origin, consisting of individuals from 53 separate ethnic groups, the largest of which identify as people of muslim Hui origin at over 68,000 people (Xi'an Municipal Government Website).

In line with Luan's (2013) analysis that Tier 2 cities are experiencing rapid growth, the total population of Xi'an has increased from 6.88 million in 2000 to 8.55 million in 2013 (Figure 4.5). Moving forward, Xi'an's population is expected to reach more than 10 million by 2020 (Shaanxi Government Website).

4.5 Xi'an Estimated Population Growth



Source: Xi'an Statistical Yearbook 2008, Xi'an Statistical Yearbook 2014

Like other Chinese cities, Xi'an's official population figures likely underestimate the actual number of people residing in the city. This is largely a result of undercounting those without local *hukou* status. Xi'an has a large share of migrant workers who live on the city's periphery and who make a daily commute into the city. Douglass et al. (2006) estimate that if the unofficial and daytime populations were factored into population statistics, that the growth rate of Xi'an could be as much as triple the official rate, suggesting that the city's population is increasing by 100,000 to 300,000 residents per year (Douglass et al. 2006:48).

Geographically, the population of Xi'an is concentrated around the urban core, and over three quarters (76.8 percent) of the city's total population live within its nine urban districts. While Yanta and Chang'an are the most populous districts, the central districts of Beilin, Xincheng and Lianhu are the most densely populated (Table 4.6).

4.6 Xi'an Regional Population Density

The majority of Xi'an's migrant population resides in the city's urban centre. The downtown core (Xincheng, Beilin, Lianhu) is home to 26.9 percent of all migrants, while another 50.3 percent reside in the neighbouring urban districts of Weiyang, Yanta and Baqiao. Fewer, 15.1 percent, reside in the outlying urban districts of Lintong, Yanliang and Chang'an, and only 7.7 percent reside in the four counties of Lantian, Zhouzhi, Hu and Gaoling. This residential pattern has changed over the years. Whereas previously migrants

	Permanent Population (10 000 persons)	Population Density (persons/sq.k m)
Xi'an	8,585.81	851
Urban Districts		
Beilin	62.23	26,623
Xincheng	59.64	19,796
Lianhu	70.43	18,378
Yanta	119.29	7,877
Weiyang	81.84	3,095
Baqiao	60.50	1,864
Lintong	66.81	729
Chang'an	110.03	693
Yanliang	28.40	116
Counties		
Gaoling	34.01	1,193
Hu	56.32	440
Lantian	52.07	260
Zhouzhi	57.24	194

Source: Xi'an Statistical Yearbook 2014

would concentrate in the downtown core, they are now more spread out across the city. While still predominantly urban, migrants are now more dispersed. On the one hand, this dispersion is a result of rising costs of living in the urban core, which drives migrants to the periphery as they seek cheaper alternatives. On the other hand, it is a result of Xi'an's local urban development strategy that targets development outside of the central urban core, making the outlying districts more attractive to settlement. For example, one public official provided an account of the Xixian New Zone, situated between Xi'an and Xianyang, as one of the first areas in the country to be approved for in situ development. According to this official, as opposed to the traditional "spoke-and-wheel" model of urban development, where industry and

employment opportunities all exist in the downtown core, and where migrants and traffic flow in and out of the core at the beginning and end of each day,

“The in situ development model develops the land and develops industry in rural areas of the city, leading to the development of other businesses and services as well. In this model, the local rural population does not need to go to the city to work; they will be able to work locally. This model, in situ urbanization relieves enormous pressure on local population movements. The breakthrough of in situ urbanization is that it creates additional growth poles, industrial development, and subsequent development of service facilities, in the local area will absorb the local labour force, so that the rural population is not required to migrate to the city on a continuous basis” (Interview 2:2).

4.6 Xi’an’s Migrant Population

Xi’an has the largest migrant population in north-western China. In 2010, the Sixth National Population Census indicated that about 2.35 million, or 27.8 percent of the total population of Xi’an was composed of migrants. Of these, about 89.5 percent are rural-urban migrants, with the remaining 10.5 percent made up of urban-urban migrants (XJTU 2013:54). Compared to other large cities in China, where the migrant population is characterized by a “floating population” of temporary migrants, in Xi’an there is a larger share of migrants with urban registration, and more established migration (more than 5 years) than in other cities (Logan et al. 2009:10). The average duration of stay in Xi’an for the migrant population is 3.9 years, with 22.0 percent of migrants staying for a length of over 5 years. While many migrants arrive

individually, the majority, 94.5 percent, of those who are married arrive with their spouse, as well as with at least one child (66.1 percent) if they have any. The average family size of Xi'an migrant families is 2.5 people.

The composition of the migrant population has evolved over three decades of reform. In particular, there are significant intergenerational differences between migrants who were born before 1980 and those who were born after 1980. This dividing line is used to distinguish between 'first generation' migrants and 'second generation' migrants. With a population of over 100 million, second generation migrants have become a major component of the migrant labour force in urban China. Brought up in the reform era, they differ from the first generation in that they are typically more educated and possess more human capital; are materially better off; are more likely to work in cities for personal development rather than only higher income; have long term plans for careers; have lower job stability; have higher understanding of labour laws and individual rights; are more subject to infringement on their rights, or more prone to believing that their rights have been infringed; have higher levels of consumption; are more technologically inclined and likely to spend time on the internet; spend more time and money on recreation and entertainment; have a higher connection with the city and a weaker relationship with their hometowns (location of rural *hukou* registration); have little experience and/or interest in farming; have a strong desire to settle in cities; and are more willing to give up contracted land and willing to transfer their *hukou* status (Wang 2008; Chen and Wang 2015). Despite these differences, they are similar to first generation migrants in that they do not possess local urban *hukou* status, and are thus excluded from social benefits and services in the city.

Similar to other regions in China, Xi'an's migrant population is composed of two distinct generations of migrants. In 2012, the average age of Xi'an migrants was 25.2 years, with 52.8 percent of all migrants being born after 1980. In China, the year 1980 is often used as a cutoff point to differentiate between the first and second generation of migrants, these two groups exhibit dissimilar characteristics and tendencies from one another. The first generation of migrants are those who were born and raised in rural areas, and migrated to the city in order to work. Often, many first-generation migrants are cyclical migrants, returning to the city on an interval basis. Conversely, those born after 1980 are more committed to urban life, endeavour to stay in the city, and want to reside longer in the city; much fewer of them go back to the rural areas to farm. Said one expert, "Actually, those two generations, they have different perspectives. The older generation, now they want to make more money so they go to find a job, but they will eventually come back here, to their roots. But the younger generation, they are not just going out for money, they want to expand their visions and discover a new life. So they want to like make a living in the city in the future. They want to stay in the cities. They are more likely to do that than the older generation" (Interview 1:5). Second-generation migrants face a unique challenge in that they have little opportunity to return to the countryside, as they do not have the knowledge or skill set to engage in agricultural work. As a result, "they can't go back, and they can't stay" (Interview 10:4).

Demographics vary between Xi'an's rural-urban and urban-urban migrant populations. Rural-urban migrant workers are slightly younger, with an average age of 31.9 years, compared to 32.7 years for urban-urban migrants. They are more likely to be female (52.7 percent) compared to urban-urban migrants (48.3 percent). Rural-urban migrants in Xi'an are also less

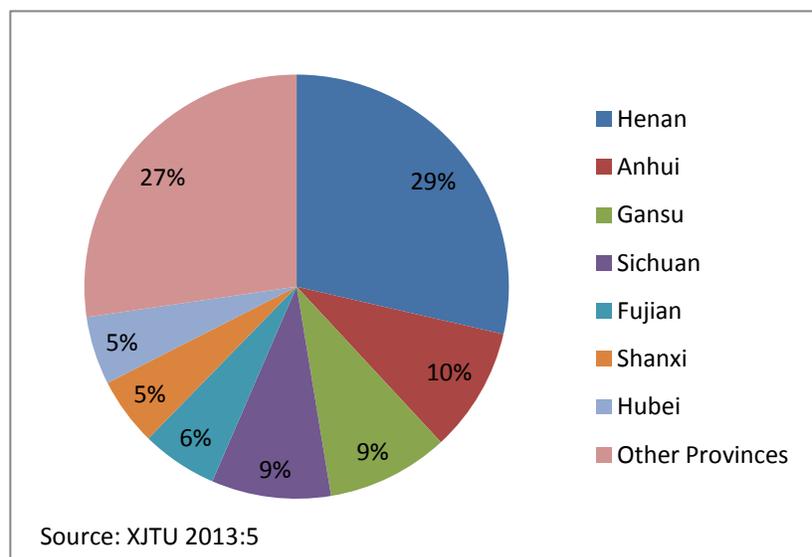
likely to be married and have lower educational attainment than urban-urban migrants (XJTU 2013:54).

Unlike many of China's larger cities, particularly those on the east coast that attract migrants from distant reaches of the country, Xi'an's migrant population is composed largely of migrants from nearby locations. Nearly half (45.8 percent) of all migrants to Xi'an originate from within Shaanxi province, whereas inter-provincial migration accounts for 41.3 percent of the city's migrant population (XJTU 2013:5). Notably, however, over half (57 percent) of all inter-provincial migrants come from five of Shaanxi's neighbouring provinces (Figure 4.7), accounting for 27.6 percent of Xi'an's total migrant population. This includes Henan, Gansu, Sichuan, Shanxi and Hubei. The remaining 12.9 percent of Xi'an migrants are intra-city migrants, moving across districts within the boundaries of the city. When asked why they chose to come to Xi'an instead of a larger city like Beijing or Shenzhen, one migrant from Gansu province said, "we came to Xi'an because it is not

4.7 Xi'an Interprovincial Migration

too far from my home town, you can fly or take the train there. And if there is anything that needs to be done there, it is easy to go back" (Interview 19:1).

The majority (95 percent) of



migrants say that they like Xi'an, and although they would like to integrate with the local population, migrant interaction with local residents and community activities is low. Few (34.3 percent) participate in local volunteer activities, and only 20.5 percent participate in community activities on a regular basis. Many of them (40.1 percent) do not participate in any community activities at all. Generally, most of their social time is spent with family, friends and kin from the same location of origin (XJTU 2013:11). Many of Xi'an's migrants, particularly those from rural areas, struggle to integrate into urban society, and their exclusion from opportunities is not just limited to social activities. As I will demonstrate in the following chapters, rural-urban migrants in Xi'an face challenges and are excluded across a range of socio-economic dimensions, including education, employment, healthcare, and housing.

4.7 Implications of Using Xi'an as a Case Study

In line with the literature on social exclusion provided in Chapter 2, the local conditions and characteristics of Xi'an are expected to have an influence on the outcome of the social exclusion encountered by the city's migrant population. As a result, selecting Xi'an as the site for this study is expected to make several unique contributions to my research findings. This chapter has outlined some of the key features that differentiate rural-urban migration in Xi'an compared to other cities in China.

For example, Xi'an's local industrial base and its reputation as a manufacturing, technology, and research hub provide a steady pool of high skilled labour. Coupled with the city's inland geographic location, situated far from major shipping lanes, there is little opportunity for light manufacturing jobs. As a result, many of the employment prospects for rural-urban migrants

are confined to the service sector. In addition, the demographics of Xi'an's migrant population differ from other major urban centres in China. In particular, because the vast majority of migrants in Xi'an originate from nearby provinces, towns and villages, it is easier for them to travel between rural and urban areas to access location-specific amenities and social services compared to migrants who travel longer distances. Thus, migrants in Xi'an may perceive formal/legal barriers like the *hukou* system that restrict access based on location as less important than migrants in some other provinces who have more distance between their origin and destination locations.

There are bound to be several similarities between Xi'an's processes of social exclusion and those found in other cities in China. In particular, many of the formal/legal processes of social exclusion are based on policies and regulations that are developed by the central government, and provide a blueprint for initiatives and activities for local governments to emulate. Thus, while the major formal/legal barriers of social exclusion (e.g. *hukou*) are expected to be similar among large cities in China, the specific implementation of these policies and the form that they take on the ground are expected to be location-specific.

The following chapters will compare and contrast migrant social exclusion in Xi'an with national trends and other major cities in China across the socio-economic dimensions of education, employment, healthcare, and housing. Further discussion on the generalizability of my findings is provided in the concluding chapter (Chapter 9).

5 Chapter: Social Exclusion and Education

Human capital is an important determining factor of employment and income outcomes for rural-urban migrants in Xi'an. Similar to other major cities in China, the majority arrive in Xi'an and enter the labour market equipped only with the education, skills, and training that they received in their home towns and villages. For most, the city is seen primarily as a place to make money and not as a place to improve their own stock of human capital. However, for many migrants, the city is also seen as a land of future opportunity, not necessarily for themselves, but for their children, where they can obtain a better education and subsequently a better life. Similar to how the discrepancy in rural-urban employment and income generating opportunities drives migration to the cities, the gap in education quality between China's urban cities and its rural towns and villages does much the same.

This chapter investigates the social exclusion of Xi'an's migrant population in the area of education. The first section looks at "how migrants are excluded," and uses a variety of sources, including national, provincial and local government resources, policy documents, secondary statistics and existing studies, as well as information garnered from interviews with migrants, subject-matter experts and government officials, to describe the education-related social exclusion of migrant children in Xi'an. The second section looks at "why migrants are excluded." It relies primarily on interviews with local government officials, subject-matter experts and migrant workers, as well as an analysis of relevant policy documents, to identify the formal and informal factors, and achieved and ascribed characteristics that contribute to education-related

social exclusion. This chapter closes with concluding observations and claims about social exclusion and the education of Xi'an's migrant population.

5.1 Overview of China's Education System

In China, formal education typically begins at age 6 or 7. Primary (elementary) and secondary education (junior high and high school) is divided into primary (six years), junior secondary (three years) and senior secondary (three years) stages. Beginning in 1986, the state implemented nine years of compulsory education across the country, covering primary and junior secondary school. This dramatically increased participation and education attainment across the country. For example, the proportion of eligible children enrolled in primary school increased from 69.5 percent in 1986 (Wang 2003) to near universal coverage (99.8 percent) in 2011 (NBS 2012). For the children of migrant workers, who either accompany their parents to the city or who were born and/or raised in the city, participation in education is high, but lower than the national average. Exact figures are difficult to obtain, but Hao et al. (2013) estimate the average non-enrollment rate for the nation's rural-urban migrant children aged 7 to 15 to be 4.38 percent.

China's progress in overall educational attainment has also been fuelled by a rapid increase in tertiary (post-secondary) education participation. According to the 2010 census, over 119 million people had completed tertiary education (referring to junior college and above).

Compared to the year 2000, the portion of the population with tertiary education attainment increased from 3.6 percent to 8.9 percent in 2010 (NBS 2011). While the proportion of people with tertiary education attainment in China is relatively low compared to more developed

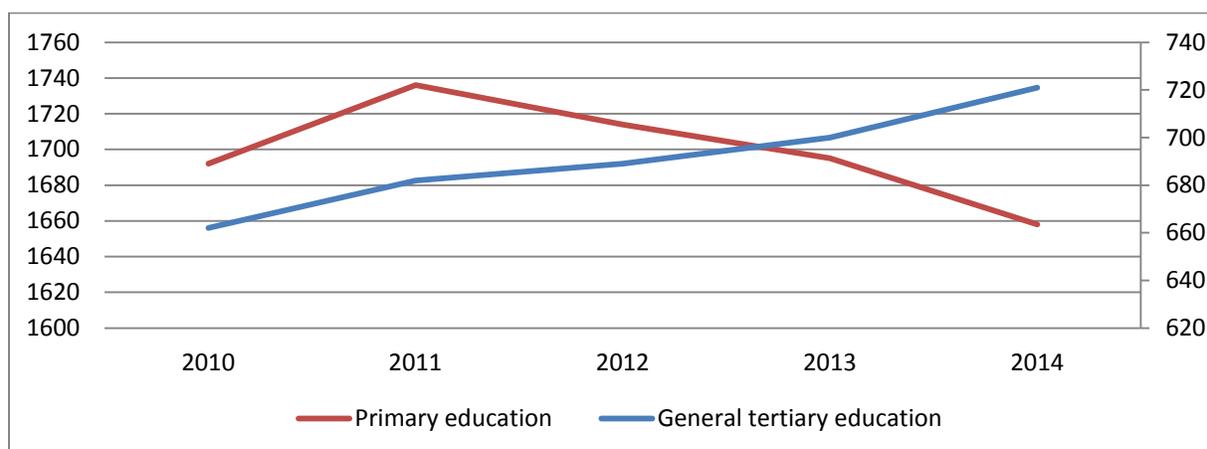
countries, its growth has been much greater, since China started with a relatively lower level of overall education attainment (OECD 2011). Thus, as a result of China's population size, even a small increase in the rate of overall education attainment corresponds to a dramatic increase in absolute terms. Put in perspective, in Canada, which ranks among the highest in proportion of overall tertiary education attainment among OECD countries with 54 percent, there are about 10.3 million people (aged 25-64) in Canada who have attained tertiary education (OECD 2015). Similarly, as a result of the country's population size, the state's investment in education is low in terms of overall funding per student. However, as a proportion of GDP, it is high by international standards. In 2012, the state invested 4.28 percent of GDP in the education system (NBS 2014), but still lower than Canada's 6.4 percent in 2010 (Statistics Canada 2014).

In 2014, there were 25.5 million students enrolled in China's general tertiary education system, 18.0 million students in vocational secondary school, 24.0 million students in senior secondary schools, 43.8 million students in junior secondary schools, 94.5 million students in primary education, and 40.5 million children enrolled in kindergarten (NBS 2015). For comparison, enrollment in all post-secondary education, including university and college, and full-time and part-time students, in Canada in 2012-13 was just over 2 million students (Statistics Canada 2015), and public elementary and secondary enrolment was just over 5 million in 2011-2012 (Statistics Canada 2013).

Despite high absolute numbers, enrollment in primary and secondary education has been falling across China for a number of years. This is largely a result of demographic trends related to an ageing population and low fertility rates, and repercussions stemming from the successful

implementation of the country's One Child Policy. In 2015, the central government loosened some of the conditions of the One Child Policy. However, barring additional and significant changes to existing population management policies, and an increase in birth rates, the downward trend in overall enrollment is expected to continue into the foreseeable future. Conversely, these same demographic trends, coupled with the establishment of a competitive labour market and subsequent increased importance placed on qualifications and credentials, have contributed to a rise in enrollment in post-secondary education. These diverging trends in enrollment are clearly expressed by looking at the number of new entrants in primary and general tertiary education over the last five years (Figure 5.1).

5.1 Education Entrants in China 2010-2014 (10,000 persons)



Source: NBS (2015), and other years 2010-2014

Despite the considerable expansion of China's education system in the post-reform period, it is well recognized that the opportunities it provides are not distributed evenly across the country. There are significant regional imbalances when it comes to educational attainment, investment, and quality. This is particularly so beyond compulsory education, at the senior secondary level, and especially at the post-secondary level. The decomposition of regional education inequality

reveals a pattern similar to that found in economic indicators such as GDP and income, between the country's prosperous coastal provinces and those that are less developed and found further inland (Kanbur and Zhang 2001). Even more pronounced is the imbalance found between urban and rural regions. There are many reasons for this gap, including funding, school conditions and resources, student aspirations, as well as the availability of highly qualified teachers.

The flow of talent in China's education system is virtually unidirectional, and good teachers are nearly always drawn to urban districts where incentives are better (REAP 2015). Said one expert when comparing the general situation between rural and urban schools,

“There are some really good rural schools, don't forget that. But on average, even mediocre urban schools are much better than average rural schools... Urban schools have better resources. They will have computers, projectors and technology. These will not be in rural schools, so rural students may have no opportunity to learn about them... Many rural schools are very inefficient, and sometimes don't even have enough courses. Urban schools have art classes, music lessons, including English lessons. This is not always so in rural schools. Often they don't have teachers with the qualifications for things like music or English... Physical education in urban schools might have swimming, or a real basketball coach. In rural schools maybe you just have a ball. That can be the case” (Interview 22:3).

The disparity in the quality of education available to children in rural versus urban China is a key factor driving families and their children to urban centres. This further impacts the growth opportunities of China's rural regions, as education, in addition to having a direct impact on an individual's earning potential, also has spillover benefits for society. As a result of lower educational attainment in China's western provinces and its rural communities, urbanization, industrialization, and overall economic development may be hindered in these regions because of a lack of adequate education and skills required for modern industry (Heckman 2005).

As discussed in Chapter 4, the size of the rural-urban migrant population has increased substantially since the introduction of reform, and compared to the first generation of migrants, the second, younger generation of migrants are increasingly choosing to remain in the cities. In addition, more and more migrants are arriving with their children (Sa 2004). For the most part, children of rural-urban migrant workers face two educational realities, either they join their parents in the cities and enter urban schools, or they remain behind in China's rural villages to receive their education. While the overall size of China's rural and urban student populations are both decreasing, the country's migrant student population is large and growing. According to the 2010 Census, the number of left-behind children increased from 20 million in 2000 to 61 million in 2010, accounting for about 38 percent of the total rural population under the age of 18 (Duan et al. 2013b). At the same time, the number of migrant children in China's cities reached 35.8 million, the majority of which (28.8 million, or 80 percent), were from rural families (Duan et al. 2013a). According to the Ministry of Education (MOE), children of migrant workers make up about a quarter of all students enrolled in compulsory education; this includes those attending schools in the city, and those who are left-behind to attend schools in

rural areas while at least one parent works in the city. In 2011, there were 22.0 million left-behind children enrolled in compulsory education in rural areas, with 14.4 million in primary schools and 7.6 million in junior secondary school. Comparatively, the number of migrant children attending compulsory education in cities totaled 12.6 million, with 9.3 million enrolled in primary schools, and 3.3 million in junior secondary schools (MOE 2012). The majority of migrant workers possess a middle school education, with only about 24 percent possessing some form of higher education, including 7.3 percent who have attended post-secondary school (CLB 2013).

The education of rural-urban migrant children is receiving more attention by government and the media. With urban enrollment rates continuing to drop, the children of migrant workers are becoming increasingly noticeable and are coming to represent an ever-increasing share of the student population and labour force in China's cities. As one university professor said, "Education is an important issue across the country, and migrant children education has received a lot of attention, from the press especially. It gets more attention in the media than say migrant healthcare and housing, which are also important by the way... there is very intense discussion on this issue, from government, academics and the media" (Interview 15:5). Many migrant children do not progress beyond compulsory education. As a result, the average educational attainment level of migrant children is lower than their urban counterparts. A survey conducted by the China Information Center for Children (CCIC) in 2005 found that the dropout rate reached as high as 9.3 percent, and that the proportion of children not in school increased from 0.8 percent to 15.4 percent from age 8 to age 14. Most of those who drop out do so in order to enter the work force, and more than 60 percent of those who dropped out

between ages 12 and 14 had done so (CCIC 2005). Between 2005 and 2010, the number of migrant children aged 15-17 increased by 61.4 percent, accounting for 31.5 percent of the total migrant population under 18 years old. And, there were just 8.1 million left-behind children aged 15 to 17 in 2010, compared with 11.3 million migrant children of the same age in the cities (CLB 2013). This suggests that by the time rural students finish compulsory education, many of them travel to the city to seek work. As one migrant that I spoke with described his reasons for not continuing to study, “I started high school back in Qinghai, but I soon left to start working with my father... I left because I didn’t feel like studying anymore. I wanted to earn money” (Interview 19:2).

The type of education that migrant children receive has a considerable impact on their ability to progress socially and economically (Koen et al. 2013:33). As one expert described, “education beyond compulsory education is important. If they (migrants]) don’t get higher education, then they only have nine years of schooling when they go out to work. But they don’t have the skills or the credentials to make more money. They can change jobs or move to another city, but without higher education, they cannot improve life prospects” (Interview 5:4). Another expert worried that, “if migrant children cannot continue on in school, then what will become of them? What will their future be like? They will continue down the same path as their parents and social integration will become difficult” (Interview 6:4).

In many of China’s large urban centres, migrant children are often unable to enter urban public schools, and are thus relegated to attend makeshift private schools, which have been set up in response to the difficulty of enrolling migrant children in public schools, and which are often

established by interested groups of migrants themselves. Migrant schools face a number of disadvantages compared to local urban public schools. Teacher quality and student quality are worse. Teachers in migrant schools generally do not have the level of credentials or experience compared to their public school peers. Classrooms are unorganized, and there is often a lack of uniformity in ages and scholastic understanding within the same class (Han 2004). Furthermore, the quality of the facilities in migrant schools are mostly poor compared to urban public schools. Migrant schools are often overcrowded and use second-hand desks, chairs, and even buildings bought cheaply from public schools. Many have poor lighting, heating, ventilation, and sanitation, which can lead to them being shut down by the authorities. A number of schools do not even provide drinking water, restrooms, and student grounds. Many migrant schools lack the funding, teachers, and teaching equipment for classes beyond basic language and math. This puts migrant school students at a disadvantage compared to students in urban schools, which can afford to offer additional courses in computer, music, art, nutrition, physical education, and science (Han 2004). Furthermore, entrance fees, while lower than those charged by many public schools for out-of-district migrants, are still high for the average migrant worker family, running about 300 RMB to 450 RMB per semester, in addition to separate fees for books, meals and other miscellaneous costs (Han 2004; Ding 2004). While there are real concerns about the quality of education being received by China's left-behind children, children in migrant schools rank at the very bottom when it comes to educational achievement. Research by Liu et al. (2009), who compared the performance of migrant schools in Beijing with rural schools in Shaanxi province, found that rural-urban children in urban migrant schools

perform even worse than left-behind children. They point out that the teachers and the facilities in migrant schools are often inferior to those in rural schools.

The education of rural-urban migrant children varies considerably across regions and between cities. Koen et al. (2013) describes how migrant children in western cities, like Xi’an, are more likely to attend state public schools and key schools, but much less likely to attend private schools, including migrant schools, than their counterparts in middle and eastern China (Table 5.2). Key schools receive extra funding, better teachers, and are seen as models to guide practice in other schools.

5.2 Type of School Attended by Migrant Children by Region (%)

Region	Key Schools	Public Schools	Private Schools
East	6.3	70.3	23.5
Middle	6.9	63.6	29.5
West	12.9	84.5	2.6
Source: Koen et al. (2013:33)			

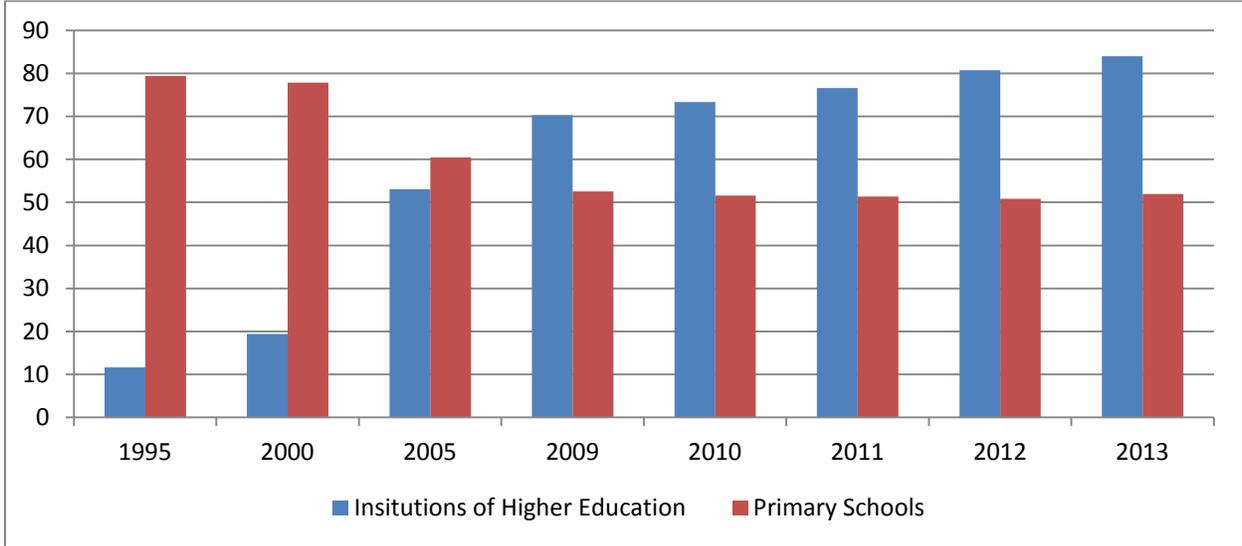
5.2 Migrant Education in Xi’an

The education system in Xi’an serves over 3 million students, spread throughout 6,500 education centres. This includes 1,531 primary schools, 436 high schools, 50 regular institutions of higher learning, as well as a large number of other organizations, such as vocational schools, private education centres and kindergartens (Xi’an Municipal Government A). As discussed in Chapter 4, Xi’an is one of the country’s largest and most important hubs for higher education, which is reflected in the high number of post-secondary students.

Education enrollment trends in Xi’an are similar to those found at the national and provincial levels (NBS 2016). Enrollment in compulsory education has been decreasing, and enrollment in

post-secondary education has been increasing (Figure 5.3). Whereas 194,100 students were enrolled in Xi'an's post-secondary institutions in 2000, this number jumped to 839,700 in 2013. Over the same period, the number of students enrolled in primary school dropped from 778,100 in 2000 to 519,500 in 2013. Similarly, the structure of student enrollment in the city has changed significantly as well. In 2000, nearly half (49.9 percent) of all students in Xi'an were primary school students, compared to 12.4 percent who were enrolled in institutions of higher learning. Conversely, in 2013, only 20.5 percent of the student population were made up of primary school students, while about a third (33.2 percent) were students in tertiary education (Xi'an Statistical Yearbook 2014).

5.3 Student Enrollment in Xi'an (10,000 persons)



Source: Xi'an Statistical Yearbook 2014

Xi'an has achieved nearly universal attainment in compulsory education. In 2013, the percentage of students with registered local *hukou* status who graduated from primary school and junior high school in Xi'an was 99.82 percent and 99.27 percent, respectively (Xi'an Statistical Yearbook 2014). The city has the third largest education base in China (behind Beijing

and Wuhan), producing over 186,000 post-secondary graduates a year. Similarly, Xi'an ranks third in the percentage of the population with a tertiary education degree, at 22 percent, again behind Beijing and Wuhan (Lasalle 2014:6).

However, compared to their urban counterparts, the educational attainment of Xi'an's migrant population is significantly lower. A 2010 study of migrant workers in Xi'an noted that only about half (47.6 percent) had completed compulsory education, and only 33.5 percent had completed secondary high-school education (Zhou 2010:2). A more recent study, released in 2013, found that the majority (61.6 percent) only have compulsory education or less, while 29.3 percent have high-school or vocational school education, and only 9.1 percent have junior college or above (XJTU 2013:22). Importantly, the average educational attainment of second-generation of migrants in Xi'an is higher than that of the preceding generation. The average length of schooling, in years, of the new generation of migrants is 11 years, or 1.4 years more than the preceding generation (XJTU 2013). As indicated in Chapter 6 the impact of schooling and educational attainment bears significantly on the income of migrant workers in Xi'an. With lower educational attainment than local residents, Xi'an's rural-urban migrants face a sizeable disadvantage in the urban labour market, as they do not have sufficient education or skills to access high-paying or high-quality jobs.

5.2.1 The Education of Migrant Children in Xi'an

Xi'an is home to approximately 150,000 migrant children (Zhou 2010; XJTU 2013). Of these, the majority are enrolled in compulsory education, with about 100,000 in primary school and 35,000 in junior secondary school. Another 5,000 are enrolled in senior high school, 8,000 in

kindergarten, and about 800 have yet to begin school (Zhou 2010:75). In 2009, migrant children made up about 16 percent of all students in compulsory education in Xi'an. The proportion of migrants in elementary school was even higher, representing 19 percent of the city's elementary school children.

In accordance with their educational profile, the average age of migrant children in Xi'an in 2012 was 10 years old, with the vast majority (75 percent) aged 15 or under. Adult migrant children, aged 25 years or older, represented only 2.1 percent of this population group. Most migrant children (60.1 percent) lived in Xi'an with at least one parent, compared to 35.7 percent who were left-behind in their location of origin, while 4.2 percent lived elsewhere (XJTU 2013:48).

The geographic dispersion of migrant children students is not distributed evenly across the city. Most are concentrated in the downtown core (Table 5.4), where they make up between 16 and 43 percent of the student population in compulsory education. The highest proportion is found in Weiyang district, in the northern part of central Xi'an, where migrant children make up nearly half (43 percent) of all students in elementary and junior high. Conversely, outside of the downtown core, migrant children are a significant minority and make up no more than six percent of the compulsory student population (Zhou 2010:75-76).

5.4 Xi'an Migrant Children in Compulsory Education by Region (2009)

	Elementary students	Migrant students	Junior High	Migrant Students	Total students	Total migrants	Migrants as Proportion of total
Xi'an	525,197	99,857	322,860	34,438	848,057	134,295	16%
Weiyang	51,096	23,223	20,398	7,357	71,494	30,580	43%
Yanta	65,731	25,984	29,725	8,501	95,456	34,485	36%
Xincheng	40,955	14,699	24,762	6,454	65,717	21,153	32%
Lianhu	44,349	14,957	23,496	4,333	67,845	19,290	28%
Beilin	38,526	8,235	28,122	3,413	66,648	11,648	17%
Baqiao	31,669	5,598	16,617	1,918	48,286	7,516	16%
Yanliang	14,285	855	9,381	607	23,666	1,462	6%
Changan	53,324	3,790	37,372	1,102	90,696	4,892	5%
Gaoling county	14,099	864	9,881	296	23,980	1,160	5%
Hu county	36,409	592	25,518	269	61,927	861	1%
Zhouzhi county	41,521	879	35,096	113	76,617	992	1%
Lantian county	46,758	172	30,236	55	76,994	227	0%
Lintong	46,475	9	32,076	20	78,551	29	0%

Source: Zhou 2010:75-76

In line with Xi'an's overall migration trends, most migrant children (65.5 percent) originate from within Shaanxi province, with the rest (34.5 percent) coming from other provinces (Zhou 2010:77). For migrant families with children in Xi'an, education is one of their primary concerns. Migrants with children indicated that providing their children with a better education was their number one priority for coming to the city (66.8 percent), compared to earning money (33.2 percent) (Zhou 2010:79). Similarly, nearly two-thirds (63.3 percent) said that the main reason for bringing their children to Xi'an was to give them a better education, compared to 34.4 percent who indicated that there was no one back home to take care of their kids (Zhou 2010:79). The majority (92.8 percent) of migrants said that they think their kids receive a better quality of education in the city than in their location of origin (Zhou 2010:79). According to one expert,

“Migrants typically have very low levels of education. Most have not studied in university. They have almost all been to elementary school, so they have some basic education, but there isn’t much drive for them to improve their own education anymore. They mostly just live enough to provide themselves with their own needs and just enough to get by. But mostly they focus on their children’s education and hope that they can reach university, which is the key to getting out of the migrant class” (Interview 3:1).

This sentiment was corroborated by the migrants that I spoke with. Said one, “we came to Xi’an so that my son could go to high school. The quality of teaching in the city is good. It has been difficult for us two to get by in Xi’an. I don’t have a good job. I only make eight hundred dollars (RMB) a month. School is expensive. My child doesn’t have local *hukou*, it costs more than five thousand to register them in school. But my son wants to go to university, not a vocational school to learn a craft, and studying in the city is the best way to get there” (Interview 24:1-2). According to another migrant worker in her 50s, said she was in Xi’an solely to support their child in school. They had moved to Xi’an about three years ago so that her daughter could attend high school, with the hopes of getting better training in preparation for the college entrance exam. In her own words, “I don’t like the city, but I am here to support my daughter in school” (Interview 30:4). Given these expenses, it is apparent that some migrants go to extreme lengths, putting themselves through hardship so that their children can obtain better quality education in the city.

According to a survey released in 2010, nearly two-thirds (67.5 percent) of Xi'an's migrant children attend public school, compared to 25.9 percent who attended private school and 6.7 percent who attended provincial key schools. Most migrants would like to have their children attend provincial key schools (58.5 percent), but the opportunities are extremely limited as a result of low supply and high demand, which drive up the entry costs and pressure on administrators to admit local students. A more recent survey, released in 2013, suggests that migrant children's access to, and enrolment in public schools has increased. For those migrant children of compulsory age who joined their parents in Xi'an, nearly all of them (91.6 percent) attended public schools, while 7.4 percent attended private school, and only 1.1 percent attended migrant schools (XJTU 2013:49) (Table 5.5). Migrants indicated that private-school fees are exorbitant and expensive that their intention is not to have their children in those schools, but in some cases they have no other choice and could not get their children enrolled in public school (Zhou 2010:79). As described by one expert,

“Now a lot of migrants in Xi'an have been here a long time, like over 10 years. In part, they have responded to the education problem for their children by gradually setting up their own migrant schools. But, just like the same situation in other cities, the quality of the schools, the quality of the teachers and materials is not particularly good. Xi'an certainly has some migrant schools, but how many is unknown. There is a lot of uncertainty about the exact number of migrant schools. Migrant schools are constantly springing up, moving locations and being shut down. The fact that so little is known about migrant schools

demonstrates that migrant schooling has been a relatively low priority on the list of policy issues of many leaders. It is hard to know” (Interview 4:3).

5.5 Xi'an's Migrant Children Education 2012 (%)

	Aged 7-15			Aged 16-24		
	In Xi'an	Location of Origin	Other	In Xi'an	Location of Origin	Other
Proportion	64.2	34.8	0.9	47.5	39.0	13.6
Not in school	1.9	1.5	16.7	42.9	36.6	58.7
Public school	91.6	95.3	66.7	84.1	94.7	88.9
Private school	7.4	4.7	33.3	15.9	4.4	11.1
Migrant school	1.1	0	0	0	0.9	0
Sponsorship fee	42.3	4.4	0	33.6	3.5	0

Source: XJTU 2013:50

For those migrant children aged 16-24 who accompany their parents to Xi'an, nearly half (42.9 percent) do not attend schooling. This is higher than the proportion of left-behind migrant children who remain in their location of origin who are out of school (36.6 percent) (XJTU 2013:49). One of the reasons for this is that costs of going to school beyond compulsory education are higher, especially in the city. Economic challenges play more of a significant role for migrants and migrant children trying to access high school and post-secondary education in the city, especially as most migrants do not meet the economic threshold required to do so. Another factor may be that migrants are more utilitarian in their reasons for pursuing education and a need for children to quickly provide returns on investments to education by getting a job and working. Especially if a migrant child's grades are not very good, they may not insist that they continue to pursue education, but rather enter the work force and make money to support the family (XJTU 2013:49).

Migrants feel that their children face different circumstances and are excluded from certain educational opportunities compared to local children. Nearly half (46.2 percent) said that the

entrance fees were higher, while 21.4 percent said that the attitudes of teachers and other students towards them were more negative (Zhou 2010:79). Xi'an migrant children aged between 7 and 15 pay a fee to attend school (42.3 percent), more than those who are studying in their locations of origin (37.9 percent). The type of education that migrant children receive has a considerable impact on their life chances and ability to advance, both economically and socially.

While access to education for migrant children in Xi'an has improved significantly in recent years, as demonstrated by the vast majority (91.6 percent) attending public schools, several challenges remain (Zhou 2010). First, some segments of the migrant population still have problems accessing education. While nearly all migrant children are able to access schooling in Xi'an, about a fifth (18.6 percent) of households have to approach three or more schools before they can find one to accept their children. In a survey of 1,594 migrants (Zhou 2010), 23.3 percent thought it was very hard, and another 49.6 percent thought it was somewhat hard to do. Second, fees for migrant children are still prevalent and expensive, even in public schools. For compulsory education it can cost on average 150 RMB; about 1,700 for privately run schools about 1,400 for kindergarten. When asked if they had to pay entrance or tuition fees, 85.9 percent said no, but 14.1 percent said that they did. The average entrance fee charged to migrants for entrance into compulsory education was between 1,000 and 5,000 RMB. If migrants do not pay, the response is "there are no spots available" in the school. As one migrant put it, "You can send your kid to school, so long as you pay every week" (Interview 31:1). However, for many migrants (19.7 percent), financing their children's education in the city is a heavy burden. Thirdly, migrants who attend high school in Xi'an are unable to take the

college entrance exam (*gaokao*) in Xi'an, and must travel to the location of *hukou* registration to take the exam, where the curriculum and content of the test may be different. This is directly related to their *hukou* status. And, schools and education administrative departments face pressure and a lack of financial resources to accommodate the demand for migrant children education, which is highly concentrated in certain areas, and not evenly distributed across the city (Zhou 2010:9-10).

5.3 Key Factors Affecting Education Social Exclusion in Xi'an

There are several factors that contribute to the education-related social exclusion of Xi'an's rural-urban migrant population. This includes formal/legal barriers such as policies and regulations, as well as informal/social challenges such as cultural discrimination. While these factors work in combination with each other, there are some that are more influential than others when it comes to determining access to available education opportunities for the migrant population. The previous section provided a description of migrant education in Xi'an. This section looks at "why are migrants excluded" from education opportunities and focuses on the most influential factors that contribute to education-related social exclusion for the children of migrant workers.

5.3.1 Formal/Legal Factors

Increasing the country's stock of human capital is an important component of the central government's national development strategy, and substantial progress has been made towards improving the quality of the country's education system, which has provided opportunities for

migrants and non-migrants alike. However, it is clear that not everyone has benefited equally. Migrants and their children have long been disadvantaged by a large discrepancy in the quality of education available between rural and urban schools. As evidenced in Chapter 6, education and skills are one of the most important determinants of employment outcomes and integration in the workplace, and the relatively lower quality of education that migrants receive in the countryside makes them less competitive in China's developing labour market. This situation is not lost on policy-makers, and the government has made several efforts to improve the quality of rural education. For example, 2006 saw the implementation by the education sector of the State Council's Opinion on Ways and Means of Resolving Migrant Workers Issues, as well as revisions to the 1986 Compulsory Education Law, which resulted in additional funding and the provision of free compulsory nine-year education in rural areas, including improving teacher salaries, rural school buildings, facilities, and curricula (Xinhua 2006). More recently, since 2010, the central government has invested about a billion dollars (US) a year to fund training activities across the country, such as the National Teacher Training Program (NTTP). And, in 2012, a circular by the General Office of the State Council was disseminated on the Opinion of the Ministry of Education on ways and means to ensure that children living in urban areas with their migrant worker parents are able to take local college entrance examinations once they complete compulsory education.

However, despite the presence of policies and programs aimed at providing universal access to high-quality education across the country, the poor implementation of these programs in rural areas has undermined these effects and they have failed to achieve their desired effect. As a result, migrants do not receive the same quality of education, which makes them less

competitive in the urban labour market, exacerbating the gap between rural and urban education. For example, a 2014 study by the Stanford Rural Education Action Program (REAP) investigated the success of the NTTP program in rural areas by looking at 70 schools in two prefectures in Shaanxi province. It evaluated teachers on metrics such as teaching practices, attitudes, and math knowledge, and students on learning outcomes and attitudes (REAP 2015). They found that the vast majority of rural teachers do not have access to NTTP. Attendance data demonstrated that only 4 percent of rural teachers in Shaanxi Province attended on-site NTTP training between 2011 and 2013. In addition, teachers often did not receive training that fit their needs. For example, nearly half (49.3 percent) of those who attended NTTP mathematics training did not teach math. Furthermore, although the design of the NTTP curriculum is seen as pedagogically sound in theory, the implementation of training does not align in practice. There is minimal coordination between instructors, resulting in inconsistent delivery, and there is an overwhelming emphasis on “moral education” and party principles, to the detriment of teaching teachers how to teach, which is sometimes lacking altogether (REAP 2015). The poor implementation of existing programs does little to strengthen rural education, and serves to perpetuate the flow of both quality instructors and students from rural villages to China’s urban centres.

Central government policies play a significant role on the integration of migrant students in China’s local urban education systems. Even though the Compulsory Education Law was introduced in 1986, it was not until the mid 1990s that the issue of migrant children education in urban cities began to receive attention from policy makers. Up until this point, it was not possible for migrant children to enroll in public schools at all because enrollment was

contingent on possessing local *hukou* registration. Thus, the *hukou* system has kept rural children from accessing education in urban areas (Solinger 1999). At that time, the education of migrant children was not considered a responsibility of city governments (Hao and Yu 2015:4). Since public funding for education was based on the size of the population with a local *hukou* status, most cities actively turned away migrant students because they were seen as a burden on local education infrastructure and resources. While the Compulsory Education Law established a standard of basic education across the country, it also had the unintended consequence of increasing regional disparity in education quality (Hao and Yu 2015:3). This is because it legitimated the decentralization of compulsory education, allowing provinces, cities, and villages to pursue different paths to the development and implementation of compulsory education. According to Article 2 of the Compulsory Education Law,

“The State shall institute a system of nine-year compulsory education. The authorities of provinces, autonomous regions, and municipalities directly under the Central Government shall decide on measures to promote compulsory education, in accordance with the degree of economic and cultural development in their own localities.”

Under this model, provinces and cities were able to pursue a variety of different paths to the provision of education. However, because larger cities had more available financial resources than rural towns and villages, they were able to provide higher quality education to their students, including higher salaries to attract better teachers, more modern facilities, a wider variety of courses, and a more varied curriculum.

However, as a result of loosening restrictions on population movement and the rapid growth of the migrant population in the 1990s, policy makers also found themselves confronting a large upswing in the number of migrant children in the cities. The first national policies to address the education of migrant children were the 1996 Provisional Regulations on Schooling for Children of Migrant Populations in Cities and Townships, and the related 1998 Provisional Regulations on Schooling for Migrant Children. These two regulations acknowledged that children could attend schools in their place of residence, and not only in the location of their *hukou* registration. However, these policies did little to improve access to urban education for most rural migrants, because it did not provide an adequate solution to the funding of migrant education. Instead, it clarified that the responsibility for the provision of compulsory education for most migrant children rested with the government of the sending location: “The local government of sending areas should strictly control the outmigration of school-aged children. If these children have custodians in the *hukou*-registration place, they should receive compulsory education there.” Thus, for the majority of migrant children, where at least one family member remained in the village or where one or more parent migrated on a cyclical basis, migration to the city did not provide them with access to urban education opportunities.

When migrant children did join their parents in the city, enrolling in public schools proved to be very difficult, and was often hindered by various local policies surrounding eligibility, based on considerations such as parental employment, resident status, and duration of stay in the city. Furthermore, migrant students were often required to pay additional entrance or “guest” fees, which could be very substantial. Collecting fees from migrants by urban public schools was justified on the grounds that local public schools only received funding based on the number of

local *hukou* students that it served. As a result, many schools were hesitant about admitting migrant students without having them pay a fee. The difficulty of registering children in urban schools, coupled with the high costs, led to the creation of a market for substandard private schools, usually run by groups of rural migrants themselves, which served the education needs of migrant children in cities. Thus, in the 1990s, educational inequality was becoming further entrenched between rural and urban areas, and also between urban resident children and rural migrant children in China's cities (Hao and Yu 2015:6).

The central government's approach to the education of migrant children began to shift significantly in the early 2000s. In 2001, the central government released the State Council Decision on Primary Education Reform and Development. This revoked the "sending-responsibility" principle of the previous policies, and established a "receiving-responsibility" principle, where the government of receiving localities became responsible for financing the education of migrant children (Hao and Yu 2015). Notably, however, the 2001 regulation was similarly silent about the collection of fees placed on migrant children by public schools, which continued to serve as a high barrier for many migrant children to access urban education opportunities. In 2006, an amendment to the 2001 law addressed the financial responsibility for migrant children's compulsory education by the local government of receiving areas. Article 12 states that "For school-aged children or adolescents, who have parents or other legal custodians working or living in places other than the *hukou*-registration places, who receive compulsory education in places other than the *hukou*-registration places, local government should provide them with equal conditions in receiving compulsory education." However, the same article also stated that "Specific policy is determined by province, autonomous region and

municipality.” In many cases, local governments set up rules and policies that made it very difficult for migrants to send their children to local schools. Migrants were often asked to provide evidence that they resided in the city, including certificates such as temporary residence permits, work permits, proof of residence, certificates from the place of origin, and household registration booklets. In practice the majority of migrant families were unable to obtain all of the certificates required (Human Rights Watch 2006). If migrants could not produce the necessary certificates, local public schools continued to charge high fees. It was not until 2008 that the State Council’s Announcement of Exemption of Tuition and other Fees in Urban Compulsory Education explicitly abolished fee collections from migrant children by public schools.

As a result of the changes made since 2001, local governments are now expected to incorporate the migrant student population into local education development plans and budgets, provide subsidies for public schools that receive high numbers of migrant students, and set up special funds at the city level to respond to the influx of migrant children. Local governments are also expected to fund public education according to the actual number of students (including migrant students) rather than just locally registered *hukou* students, as was previously the case. As a result of the rapid pace of policy change introduction since 1986, and especially since 2001, there is now near universal access to free, compulsory education for both rural and urban children, and for both migrant and non-migrant children in China’s cities. In the 2010 National Mid-to-Long-Term Educational Development Plan, 2010-2020, the central government set targets of 4 percent of the local GDP to invest in educational development. The central government also redistributed 15.83 billion RMB to urban public schools from 2008 to

2012. Much of this was to support local governments to design and implement various measures appropriate for their local situations in order to accommodate the arrival of migrant children in their cities, and also to cover the education of migrant children in migrant-led private schools (Hao and Yu 2015:9). The equality of compulsory education was specified in the State Council's Decision on Balanced Development of Compulsory Education of 2012, which states that local governments should "increase high-quality compulsory educational revenues, gradually reduce overcrowded classrooms, restructure weak public schools, and narrow the quality gaps between schools."

There is a lot of confusion surrounding China's policy approach towards rural migrant students in urban areas. This is partly due to the rapid rate of policy change, and its accompanying scope, as evidenced by the overview of central policies above. It is also partly a result of the variation that exists across the country (Hao and Yu 2015). The successful implementation of these policies resides with local governments. However, there are different rules, regulations, and policies in different cities—as the education system is largely a locally provided public service.

The ability of local governments to follow through with central government policies on education is largely influenced by two factors. One is whether they have the financial capacity to invest and support the integration of migrant children in the local education system.

According to one expert, "the delivery of social services is very fragmented. Why? The answer is easy. Some governments have no money. Those that do, you see lots of services provided. Like free compulsory education, this is always the first, and free medical care too. But in cities where there is not enough money, you will see user fees placed on people, especially migrant workers

and their children” (Interview 4:11). The other is related to local political will and the willingness to ensure that existing regulations are followed. Low political will may lead to lower educational outcomes for migrant students compared to their non-migrant counterparts. One expert that I spoke to identified both of these issues as barriers to integrating migrant children into the Xi’an urban education system:

“Accommodating migrant school children is a problem. Before, there probably used to be about thirty children per classroom, now in some cases you can see up to fifty per classroom. More teachers are needed, and more classrooms in existing schools too. But this requires lots of money. District and county level governments are responsible for urban basic (compulsory) education in their districts, so in many cases it is less about the city government and more about the leadership of the district and county governments. This is a dilemma for local governments. The more that they provide, the more that migrants will want to come to that area, and the more financial pressure they will feel to accommodate that number of students” (Interview 9:2).

The central government policies and directives described above have been influential in the development of local policies that have helped to integrate migrant children into Xi’an’s education system. Over the last decade, the local government, through the Education Bureau – which is responsible for carrying out all higher level laws and regulations, as well as developing and implementing local laws and regulations around education, including reform of local education and funding local education (Xi’an Municipal Government B) – has supported

numerous initiatives to increase the quality of education for all students. For example, between 2005 and 2010, the Xi'an government implemented free compulsory education in its urban and rural areas (Xi'an Municipal Government C). The provincial and municipal governments have also made significant financial investments in education. Shaanxi province's annual education spending in 2013 was 69.3 billion RMB, accounting for 20.8 percent of its total expenditures (Shaanxi Provincial Government 2013). In 2014, the Shaanxi government announced that it would cover rural migrant children under the compulsory education budget, and include them in all-inclusive preschool education programs, as well as free secondary vocational education programs. The province also indicated that it would work to improve the policies concerning the participation of qualified children of rural migrants working in cities in senior middle-school entrance examinations and college entrance examinations (Shaanxi Provincial Government 2014). In 2015, in conjunction with its overall urbanization and development plan, the Shaanxi government identified the following as urgent tasks:

“To incorporate the compulsory education for children of migrant workers into the education development framework of various levels, to provide guarantee through government subsidy for those students who have no access to public school, to encourage children of migrant workers to participate in entrance exams of high school and university. We should also support the set-up of more training bases for migrant workers in universities and vocational schools and improve regular labor-rights protection and supervision system for migrant workers.”

As a sign of its success in integrating migrant children into the education system, the province claims that 267,500 migrant children were able to go to school for free in 2015 (Shaanxi Provincial Government 2015).

Locally, the city of Xi'an has made several significant investments in education. For example, in 2009 the city provided 258 million RMB to support rural education and the residence fees of poor rural families, which benefited 478,000 rural students, exempting the collection of tuition and petty fees for students. It also provided another 105 million RMB to cover tuition, petty fees, and textbook costs for urban compulsory education, which benefited 389,300 students. In the same year, it also started the "egg and milk program" for students receiving compulsory education, which provided free milk and eggs for elementary school students, alleviating some of the financial burden on the children of impoverished families, including many migrant families (Xi'an Municipal Government A). In 2011, the city invested about 1.4 billion RMB on education, a 36.5 percent increase over 2010, in order to enhance preschool education; advocate for the development of both public and private schools; build and reconstruct a number of kindergartens; solve the problem of insufficient kindergartens within three years; assure excellent preschool education for all children; and continue to promote compulsory primary, high-school, and vocational education (Xi'an Municipal Government C).

In addition, in 2010 the Xi'an Education Bureau issued a circular on Compulsory School Behaviour According to Norms of Primary and Secondary Schools, which set out requirements for public schools to admit migrant students in the districts that they live in without any unwarranted special conditions (XJTU 2013:49). The city has also set up a special working group

to develop an “Opinion on Further Improving Migrant Children Compulsory Education” in order to provide recommendations on improving the education of migrant children (XJTU 2013:48).

Most of the city’s efforts are geared at the local education system in general. As one expert noted, “the Xi’an government has made some efforts to integrate migrant school children into Xi’an schools, allowing migrants to go to school in the districts where they live or where the parents work, which is usually the same place” (Interview 12:3). While these efforts certainly do help to support the educational opportunities of many migrant children, they do not explicitly address the concerns that prohibit many migrants from enrolling their children in urban education in the first place. Furthermore, even though local government policy now allows migrant children to enter public schools in Xi’an, according to one local expert on education policy, “many of these schools are not very good schools” (Interview 22:2). Another expert corroborated this, saying, “all the best schools in Xi’an, the top middle schools, the majority of these students are native urban Xi’an children” (Interview 20:4). Migrants still face many problems trying to access the best educational opportunities. They can increasingly enter their children in school, but entry into the best schools is determined based on factors related to money and the ability to pay high tuition fees.

In many ways, the problems facing migrants in Xi’an is similar to that faced by those in other cities. This is because of the impact that the *hukou* system has on access to education. The *hukou* system is currently in the process of being reformed, and is expected to eventually be phased out in favour of a “unified” *hukou* system. Once complete, migrants and their families will have full and equal access to public services, including education. However, reforming the

hukou system is a gradual process “to scientifically control the flow of its population to the major cities” (China Daily 2014, July 31). Currently, reform measures have made it relatively easy for migrants to transfer their *hukou* registration in China’s small and medium-sized towns. However, in large metropolises such as Xi’an, local governments continue to have the authority to implement their own point-based systems, similar to those used by Canada to assess international migration, which use evaluation criteria such as employment and living conditions.

One expert that I spoke with noted that “the impact of *hukou* registration, I think that its impact is felt differently across the country, in different locations. In the city of Xi’an, it certainly has some influence. But it differs particularly great dependence on the availability of public resources. For example, cities like Beijing, Shanghai, and Guangzhou have abundant public resources. Where they have lots of resources, they can invest in better services like education” (Interview 17:3). In Xi’an, however, inequalities exist between local and migrant children in education as a result of local finances. The financial responsibility of the provision of public services to migrants is placed on local governments, but in Xi’an, as one expert said, “these aspects are paid for by the government, and the government is reluctant to change it because it does not have much money. Education in particular is a big problem now” (Interview 5:10).

In Xi’an, the impact of *hukou* registration on the social exclusion of migrants in the area of education remains a barrier to for migrant children, even if it’s influence in the area of employment has diminished. As one expert said, “Migrants... can send their kids to school now, no matter their *hukou* status. Compared to before, many improvements have been made. For migrants they don’t really see a need to change their *hukou* status because there is almost no

point. The significance is not great. Migrants don't care about this. As long as they can work" (Interview 14:5). However, as another expert explained, "the problem today is not the *hukou* system itself, as a system of population management it doesn't do much anymore. You could cancel it today and nothing would change. Everyone knows that. But, the problem is that it is linked to welfare policy, such as education, health care and retirement benefits. And here, migrants are not entitled" (Interview 5:10). As a result, *hukou* status filters migrants into lower-quality education options. However, when it comes to the education of migrant children, *hukou* registration remains a barrier for many migrants. As one migrant said, "I don't think *hukou* status impacts migrant lives here in Xi'an very much... but it does for education" (Interview 31:4). And according to one expert,

"*Hukou* no longer limits mobility, but it still causes problems for migrants in the city and they cannot access everything the same as I can... the school problem is the most troublesome. Schooling in China is now divided into two categories. One is public and one is private. Public schooling encompasses kindergartens and elementary and junior high. The public system is based on *hukou* status. If your domicile is not located in this place then you cannot go to those schools. They are free to go to private schools, but private kindergartens, and primary and secondary schools are more expensive, and migrant workers generally cannot afford them. This is a very prominent problem right now. And now there are a lot of migrant workers and they establish their own schools for the children of migrant workers. For these schools, the condition, the quality of education that they provide and the security they give the students is relatively poor. These

schools do not receive public resources like the other schools. For those students, it is very unfair” (Interview 26:2).

5.3.2 *Hukou* and the College Entrance Exam (*Gaokao*)

One of the areas where *hukou* registration has the biggest impact is in relation to the national examination system, at the secondary and post-secondary levels. The exam system is a significant barrier to rural migrant children in urban public schools. According to the Ministry of Education, students are required to take their high-school entrance exam in the location of their original *hukou* registration. This exam, however, is based on the curriculum of the local school system. Thus, if a student attends an urban elementary and/or middle school in a different province, then the curriculum may be different from that of the village or town where they are registered and where they are required to write the exam. Thus, they may not have been schooled in the full content of the exam, making them less competitive.

Similarly, the *hukou* system also presents a barrier for migrant children when it comes to the college entrance exam, otherwise known as the *gaokao* (高考). As one expert described it,

“Another very very very big problem is China’s college entrance exam, the *gaokao*. This is also linked to *hukou* status. So migrants in the city who are from far away, their children cannot take the test in the city they live in. So even if you did all your education in Shanghai, but you are from Shaanxi, you need to return to Shaanxi to take the test, but because you studied in Shanghai, you would not have learned about the local content, the Shaanxi content. So you are at a disadvantage. Fixing this would maybe be the biggest change that local

governments could make. It would have a very large impact and benefit migrants if they could take the test in the same place they studied” (Interview 5:10).

The need to return to the place of registration is compounded by the regulation that only allows a university entrance examination to be sat in the place of registration rather than the place of residence. As one subject matter expert said,

“For the college entrance exam, it is like this. Let’s say your father is from Xi’an and your mother is from Nanjing, but you grew up and did all of your school in Beijing and both your parents work there with good jobs but they still have their original *hukou* registrations. So you go to kindergarten and everything in Beijing and you have been there your whole life. But, when it is time to take your college entrance exam, because of your *hukou* status, and you not being born in Beijing or with a Beijing *hukou*, you have to go to the home of your father or mother. If your mother, sorry you have to go back to Nanjing for the exam, if your father, I’m sorry, you have to go back to Xi’an for the exam. In each province the curriculum is the same, but if you have to travel across provinces to take the exam, then maybe you didn’t learn what will be on the exam? If you are from within the same province then it is not as big of a deal. If you are from rural northern Shaanxi but live and study in Xi’an, the curriculum in rural northern Shaanxi province is the same as Xi’an. It is the same teaching content throughout the province” (Interview 22:3).

Hukou status also determines the likelihood of attending the city's universities, as the test results required to enter into local universities is not the same for test takers across the country. This is particularly relevant for cities like Beijing, Shanghai and Xi'an, which are hotbeds of post-secondary education. As one expert described the situation,

“For the *gaokao*, if you want to go to university in the local city, you don't have to score as high on the *gaokao*. For example, if you are from Xi'an and want to go to Beijing University you might need a 600 score, but local people from Beijing maybe only need at 500. I don't know the exact scores but they are lower. So if you have local *hukou* and can do the *gaokao* locally where there are good universities, you have an advantage... Each province has their own score level, so people from the same province have the same score level, but people from other provinces have to get higher scores” (Interview 15:8-9).

In 2012, the Ministry of Education issued a new regulation encouraging provincial governments to allow pupils who are not registered locally to take the examination in the place of residence, provided that the parent of the student has a stable job and pays social-security contributions. However, as discussed above, the employers of most migrants do not enroll their employees in the social-security program, despite the provisions of the Labour Law. Moreover, the Minister of Education has stated that local authorities can adapt the rules to take into account local conditions (Koen et al. 2013:35). However, as one expert noted, “the *gaokao* policy is virtually the same in all provinces. There are very few places that have tried to change this... In Xi'an, the policy is very specific and only Xi'an residents can take the *gaokao* in Xi'an. This policy has wide

support from local residents, who benefit from this exclusionary policy. If migrants are able to take the test here, then it will make it even more competitive for their children” (Interview 5:10).

5.3.3 Informal/Social Factors

In addition to the formal/legal factors identified above, migrants also encounter several informal/social barriers when it comes to accessing Xi’an’s education system, impacting the quality of education available to migrants. Although the impact of formal/legal factors on the education social exclusion of migrants is formidable, inclusive development and full integration of migrant children into Xi’an’s education system is unlikely to result solely through the traditional policy process. As one expert put it when discussing solutions to migrant social exclusion in education,

“To achieve full social integration of migrants, you cannot do this just with policy intervention. It will be incomplete. You need to do things in the informal system too. I feel more and more that some things can be done from the perspective of social capital. The government though will be unlikely to play in this area. It requires a long focus, and is very systematic. And it is hard to assess performance. But I feel that the government should do something here too. Especially in situations where it does not have a lot of money for expensive programs” (Interview 4:14).

In Xi'an, the children of rural migrant families can attend public schools in the neighbourhoods where they live, if there is room. In general, urbanization and migration have contributed to an increase in the size of classrooms in many Xi'an schools. As one expert noted, "before, there probably used to be about thirty children per classroom; now in some cases you can see up to fifty per classroom" (Interview 9:2). There is an abundance of international literature that identifies classroom size as a contributing factor to educational performance. Typically, smaller classrooms provide more opportunity for student-teacher engagement and prove less distracting for both teachers and students, which contributes to better performance (Carneiro and Heckman 2003). In Xi'an, arguments about maintaining functional classroom size are sometimes used to manage and control migrant entrance and enrollment. This presents a problem for migrants when the student populations of nearby public schools approach their saturation point. One expert that I spoke with described how this contributes to exclude migrants:

"Migrant integration and exclusion is not only influenced by government policies and actions, but also by community and social circumstances and factors. For instance, for migrant children's education, the government perspective is that children go to school around where they live, this is the policy. But in practice on the ground, it is hard to do this. For example, migrant workers living around the university, there are very good schools around the university, and migrants want to send their children to the middle schools there. But there is no room, they are saturated and cannot accommodate so many students. Both local residents and migrants want to send their children there, and it is always the migrant children

who lose out. So even though the government does not prohibit migrant children from attending school, some schools may discriminate against migrant workers if there is competition with local students to get in” (Interview 6:3).

In those schools and neighbourhoods where demand far outstrips the supply of available classroom spaces, administrators at local public schools are likely to screen students and determine entry based on a number of factors, including social capital and social networks (*guanxi*), and economic capital, through the establishment of various entrance-related fees. One expert that I spoke with noted that *hukou* is rarely used anymore as an overt exclusionary mechanism to turn away migrants from accessing urban education options. However, competition in China’s education system is fierce, and the situation in Xi’an is no exception. They said, “for education, the key problem is that the quality of educational resources are scarce. This is not just a problem for migrants, but for local urban residents as well. As some migrant workers and their families become more firmly entrenched in the city and make more money, the barriers to education become fewer, so long as they can pay” (Interview 5:4). This is evidenced by one young migrant worker that I spoke to, “my sister is still studying (high school)... at that school it is almost all locals, there are not many migrants at all... we had to pay a pretty large entrance fee to get her started... but now she’s in and we don’t have to pay anymore” (Interview 19:7).

Thus, “even though the central government has regulations in place for the provision of compulsory education, the availability of high quality educational resources is limited” (Interview 18:5). This leads to increased competition between parents, which has resulted in

the creation of a market for schools to charge fees to families wishing to have their children attend popular schools. However, since most migrants in Xi'an fall into a lower economic class of society, they are disadvantaged when it comes to competing for classroom spots. By sorting admittance based on migrants' socioeconomic status and ability to pay, inequality in the access to education opportunities in urban China shift from ascribed status (e.g. *hukou* registration) to achieved status (socioeconomic status). As described by one expert,

“Popular schools or key schools can charge a lot for children to enter. It is the schools themselves who decide to charge entrance fees, not the government. But because a lot of Chinese parents are willing to pay, schools continue to do it. It can be very expensive. Like for elementary school, some schools charge sixty thousand (RMB) for six years (i.e. ten thousand per year), that you have to pay up front. And then for high school, for three years, it can be between fifty to eighty thousand dollars (RMB), or about twenty thousand a year” (Interview 22:5).

Thus, low-income households face a sizeable financial barrier to send their children to senior secondary schools. As one migrant put it, “Sending kids to school is very expensive, and probably takes up all of your wages” (Interview 31:4).

Economic status also has an impact beyond entrance fees, and accessibility based on location also presents problems for many migrants. As one expert put it, “children's education is linked to housing and real estate, which together also contribute to social exclusion. Government regulations state that children go to schools near where they live. So many parents want to put

their children in the best schools, so they try to buy a house near those schools. As a result, the price of housing in those regions has increased a lot. And, on top of that, you cannot just own that house, in many cases you need to have lived there, or at least owned it, for at least five years” (Interview 22:1).

This creates a situation where migrants have to absorb additional indirect financial costs. For example, migrants need to travel more. Transportation to schools in other districts can be time consuming, and even then many schools may try to apply “out of district” fees on migrant students, thus making it even more difficult for them to enroll in local urban public schools. As a result of these barriers, some migrants may opt to send their children to migrant schools, which can be more convenient and cheaper than the public school alternative. According to one expert,

“Even though the government says that children should go to the nearest school to where they live, in practice they cannot get in. so they have to go to the next one, and the next one after that if they can’t get in there too. I am personally very interested in the situation facing migrants, and I talk to them a lot to understand what is happening. I talked with one migrant janitor lady here on the university. She has a child in kindergarten, but even though she lives next to campus, she cannot send her child to the university kindergarten. They said it is full and that she would have to pay several thousand dollars (RMB) to have her child enter there. In the end, she put her child in a privately run kindergarten

because it was cheap. And it is not even nearby the school. She has to take the bus three stops to send her child to school. It is very far” (Interview 22:2).

Competition for entry into good public schools in the context of limited capacity has contributed to negative stereotypes and discrimination toward migrants, resulting in the reinforcement of migrants placed in social outsider groups. The Xi’an government is put under pressure from society to maintain urban privilege within the local education system. According to one expert, “the pressure on the local government is great, and it comes from the local population... now there is lots of competition to get into better schools. In Xi’an city, they have some good high schools, but the urban citizen children, they want to go to these high schools, so they don’t want rural village students to come there, so village students need to pay for much money, maybe one year fee, maybe equal their fathers’ two-year earnings” (Interview 5:10). As demonstrated by Liu et al., in Shaanxi province, entrance into a three-year high school course can cost the equivalent of 89 percent of the average annual net income of a rural household (Liu et al. 2009).

In many cases, these concerns can influence the interpretation of central policy at the local level, to the benefit of those families who have an ample supply of social and economic capital. Public schools can also encounter a high degree of pressure from the local urban population to limit the number of migrant students admitted to public schools. Many urban parents consider migrant students to be inferior to urban students, and are worried that too many migrant children will negatively impact the educational attainment of their own children. As one expert put it,

“Central government policy has been a good advocate for migrant workers and their children in the city to make education more accessible. But, the Xi’an government has the power to innovate policies through implementation to do things like forcing all local public schools to admit migrant children on an equal basis. But, they don’t enforce this. Why? Because the parents of children in many public schools are opposed to this. They also take the education of their children very seriously. And they think that having too many migrant children can ruin the education of their children. If one school admits too many migrant children, then local parents will try to transfer their children to other schools. So resistance is great from the local population, and the government’s policy is sometimes difficult to implement because of local pressures” (Interview 16:4).

5.4 Concluding Observations

While employment and job opportunities represent the number-one reason why rural migrants come to Xi’an, for migrants that arrive with children, education opportunities are considered more important than economic considerations. Education and human capital development was routinely mentioned as one of the most important opportunities, and challenges, facing migrant social integration. As one university researcher explained,

“To improve the integration of migrants in the city there are three key points. Jobs, public services, and certainly educational opportunities... human capital is important, increasing migrant vocational training, skills training, can help because they can get better jobs... it is important to make educational

opportunities for their children equal and for them to be educated as much as possible. The government in Xi'an is making efforts... They should try to expand the supply of educational opportunities so that their children can be successfully educated in the city" (Interview 16:6).

Based on the interviews conducted for this study, the topic of migrant-children education was seen by far as the most significant concern associated with education-related social exclusion for Xi'an's rural-urban migrant population. This is in line with the distribution of coverage given to this topic recently in the media and academia. When it comes to access to skills training and upgrading for adult migrant workers, there is a variety of training programs available in the city. Many migrants are aware of these opportunities, but for the majority, skills upgrading is not their primary objective. These programs are not taken advantage of as a result of personal desire, availability, and scheduling, as well as direct and indirect financial costs. Because of the rural-urban inequalities that exist in education, once adult migrants arrive in Xi'an, they are already at a significant disadvantage in the local urban labour market compared to their non-migrant counterparts.

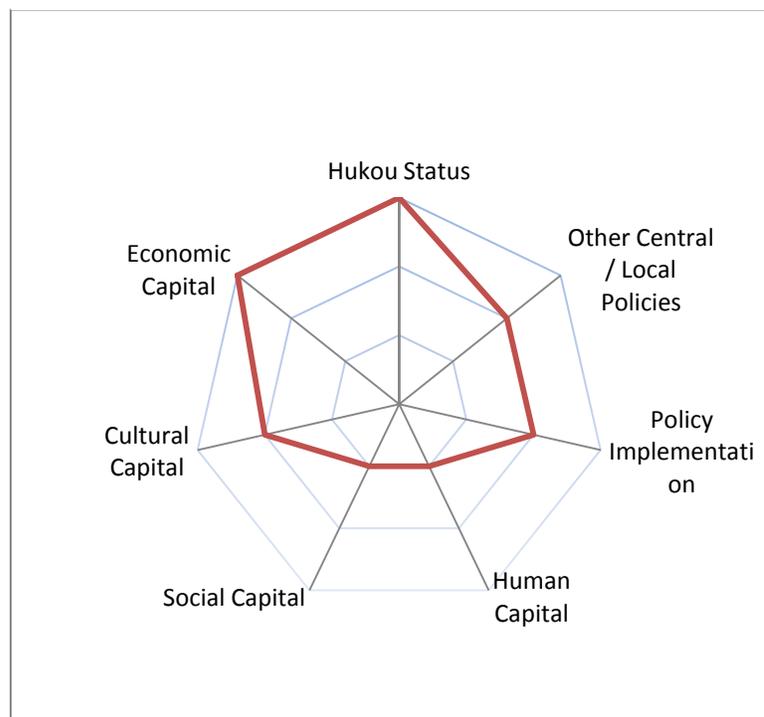
In Xi'an, the predominant concern related to educational social exclusion is the education of migrant children. As one expert expressed, "I think that the quality of migrant children education is the biggest concern in the city" (Interview 5:4). Migrant children encounter a variety of exclusionary challenges when it comes to accessing education opportunities in Xi'an (Figure 5.6). Based on a review of the available literature, policy documents and interview responses with experts, public officials and migrants themselves, the factors that have the

highest influence on education-related social exclusion include *hukou* status and economic capital. Cultural capital, as well as other central and local policies, and their poor implementation all have a medium influence. On the other hand, social capital and human capital were seen having little influence on the social exclusion of rural-urban migrant children in Xi'an's education system.

It is clear from the available evidence that the *hukou* system is a leading formal/legal factor in limiting educational opportunities, for migrant children in Xi'an. The expansive reach of the *hukou* system still poses several significant challenges, particularly for migrant children whose registration status lies beyond the borders of Shaanxi province, and for those who desire to pursue learning beyond compulsory education. Even though these students can take the entirety of their compulsory education in Xi'an, because *hukou* status determines where these students can take the high school and college entrance exams, they

are at a disadvantage because they not taught the same curriculum in Xi'an as in their province of origin, where they must take the entrance exams. As a result, these students are less prepared and less competitive than their province of origin

5.6 Factors Influencing Education Social Exclusion



counterparts, and less likely to succeed. However, the impact of *hukou* status on the education-related social exclusion of migrants in Xi'an is in decline. Recent changes to the local education system, stemming from policies and regulations developed by the central government, and implemented by the municipal government have contributed to more favourable circumstances for the education of migrant children in Xi'an. For example, migrant families are now able to enroll their children their compulsory education in Xi'an's public schools for free in the area that they live. Moving forward, continued reform to the *hukou* system may increasingly undermine *hukou*-related social exclusion for migrant children in education, in Xi'an and across China. However, this will depend in large part on the degree that central policy decisions, such as future changes to the *hukou* system, are successfully implemented by the local government in Xi'an. And, as described above, the poor implementation of existing central and local policies aimed at improving migrant access to the local education system already negatively influences migrant access to education opportunities. For example, based on the interview data collected during this study, the local government has not been successful at preventing local schools from levying arbitrary entrance fees on migrant students.

Migrant children also encounter several informal/social challenges that contribute to their exclusion from educational opportunities, particularly at the level of compulsory education. Principle among these is the influence of economic status. The importance of economic capital in determining access to education opportunities is indicative of the gradual shift towards the marketization, privatization, and commodification of social services of in China in the post-reform period. As a result of a high level of competition between urban and rural families alike, to have their children registered in the city's best schools, many public schools screen

applicants based on socioeconomic considerations, often imposing high fees. While these do not always target migrants directly, as demonstrated in Chapter 6, the incomes and salaries of most migrants are on average significantly lower than their urban counterparts, and this indirectly puts them at a disadvantage when it comes to competing for positions for their children in the best local public schools. As explained by one local expert, “all the best schools in Xi’an, the top middle schools, the majority of these students are native urban Xi’an children” (Interview 20:4). The practice of school administrators charging high entrance fees is particularly common when it comes to the city’s better schools, which are usually those with the highest demand. Here, administrators often impose arbitrarily high entrance fees, even though this is prohibited by the state. As a result, those with lower access to, or possession of, financial resources, such as the majority of rural-urban migrants, are excluded. Thus, even though there are local policies, regulations, and initiatives in Xi’an that aim to provide opportunities for migrant children to pursue compulsory education in the communities where they live, economic status and financial considerations limit the areas of the city where migrants can buy and rent homes.

Migrant children are also excluded from access to education opportunities as a result of cultural capital and social pressure placed on local governments and on local public schools by the urban population. As discussed above, migrants can be turned away from certain schools based solely on the fact that they are migrants. Local parents will refuse to enroll their children in certain schools if there are too many migrant children, believing that it will have a negative impact on the education of their own children. This puts pressure on school officials to limit the number of migrants that they admit. Many experts noted that it is important for the social and

cultural integration of migrants into urban society to have migrant children mixed in with local urban children in the same schools and classrooms. As one expert stated, “I think it is best to integrate migrant children and local children in schools, to improve overall social integration in the city, but this is not the situation that we are in right now” (Interview 16:4). Another expert said that, “it is hard to get adults to socialize with each other” (Interview 3:3), but that there was opportunity to accomplish this through the education of migrant children: “Not only does this teach them skills, but putting migrant children together with local children allows them to integrate socially with each other. To grow up together, which should help with social integration” (Interview 3:3). Another expert elaborated on this same issue: “that way the children can slowly integrated with locals. Children can be used as a medium to communicate among parents, and help them integrate too” (Interview 22:10).

The evidence presented in this chapter suggests that the education-related social exclusion of Xi’an’s migrant population is in transition. It continues to be a very present reality for Xi’an migrant children, but the factors that determine access and opportunity have shifted over the course of the reform period, from achieved characteristics such as *hukou* registration status, to a mix of ascribed and achieved characteristics, particularly financial capital.

The significance of education is very high in the context of the overall social integration of Xi’an’s migrant population. As identified above, the migrant student population in Xi’an is relatively large, and increasing at a faster rate than the local urban student population. For the most part, local experts were optimistic about the future integrating migrant children into local schools. Said one expert, “schools are like a microcosm of China’s cities. There are separations

within them, but in the long run, slowly, it will all come together” (Interview 16:4). However, over the long-term, if the challenges that migrant children face in accessing quality education in the city are not resolved, particularly as they relate to *hukou* status and financial considerations, then the quality of education than they receive will be inferior to that of non-migrant children, subsequently leaving them with a lower stock of human capital, and making them less competitive in the local urban labour market, as was the case with preceding generations.

6 Chapter: Social Exclusion and Employment

Rapid economic development in China's urban centres, including Xi'an, drives rural-urban migration by providing more opportunity for employment and a higher standard of living than migrants can achieve in the countryside. Although the decision to migrate to Xi'an is influenced by a combination of economic, social, cultural, and environmental push-and-pull factors, economic considerations, and particularly employment, are identified by migrants as one the most important influencing their migration (XJTU 2013:139).

This chapter investigates the social exclusion of Xi'an's migrant population in the area of employment. The first section looks at "how migrants are excluded," and uses a variety of sources, including national, provincial and local government resources, policy documents, secondary statistics and existing studies, as well as information garnered from interviews with migrants, subject-matter experts and government officials to describe the general employment situation and experience of social exclusion in the Xi'an labour market. It focuses on employment status, sector and industry, type of job, income, and working conditions. The second section looks at "why are migrants excluded." It relies primarily on interviews with local government officials, experts and migrant workers to identify the formal/legal and informal/social factors that contribute to employment-based social exclusion. This chapter closes with concluding observations about the employment-related social exclusion of Xi'an's migrant population.

6.1 Employment-based Social Exclusion and Xi'an's Migrant Population

Employment and work are intimately connected with the migrant experience, as demonstrated by the popular terminology used to describe rural-urban migrants. While this group is known by many names (*liu dong ren kou* [流动人口], *yi min gong* [移民工]), the most common term used in Xi'an is *nong min gong* (农民工), which translates into “peasant worker” and is a reference to both their origin and primary activity. The situation in Xi'an is similar to that found in most large cities in China, where the interconnected “push” and “pull” of employment opportunities is one of the most influential factors driving rural-urban migration. Said one expert on rural development, “in the countryside, it is difficult for families to sustain themselves on rural wages. This thrusts them to go into the city to make money to support their families” (Interview 16:1). Another researcher noted that “migrants see that they can easily earn at least 1,000 RMB a month working in the city, compared to just 1,000 or 2,000 a year by working on the farm in the country” (Interview 22:8).

6.1.1 Employment and Unemployment

Employment rates in China have remained relatively steady and reasonably high since the introduction of reform, as high international demand for low-cost exports, large scale domestic infrastructure development projects, and the rapid development of the domestic service sector have generated tens of millions of jobs. Despite the presence of several development challenges and significant fluctuations in the labour market in recent years, such as the 2008 global economic recession, unemployment in China has remained stable and low.

Employment levels in Xi'an are slightly more favourable than the national average. According to official figures, the local unemployment rate is 3.4 percent, slightly below the national average

of 4.1 percent (Xi'an Statistical Yearbook 2014).² Rapid economic development fuelled by state intervention (see Chapter 4), as well as by the relocation of labour-intensive industries from the country's coast to interior regions, has created numerous employment opportunities for rural-urban migrants. All the migrants that I spoke with during the course of this study were employed, and local experts agreed that finding employment in Xi'an is relatively easy for most migrants. The exception being older workers aged 40 and above, partly because of the age discrimination that is deeply ingrained in the workplace, and partly because older workers are seen as having fewer skills required by employers. According to two migrant workers that I spoke with, both women in their 50s and 60s, finding a job in Xi'an was very difficult. Said one migrant, "even if you want to work in a factory, if you're over 30, then there's no guarantee of getting in. Factory bosses don't want you" (Interview 28:1). For both these women, the only jobs they were able to find were in the sanitation industry, as street cleaners. This is a profession dominated by migrants over 50, who use brooms made from bamboo and plastic bags to sweep the streets of leaves and debris. Difficulty finding employment was corroborated by another female migrant over 50 who worked as a street vendor, "before I tried to get a job washing dishes, but they didn't want me because I'm too old" (Interview 29:6). Moving forward, these workers may see some relief as the domestic labour market faces increasing pressure from general population aging, which might make it easier for older migrant workers in China to secure employment (CLB 2013c). However, for the moment, elderly migrants often occupy the least desirable and lowest-paying jobs.

² Note that unemployment figures are based on reporting from formal urban workers who have registered as unemployed, a group that typically makes up less than two-thirds of the urban working population of any large Chinese city (CLB 2013c).

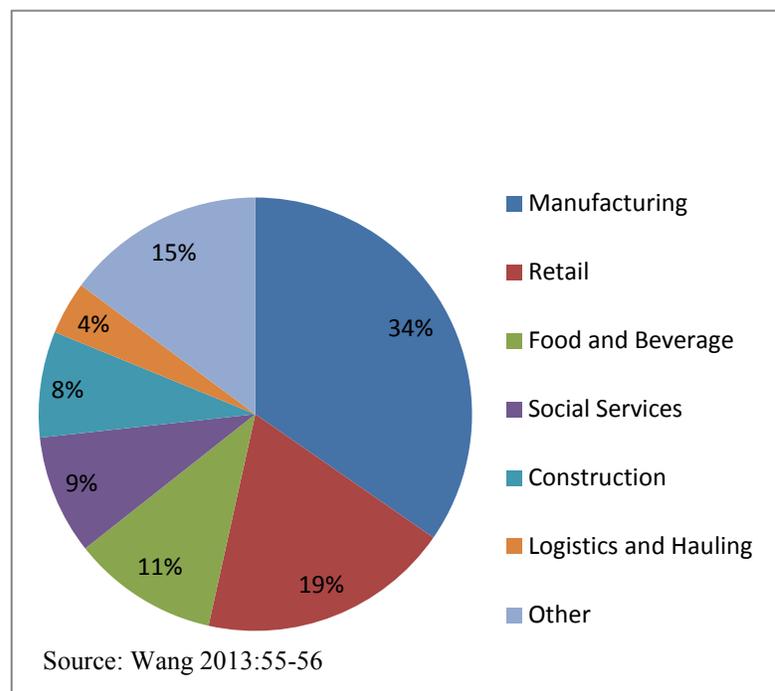
6.1.2 Employment by Industry

In urban China, there is generally very little opportunity for migrants to engage in agricultural work, and nearly all migrants find themselves employed in the secondary (43.7 percent) and tertiary (54.9 percent) sectors (Wang 2013:55). Nationally, the manufacturing industry has long been the largest employer of migrants, and it currently employs more than one-third (35 percent) of all migrant workers (Figure 6.1). In recent years, migrant employment has become more diversified, reflecting an overall shift in the structure of the national economy from the secondary to the tertiary sector. As a result, manufacturing’s share of migrant employment has been in decline, decreasing from 40.4 percent to 35.2 percent between 2010 and 2012, while at the same time experiencing a proportional 5 percent increase in migrant employment in “other” industries. Nationally, significant migrant employment can also be found in retail (19 percent) and food and beverage (11

percent), which together with manufacturing employ about two-thirds of all migrant workers (Wang 2013:55-56).

While finding a job is not difficult, experts agreed that once in the city, “their opportunities for work are fairly limited in what jobs

6.1 China Migrant Employment by Industry



they can actually get” (Interview 16:2). Compared to local urban populations, the majority of China’s migrants typically have lower levels of education, and lack the skills needed to successfully participate in the knowledge-based economy. With little to offer except manual labour, they are typically confined to employment in sectors where they can apply this labour, such as low-level manufacturing, construction, and the service industry. Noting that this phenomenon was widespread across China, one expert said, “so many migrants arrive in the city and do manual labour, physical labour kind of jobs. They do odd jobs, are casual workers. Not professional careers, but some physical or manual, semi-manual work to make money” (Interview 9:1).

6.2 Xi’an Employment by Industry (%)

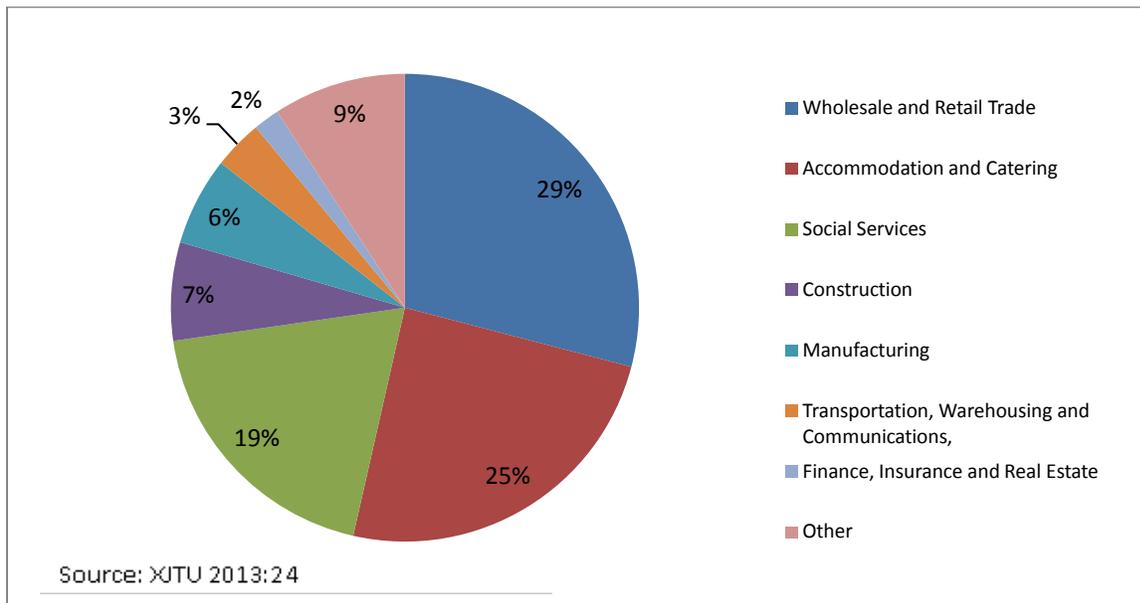
Industry	2000	2013
Primary	37.78	20.81
Secondary	27.57	28.55
Tertiary	34.65	50.64

Source: Xi’an Statistical Yearbook 2014

In Xi’an, the local economy is not as developed as its larger coastal counterparts, and many people are still employed in the primary sector (e.g. agriculture production, resource extraction). This is largely the result of the rapid expansion of the city’s borders in the 1990s, which incorporated vast tracts of land surrounding the city, including numerous farms and other areas suitable for resource extraction. However, in line with the city’s local economic maturation (see Chapter 4), there has been a progressive shift in employment toward secondary (e.g. manufacturing) and tertiary sectors (e.g. service sector, hospitality). Between 2000 and 2013, primary-sector employment decreased proportionally to the increase in tertiary-sector employment in Xi’an (Table 6.2).

Unlike the situation found in many of China's cities, in Xi'an there are relatively few migrant workers engaged in manufacturing. One reason for this can be attributed to the city's long history as a regional manufacturing hub, and the ongoing presence of large work units (*danwei*) made up of local residents, which continue to perform much of the region's manufacturing activity. As described by one expert, "migrant workers in Xi'an now are mainly engaged in the services industries, such as catering, construction, renovation and this type. The local tertiary industry is well developed with migrants" (Interview 12:2). This observation is supported by data from migrant worker surveys. In one recent survey of Xi'an migrant workers, the vast majority (81.6 percent) reported employment in business and service occupations, while only 11.6 percent reported having a manufacturing or transportation job (XJTU 2013:23). According to the same survey, the top three sectors for migrant employment were distribution and retail (29.1 percent), hospitality (24.5 percent) and social services (19.2 percent) (XJTU 2013:24). Together, these three industries account for 72.8 percent of all migrant employment in Xi'an (Figure 6.3).

6.3 Xi'an Migrant Employment by Industry



Not only is the majority of Xi'an's migrant population employed in the service sector, but according to one expert, "most of the labour for the service sector relies on migrant workers to prop it up" (Interview 21:4). Said another, "the city of Xi'an is developing very rapidly, and the city relies on migrants to fill certain types of jobs. Especially occupations like market-stall attendants, selling vegetables and stuff. Also jobs that are manual labour jobs, like construction jobs and janitorial jobs. The further development of Xi'an needs these jobs and relies on migrants to do them" (Interview 15:1). The concentration of Xi'an's migrant population in the service sector is evident to all. As one local official said, recounting what it was like during the holiday season, "during holidays such as Spring Festival, most migrant workers leave the city and return home. At that time, for local urban residents, it is very inconvenient. Restaurants are closed, vegetable sellers are not around. It is really a ghost town during that time" (Interview 12:2).

6.1.3 Type of Employment: Formal and Informal Employment and Labour Contracts

Employment type and association with the formal labour market are important indicators of social inclusion and integration. Formal employment is important to social integration because it provides access to the three most important types of social insurance that employers are expected to provide in China: pensions, healthcare insurance, and unemployment insurance, and are subject to national labour legislation, income taxation, social protection, and entitlement to certain employment benefits such as advance notice of dismissal, severance pay, paid annual, sick leave, etc. (Park et al. 2013:3). On the other hand, informal employment is often associated with poverty and social vulnerability (Park et al. 2013:3). Said one expert,

“Informal employment is a big problem because workers’ rights are not protected, such as work-related injuries. If you’re a construction worker and you fall from your scaffolding, then the employer might fire you because you can’t work. Instead of having guaranteed healthcare insurance, as provided in a formal contract, the worker might be paid off with three months wages and left to their own devices” (Interview 15:14).

In China, all workers have the right to sign a labour contract with their employer, as identified in the 2008 Labour Contract Law. Labour contracts play an important role in reducing the vulnerability of workers, providing protections and strengthening claims to pursue dispute resolution mechanisms such as arbitration or lawsuits. Without a contract, the provisions of the Labour Law are unable to protect rural migrants’ employment rights and interests. However, many workers have not established stable contract relations with their employer, and many

employers rely exclusively on short-term contracts or agreements in order to reduce production costs and exploit the abundant supply of labour (Wei 2007:2). Many others do not sign work contracts at all. According to the China Labour Bulletin, which conducted a study of construction workers in multiple cities, including Beijing, Wuhan, Chengdu and Xi'an, more than 80 percent of migrant construction workers "did not sign labour contracts. Many of those who did sign contracts did not even have a copy of the document for their own reference" (CLB 2015).

Cai and Wu (2006) estimate that 45 percent of all urban employment in China is informal, and compared to coastal cities (e.g. Guangzhou, Shanghai, Fuzhou), informal employment is more prevalent in the country's interior cities such as Xi'an (Park et al. 2013:6). In Xi'an, there is a striking difference in the propensity for local residents and migrants to be employed informally. Park et al. (2013:12) found that 37.7 percent of local Xi'an residents are informally employed compared to as many as 80 percent of migrants. On the participation of Xi'an migrant workers and informal employment, one expert said, "for the most part, migrants are confined to the secondary labour market, to informal employment, and as a result, they have no access to social security. Lots of labourers do not have this. This is their biggest challenge" (Interview 9:2).

However, beyond reflecting unequal treatment of the migrant population, many migrants consciously choose to not sign formal labour contracts with employers, and they find that the design features of current social insurance programs are unattractive to mobile migrant workers. Informal employment can also be voluntary, for example when there are high

economic returns to self employment, or when the perceived costs of participating in public social insurance programs are greater than the perceived benefits. Informality, then, includes both those who voluntarily engage in informal work and those who do so involuntarily because they are systematically excluded from formal employment opportunities (World Bank 2007; Park et al. 2013). Said one expert about informal employment in Xi'an:

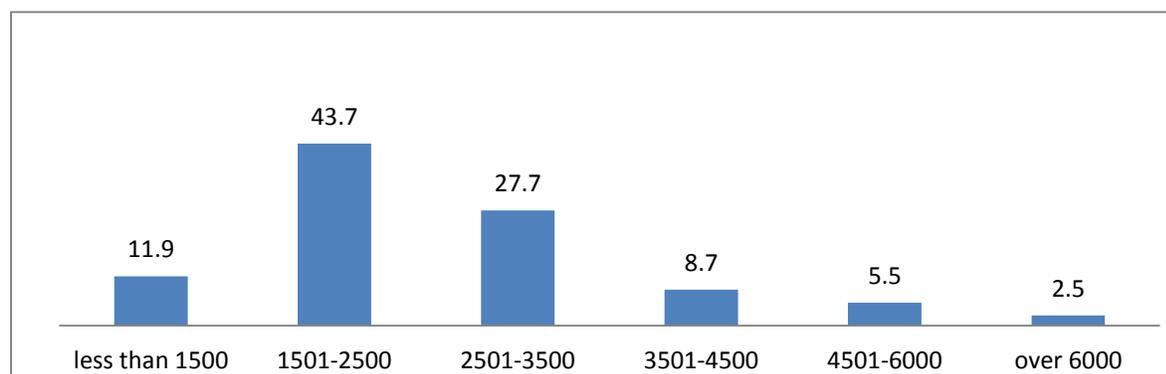
“The labour contract signing rate is very low. Although there are labour laws in place, they play a very minimal role in practice. Everyone is walking a fine line, and there are reasons on both sides. For employers, they do not want to be constrained. Especially if they are a small business, then they will only hire five or six people so that it does not come into effect and he will not be bound to it. For the migrants, they also do not want to be bound to the employer. They don't want to be restricted. And if they want to leave for a new job then they don't want to be held back by legal documents” (Interview 10:5).

In addition to opportunity costs, many migrants avoid signing formal labour contracts with their employers because doing so means that they could forfeit their right to land and property in the countryside. Without guaranteed provisions available in the city, the safety net for most migrants is their claim to land in their place of origin. Furthermore, for many migrants who do not intend to stay in the city permanently, their right to land is more important than what social rights they may be entitled to through a formal labour contract.

6.1.4 Income and Wages

Income is a key indicator of independence, living conditions, and economic and social integration. In China, income disparity is a significant issue, and large disparities exist between geographic regions, urban and rural areas, industrial sectors, and migrant and local workers. Many migrants are paid below the local minimum wage, and it is common for migrant to receive half or less than half of the pay received by their urban peers (Dong and Bowles 2002). Migrants are not directly discriminated against when it comes to income, but by their ability to determine which sectors they work in and which type of job they can obtain. As a result, income-generating opportunities for migrants are much lower than for local urban workers. There is little overlap between the types of jobs performed by migrants and those performed by local citizens. Migrant workers are overwhelmingly concentrated in low-paying industries, accounting for 81.8 percent of employment in construction, 73.6 percent in manufacturing and 67.4 percent in the service industry (CLB 2014a). As such, the average wages for these sectors can act as a barometer for gauging migrant income versus that of local urban residents. Whereas the average monthly income of local urban residents was 3,897 RMB in 2012 (NBS 2014), average monthly wages were 2,654 RMB in construction, 2,537 RMB in manufacturing, and just 2,366 RMB in catering and household services (CLB 2013a). The highest migrant wages were found in the delivery and postal sector, at 3,133 RMB per month.

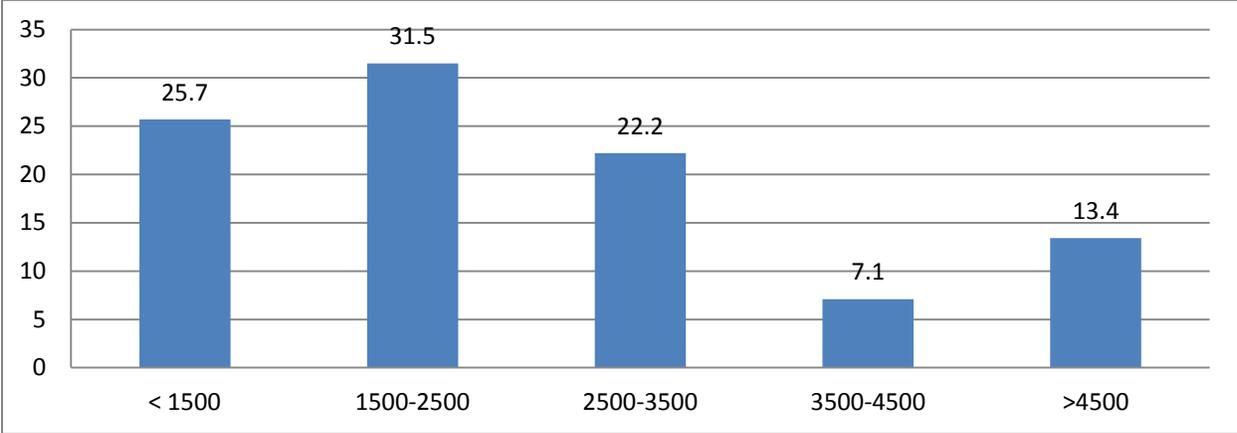
6.4 China Migrant Worker Average Monthly Income



Migrant incomes have increased significantly over the course of the reform period, particularly since the turn of the century, and continue to grow at a seemingly rapid pace. Recently, for example, migrant average monthly income increased by around 20 percent in 2010 and 2011, by 12 percent in 2012, and 14 percent in 2013, to 2,609 RMB (CLB 2014b). However, despite this seemingly impressive growth, increases are often eroded by higher cost of living, which has increased at a faster rate than incomes, effectively cancelling out any gains (CLB 2013b). For example, a recent NBS survey shows that per-capita migrant living expenses increased by 21.7 percent on average in 2013, to 892 RMB per month (NBS 2014). The main driving force behind the higher living expenses was a 27 percent increase in accommodation costs, which made up about 50 percent of total living expenses for migrant workers that year (CLB 2013b). As a result, the income gap between local workers and migrants is widening. Furthermore, the increase in migrant wages is positively skewed as a result of a small percentage of migrants who generate much higher incomes than their average counterparts (Figure 6.4). In 2012, only 16.7 percent of migrants earned over 3,500 RMB per month. Conversely, over half (55.6 percent) earned less than 2,500 RMB, with the largest segment (43.7 percent) earning between 1,501 and 2,500 RMB per month (Wang 2013:57).

In Xi'an, rural-urban migrants earn less on average than those in other regions of the country. One recent survey published in 2010 estimated the average monthly income of Xi'an's migrant workers at 1,913 RMB, with the majority (54.8 percent) earning less than 1,500 RMB (Zhou 2010:2-3). A more recent study released in 2013 pegged the average migrant monthly income at 2,913 RMB, with a median of 2,000 RMB per month. The survey responses noted that 31.5 percent earned between 1,500 and 2,500 RMB per month, and nearly half (42.7 percent) earned over 2,500 RMB (XJTU 2013:19) (Figure 6.5). However, as indicated by the difference between the mean and median, the range of migrant incomes in Xi'an is unevenly distributed, and positively skewed by a small proportion of migrants with much higher incomes.

6.5 Xi'an Migrant Monthly Income (RMB)



While the range of migrant income is quite large, the overall average is quite low when compared to their urban counterparts. The average annual wage of workers in urban non-private enterprises is 49,350, or 4,113 per month (Xi'an Statistical Yearbook 2014:33). The per-capita disposable income of urban residents was 33,100 RMB, compared to the annual per-capita net income of rural residents, 12,930 RMB (Xi'an Municipal Government Website). Street

cleaners that I spoke to, for example, said that they earned between 1,300 and 1,500 per month (Interview 29:1; Interview 30:3). Du and Mu (2011) found that the income inequality of rural-urban migrants, who are typically employed in low paying sectors and jobs, has created a stratum of urban poor in Xi'an. They found that 4.79 percent of migrant households in Xi'an are in poverty, compared to only 1.43 percent of local households (Du and Mu 2011:5).

There are a number of factors that contribute to the income situation of Xi'an migrant workers, including both individual characteristics (sex, age, educational attainment, marriage situation) and occupational characteristics (profession, employment status, occupation, industry, work unit characteristics). Employment status and industry sector are important contributing factors (XJTU 2013:27). Xi'an migrants in construction, distribution and retail, and accommodations, food and beverage averaged higher incomes than manufacturing by 1,122, 873 and 815 RMB, respectively. While often limited in the sector that they can work in, employment status also contributes to variation in wages, with the self-employed and business owners earning more on average. Said one expert, "there are many migrants who are entrepreneurs and open small shops. There are many migrants that open restaurants" (Interview 9:4). Said another, "many of the most successful migrants are those who start their own businesses. I think about 12 percent of all migrant workers in Xi'an are small business owners, but this relatively small proportion does very well for themselves, they eat well and can buy several houses" (Interview 9:5).

Migrants who are employers and self-employed migrants have higher incomes than those who are employees. However, only 11.0 percent of migrants identify as an employer, whereas 45.1 percent are self-employed, and 41.6 percent are employees (Table 6.6).

6.6 Xi'an Migrant Income and Employment Type

	Percent	Average (RMB)	Median (RMB)	Standard Deviation
Employee	41.6	2,107	1,800	1,284
Employer	11.0	4,360	3,000	3,371
Self-Employed	45.1	3,384	3,000	3,013
Domestic Worker	2.4	1,994	1,500	1,712
Total	100.0	2,913	2,000	2,595
Source: XJTU 2013:25				

Individual characteristics also factor significantly into income earnings, particularly sex, age and educational attainment (XJTU 2013:27). Education is particularly important. For example, for every extra year of schooling, migrants increase their average incomes by 95 RMB. (XJTU 2013:27). Age characteristics do not negatively impact income earnings until migrants begin to reach old age. Incomes continue to increase until dipping somewhat at the 40-44 age category, increasing to its highest level at 45-49 before dropping off again at 50-54 (XJTU 2013:21). However, as discussed above, finding employment is difficult for migrants as they age into their 40s, 50s and beyond. Male migrants make more than female migrants. The average monthly income of working male migrants was RMB 3,233 (median 2,600), compared to RMB 2,532 (RMB 2,000), respectively (XJTU 2013:21). Said one expert, “most employers prefer to hire a male over a female, but it depends on the type of job. For migrants in most service positions, like a job at a hotel or a dry cleaners, females are preferred because they are seen as more careful and tender” (Interview 20:7). The situation facing female migrants in the city is compounded by traditional gender roles, where they are also expected to contribute disproportionately to domestic work. Said one expert,

“It is very difficult for female migrant workers in the city. The balance of life is very difficult because on the one hand they have to work very hard to earn money for the family, but on the other hand they have a lot of housework to do too. Because according to traditional principles, women are supposed to be good wives and mothers. So even though they earn a lot of money outside to support the family, when they come home they have to do all the stuff expected of them as a wife and mother. I think it is more pronounced for migrants from the countryside than it is for urban people. One time I interviewed a female migrant whose husband just stayed at home and didn’t work. So she went out every day to earn money for the family and when she finished work, she had to come home and do all the housework. The division of labour within the family is very highly influenced by gender traditions and ideology” (Interview 20:7).

6.1.5 Working Conditions

In addition to earning less than their urban peers, the working conditions experienced by most migrants are significantly worse as well. A common theme found in the literature is that migrant workers often employed in “3D jobs,” those that are dangerous, dirty and demeaning. Compared to local citizens, migrants work longer hours in unstable employment situations for precarious pay. Nationally, migrants work on average 6 days a week, and 9.1 hours a day (or 54.6 hours per week), with 12.2 percent working more than 11 hours a day (Wang 2013:57). Furthermore, many employers only pay out salaries at the end of the year, and if they are not happy with performance, they deduct or even refuse to pay (Wei 2007:2). According to the All

China Federation of Trade Unions, in 2003, 72.5 percent of rural migrants encountered salary delays of some degree, and the amount of delayed salary payment to migrant workers reached RMB 100 billion (Wei 2007:3). However, unlike the majority of urban workers, since many migrants are informally employed, they lack the protection afforded by a labour contract, and have little recourse when they encounter disputes in pay.

In Xi'an, experts agreed that many migrants are employed in 3D jobs. As one local university researcher noted, "migrant workers do the dirtiest, most tiring and most dangerous jobs in the city, without protection" (Interview 4:23). For example, one local official discussed the dangers encountered by migrants in the construction industry:

"The safety of migrant workers on construction sites is an important aspect. I have encountered problems here personally. For example, once a building was being built for the government, which put forward some management and safety guidelines for the number of workers that can be used to build it, etc. But the project was implemented by the developer, who did not follow the guidelines, and the government did not correctly manage the developer, and as the result of improper operations, training and following of regulations, migrant workers have been killed. Several government officials were severely punished for this, including jail" (Interview 7:6).

Compared to their local counterparts, Xi'an's migrant workers work longer hours, on average 63.3 hours per week, compared to 47.5 hours per week for non-migrants (Park et al. 2013:15), with most working an average of 6.4 days a week and about 10 hour days, with some working

up to 15-17 hours a day (Zhou 2010:3). According to a migrant street cleaner employed by one of Xi'an's universities, a typical day was "from 4am to 10am, followed by a break for lunch and then work again from 1pm to about 5pm, [though] in the fall when the leaves keep falling, sometimes I work even later" (Interview 29:3). When asked if they were provided with the same vacation time as students and faculty on campus, they said "even one day off I don't get. I don't get vacation. A whole year without a vacation. We get weekends off, but then I split my weekend at another job at another location with another person. They rest on Saturday, I rest on Sunday" (Interview 29:3).

Similar to the situation faced by migrants across China, for many of Xi'an's migrant workers, pay is precarious, and overtime pay is hard to come by. About 30 percent of migrants work overtime for no extra pay, and 42 percent of migrants have experienced delayed payments or have been paid less than they were owed. Since the majority of them are employed informally and do not have a contract, they do not have much recourse when this happens (Zhou 2010:3). The impact of delayed wage payments or non-payment can be very impactful for migrants who return to the countryside on a cyclical basis. According to one public official,

"I am very familiar with the construction industry because of my work, and what I hear that wage arrears are a big problem for migrant workers, in particular around the Chinese New Year Holiday. I don't know exactly how migrants are supposed to be paid, monthly or annually or what. But you know about New Year and how everyone, migrants included, want to go home for New Year holidays. But if you cannot get your wages, then how can you go home? How can they

enjoy the New Year? There seem to be many construction sites over the years that many migrants do not get their wages before the holidays. Often when this happens, you will see collective disturbances, like the Wai Road Dulu Disturbance, which was in the news. It seems like the collective security of migrant workers is still not enough, or what else led to this kind of thing happening? Over the last two years, the government has been very serious about this, and in particular, before the Spring Festival Holidays goes to protect migrant workers at construction sites to oversee construction sites and ensure that migrants get paid and that migrants will not make trouble and that no such incidents occur” (Interview 13:6).

6.2 Key Factors Affecting Employment-related Social Exclusion in Xi'an

There are many factors that contribute to employment-related social exclusion of Xi'an's rural-urban migrant population. This includes formal/legal variables such as policies and regulations, as well as informal/social variables such as social networks and social discrimination and human capital and skills. While these are interdependent and the end result is a product of their net influence, there are some factors that have a more pronounced impact on access to available opportunities for the local migrant population. The previous section provided a description of migrant employment in Xi'an. This section looks at "why migrants are excluded from employment opportunities" and identifies pressing factors that influence the outcome of employment-based social exclusion faced by migrant workers.

6.2.1 Formal/Legal Factors

At first glance, it appears that formal/legal factors do not play a significant role in excluding Xi'an's rural-urban migrants from employment opportunities. There are a number of policies and regulations at the national, provincial, and local levels that have been created and that reflect measures that support the integration of migrants into the labour market.

At the national level, China implemented the Labour Law of the People's Republic of China in 1995, which places limits on the exploitation and which makes employment more stable and secure for workers nationwide. For example, Article 41 of the Labour Law stipulates that the standard work week in China is 40 hours (eight hours per day, five days per week), that overtime is to be paid for any work exceeding these hours, and that overtime is not to exceed 3

hours a day or 36 hours per month. According to Article 50 of the same law, wages are to be paid to workers in legal tender and on a monthly basis, and that the deduction of wages or delay in payment of wages is strictly prohibited. In addition, the Labour Contract Law, implemented in 2008, provides measures that protect worker rights, such as punishment for employers that do not sign labour contracts, mechanisms for increasing severance pay, and provisions for providing mandatory open-ended contracts after the completion of two fixed-term contracts. Other laws that protect workers across China include the Law of the People's Republic of China on Work Safety, promulgated in 2002; the Law of the People's Republic of China on Promotion of Employment, implemented in 2008; and the Law of the People's Republic of China on Labour-dispute Mediation and Arbitration, also implemented in 2008.

Locally, the Xi'an government has initiated several policies to help migrants mitigate employment challenges and facilitate their integration in the city. For example, based on the guidelines provided by the 2008 Labour Contract Law, in 2009 the Xi'an Municipal Labour and Social Security Bureau and the Xi'an Municipal Construction Commission jointly issued four rules to protect the rights of migrant workers: that employers fully implement labour contracts with all employees; that employers implement recording systems for tracking labour issues; that employers adopt an employment-based social insurance system; and that they improve the salary-payment deposit system. As a result, all companies that hire migrant workers are encouraged to offer formal labour contracts, and companies must compile data on migrant employment and file a report to the Labour Department on the signing of contracts, employment status, and social insurance status. The payment of employee salaries must also be included in a company's credit record. Finally, companies must pay a deposit to the Labour

Department so that if a company is late in paying workers' salaries, the Labour Department will deduct outstanding salary amounts from the deposit. Companies that do not abide by these regulations are eligible to face a variety of punishments (China CSR 2009, November 2). Several migrant workers that I spoke with who worked in the construction industry and who had been in Xi'an for a number of years noted that it was much easier to obtain a formal contract today than it had been in the past. Construction workers also said that their pay was held in arrears, delayed, or lower than expected much less frequently than before. While they were not familiar with the details of the policy, they did note that the government played a role in improving pay security for migrant workers. Said one migrant, "in the past I almost always got cheated by construction bosses. I could count on it. Today, the situation is much better. The government is much more tough on companies that don't pay on time or that cheat their workers" (Interview 34:2).

However, even though of the policies and regulations developed by various levels of government are in line with or exceed international standards, migrants in Xi'an and across the country continue to encounter exclusionary barriers as a result of particular gaps in policy, and in particular as a result of poorly implemented and enforced regulations at the local level. For example, while the Labour Contract Law gives workers the right to end the labour relationship if employers do not provide social insurance benefits, there is no law governing the requirement to provide social insurance programs. The lack of a social insurance law means that many regulations governing social insurance programs are often not strictly enforced, leading to flexibility in how they are implemented (Park et al. 2013:4). Thus, policy gaps with regards to the enforcement and policing of existing regulations results in an incomplete and fragmented

system of support for rural-urban migrants. As described by one expert, “in China, most of the time there are good policies developed, the issue is in their implementation. There has been lots of improvement in this area, which is not bad, but there is still a long way to go here. In fact, we see lots of policies and documents developed to improve the provision of services to migrants, but the actual execution of the implementation is often far worse than intended” (Interview 21:1).

Furthermore, while much of the exclusion faced by migrants is the result of poor policy implementation, the system is further fragmented by the coexistence of some policies that contradict efforts to integrate migrants, and instead discriminate against and exclude migrant workers from equitable participation in urban labour markets. Two of the most significant are The Temporary Regulation on the Administration of Cross-Provincial Employment of Migrant Workers of 1994, and The Implementation Plan of Systematic Project on Cross-Regional Employment of Migrant Workers of 1996, both issued by the Ministry of Labour. Later codified into the Labour Law, these regulations set limits on the ability of urban employers to hire workers from outside the province (Wei 2007:2). Guided by this principle, municipal governments often develop local employment policies that discriminate against rural workers, requiring local employers to prioritize those with local *hukou* in their employment decisions. As a result, even if migrant workers are qualified and possess the right set of skills, they do not have an opportunity to compete for these positions without registered local *hukou* status, subsequently disqualifying them from many of the best jobs.

As mentioned previously, the Chinese government has been flirting with reform to the *hukou* system for some time, and in 2014 the State Council released details of its planned *hukou* reform, which introduced a sliding scale of reform to the system across the country. According to a recent *Xinhua* news report, “the government will remove the limits on *hukou* registration in townships and small cities, relax restrictions in medium-sized cities, and set qualifications for registration in big cities” (Xinhua 2014, July 30). Thus, while the *hukou* system would continue to be strictly regulated to control the population in large cities like Beijing, Shanghai and Guangzhou, the system would be abolished in small cities and towns, while medium-sized cities would phase out the *hukou* system incrementally. In the meantime, in those medium and large cities where the system remained, officials would utilize a point-based scoring mechanism to address in-migration. In most cases, cities would institute eligibility guidelines for a local residence permit to require individuals to show that they have continuously lived in a locale for at least six months and have regular employment. In large cities with populations of more than 5 million, applicants for a local *hukou* status would need to meet stricter requirements in terms of employment background, housing ownership, as well as contributions to social security funds (Caixin 2014, December 5) The plan is set to be fully implemented by 2020, at which point in theory it will be easier for migrant workers to transfer their *hukou* status from rural to urban, and remove a significant barrier to employment equality for migrant workers, providing equal access to job opportunities, welfare provisions, pensions, unemployment-insurance coverage, and subsidies for professional training, all of which are based on *hukou* status. However, critics argue that these reforms will do little to improve the social integration of migrants in China’s largest top-tier cities like Beijing, Shanghai, and even Xi’an, precisely those places where

migrants are or want to be (The Diplomat 2014, July 31). Even after reform, large cities like Xi'an will remain free to implement their own point systems to control the intake of migrants, determined by local governments, which will in practice do little to improve the ability of migrants to obtain local *hukou* status.

If social exclusion is solely based on *hukou* status, then much of it is dependent on local governments, which have authority to interpret higher-level policies and regulations according to the level of development of their local economic and social conditions.

In Xi'an, there is broad consensus that the impact of *hukou* on employment-related social exclusion for migrants has diminished greatly. According to the majority of migrants that I spoke with, *hukou* status had little to no impact on their ability to find a job. However, according to most experts, *hukou* status is seen as still possessing an important role on the type of job that migrants could obtain, by limiting access to some employment opportunities to specific work units, as well as many formal sector jobs. This affects their economic well-being by limiting their ability to access many of the higher-paying jobs, and subsequently their ability to firmly establish themselves in the city. Higher-income jobs are usually found in the formal labour market and restricted to individuals with local *hukou* registration. Said one expert: "*hukou* status is more strictly enforced in those large, high-ranking institutions and large, state-owned enterprises: those dominant positions in the labour market where there is a lot of competition" (Interview 26:5). However, *hukou* status is not the only thing preventing migrants from accessing higher-quality jobs. Many experts commented that these jobs also require advanced knowledge-based skills, which are typically outside of the expertise of most rural

migrants. In this sense, it is not *hukou* status alone that prevents migrants from accessing formal employment or high-paying employment in the knowledge-based economy, but their lack of technical skills and credentials. Luan (2013) for example, finds that in Xi'an and other Tier 2 cities, migrants with higher levels of human capital are better able to compete in the local job market than those with lower levels of human capital, and even with less educated urban residents. In this sense, human capital is more important to accessing higher-level jobs than local *hukou* status (Luan 2013:373). Second-tier cities are becoming more favourable for "rural winners," those from rural origins who are college- and university-educated. For them, integrating into the city is not a problem. However, the vast majority of rural-urban migrants do not possess the skills necessary to compete for the highest-paying jobs in the labour market and are thus confined to non-technical jobs and manual labour positions. Nonetheless, even for this segment of the population, *hukou* status does not play a significant role in determining employment outcomes (Luan 2013:373).

Many experts also feel that the goal of improving migrant integration into the city is low on the priority list of local government. According to one expert, "There are some face-saving projects, for them (officials) to say that they did something, but they don't make great efforts and don't do much for migrants directly. It is plainly for show. Helping migrants will not help officials get promoted like hitting GDP targets will. So in general, the situation of migrant workers is not too important for most officials" (Interview 21:1). This perspective was confirmed by several Xi'an city officials with whom I spoke. Even though they recognized the important role played by migrants in the development of the city, many local officials did not identify the care of rural-urban migrants as one of the primary concerns of the government. Said one official,

“The issue of migrant workers is a social problem, not a government issue, it is not a predominant issue that the government should be concerned with to solve. The city’s main responsibility and means to improve problems such as migrant unemployment and migrant education etc., is mainly through industrial development, such as the development of labour intensive industries, and guiding the development of the service industry so as to attract private sector capital, and further the city’s economic development. The government will often not develop specific policies at the local level where the immediate aim is to solve something like low migrant employment. Instead the government will enact policies to encourage and attract some industries to the cities... Our priority is the formulation of policies where we welcome entrepreneurship, social and economic prosperity. And as such, indirectly, this is how the government will help to resolve issues like migrant wages and unemployment and healthcare” (Interview 2:3).

Many experts said that compared to large cities on the east coast, that “Xi’an does not really have any unique or special policies towards the management of the migrant population” (Interview 11:2). Most believed that there is little pressure on the Xi’an government to improve local policies and regulation to support the integration of migrants into the local labour market. As described by one expert,

“Migrant policies in Xi’an are not as developed or important to the local government as they are in coastal cities. For inland cities like Xi’an, a lot of

policies, even those mandated by the central government, are in practice very passive. They do not try to make innovative interpretations of central policy. If you don't screw up then you can't be punished right? That is the general state of mind. It isn't like Guangdong, where migrant labour is extremely important to the functioning of the city. In Xi'an, we have a relatively high proportion of migrants, like 20 percent, and migrants make up most of the jobs in instant services, hospitality and hotels. But in Guangdong, for example, the entire city is made up of like 60 to 70 percent migrants, and other towns are made up of 70 to 80 percent migrants, so those governments will pay extra special attention to the migrant population. In Xi'an, dealing with migrant integration does not factor into the minds of local officials as much as things like GDP production, so they are not focused on as much" (Interview 9:5).

This perspective was echoed by other local officials surveyed for this study. They did not see it as the responsibility of the local government to provide quality employment opportunities for migrants. According to one public official, "it is the role of market to provide job opportunities for migrants. The government will continue to introduce some policies to protect the interest of migrant workers, but these are mainly to improve the safety and working conditions of migrants, and to support the use of labour contracts between employers and migrants, but the specifics are not always clear" (Interview 39:2).

Most experts agreed that *hukou* status played a secondary or supporting role in the employment-related social exclusion of migrants in Xi'an, and for the local government to

improve the employment prospects of migrants, that the government should help migrants to improve their human capital, education, skills, and training. One expert noted that “the city government can only have a limited role in providing employment opportunities to migrants because employment in a market economy is based on skills. So I guess it is crucial if you want to improve government role in employment of migrant workers, they need opportunity and to encourage skills training so that to improve their human capital. The solution then is to increase vocational training, and skills training to help them get good jobs that require higher skills” (Interview 17:6).

6.2.2 Policing Migrant Workers: Law Enforcement and *Chengguan*

The rise in rural-urban migration has also brought about challenges related to public security. Migrant workers are often blamed for various social problems and increased crime rates, and, consequently, have been the target of aggressive law enforcement and systematic social prejudice (Han 2010). In the 1980s and 1990s, waves of nationwide “strike-hard” campaigns were launched to suppress crime, some of which specifically targeted migrant workers (Solinger 1999; Sun and Wu 2010). However, crime by rural migrants is generally overestimated, and when it does occur, most migrant crime is petty economic crime (Han 2010:600). Furthermore, migrant workers are also more likely than local residents to be victims of crime (Sun et al. 2013:1739).

Hukou status is an important basis of exclusion for migrant workers (Swider 2014). Strict control of the migrant population is routinely carried out by the police through the management of the *hukou* system and the exercise of administrative powers. The *hukou* system is managed and

enforced by the police, who keep records on the registration, transfer, and change of official residential status. They also issue ID cards and temporary residence permits. Many migrant workers come into contact with the police more than any other state agency (Han 2010:598). The police have a considerable degree of authority that they can exercise in their dealings with migrant workers, such as the “Detention and Repatriation” policy. They can stop people in the street or in their homes, check ID cards and temporary permits, and detain people if they fail to show the necessary identification. For those who fail to produce required documents upon request, the police can detain them for further investigation, and, if applicable, deport them back to the location of their registered *hukou* (Han 2010:599). This approach has often been used to manage those population groups who are less-desirable, such as suspected vagrants, beggars, and migrants.

The well publicized 2003 beating and death of Sun Zhigang, discussed in Chapter 2, is an example of this. Sun, a 27-year-old university graduate from Wuhan who had moved to Guangzhou to work for a garment company, was stopped and detained by local police for not being able to produce proper identification. Within hours of being detained, he was beaten, and died two days later while still in custody (China Daily 2003, June 10). Although he was legally employed, Sun was unable to obtain a Guangzhou *hukou* permit, and was provided with a temporary-residence permit. Even with this permit however, on the day of the incident, Sun had neither his permit nor official identification on him when he was stopped and detained. The story of Sun Zhigang is just one case among many that reflects the reality of policing practices against rural migrant workers (Han 2010:601), and is indicative of unlawful and violent police conduct towards migrants across the country.

Partly as a result of their *hukou* status, many migrants, especially unregistered migrants, are reduced to working informally. The informal labour market includes a wide variety of jobs, one of the most well-known being street vendors. Local citizens are represented here as well, but there is a notable difference between these groups in that urban citizens can often get licenses to sell on the street while migrants cannot, making the very practice of street vending illegal for migrants. As the number of street vendors has grown, so have the local entities responsible for regulating them. Many Chinese cities, including Xi'an, have established para-police units under the guise of City Urban Administrative and Law Enforcement (Swider 2014:707). First established in Beijing in 1997, these offices are separate from conventional police forces. The officers, more commonly known as *chengguan*, operate in a legal grey area, and enforce a wide variety of overlapping local urban laws and regulations, many of which are vague and that vary across locations. However, one of their primary activities is regulating those streets, public spaces and activities that are predominantly the domain of migrant workers, such as street vending (Swider 2014:707). The relationship between *chengguan* and street vendors is very tenuous, and there are numerous stories about *chengguan* abuse of authority, including beatings, taking bribes, and unwarranted confiscation of goods. It is a common sight to see large groups of *chengguan* approach market streets and confiscate or destroy tables, chairs, equipment, and merchandise of those vendors who lack proper certificates.

In Xi'an, according to one migrant restaurant worker that I spoke to, the treatment displayed towards migrants is different than locals. Comparing the interaction that occurs between three nearby migrant-run restaurants and one neighbouring restaurant owned by local residents, all of whom frequently set out tables and chairs on the street, "sometimes the *chengguan* come

by this street, and they completely chase away our equipment, our chairs and tables, and make us lose lots of customers. But, at Lao Zhao (老赵- the name of the locally owned restaurant), nothing happens. Maybe they pay money to them, I don't know. But for us, they chase away everything" (Interview 19:11).

Examples of abuse perpetrated by *chengguan* in China are well documented (Human Rights Watch 2012), and reports of conflict between migrant vendors and *chengguan* in Xi'an have existed for years. Media reports have also documented numerous encounters between the two groups that have turned violent. Stories about *chengguan* confiscating the means of labour or production from migrants, and beating up those who question their methods and authority are common (South CN 2010, July 9; HSW 2010, September 23). However, because of their heavy-handed ways, *chengguan* in Xi'an have developed a very poor reputation, are viewed poorly by vendors and locals alike, and are often on the receiving end of violence themselves (HSW 2008, April 9).

Similar to the situation found in other large cities, *chengguan* officers are often recruited from disenfranchised local urban citizens, such as laid-off or unemployed workers. However, according to one subject matter expert, in Xi'an, migrants are now also being recruited into the *chengguan* ranks, albeit not in an effort to provide quality jobs to migrants. Instead, migrants are being used as a low-risk precaution for dealing with locals:

"The interesting thing is that today the *chengguan* officers in Xi'an also hire many temporary workers too. These temporary *chengguan* officers are often migrants themselves. These are temporary, low-paying jobs. The result of this is that now

you have an interesting, yet contradictory phenomenon where these temporary *chengguan* officers are on the front lines of *chengguan* patrols and for engaging the public. Because they are on the front lines, they often get into conflicts with locals and with migrants. I saw a story on the internet the other day, where migrant *chengguan* officers were being used to manage local vendors. Local people don't like to be *chengguan*, because it's hard for them to do because it can often put them in conflict with their neighbours and friends, and they don't want to do the dirty work. So they hire outsiders like migrants to carry out their duties. This causes more conflict though. In this case, the migrant *chengguan* got beat up by locals because they don't like it when outsiders tell them what to do. The local *chengguan* do this as a precaution. If the temporary *chengguan* make mistakes, they can be let go very easily" (Interview 37:6).

As a result of negative national and international attention, and increasing public outcry against *chengguan* incidents, the Shaanxi Provincial Government has stated that it would "formulate concrete measures to regulate administrative enforcement procedures, effectively implement the certification system and qualification management system of enforcement officers, resolve to address the problem of brutal enforcement, and ensure that law enforcement is carried out in a strict, standard, fair and civilized manner" (Shaanxi Provincial Government 2014). In Xi'an, the city has recently implemented measures to curtail the abuse of power and use of violence by *chengguan*. For example, now senior *chengguan* officials are punished for the actions of their officers. And, now the public can report *chengguan* actions to higher authorities (Renminwang 2014, April 30). Local authorities are also experimenting with less forceful tactics

that *chengguan* can employ to manage the streets of Xi'an, including encirclement and "staring" (ECNS 2014, June 20). According to migrants in Xi'an that I spoke with, their relationship with local *chengguan* has improved somewhat as a result. Said one migrant vendor, "*Chengguan* are still a problem, but the situation is not as bad as before. They don't have as much power, and I don't have to worry about them as much anymore" (Interview 33:2).

6.2.3 Skills Training and Upgrading for Xi'an's Migrant Workers

Migrant workers in Xi'an arrive with the education, knowledge, and skills that they acquired in their home towns and villages. Compared to the quality of education offered to Xi'an residents, rural-urban migrants are comparatively disadvantaged in this regard. As one expert stated, "a lot of migrants grew up in the countryside, and the quality of the education there is not the same as the city. Most migrants do not even have a high school degree, so in general it is hard for them to compete with local urban residents" (Interview 9:5). While there are opportunities for migrants to invest in, and improve their stock of human capital once they arrive in Xi'an, the majority of migrants do not pursue additional training beyond what they have already learned or what they learn on the job. According to Zhou (2010), only about one third, or 35 percent of migrant workers in Xi'an, had accessed some sort of employment training, while the remaining 65 percent had not. Low uptake of existing training programs is something that local academics are aware of. One expert noted that despite the availability of private and public sector offerings that migrants can access to upgrade their skills, "a lot of migrants do not want to take these courses. Even when the communities provide them for free, migrants have little awareness of them, and even when they do, many migrants feel that they are a waste of time

and are not interested” (Interview 14:2). Said another, “the government is trying to offer skills training to existing migrants, but migrants do not have a great willingness to participate. So it is ineffective. Employers are reluctant to provide this training. They don’t want to pay, especially if they think that migrants might leave the job soon” (Interview 5:5).

Lower skill levels negatively impact the future earnings and ability of migrants to integrate economically into the city. According to one expert, “skills are very important for migrant workers. The level of skills that they have determines what kind of jobs they can get and how much money they can make and their ability to support their family. For migrants, money is usually the most important thing, but this is generally based on their skills, so this is one of the most important things” (Interview 12:6). Thus, without additional skill upgrading, they are relegated to lower-skilled, lower-paying positions.

While not comprehensive, the migrant skills training and upgrading system in Xi’an does provide several options. In addition to on-the-job training, other opportunities include classes and programs provided by government, not-for-profits, post-secondary institutions, and private and for-profit enterprises. As described by one expert, “Xi’an has some supportive policies and practices to help migrant workers improve their knowledge and their skills training. Each district has lectures and skills training for unemployed migrants” (Interview 12:7). When migrants do pursue job training, 51 percent chose to pursue free government sponsored courses, 29 percent pursue free training provided by private-sector organizations, and 15 percent chose to invest their own money into third-party training (Zhou 2010:16). Most available options take the form of night classes and weekend courses in order to accommodate busy migrant work

schedules. Of those who do take training, 66 percent do it during their spare time, after work or on days off (Zhou 2010:16). For most migrants, the objective of pursuing additional job training is to help make more money and increase their incomes (47.9 percent), acquire the skills needed for employment (25.5 percent), personal development (19.1 percent) and personal interest (6.7 percent). Subsequently, the most popular type of training pursued by migrants is learning technical skills (39 percent), which they can apply immediately in the labour market (Zhou 2010:16).

Migrants in Xi'an are aware of the benefits associated with skills upgrading, and many would like to take additional training, 76 percent believe that it is necessary to improve their circumstances, compared to only 24 percent who do not think it is necessary (Zhou 2010:16). However, participation requires a financial investment and/or time commitment, and many see the opportunity costs associated with the financial and time investment required to participate as too high. One migrant who worked for a large banquet restaurant said that she and her co-workers routinely receive training from their employer and explained that they were not interested in pursuing additional training outside of work. They said, "we receive training on things like interpersonal skills, etiquette, service and things like that... we do this every week, but I don't think it is very useful... I wouldn't participate in any free government training classes, because my interest is not very high. I am too tired, and I have children at home that I have to take care of after work. I am busy all day" (Interview 31:4).

6.2.4 Informal/Social Factors

There are a number of informal/social factors that contribute to the employment-related social exclusion of Xi'an's migrant population. Of these, the factor that was identified as the most influential throughout my interviews with officials, experts and migrants was human capital, including skills, training and education, as well as knowledge and information about workers' rights, employment opportunities, and available public-support programs. . Secondary informal/social factors identified in my interviews include social capital and social networks, and cultural capital, such as migrant stereotypes and biases against outsiders and rural-urban migrants in particular.

Human capital factors are recognized as one of the key determining factors influencing lower incomes for rural migrants in urban China (Gagnon et al. 2009:5), and experts in Xi'an were quick to identify the local situation as being characterized in a similar fashion. In fact, Luan (2013) found that the impact of education and skills on employment type and wages of Xi'an's migrant population plays a more vital role than either *hukou* status or social capital. In Xi'an, outside of successful migrant entrepreneurs or business owners, higher-paying jobs are largely confined to the formal labour market, and require particular credentials or skills to participate and access these positions. Without these skills, migrants are often barred from these opportunities and relegated to the informal labour market. Migrant mobility from the informal to formal labour market is very difficult. Said one official, "occupational mobility and social mobility of the migrant population is relatively low, because of low human capital, education and skills of the migrants themselves" (Interview 26:1). As discussed in this chapter, migrant opportunities to access adult education and skills training in the city are limited, meaning that migrants are dependent on whatever education and skills they have accumulated in their

location of origin, as they have few alternatives to improve their situation once they arrive in the city, aside from what they can learn on the job. When discussing the relationship between education, skills and job outcome, one expert commented that “these are highly correlated and a result of issues and problems that arise before migrants get here, and there is not much that can be done once they are here” (Interview 21:2). As noted by Webb (2011), exclusion is inversely linked to inclusion, where more of one means the less of the other. In this sense, human capital was identified by nearly all respondents as the most important factor determining the extent of social exclusion for employment opportunities in Xi’an. Higher levels of human capital open up opportunities for migrants to access higher-quality and higher-paying jobs, facilitating their integration into the city. Conversely, lower levels of human capital close off employment opportunities to the migrant population, further hindering social integration in the city.

Another aspect of human capital that negatively impacts their employment opportunities in the city is a relatively low understanding of workers’ rights and available job opportunities. Often, migrants are equipped only with information made available to them through their social network, and are not aware of the state of the local labour market, what sectors are in demand, and what companies are looking for work. One expert that I spoke with suggested that to improve the economic integration of migrant workers in Xi’an, “the local government should release and make available local labour-market information, including information on what type of jobs are in demand and the associated job prospects, as well as information on how to find a job. Furthermore, this information should be released widely across a number of platforms to ensure that migrants have ample opportunity to see it” (Interview 6:4). Another

expert thought that the government should also improve the provision of information to migrants about their labour rights. Said one official, “migrants have little experience and knowledge of local laws and regulations, and also of their rights. There is a lack of effective effort from government or society or third parties from society to groom migrants to defend their rights and interests. As a result, they are often likely to be exploited” (Interview 2:1).

Whereas the possession of human capital, education, and skills appears to have a strong positive relationship on the employment integration of migrant workers in Xi’an, social capital and the presence of established and strong social networks, long thought to facilitate the integration of migrants into the city, is considered by some as a double-edged sword, contributing to employment challenges for migrants. On the one hand, social networks help new migrants to secure employment quickly once they arrive in the city. Often, new migrants lack information and knowledge about employment opportunities when they arrive in the city, and their entry into the workforce typically depends on their social networks (Wei 2007:2). In Xi’an, nearly two-thirds, or 63.5 percent, of migrants secure employment through kinship or geographic relations (Zhou 2010:2). Said one expert, “as it stands now, the majority of migrant workers rely on social networks and social capital to find jobs. They may have a friend or a connection from their home town that gives them information on a new job. These social connections help them find jobs quickly and enter in the labour market” (Interview 4:19). My own findings corroborate this perspective. For the majority of migrants that I spoke with, finding employment in Xi’an was facilitated by kinship and social networks. Responses to questions about how they found their current or past employment almost always reflected a

variation of “my sister’s mother-in-law owns this hotpot restaurant, so she gave me a job” (Interview 38:2), or “my husband’s classmate found me this job” (Interview 30:1).

However, since most migrants rely on social networks that are composed largely of individuals from rural areas, often from their same place of origin, this may contribute to their lower employment status than their urban counterparts (Luan 2013:371). As noted by one expert, “migrants’ social networks can help them find a job, but this network doesn’t have many resources. So compared to urban workers, migrants’ social networks can provide very little resources and information for them to find a good job” (Interview 5:8). Furthermore, the close bond created by family, friend, and kinship ties can also prevent migrants from exploring additional opportunities in the city. In a conversation about employment aspirations that I had with one migrant in his early 20s who had moved to the city twelve years ago with his family to open a noodle restaurant, he said,

“I have long wanted to get a driving license. When I was young, and even just a few years ago, there were not many cars on the streets in Xi’an. Nothing compared to what it is like now. I want to get my license and become a taxi driver or do transportation. I don’t always want to sell noodles and be at the restaurant. I think driving a car would be very free and I could make more money. But, after the incident with my uncle (who was the boss at the family-run restaurant) when he had to leave and go back to Anhui, my family needed me to do more work here. That was four years ago, and now I am too busy here with

work to study for the driving test... Maybe someday I will try to do it” (Interview 19:4).

As identified by Yue, Li and Li (2013), cultural factors also play an important role in determining the outcome of social integration of migrant workers. In Xi’an, the presence of a cultural bias against rural-urban migrants is pervasive, yet not as significant as in other parts of the country.

As indicated in Chapter 4, over 99 percent of the local population is of Han ethnicity, and the majority of migrants come from either within Shaanxi or from neighbouring provinces. As a result, there is much common ground for local residents and migrants to work with.

Nonetheless, as one expert put it, “I think the boundary between urban and rural people is very deep and it will be hard to break... Discrimination and bias against rural people run very deep and most people think this way in the city” (Interview 20:9). Rural-urban migration has been ongoing in China for over three decades, and urban residents have had a long time to build up a culture of bias against migrants. Said the same expert, “I think that bias and discrimination is one of the hardest difficulties for migrants to overcome for integration. It is a big challenge for them that they can’t do much about” (Interview 20:9). Cultural differences do not preclude migrants from finding employment, especially in those 3D jobs that are unwanted by local residents. In many cases, in order to realize lower labour costs, employers prefer to hire migrants for menial service and manual labour jobs, but once their skill level rises, along with subsequent pay level, bias and discrimination can begin to come into play. The cultural characteristics that are used to identify and exclude migrants are broad, ranging from language, accent and vernacular, to fashion, values, norms, routines, and habits. One expert that I spoke with identified several cultural characteristics that local residents used to identify migrants as

outsiders and discriminate them from certain labour-market opportunities. Accordingly, “migrants are seen as dirty and with poor hygiene. They don’t dress like they are from the city, and don’t have the same fashion. They either wear work clothes or farm clothes. They also behave differently than locals. They spit on the street and throw garbage everywhere. And, even though we speak the same language, rural workers have accents and use slang that is not the same as city people” (Interview 3:4). Some experts noted that although bias and discrimination based on cultural characteristics have been around for a long time, their impact was diminishing overall, especially for the new generation of migrants who have been born and/or raised in Xi’an, and who are well acclimatized to Xi’an’s urban culture, in terms of fashion, accent, and local norms.

6.3 Concluding Observations

Employment is a critical factor to integrating rural-urban migrants in Xi’an. According to one expert, “without a job, all other social integration concerns are secondary, and the migrant worker is likely to return home” (Interview 4:18). Similarly, another expert noted that, “in many cases, economic, social and cultural integration are all connected. If you are a migrant but you have a good occupation, with a high salary and a high income, then you can more easily overcome cultural barriers. If you have the economic foundation, you can integrate more easily into local culture, otherwise it is very difficult, and impossible for some” (Interview 15:7).

Similar to the experience encountered by many rural-urban migrants across the country, finding work is not difficult for the majority of Xi’an’s migrant population. As expressed by one migrant, “aside from finding work, nothing in Xi’an is easier than the countryside” (Interview 29:4).

While Xi'an's migrants are generally not discriminated against directly in their ability to find a job, the majority are very limited in the type of employment that they can secure. As evidenced above, most are confined to low-skilled jobs, such as those in the service sector, where income-generating opportunities are typically low. Compared to their urban counterparts, rural-urban migrants in Xi'an work in undesirable jobs where they earn less, and work longer hours in poor and sometimes dangerous working conditions.

Compared to the Chinese migrant population in general, there are several unique features about Xi'an's rural-urban migrants. Notably, migrants in Xi'an are much more likely to be employed in the informal labour market. They are much less likely to be employed in the manufacturing sector, but much more likely to be employed in the service sector. In addition, their incomes are comparatively lower, as a result of a combination of informal employment, sector of employment, and because the Xi'an economy is less developed than comparable cities in China's coastal provinces.

According to the data gathered in this study, it is clear that in Xi'an, the social exclusion of migrants in the area of employment is multidimensional, the outcome of a combination of structural/individual, formal/informal, and ascribed/achieved factors and characteristics. A number of formal/legal factors were identified in my interviews as contributing to employment-related social exclusion of Xi'an's migrants. From a policy perspective, Xi'an's migrants are in theory covered by a wide net of national, provincial, and local laws and regulations that provide a measure of protection against exploitation, discrimination, and unequal access to employment opportunities. According to experts and migrants that I spoke with, the most

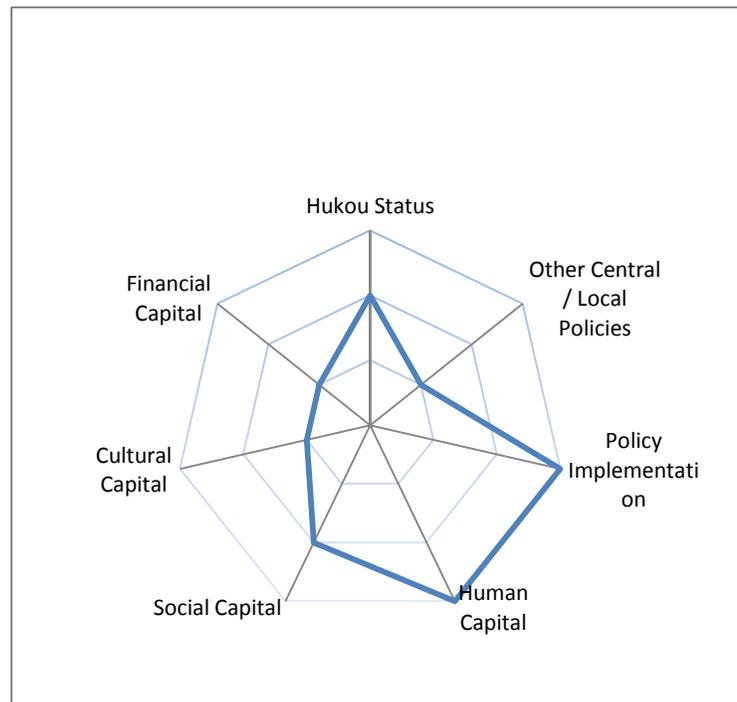
notable of the Chinese government's policies concerning migrants, the *hukou* system, was perceived by both groups as being inconsequential in its ability to restrict migrants from securing employment. However, while finding a job is relatively easy for rural migrants in Xi'an, the *hukou* system is seen as institutional barrier that prevents equal access to higher-quality and higher-paying positions. Thus, even when migrants possess the skills to compete for positions coveted by locals, there may be local policies in place that restrict access to local *hukou* holders. According to many of the experts that I interviewed, despite the presence of well designed policies in place to protect and integrate migrants into the local labour market, employment opportunities for migrants are challenged by a lack of effective implementation of these policies. Many respondents identified poor policy implementation as possibly the most detrimental formal/legal factor preventing social integration and exacerbating the employment-related social exclusion of migrants in Xi'an. Evidence suggests that this is not unique to Xi'an, or to those policies that directly or indirectly affect the social integration and exclusion of rural-urban migrants. However, the responsibility and authority to implement these policies, regulations, and initiatives rests with the local government, which significantly determines the influence, or non-influence in this case, that these policies have for migrants in the city.

My interview responses also suggest that several informal/social factors contribute to the social exclusion of Xi'an's migrant population. These barriers restrict the access of migrants to employment opportunities and benefits. A lack of cultural capital, manifested as bias and discrimination, also excludes and limits migrant participation and access to employment resources and opportunities. Social capital was also identified as playing the role of facilitating

migrant integration through usurpation, where local kinship ties create sub-groups within the excluded migrant population in order to provide additional support and access to employment opportunities to those who share a location of origin. Migrants that I spoke to were able to leverage social networks, including family, friends and kinship networks, to find employment and help them settle in to life in the

city. However, social-capital networks were also seen as limited in the benefits that they could provide, and social capital was seen as something that can also hinder the social mobility of migrants by placing additional pressure to remain within that particular social network, and preventing them from developing social ties with local urbanites. The

6.7 Factors Influencing Employment Social Exclusion



most significant factor that influences the employment opportunities of migrants in Xi'an is human capital. According to local experts, human capital plays an even larger role than *hukou* status and social capital. In this sense, the situation reflects Parkin's argument that in modern stratified societies, exclusionary boundaries are created based on education, credentials, and qualifications (1979).

Figure 6.7 provides a visual characterization of the preceding discussion, weighing and approximating those factors that figure most prominently in determining the employment-

related social exclusion of rural-urban migrants in Xi'an. Based on a review of the existing literature available on Xi'an's migrant population and the interviews that I conducted for this project, it is evident that the lack of implementation of existing laws, policies and regulations, coupled with low levels of human capital (education, skills, training) have a high degree of influence in determining employment-related social exclusion of rural-urban migrants in Xi'an. Those that have a medium influence include social capital, which plays a positive role in reducing exclusion, but that can also be limiting in some cases, and *hukou* status, which does not exclude migrants directly from acquiring employment in the city, but does exclude and limit their access to higher-quality and higher-paying jobs. Other national, provincial, and local policies could in theory help to ameliorate many employment challenges faced by rural-urban migrants in Xi'an, but the lack of effective implementation of these policies limits their success. Several other factors contribute to the makeup of migrant social exclusion in Xi'an, but at a lower degree than those mentioned directly above. Cultural capital, where individual characteristics such as language and accent, fashion and dress, and norms and values contribute to long-held prejudices against rural-urban migrants and limit access to certain employment opportunities, although this is changing for Xi'an's second generation of migrants, who have been born and/or raised in the city and who are acclimatized to the local culture. Similarly, economic considerations do not play much of a role in mitigating access to additional employment opportunities.

Of course, Xi'an's migrant population is not composed of a single homogenous group. Complete with sharp cleavages that include gender, age, location of origin, and ethnicity, amongst others, it is clear that not every migrant in Xi'an experiences employment-related social exclusion in

the same way. Most migrants in Xi'an experience some amount of employment-related social exclusion, but some encounter higher barriers than others. In particular, older migrants face a difficult time integrating into the labour market. As discussed in Chapter 2, any attribute can be used as a basis for exclusion, provided it can be used for the monopolization of specific opportunities (Parkin 1979). The criteria for exclusion may be based on any achieved or ascribed characteristic, or combination thereof, so long as it can create a recognizable and effective boundary. Parkin also notes that when exclusion is based primarily on ascribed characteristics, the result tends to be creation of communal out-groups, and where it is based on achieved characteristics, it tends to result in segmented status groups (Parkin 1979:148). Overall, in the realm of employment, it seems that over the course of reform, the importance of *hukou* status in determining employment outcomes has decreased, while the importance of education credentials, qualifications, and skills has increased. As a result, the social exclusion of Xi'an's migrant population has been gradually evolving from communal out-groups to segmented status groups. However, this is a general characterization, and not all migrants in Xi'an share the same experiences, and some migrant groups in Xi'an encounter less employment exclusion than others. In particular, if they have a relatively high level of education, and if they have skills that are in demand, then they resemble the "rural winners" described by Luan (2013), who are able to achieve high-quality and high-paying jobs despite their lack of local *hukou* or a strong local social network. In this sense, achieved characteristics, particularly education and skills, appear to have the largest positive impact on the integration of rural-migrant workers in the area of employment. Several other social and achieved characteristics, such as a strong social network that includes local urban residents, can also

mitigate integration challenges. However, the proportion of migrants in Xi'an that can benefit from these is relatively low.

In Xi'an, the social exclusion of migrants in the area of employment is heavily influenced by achieved characteristics. In China, human capital factors such as knowledge and skills, education credentials and certificates, play a large role in determining competitiveness and the outcome of success in the labour market. As a result of the structural inequalities that pervade the rural-urban education system (see Chapter 5), many rural migrants in urban cities such as Xi'an are at a disadvantage in their ability to obtain the skills and credentials necessary to become "rural winners" described above. In this sense, human capital credentials resemble a form of property that facilitates exclusion, and reflect Parkin's description of a modern stratified society, where exclusion is largely based on achieved characteristics, such as education, skills and credentials, resulting in segmental status groups (Parkin 1979). As evidenced above, to a certain degree, this is the case in Xi'an, and migrants across China often find themselves competing on the low end of the job market with other low-skilled segments of society. However, if this were the only factor influencing social exclusion in the labour market, then there would be no need to examine migrant workers as a special case. Those with the necessary skills who were successful in the labour market would belong to insider status groups, while those without would be segmented into outsider status groups, along with other disadvantaged urban population groups. Subsequently, inclusive development policies to reduce migrant exclusion could focus on the labour market in general, and employ initiatives to either increase the attractiveness of individuals at risk of exclusion (i.e. those without sufficient human capital) by increasing their stock of human capital through additional education and

training, or encourage (either directly or indirectly) employers to be more inclusive in their area of selection. However, as demonstrated above, migrants are also excluded in the area of employment as a result of poor policy implementation, as well as ascribed characteristics related to their *hukou* status.

Social exclusion in the area of employment is important because of its impact on the ability of migrants to generate economic capital, income and wages, which, in an environment characterized by the increasing marketization of social services, makes it highly correlated with exclusion in other socioeconomic dimensions as well. This relationship will be explored in more detail in the following chapters.

7 Chapter: Social Exclusion and Healthcare

The comparison of the social exclusion of Xi'an's rural-urban migrant population in the areas of education (Chapter 5) and employment (Chapter 6) reveals that the processes of exclusion faced by the local rural migrant population varies considerably. For example, whereas formal/legal factors have considerable influence in the realm of education, they have less bearing on employment. Furthermore, comparing the two socioeconomic dimensions of employment and education reveals that in the former, social exclusion is influenced primarily by achieved characteristics, such as human capital and credentials, whereas education-based social exclusion is influenced by a more varied mix of achieved and ascribed characteristics.

This chapter explores migrant social exclusion in the area of healthcare. Access to healthcare services is an important proxy for measuring social integration and exclusion because it has direct bearing on the life chances of the migrant population. The first section of this chapter looks at the scope of migrant social exclusion in the area of healthcare. It uses a variety of sources, including national, provincial and local government resources, policy documents, secondary statistics, as well as information garnered from interviews with migrants, subject-matter experts and government officials in order to look at "how migrants are excluded" from healthcare access in Xi'an. It begins with an overview of the Chinese healthcare system throughout the reform period, including the introduction of insurance schemes, which today are the primary mechanism for providing access to China's healthcare system. The second section provides an overview of the status of migrant health, and migrant enrollment in health insurance schemes and their access to the healthcare system in China and Xi'an. The third

section looks at “why migrants are excluded.” It relies primarily on interviews to identify those formal/legal and informal/social factors, as well as achieved and ascribed characteristics that contribute to healthcare-related social exclusion. This chapter ends with concluding observations about migrant social exclusion and healthcare in Xi’an.

7.1.1 China’s Healthcare System Under Reform

In the pre-reform period, China’s healthcare system was characterized by an acute rural-urban divide, where there were two distinct systems of healthcare provision, one for rural communities and one for urban cities. In rural China, residents were provided healthcare services under the Cooperative Medical System, which operated publicly funded clinics and that financed upwards of 1.76 million mobile “barefoot” doctors that provided basic care in towns and villages across the country (Banister 1987). This system was adopted in 1968, in the years following the Cultural Revolution. While the variety of available services that it provided was more limited in scope than the more comprehensive healthcare system in the cities, by many accounts it was relatively effective at delivering basic services to hundreds of millions of people (Bian 2008). Meanwhile, most urban residents and their families received free access to public healthcare at publicly funded state-run hospitals. The existence of these two separate healthcare systems was made possible by the near absence of spatial mobility and migration, as a result of the *hukou* system, which prevented free independent movement between rural and urban areas.

Following the implementation of reform in 1978, the foundation of the rural healthcare system and the Cooperative Medical System was effectively undermined with the dismantling of rural

communes and the corresponding system of collective financing of the rural social security system. This was replaced by the introduction of the Household Responsibility System, which made each household responsible for its own production activities, as well as for their own wellbeing, including the financing of healthcare. The impact of this transition was dramatic, and led to rural healthcare coverage dropping to less than 10 percent (WHO 2010).

Reform also impacted healthcare coverage in the cities. Previously, urban residents could access healthcare services as a result of their association with their *danwei* work unit. However, by the early 1990s, at the same time as many workers were being laid off as a result of the restructuring of state-owned enterprises, changes to the urban healthcare insurance system saw an end to coverage for the dependants of salaried workers. As a result, many urban dwellers suddenly found themselves without insurance and having to bear the brunt of healthcare costs (CLB 2009:29). Reform has also had a significant impact on the way that the government funds urban healthcare. In the pre-reform period of central planning, hospitals were funded directly by the state. However, as discussed in Chapter 2, the post-reform period has been characterized by general decentralization and marketization of social services, including healthcare. Consistent with the development of the private economy and privatization of many state-owned enterprises, the state reduced funding for healthcare and encouraged public health institutions to operate as independent economic entities. As a result, hospitals have increasingly become reliant on patient fees and operate on a cost-recovery model, since they no longer receive public funding to support their various initiatives and activities. At present, hospitals continue to operate based on a fee-for-service model. While there are some checks established by the state that limit how much hospitals can charge for

services, many hospitals focus on volume and actively try to boost revenue by using financial incentives and bonuses to encourage doctors to over prescribe services, treatment and medicines, based on their revenue-generating potential instead of their clinical efficacy (WHO 2010).

China’s transition from a centrally planned to a market-oriented economy has transformed China’s healthcare system from one that provided affordable preventive and basic healthcare to the majority of the population (Trieu 2013:82), to one where many people are vulnerable and have to pay more out of pocket for standard healthcare services. Whereas previously, patients contributed about 20 percent of healthcare costs in 1980, this increased to 60 percent in the early 2000s (WHO 2010). While medical expenses have become a pressing concern for ordinary Chinese citizens (CLB 2009:29), for disadvantaged populations and those with lower incomes, such as migrant workers, the financial burden is even more pronounced.

7.1 International Comparisons of Public Expenditures on Health

The Chinese economy has grown rapidly over the course of reform, to the point where it is now the second largest in the world. However, for most of this time, the development of the country’s healthcare system has not progressed apace. According to the World Health

Country	Total Expenditure on Health as % of GDP (2013)
China	5.6
Korea	7.2
UK	9.1
Japan	10.3
Canada	10.9
Germany	11.3
France	11.7
Netherlands	12.9
USA	17.1
Source: WHO 2015	

Organization, in 2000, two decades after the introduction of reform, China ranked 188 out of 191 countries in terms of healthcare accessibility (WHO 2000). The government is aware of this

identified deficit in healthcare spending, and in response to worsening health outcomes and public pressure, as well as a recognition that health is a key component of economic and social progress, has initiated a rapid transformation of its healthcare system since 2009, with the objective of ameliorating the system and providing universal basic care to the entire population (State Council 2009). Two of the major goals of China's healthcare reform are achieving and sustaining universal healthcare coverage and enhancing its quality. Total public health expenses are increasing as a result. For example, government funding for healthcare increased from US 79.4 billion in 2009, to US157.6 billion in 2013, nearly half (46.4 percent) of which has gone to support social health security programs such as healthcare insurance schemes and medical assistance funds (Meng et al. 2015:1484). Subsequently, the reliance of out-of-pocket payments for health expenditures is on the decline for those who covered under health insurance schemes.

However, compared to Canada, the United States, and many other developed European and East Asian countries, China still spends significantly less on healthcare (Table 7.1). For example, in 2013, Canada's total expenditure on health as a percentage of GDP was 10.9, whereas China's expenditure was only 5.6 percent. Moving forward, investments in healthcare are expected to increase, albeit slowly. By 2020, China's health expenses are expected to take up 6.5 percent of GDP (CCTV 2014, January 10), or about 1 percent higher than in 2012.

7.1.2 China's Health Insurance System and the Migrant Population

Today, access to China's public healthcare system is largely provided through various insurance plans. China has three primary insurance schemes, including two for urban residents and one for rural residents (Table 7.2).

In urban areas such as Xi'an, workers with formal contracts are eligible for Urban Employee Basic Medical Insurance (UEBMI), while other non-working urban residents with local *hukou* status are eligible for Urban Resident Basic Medical Insurance (URBMI). The UEBMI plan has been in place since 1998, and is intended to provide basic medical coverage, including inpatient and outpatient services, for all employed urban workers with formal labour contracts (Trieu 2013:82). Currently, the UEBMI covers approximately 274 million people (Meng et al. 2015). Employer participation in UEBMI is compulsory, and the minimum contribution rate is 8 percent of total wages, which is shared between employers (6 percent) and employees (2 percent) (Trieu 2013:82). Benefit packages vary between cities depending on local conditions, and local governments may choose to set their contribution rate above 8 percent, but not below it. The annual fund contribution for UEBMI is about six and seven times higher than for the URBMI and the New Rural Medical Cooperative (NRMC), respectively, but the benefits are more comprehensive.

Unlike the pre-reform urban healthcare system, UEBMI does not cover dependents of employees. Instead, non-employed urban residents (e.g. students, spouses, children, the unemployed, etc.) are eligible for healthcare coverage under URBMI. Originally piloted in 79 cities in 2007, URBMI was expanded to all cities in 2009. Participation in URBMI is voluntary, and the plan is co-financed through government subsidies and user premiums (Trieu 2013:82).

The plan covers inpatient services, hospitalization and major illnesses. To date, around 294 million people are covered under this plan (Meng et al. 2015).

In rural areas, the central government introduced the New Rural Medical Cooperative (*xinnonghe*) insurance scheme in 2003. The NRMC is voluntary and co-financed by central and local governments, and individuals. Currently, the combined minimum premium is 220 RMB per year, where the central government contributes 100 RMB, the local government contributes 100 RMB and the individual contributes 20 RMB (Yip et al. 2012), making the plan very affordable. Local governments are free to choose the content of their benefits package and the administrative arrangement of their program, as long as they follow the two policy guidelines of voluntary enrollment and coverage for major illness. Some rural governments have experimented with outpatient coverage to their members, but for the most part, the scope of NRMC coverage is limited compared to UEBMI and URBMI. Most migrants have joined the NRMC plan in the location of their *hukou* residence. According to official statistics, the NRMC

7.2 Overview of China's Three Healthcare Insurance Plans			
	UEBMI	URBMI	NRMC
Inception	1998	2007	2003
Eligibility	Urban, employed	Urban, non-employed	Rural, employed and non-employed
Number of people insured	274 million	296 million	802 million
Source of funding	Contributory (8% of annual payroll: 6% from employers, 2% from employees)	Government subsidy (70%), individual premium (30%)	Government subsidy (80%), individual premium (20%)
Per-capita fund	US\$424.7	US\$66.2	US\$61.2
Number of funding schemes	333 municipalities	333 municipalities	2852 counties
Service package	Comprehensive	Limited	Limited
Number of drugs covered	2300	2300	800
Adapted from Meng et al. 2015:1485			

currently covers 98.7 percent of the rural population, or about 802 million people (Meng et al. 2015).

Since their introduction, enrollment in these plans has increased dramatically. For example, compared to 2003 when only 15 percent of the population was covered by health insurance, today about 97 percent of the population is covered under these three plans (Trieu 2013:82), suggesting that the government has successfully met one of its healthcare reform goals.

However, near universal coverage does not necessarily translate into universal access, nor does it guarantee quality of services. This is because the scope of services provided to most people (more than 80 percent) under the URBMI and NRMC plans is very limited, and often reserved for severe illness and emergency medical procedures. For healthcare services that are beyond the coverage of the insurance plans, individuals are required to pay out of pocket. Access is also limited by the fact that the various insurance plans are location-specific. The development of NRMC, URBMI, and UEBMI was not coordinated nationally, and are separately administered and operated nationally and locally by different authorities, making for roughly 2,852 NRMC schemes, 333 UEBMI schemes, and 333 URBMI schemes across the country (Meng et al. 2015:1484). The three schemes have been perceived as unequal for a long time, as benefits coverage and the quality of services in urban areas are much higher than those in rural areas. Compared to their urban counterparts, rural populations have more restricted access to healthcare and also have a larger financial burden, mainly due to the smaller size of NRMC funding pools (Meng et al. 2015:1484). As demonstrated by Meng Qingyue, a professor in health economics with the Peking University, "even members in one family may have different health insurance" (Xinhua 2015, December 11).

While UEBMI and URBMI were created to provide insurance for urban residents, and the NRMC designed to provide coverage to rural residents, none of these plans was developed with a specific focus on migrant workers. Indeed, China's healthcare system has been slow to respond to the new demographic reality presented by rural-urban migration. China's large-scale migration presents new challenges for the country's dual rural-urban healthcare system in terms of disease monitoring, prevention, and treatment. Until recently, there was little focus on how to manage or integrate rural migrants into urban healthcare schemes. To the extent that local officials have demonstrated concern about migrant health, it has typically been restricted to the perceived threats posed by migrants toward the urban population, such as the introduction of infectious diseases and violations of the One Child Policy (Goldstein et al. 1997; Holdaway et al. 2011). Migrants' access to healthcare is affected by the fragmented character of the healthcare insurance system. The bifurcated rural-urban structure of China's healthcare system has not changed significantly over the course of the reform period. As a result of the institutional separation between rural and urban healthcare systems, rural-urban migrants do not fit in either rural or urban systems, resulting in a situation where migrants are limited in their access to local public healthcare services, no matter where they are located (Xiang 2004). For example, while most migrants have NRMC, they can only be reimbursed for expenses from within the program's designated area, which corresponds to their registered *hukou* location. Furthermore, while these plans are heavily subsidized by central and local governments, which pay up to 80 percent of the premiums, migrants have to pay upfront for treatment costs and apply for reimbursement later – a process that can be long, complicated, and financially challenging.

The issue of medical insurance coverage for migrants did not receive government attention until 2006, when the Ministry of Labor and Social Security ordered that prefecture and medium-sized and large cities should cover migrants under available urban medical insurance schemes. In 2009, the central government stipulated that all migrants should be covered through at least one of UEBMI, URBMI, or NRMIC. Then, with the introduction of the Social Insurance Law in 2010, all migrants were to be covered under UEBMI, with the same contributions and benefits as local workers. Prior to these central government initiatives, many cities did not have medical insurance programs that enrolled migrants. Since then, some cities have expanded these insurance programs to migrant workers with the same contribution rates and benefits. However, thus far the provision of migrant coverage under urban insurance plans has been slow. Currently, only 61 percent of Chinese cities provide healthcare insurance to migrants (Trieu 2013:88). In addition to UEBMI and URBMI, migrants can also receive medical insurance in some cities through Flexible Employee Medical Insurance (FEMI), and Migrant Major Illness Insurance (MMII), but the provision of both of these insurance schemes is low and varies by city. FEMI was created in 2003 to help provide coverage to an increasing number of people who were engaged in part-time or flexible work. This includes migrants who return to the city on a seasonal or cyclical basis. Enrollment is voluntary, and the plan generally offers higher contribution rates and better benefits than MMII, but lower than UEBMI (Trieu 2013:89). Cities can also provide insurance to migrants through MMII, which is financed entirely by employers, but only the formally employed are included. Members typically receive lower coverage and benefits than that provided by UEBMI. Information on the contributions and benefits associated with each of the urban insurance schemes is provided in Table 7.3.

7.3 Urban Healthcare Insurance Plans Available to Migrants

	UEBMI		URBMI		MMII	FEMI
	Employer (6-12%)	Employee (2-3%)	Resident (20 RMB)	Government (200 RMB)	Employer (2-15%)	Employer or Employee (5-12%)
Benefits	Inpatient and Outpatient		Inpatient		Inpatient	Inpatient and Outpatient
Reimbursement	85-95%		60-80%		75-85%	80%
Deductibles (Annual)	100-2,500 RMB		100-600 RMB		100-2,500 RMB	100-2,500 RMB
Benefit Caps (Annual)	4-10 times average yearly wages (50,000-500,000 RMB)		20,000-50,000 RMB		20,000-150,000 RMB	30,000-150,000 RMB
Adapted from Trieu 2013:90						

Despite the development of insurance plans that can accommodate rural-urban migrants, the total coverage of migrants with an urban insurance plan is very low. Nationwide, it is estimated that only 17.6 percent of migrants had urban healthcare insurance in 2013 (NBS 2014), and a 2010 multi-city study by Gallagher et al. (2012) found that the healthcare insurance coverage rate for urban workers was 86 percent, compared to 22 percent for migrant workers. Since migrants do not fit neatly into the parameters of the country's official insurance schemes, rural-urban migrants are less likely to access healthcare services than their rural counterparts from their location of origin, as well as urban counterparts in their location of residence. For example, a study in Shenzhen found that 62 percent of migrant workers who reported an illness did not visit a doctor (Mou et al. 2009). This situation creates potential short-term and long-term health problems for migrant workers and their families.

One of the government's main goals of reforming the national healthcare system is to complete the consolidation of the insurance system by 2020. In December 2015, state officials approved plans to merge NRMC and URBMI into a single comprehensive insurance scheme. Although

notably, UEBMI, the most comprehensive and most well funded of the three, remains separate. The end result is to create a “multi-layered medical security net” that would guarantee equal access to basic healthcare by integrating basic medical insurance, insurance for major diseases, medical assistance, commercial medical insurance and charity funds (Xinhua 2015, December 10). Implemented on January 12, 2016, the new policy will become China’s largest health insurance scheme, covering more than one billion people. Under the new scheme, all participants pay the same premium and enjoy the same reimbursement rate, regardless of their *hukou* status, meaning that migrants from rural areas will become eligible for insurance in cities and get the same coverage as the urban non-employed (China Daily 2016, January 12). Local governments have been asked to formulate plans to implement this policy before the end of 2016 (China Daily 2016, January 13).

7.2 Migrant Health in China

The act of migration necessitates physical and spatial relocation, and those with the greatest ability to move from one location to another generally stem from the healthiest segments of the population. The phenomenon of the young and healthy migrating from China’s rural villages to urban cities reflects what is known as the “healthy migrant effect,” which has been described in many migrant populations around the world. Not only are China’s rural-urban migrants younger and healthier than their rural counterparts, but they are also typically younger and healthier than the average urban population. A 2003 study by the Ministry of Health (MOH) found that only a fifth of the migrant population was aged 45 or above, compared to about a third of the general urban population. The MOH also found that migrants are 2 to 3 times less

likely to describe themselves as being in poor or fair health compared to both their rural and urban counterparts (Trieu 2013:84).

However, even though migrants are on average younger and healthier than the general population, they encounter a disproportionate amount of health risks as a result of their demographic and socioeconomic status, and the migration experience itself, which makes them more vulnerable to illness, disease, and injury than their urban counterparts.

7.2.1 Physical and Mental Illness

Study after study has found that migrants have poorer health outcomes than their urban counterparts. This includes higher incidences of communicable diseases such as malaria, hepatitis, tuberculosis, and other infectious diseases (Jia et al. 2008; Wang et al. 2008; Holdaway et al. 2011). For example, research has found that migrants are 12-27 times more likely to suffer from malaria than local residents. Moreover, because many migrants are exposed to both rural and urban environments, they are also at risk of a dual infectious disease burden. This puts at risk of exposure to illnesses associated with rural poverty such as soil-transmitted helminthes, as well as diseases linked with urban environments such as tuberculosis (Gong et al. 2012:4).

Migrants also have poorer outcomes in terms of maternal and infant mortality rates. Compared to their local urban counterparts, the migrant maternal mortality rate has been found to be more than three times as high (Trieu 2013). The rate of migrant infant mortality resulting from complications during pregnancy, labour, and delivery is also very high (CLB 2009). For example,

a study on infant mortality in Guangdong found that the rate of migrant children dying of infectious and parasitic diseases was 31.26 per 100,000 compared with 2.87 per 100,000 for local infants (Li et al. 2006:111-113). The health of migrant infants and children is particularly affected by challenges in providing immunization programs to migrants. The government has provided basic vaccines (e.g. tuberculosis, diphtheria, tetanus, poliomyelitis, and measles) free of charge to all infants nationwide through its Planned Immunization Program since the 1970s, and more recently, the government has also established community health centres in urban areas to provide basic post-birth immunization for migrants. However, these programs are underused by migrants, and the immunization of migrant children is less extensive than both their urban and rural counterparts (Gong et al. 2012:4). Recognized reasons for not accessing immunization programs include lack of awareness, concerns about the costs associated with inoculation, frequent change of residence, and the repercussions of violating the one-child policy (Gong et al. 2012:4).

In addition to physical illness, the experience of migration also makes migrants highly susceptible to psychological stress and mental illness (Gong et al. 2012:6), which can result in stress-related health issues, or can exacerbate existing physical health problems. Studies show that migrants report higher psychological distress than non-migrants, although this lessens as the length of urban residency increases (Chen 2011). Common sources of stress associated with the migration experience include discrimination, isolation, and separation from family, as well as those associated with emersion in new and unfamiliar urban environments, such as noise and social isolation (Krieger and Higgins 2002). Migrant populations are vulnerable to discrimination and stigmatization, and can experience stress as a result of struggles associated

with finding work, housing, schools for their children, and healthcare without the protections and benefits afforded through health insurance. Mental health services in China are underdeveloped compared to more developed western and east-Asian countries. For example, only 5 percent of Chinese adults with a mental disorder have sought the services of a mental health professional (Phillips et al. 2009). Furthermore, mental health services that target high-risk populations such as rural-urban migrants are in short supply.

Given the diversity of the migrant population, certain segments face additional health risks. For example, those engaged in China's sex industry are at a higher risk of HIV/AIDS and other sexually transmitted diseases (Xiang 2004; Lau et al. 2009). Most migrants are from rural areas where premarital sex is taboo and sexual behavior is highly socially regulated (Hu et al. 2006), but in urban areas, migrants are exposed to more permissive sexual norms and are relatively isolated from social control over their sexual behaviours. The prevalence of HIV is about 1.8 times higher among rural-to-urban migrants than the stationary rural population (Hong et al. 2006a).

Furthermore, because of their lack of medical-insurance coverage and the high costs of the healthcare system, many migrants often delay treatment for as long as possible. As a result, preventative illnesses and infectious diseases can develop into major health problems, which can exacerbate the risks to their health, as well as their financial security.

7.2.2 Migrant Living and Working Conditions

Poor migrant health outcomes are due in part to factors associated with their living and working conditions. Migrants' living conditions are often cramped, over-crowded, lack adequate fire protection, and are underserved in terms of sanitation and clean water services (Wang and Krafft 2008). For example, studies have found that migrants on average have half (11 square meters) the living space of local urban residents, and that 63 percent of migrants live in housing without a bathroom, compared to 16 percent of urban residents (Du et al. 2006). The often unsanitary and underserved living conditions experienced by many migrants can increase their susceptibility to communicable diseases.

Migrant workers are also at a disproportionate risk of injury and illness as a result of working conditions. As discussed in Chapter 6, many migrants are confined to the informal labour market, concentrated in low-skilled jobs such as construction and manufacturing, where they work long hours in crowded, dirty and dangerous conditions that are rife with occupational hazards.

While figures suggest overall workplace safety is improving across China, workplace accidents remain commonplace. For example, in 2012, there were around 330,000 workplace accidents, and 71,983 reported work-related deaths, which were down 3.1 percent and 4.7 percent, respectively, from the previous year. And, in 2014, there were 68,061 recorded work-related deaths in China. Most accidents and deaths occur in industries that are heavily reliant on migrant labour, including construction, manufacturing, and service-sector jobs such as sanitation (CLB 2013). While reliable data on the occupational health and safety of migrant workers are unreliable, reports of work-related injuries in migrant workers are common and

widely available (Wang and Tao 2012; CLB March 26, 2015), and it is clear that migrants account for the majority of work-related accident victims. For example, one study found that migrants accounted for 90 percent of labour-related fatalities, and 50 percent of occupational disabilities (Xinhua 2005, October 26). One of the reasons that accident and death rates are so high is because very few migrant workers receive adequate training. According to a 2012 study on migrant worker safety in the construction sector, 95.9 percent of those surveyed had not received any formal vocational training (Xinhua 2012, December 15). Furthermore, workplace safety is often below identified standards due to the subordination of safety protocols by employers in exchange for increased productivity and profit, and poor monitoring and enforcement of established workplace safety regulations by local government officials.

In addition, migrants are also highly susceptible to work-related illness and disease. According to Amnesty International, approximately 90 percent of the workers suffering from occupational diseases in China are migrants (Amnesty International 2007). Poor working conditions also make migrant workers susceptible to chronic diseases, of which many of the symptoms only develop after leaving the workplace. For example, many construction workers have been found to contract pneumoconiosis. Benzene poisoning is also common, particularly among migrants employed in light manufacturing factories that often use cheap glues in the production process, many of which are female (Xiang 2004:9).

While China's migrant workers are frequently involved in public protest against unfair treatment related to delayed and non-payments from employers, they are much less likely to complain or protest about the state of their working conditions, either as a result of not

knowing the dangers associated with the occupation, or because they are afraid of losing their jobs (Hu et al. 2008). Thus, many migrants consciously or unconsciously risk their health and safety in return for greater short-term economic returns.

7.2.3 Migrant Access to Healthcare in Xi'an

The capacity of Xi'an's healthcare system, as measured by the number of hospitals and hospital beds, has experienced uneven growth over the reform period. Between 1995 and 2013, the number of hospitals fluctuated as a result of a series of mergers and closures. Home to 368 hospitals in 1995, the number of hospitals in Xi'an peaked at 479 in 2005, dropped again to 368 in 2011, and climbed once more to 381 in 2013. Despite this fluctuation, the number of available hospital beds has increased steadily over this time, from 28,265 in 1995 to 44,190 in 2013. The majority of this growth has occurred over the last decade. While the average annual growth in the number of hospital beds was 1 percent in 2001-2005, this accelerated to 4.1 percent in 2006-2010, and 6.3 percent in 2011-2013 (Xi'an Statistical Yearbook 2014). However, even though there is an apparent increase in the number of patients that can be accommodated in Xi'an's hospitals, the number of licensed doctors in Xi'an has not increased at the same pace, and remained stagnant for most of this period, up until recently. Between 1995 and 2005, the number of registered doctors in Xi'an declined from 18,846 to 17,730, before increasing mildly at an annual rate of 1.1 percent in 2006-2010, reaching 18,763. More recently, the number of doctors has grown much more rapidly, at an annual rate of 8.4 percent in 2011-2013, attaining 23,885 in 2013 (Xi'an Statistical Yearbook 2014). However, when these figures are juxtaposed against the city's population growth, we see that the proportion of both

hospitals and doctors has decreased over time. In 1995, the number of hospitals, doctors and hospital beds per 10,000 people was 0.60, 29.1 and 43.6, respectively, compared to 0.44, 27.81, and 51.45 in 2013 (Table 7.4).

7.4 Healthcare Capacity in Xi'an, 1995 and 2013

	Total 1995	Total 2013	Per 10,000 1995	Per 10,000 2013
Hospitals	368	381	0.60	0.44
Doctors	18,846	23,885	29.1	27.81
Hospital Beds	28,265	44,190	43.6	51.45
Source: Xi'an Statistical Yearbook 2014				

In line with a concerted push by the central government to improve the nation's healthcare system, the capacity of the healthcare system in Xi'an has increased since 2009. For example, the number of doctors per 10,000 has increased, from 22.86 in 2009 to 27.81 in 2013 (Xi'an Statistical Yearbook 2014). And, in recent years the Xi'an government has made a number of investments meant to strengthen the local healthcare system. In 2014, the local government raised the financial subsidy standard for local urban and rural inhabitant medical insurance (URBMI and NRMC) to 350 RMB per person. The local government also implemented the "second child for only-child parent" policy in 2014 (Xi'an Municipal Government 2015). While this initiative was primarily targeted at urban residents, the move to expand the rights of urban residents to have larger families could help to reduce some negative stigma directed at migrants, whom many urban residents feel have been able to skirt the One Child Policy, which was often not well enforced in many rural regions of the country. The recent decision by the central government to convert the controversial One Child Policy, first introduced in the late

1970s, into a universal Two Child Policy (China Daily 2015, October 30), will likely help reduce this stigma even further.

Moving forward, the Xi'an government plans to focus on increasing its capability to provide social services such as healthcare to disadvantaged groups in the city. The intention is to:

“Provide social relief to the urban and rural residents according to the classification of their actual conditions, increase the temporary relief quota and medical assistance reimbursement ratio of underprivileged families in time, and follow the principle of increasing the bottom-line, guaranteeing the basic life and saving those who are in great need or in difficult situations. We will speed up the improvement of social insurance transfer and the policy of insurance payment, promote the construction of standardizing the transactions of ‘five insurances and one fund,’ (*wuxianyijin*, 五險一金) and keep on increasing the levels of social insurances” (Xi'an Municipal Government 2015).

As suggested in the quote above, the delivery mechanism being used by the Xi'an government to support disadvantaged groups in the city, including migrant workers, is through the various insurance plans. According to the local government, participation in NRMC and urban basic medical insurance are nearly universal, at 99.2 percent and 98.5 percent, respectively (Xi'an Municipal Government 2015). However, this reflects participation of the locally registered population, and other estimations of migrant participation in NRMC are lower. One 2011 survey found that the proportion of rural-urban migrants in Xi'an with *xinnonghe* health insurance was

71.3 percent (XJTU 2013:101), meaning that nearly 30 percent of the rural-urban migrants did not belong to rural insurance plans in their place of origin. Registering for NRMC is easy, and 13 of the 15 migrants that I interviewed for this study indicated that they were registered in their location of origin. The high participation rate is facilitated by the low cost of entry, which can be as little as 20 RMB a year, depending on the location of origin. Even though most migrants are rather ambivalent about NRMC, see little need for it, have never used it, and do not return regularly to their hometown to access healthcare, most are not opposed to having it. As one migrant welder told me, “It’s only 20 RMB per year, why not? Maybe I will use it someday, or maybe I won’t. But at least it is there if I need it” (Interview 28:3).

7.5 Proportion of Rural-Urban Migrants with Social Insurance in Xi’an, 2011

Migrant registration in local urban insurance

plans is very low. As discussed above, the conditions for eligibility for the UEBMI and URBMI plans prevent most migrants from

Type of insurance	Proportion
Old age pension	3.6
Medical insurance	6.8
Work related injury insurance	2.3
Unemployment insurance	0.8
Maternity insurance	0.6
Home subsidy	0.4
Source: XJTU 2013:101	

participating. In my interviews, only 2 of 15 migrants were registered in a local healthcare insurance plan. Although migrants are not specifically prevented from participating, the schemes do not specify the rights of migrant workers, and most of them are in reality excluded. This is in line with other surveys that show that the vast majority of Xi’an’s migrant workers do not have local social insurance. For example, according to XJTU (2013), the proportion of rural-urban migrants in Xi’an with local medical insurance was only 6.8 percent. Participation in other *wuxianyijin* insurance schemes was even lower (Table 7.5).

Ineligibility for local insurance plans is heavily influenced by the exclusion of migrants from the formal labour market. According to a study of multiple cities, including Xi'an, by the China Labour Bulletin, more than 80 percent of migrant construction workers did not sign labour contracts (CLB 2015). This is consistent with other findings that show the proportion of migrant workers with fixed formal labour contracts in Xi'an at 22.6 percent, compared to the national average of 51.3 percent (XJTU 2013:100). Half (50.0 percent) have no contract at all.

The low enrollment rate of Xi'an's migrant population in local insurance plans is not solely a result of institutional, formal/legal exclusion however. Overall, the migrants that I interviewed for this study displayed a nonchalant attitude towards healthcare insurance. And, even where healthcare insurance programs are available to migrants in Xi'an, they are not concerned or interested in enrolling in these plans. Given a choice between higher wages and paying for healthcare insurance, the majority would choose higher wages. There is a sense among migrants that they do not need healthcare insurance, and that it is a luxury expense that they will spend money on only if they can afford it. As described by one expert, "many migrants don't worry about this too much, because they are young, and they trade their labour for higher salaries, without insurance" (Interview 17:1). As another said, "for most migrants, they think 'I am not old, I can return to the countryside at a later time.' They don't often think about healthcare either because they are often still young, still healthy" (Interview 21:3).

7.3 Key Factors Affecting Healthcare Social Exclusion in Xi'an

The previous sections provided a description of the healthcare system in China and Xi'an, and how migrants are excluded from it. Based on my interviews with migrant workers, experts and

local government officials, this section looks more closely at the reasons “why migrants are excluded” from healthcare opportunities. It focuses on the formal/legal and the informal/social factors, and achieved and ascribed characteristics that contribute to the social exclusion of Xi’an’s rural-urban migrant population in the area of healthcare.

7.3.1 Formal/Legal Factors

The central government’s policy position toward rural-urban migration has undergone a significant shift in the last decade, and improving the integration of migrant workers in China’s cities is now firmly on the agenda of central government policy-makers. Nonetheless, there are a number of formal/legal factors at both the central and local level that hinder migrant access to healthcare in Xi’an. The interview data collected in this study suggest that the major formal/legal challenges facing migrant workers in Xi’an related to healthcare access and the provision of healthcare insurance stem from the *hukou* registration system, exclusion from the formal labour market and absence of a formal employment contract, as well as the implementation and enforcement of existing policies.

The development of the country’s healthcare system has not been as dynamic as that of the economy, and this has been a detriment to migrant workers. Early reforms to the healthcare system meant to improve the universal provision of services were made with the urban-rural divide kept intact. As a result, migrant workers were excluded based on their *hukou* registration status. For example, in the area of maternal care, several steps have been taken by the central government to improve healthcare provisions for urban workers. In 1994, under the terms of both the Labour Law and the Ministry of Labour’s Circular on the Trial Implementation

Regulation of Maternal Insurance for Enterprise Employees, employers were required to provide maternal healthcare insurance to all female employees, including costs for pre-natal examinations, child delivery, surgery, and hospitalization. Further support was provided in 2001 when the Ministry of Labour released its Opinion on Further Strengthening the Work for Maternal Insurance (CLB 2009:46). However, in all of these cases, the laws, policies and regulations applied only to workers with locally registered *hukou* status, which subsequently excluded migrants working outside of their registered jurisdiction.

Most migrants that I spoke to for this study were not overly concerned about the impact of their *hukou* status as a barrier to healthcare. The general sentiment included variations of “I don’t really feel that the *hukou* system affects me” (Interview 30:9), and, “if I get sick, I pay for it” (Interview 31). Nonetheless, several university researchers that I spoke with were quick to point out that the *hukou* system remains an institutional barrier that prevents rural-urban migrants from accessing local social welfare benefits such as healthcare. As one professor noted, “the *hukou* registration system has lost its function as a system to regulate movement throughout the country. For example, the system is powerless to stop Shaanxi migrant workers from going to Guangzhou or Shenzhen. But now, the *hukou* system has a unique function that is unfair for migrant workers. That is, between them and some social insurance or social welfare. They are on the hook for this themselves” (Interview 6:5).

While the average local resident is covered by one of the UEBMI or URBMI urban healthcare insurance schemes, most migrant workers in Xi’an find themselves excluded from these schemes, as they are throughout much of urban China (Zhang 2014). Many of the subject

matter experts that I spoke to placed the blame for this on the ongoing prevalence of the *hukou* system. As one researcher commented, “I think this is long-term legacy problem associated with the *hukou* system... it is a systemic problem that is unacceptable and needs to be solved” (Interview 3:3). Another local academic described the situation as such:

“Migrant workers who arrive in the city, they don’t get to participate in the urban social security system. It can’t protect them if they are sick. If they get sick, because they don’t have local urban *hukou* status, they can’t stay in city hospitals or access healthcare. There’s nothing that they can do, unless they pay for the whole thing. They have to go to a private clinic and pay it all themselves... Or, they can go back to the countryside, where they have a new type of rural healthcare (*xinnonghe*). They do have that... In the city, it is a form of institutional exclusion. Neither the central government or the city of Xi’an have provided sufficient provision of a social security system, where migrants can contribute to and access in the city” (Interview 4:2).

While describing the impact of the *hukou* system and comparing the differences that it produces for local residents and migrant workers, another expert suggested that,

“This severely influences the integration of migrant workers. Take medical insurance for instance. For urban citizens in Xi’an, like me, I am able to enjoy the medical insurance system, and this has brought me great benefits. So if I want to go see the doctor, I can do this for very cheap. For migrants however, because of their *hukou* status, because they are not local, if they want to go see a doctor, he

can only go back to their location of origin if they want to be reimbursed”

(Interview 6:5).

Local academics, researchers, and government officials were quick to note that the exclusion of migrants based *hukou* status was closely associated with their employment status, and their subsequent exclusion from the formal labour market. According to one expert, “if you are formally employed, then you have *wuxianyijin* (五險一金) or at least *sanxianyiji* (三險一金). But many migrants don’t have this because they do not have a formal contract” (Interview 17:1). In fact, one local official went as far as saying that it was not *hukou* status, but the ability to compete and succeed in the formal labour market that is more important to being able to access the local healthcare system. They noted that “many of the people in China don’t have insurance policies. It isn’t just migrant workers. Of course you know, if they do formal work then they do have insurance... But many migrants don’t have jobs that are formal. They are often informally employed by a company, who doesn’t contribute to insurance plans, so I think that is why many migrants don’t have insurance” (Interview 23:7). This same official, a recent university graduate themselves, further elaborated on the association between employment and insurance, and how it is not just migrant workers who were excluded from local health insurance, saying, “Lots of people don’t have insurance. It’s not that they don’t need it, but that they can’t get it. It’s not that easy to have that. Many of my (previous) college classmates don’t have that (insurance), because they don’t have jobs” (Interview 23:8). However, other experts noted the advantage that local residents have in this regard, as many positions, such as those provided through *danwei* work units, require local residency status in order to be eligible to apply. As one researcher noted, “urban workers, they generally have formal work contracts.

And if you work for a *danwei*, then you would of course have this (insurance). Migrants would not” (Interview 3:3). Thus, even though employment-based eligibility requirements for healthcare insurance exclude both local residents and migrant workers, migrants are more disadvantaged as a result of their less competitive position in the labour market.

Furthermore, even when migrants are able to secure employment, many face problems related to employer compliance with existing policies and regulations. This is especially so if they work for smaller companies, which can more easily skirt around requirements to provide formal employment contracts and avoid local government monitoring and enforcement efforts. While recalling a conversation with a migrant worker during a study conducted in 2013, one university researcher shared a story about the repercussions experienced by a migrant construction worker who had suffered a workplace injury, but who did not have local *hukou* and who did not sign a formal contract with their employer, and who subsequently had no local healthcare insurance,

“There are lots of unfair practices as a result of *hukou*, such as access to healthcare. In the city, those who receive a salary wage would also have health insurance. But for many migrants, this is not the case. I did an interview with a migrant worker in the past who received a workplace injury. It was a construction site workplace injury that happened on the job. He fell down some stairs and broke his leg, but the boss would not give him compensation. That’s just the way it is, but if you’re a city worker who suffered the same work-related injury, on the job, then he would be compensated” (Interview 3:3).

More recently, the central government has introduced a series of policies specifically targeted at reducing migrants' exposure to health risks and improving their access to healthcare. For example, in 2006, the State Council issued the Opinion on Resolving the Problem of Migrant Workers, which called for additional efforts to improve the legal status of migrants and their access to public social services, such as healthcare. It also stated that local governments should include migrant children in local inoculation plans and provide migrant workers with free family planning services, including contraceptive pills and devices (State Council 2006). Furthermore, in 2008, the central government also issued the Medical Reform Consultation Paper, as well as the Draft Social Insurance Law, both of which acknowledged the healthcare concerns of the migrant population, and the latter of which identified for the first time that migrant workers have rights to social insurance, including access to healthcare insurance, in China's cities (CLB 2009:48; Li and Wu 2010).

However, despite the presence of existing central-government policies and regulations that are intended to improve the overall health of the migrant population and increase access to local, urban healthcare systems, many of these initiatives fail to achieve their intended objectives. As described throughout this study, while policy objectives are often developed at the level of the central government, the responsibility for implementing them has been downloaded to municipal governments, ensuring that the success or failure of these initiatives is contingent on sound implementation at the local level. Unfortunately, in the city of Xi'an, as in many urban centres across China, the implementation, monitoring, and enforcement system has capacity problems, and many existing policies and regulations are either consciously or unconsciously not strictly enforced. As described by one expert,

“One of the biggest problems faced by migrants is healthcare. Medical insurance is very important. But right now the current policy environment is very difficult to provide solutions. This is because policies are developed by the central government, but then it is up to the local government to implement them. The country is now divided into two insurance systems, separate insurance systems for rural and for urban residents. This is what we have now, and it produces its own set of problems. The question is how to converge them into one system” (Interview 12:1).

Local academics and researchers all agreed that the provision of social services such as healthcare to the migrant population is critical to ensure their overall wellbeing and to facilitate the integration of migrants into the city. As one expert said, “I think it is very important to provide migrants with social security and social public services so that they can enjoy equal opportunities. I think this is an important criteria to social integration” (Interview 16:3). However, many cities in China, including Xi’an, are reluctant to expand medical insurance to migrants because a city’s main responsibility is to provide healthcare for its own registered urban residents, not those from other jurisdictions. Local experts suggested that the Xi’an government, similar to many other urban governments across China, is reluctant to provide social services to non-residents. And, as one expert noted, the ability of a city to provide adequate social services to those from other jurisdictions “depends on the financial situation of the local government (Interview 12:8). But, this is very difficult for the local Xi’an government to do. According to one expert, “the biggest problem facing government is how to give migrants access to equal social security, for example, healthcare, pension and work injury insurance. This

is difficult for the government to fund” (Interview 16:1). This same expert went on to say, “the fundamental reason why our public service system is still imperfect, still cannot fully meet the needs of the population. Supply and demand are out of balance. The supply is far less than demand, so, the vulnerable populations in the cities are squeezed out. Many of these are migrant workers” (Interview 16:3). Officials are also hesitant to design targeted insurance plans or provide insurance coverage to migrants under existing urban insurance plans because of the perceived transiency of this population group. But, as discussed in earlier chapters, migration to Xi’an is becoming increasingly permanent and less temporary and cyclical over time.

In China, the provision of social benefits such as healthcare continues to be location-dependent, and there are few linkages between locations, and between urban and rural insurance plans. For example, a Xi’an urban worker requiring medical treatment in another city will not be covered by their Xi’an-based medical insurance. As one migrant said, “We don’t have (local) insurance... if we get sick, we have to pay out of our own pocket... we have medical insurance back home, in Qinghai, but we cannot use it in Xi’an” (Interview 19:9). This feature of China’s medical insurance system makes it very difficult for people to use their medical benefits, especially for those who are mobile like the migrant population. While the 2010 Social Insurance Law requires local governments to establish linkages between these different insurance schemes, there has been limited progress due to the wide disparities in healthcare service provision that exists in localities across the country (Trieu 2013:84).

7.3.2 Informal/Social Factors

Migrant workers also face several informal/social exclusionary barriers when it comes to healthcare access in Xi'an. The most significant of these, as revealed in my interviews, is related to their economic status and subsequent ability to pay for the costs associated with accessing the healthcare system. To a lesser extent, migrants are also challenged by their lack of knowledge and information about available options and resources. Social capital and social networks were seen as beneficial, and able to provide financial and emotional support in times of need, but were also seen as being limited in their ability to overcome challenges. Human capital and cultural capital were considered to have little impact on the ability of migrants to access local healthcare options.

Similar to the situation that has been observed in other parts of China (Hong et al. 2006b), when migrants in Xi'an do get sick, they tend to delay seeking treatment from the public healthcare system. A trip to the hospital is generally seen as the option of last resort, and used only when an individual becomes seriously ill and all other alternatives have been exhausted. In Xi'an, this behaviour is largely explained by the high costs of visiting a hospital care without insurance. This was a consistent message heard throughout my interviews with migrants, most of whom said something to the effect of, "I feel it is quite expensive to go to the doctor" (Interview 30:9). As one migrant said, "People are always saying, the biggest challenge is to see a doctor. Even if you have a small illness, once you're in the door of the hospital, even a month's salary will not be enough" (Interview 28:4). With the average monthly income of migrant workers in Xi'an at 2,913 RMB (XJTU 2013:19), and with the average outpatient visit to a city hospital (in China) costing around 200 RMB (Ministry of Health 2009), it is proportionally expensive for migrants to access public healthcare services. This puts migrants at an increased

risk of health-related impoverishment, as they are often required to build up large savings accounts to mitigate the risks of falling ill, money that could be spent elsewhere.

Without local insurance, and because of the high costs of accessing public healthcare services in Xi'an's hospitals, migrants adopt a variety of coping strategies to put off visiting a hospital.

Coping strategies identified in this study include self treatment with over-the-counter medicines, the use of traditional remedies and "home medicine," and turning to small unlicensed clinics to receive care. As one migrant said, "At home I have NRMC, but I don't have insurance here... when I get sick, I go to a small clinic..." (Interview 29:4). Another migrant said, "I feel it is quite expensive to go to the doctor. But I am not too worried about getting sick. I feel young and don't really have any problems. When I do I can just buy medicine over the counter" (Interview 30:9). However, this behaviour puts migrants at risk, as small diseases or illnesses may develop into more serious conditions by the time they visit a hospital. While this frugality provides financial benefits to migrants and their families in the short term, it can take a toll on their physical and mental health, and lead to financial impoverishment in the long term.

According to one expert,

"A lot of migrants' health problems are caused by their lack of ability to use existing health services. The main reason for the lack of this ability is the financial situation of most migrants. Because of financial constraints, very few migrants have the money to pay for medical treatment and to access big hospitals. So they delay treatment, and this can have negative impacts on their health. This is a problem for many migrant workers" (Interview 22:4).

Compounding the situation is that alternative and more financially viable options are becoming harder to find. As one migrant said,

“It is very inconvenient to see a doctor. Even Chinese medicine is getting hard to find. I was looking around here and wanted to find an old man who practiced traditional (Chinese) medicine, and I couldn’t find any. In a Chinese medicine hospital, it would have cost me tens of dollars (RMB) for an endoscopy. At the big hospital outside the south gate, it cost me 268 dollars (RMB) to get an endoscopy... the fees are too high” (Interview 28:4).

Even though migrants are eligible to buy into local insurance schemes, very few do because of the high costs. As one researcher said, “right now, in Xi’an and other cities, migrants can add commercial insurance, to ensure better healthcare in the city. Of course, this means that they likely have relatively high income in order to do so” (Interview 12:3). As indicated above, the average monthly income of migrant workers in Xi’an is only 2,913 RMB, meaning that many migrant families cannot afford to participate in local healthcare insurance plans because of the costs of upfront payment for services and ceilings on coverage.

Furthermore, for rural-urban migrants in Xi’an who are enrolled in NRMC in their locations of origin, but who have not bought into local insurance plans, the financial burden can be made even deeper as a result of the lower return of reimbursement for medical fees. As one migrant noted, “As a labourer... if you require hospitalization, you can be reimbursed forty percent. If you go to a rural hospital, you can be reimbursed eighty percent through insurance” (Interview 24:2). Receiving reimbursement in Xi’an is provided at a lower percentage than in the location

of origin. As one migrant said, “I have NRMIC in my hometown, and I purchased additional insurance here in Xi’an... in my hometown it covers eighty percent of the cost. Here, it covers forty percent” (Interview 29:1). Another migrant, recounting a time when they had become very ill, shared their story,

“Last year, I had a serious illness, a kidney inflammation (nephritis). I stayed at *wujingyiyuan* 武警医院 (a local hospital) for three months. To stay for three months, I had to pay tens of thousands of dollars (RMB). Later, I had to send the receipts to a family member back in Qinghai who was able to get them reimbursed at about sixty percent or so. I could try and claim them here, but I wouldn’t get as much, relatively smaller amount. Back home, I would have been able to claim about ninety percent. In Xi’an, local people can claim like eighty or ninety percent too” (Interview 19:9).

In addition to the financial burden of accessing healthcare in Xi’an, many migrants also find the healthcare system inaccessible and inconvenient. Long working hours and long travel distances increase the opportunity cost of seeking treatment in public hospitals (Zhang 2014).

Furthermore, while migrants who have insurance in their location of origin can be reimbursed for a portion of the expenses that they accrue in the city, they must return to their hometown to receive it, and the reimbursement process can be cumbersome, inconvenient, and difficult.

While reimbursement for healthcare expenses can be higher in rural areas, the opportunity cost of doing so may not be justifiable. As one migrant said, “the company will not provide insurance for me. I have NRMIC in the rural area, but not here... At home I have NRMIC, but I don’t have

insurance here... when I get sick, I go to a small clinic... it is difficult to see a doctor in Xi'an. The line up is terrible.... You can get reimbursed, but the procedures are troublesome (Interview 29:4).

Another informal/social factor that hinders migrants in their ability to access healthcare services in Xi'an concerns their awareness of the need for treatment and knowledge of available health providers. As identified by Jiang et al. (2014), who analyzed factors that contributed to tobacco use of migrant workers in Xi'an construction sites, migrants demonstrate low levels of health literacy. Similarly, Shi et al. (2012) looked at health risk awareness of young rural-urban migrants (aged 15-24) in Tianjin and Xi'an. Overall they found that only 24 percent of those surveyed in Xi'an were considered to have a satisfactory level of health-risk awareness (compared to 28 percent in Tianjin). They found that most migrants lacked knowledge about infectious diseases, reproduction, HIV/AIDS, and occupational health hazards, as well as other poor personal hygiene practices.

Social capital was seen as having a positive impact on migrant access to the healthcare system because social networks can help migrants with additional financial resources for needed healthcare services. In addition, then can provide much needed emotional support in times of need (Li and Wu 2010:376-7). However, the majority of the connections that migrants have in their social networks are other migrants, many of whom are socially disadvantaged and have limited financial resources, as well as limited knowledge and information about available healthcare services and resources.

7.4 Concluding Observations

Based on a review of the available literature, existing statistics, and the interviews conducted for this study, it is apparent that the availability of higher-quality healthcare services in Xi'an is not a strong driver of rural-urban migration to the city. In my interviews with migrant workers, not a single one identified healthcare as a key reasons for wanting to come to Xi'an. As discussed in Chapter 4, the main reasons identified by migrants for relocating to Xi'an related to better employment opportunities and education prospects for migrant children.

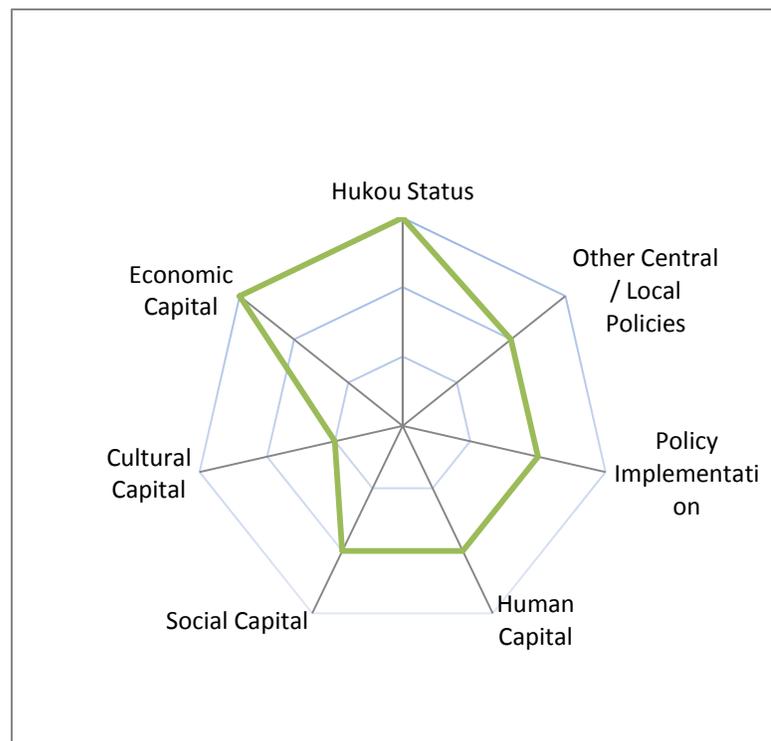
Given the vulnerable status and health risks associated with migration, one might expect migrants to consider healthcare insurance to be very important. However, compared to their concern about employment and education opportunities, my interviews with migrants and subject-matter experts reveal a much more ambivalent attitude towards healthcare insurance. This mirrors findings from other studies (Hesketh et al. 2008; Trieu 2013), and particularly applies to recent and younger migrants who generally consider themselves to be very healthy. While older migrants and migrants with children did express concerns about access to healthcare in the event of illness or injury, they did not display a high degree of anxiety. When asked about their major concerns associated with living in the city, social insurance, including healthcare insurance and pensions, almost always rank below wages, children's education (if applicable), and housing. Thus, it is not surprising that there is little demand from the local migrant population to demand better access to healthcare from the local government. And, although migrants have taken to the streets to protest withheld salaries and back pay (Zhang 2012), healthcare insurance is largely seen as a non-issue, and unlikely to be the cause of public social disturbance.

However, when health problems do arise and migrants become injured or sick, they face significant barriers to accessing the local Xi'an healthcare system. As a result, for many migrants, when this happens, they have no choice but to return to their locations of origin where they typically have insurance coverage, and rely on the more affordable, but less comprehensive rural healthcare system. As expressed by one expert on rural development, "but when they get older and their bodies start to fail, they have no choice to return to the rural areas and become old and sick, and become a left behind old generation" (Interview 16:1).

Based on the interview data collected in this study, it is apparent that there are several formal/legal and informal/social factors that contribute to the healthcare social exclusion of Xi'an's rural-urban migrant population (Figure 7.6). The two with the highest influence are economic capital, associated with

7.6 Factors Influencing Healthcare Social Exclusion

the ability to pay for the high costs of healthcare and hospitalization, as well as the lingering impact of the *hukou* system, which hinders the ability of migrants to access local health insurance schemes. A related effect of the *hukou* system is that it prevents migrants from participating in the formal labour market, which consequently also



serves to exclude migrants from local insurance plans. There are several factors that have a medium influence on the exclusion of migrants from local healthcare, including the presence of other central and local policies, the implementation and enforcement of these existing policies, the knowledge of available services and resources, and social capital. Similar to the role that social capital plays in employment (Chapter 6), social networks and social capital can act as a double-edged sword when it comes to migrant access to healthcare in Xi'an. Social capital and social networks can benefit migrants and help them to overcome financial difficulties associated with accessing the healthcare system, as well as provide much needed emotional support during times of illness and distress. However, social networks can also potentially contribute to negative lifestyle practices, and the fact that the social capital of most migrants consists of closed social networks with other migrants means that their social networks may be limited, and unable to provide support beyond financial and emotional support. Cultural capital was not seen as a key detriment to the outcome of healthcare-related social exclusion for migrants.

The *hukou* system remains a key structural barrier that excludes migrants from the key social service of healthcare in Xi'an. Similar to other cities in China, access to the local healthcare system is largely provided through insurance schemes, which are limited to a single municipal jurisdiction. Thus, even if an individual has comprehensive insurance in one city, these benefits do not transfer from one location to another. While migrants in Xi'an do not see the *hukou* system as a major barrier to their ability to access local healthcare, experts noted that the *hukou* system can be seen as a key formal/legal and structural impediment to the access of healthcare for migrant workers. As one local expert said, "the problem is not the *hukou*

registration itself, but that it is linked to some aspects of the social welfare system” (Interview 6:5). As a structural institution, the *hukou* system frames the discourse of eligibility to the provision of healthcare insurance. Because the provision of social benefits such as healthcare is tied to one’s registered *hukou* location, migrants are limited in their ability to receive local healthcare insurance, unless they pay. This is a financial burden often not felt by their urban counterparts. As explained by one expert, “the urban social security system can’t protect them if they are sick because they don’t have local urban *hukou* status, they can’t stay in city hospitals or access healthcare. There’s nothing that they can do, unless they pay for the whole thing” (Interview 6:5).

The government’s recent decision to merge the URBMI and NRMC has the potential to address some of the concerns associated with the persistent rural-urban divide in the area of healthcare. This will improve access to healthcare for a large number of residents throughout China, including rural-urban migrants. However, improved access to care alone will not close the gaps in healthcare quality between prosperous cities and regions and poorer regions and rural areas. Additional changes and investments are needed to achieve the country’s 2020 healthcare goals. Political commitments, institutional innovations, and a feasible implementation plan are the major elements needed for success in consolidation (Meng et al. 2015). In the cities this will include a reassessment of how healthcare is organized and delivered, including greater appreciation of the environmental influence on health and a fundamental change in the design and use of urban spaces (Lancet 2016). As such, going forward it is likely that the impact of *hukou* status on healthcare related social exclusion will continue to diminish, while the importance of effective local policy implementation increases.

Despite the high degree of influence that formal/legal factors such as the *hukou* system have on the ability of rural-urban migrants in Xi'an to access local healthcare services, *hukou* status is not the only determining factor. While significant, those without local *hukou* or local health insurance do have alternatives. The absence of local health insurance can be overcome. Most migrants in Xi'an do not have local health insurance, nor do they see much of a need for it. Similar to migrants in other urban centres in China, migrants in Xi'an lack confidence in the state to provide useful medical insurance programs (Trieu 2013:93). As a result, migrants in Xi'an are most concerned with the high costs of accessing healthcare. When migrants do have health concerns, and become sick or injured, then they tend to employ a variety of coping strategies, putting off a visit to the hospital until they have exhausted other alternatives, and have no choice. The principle reason for avoiding the hospital is because of the perceived financial burden. Because the vast majority of migrants in Xi'an are not enrolled in a local health insurance plan, when they are required to access the healthcare system, they have little recourse but to pay out of pocket, which can be very prohibitive for many migrants. Thus, market mechanisms, and economic conditions are seen as both a solution and as a challenge to the problem of migrants' access to the local healthcare system.

Similar to the situation found in education (Chapter 5), healthcare-related social exclusion of Xi'an's migrant population reflects a reality where both achieved and ascribed characteristics bear influence on social exclusion. However, whereas the influence of the *hukou* system on education-related social exclusion can be seen as being in decline, due in part to the development and implementation of central and local policies meant to support the integration of migrant children into the public healthcare system, this cannot be said about healthcare,

where the impact of the *hukou* system remains formidable. Compounding the difficulty that migrants face as a result of *hukou* status, the marketization of the healthcare system in Xi'an and across the country presents a substantial financial barrier to the migrant population in their ability to access public healthcare services, and increases the importance of achieved characteristics in determining the social exclusion of the migrant population. This also contributes to differential access to opportunities in society because those who have achieved greater control of economic resources can command a greater share from market exchanges compared to those with fewer resources. This preserves existing social differentiations and cleavages, and also strengthens inequality over time (Weber 1958:181-2) as individuals are increasingly required to turn to financial means in order to access available social benefits and resources.

Local academics have put forward several policy suggestions to enhance the integration of the migrant population into the local healthcare system. First and foremost, the local government should make it easier for migrants to transfer their insurance policies across rural-urban jurisdictions. Alternatively, it should be easier for migrants to access urban insurance plans without having to meet stringent requirements such as formal employment or a minimum duration of stay in the city. In addition, the government should promote social-insurance plans more and educate migrants about their rights and the social-security options available to them (XJTU 2013:105). Together, these would help to lower health risks that migrants face in Xi'an.

8 Chapter: Social Exclusion and Housing

In the context of urban social inclusion and integration, housing is an important socioeconomic dimension alongside employment, education, and healthcare. As a social benefit, housing differs from education and healthcare in that it is rarely considered as a form of public provision (Wu and Wang 2014:785). Another distinguishing feature of housing is its association with embeddedness in a community social structure, the degree of which is an indicator of physical attachment to a particular location. Furthermore, housing plays a major part in defining lifestyles. Housing characteristics such as tenure and housing conditions, access to facilities and services, and geographic location impact an individual's quality of life (Wu and Wang 2014:785). Thus, for migrants, housing can be seen as reflective of their adjustment to a new environment and integration in local urban society.

This chapter explores migrant social exclusion in the area of housing. It begins with an overview of urban housing situation in the pre-reform period, as well as a review of how urban housing has changed in China over the course of the reform period. The impact of reform has been significant, and housing reform, characterized by a general shift towards privatization, has involved a fundamental re-organization of urban society (Wang 1995), including land-use and ownership. However, for the majority of rural-urban migrants, the dramatic rise in housing prices that has accompanied housing reform has effectively priced them out of the market. As such, most migrants are confined to the informal rental market. The second section of this chapter describes "how migrants are excluded" from housing in urban China, focusing on issues related to type, quality and conditions in China, including a description of the urban-village

(*chengzhongcun*, 城中村) phenomenon that characterizes many urban Chinese cities. The third section focuses on urban housing in Xi'an, providing an overview of the current urban context, as well as a description of migrant housing in the city. Based on data collected from a variety of sources, including interviews with migrants, subject-matter experts and government officials, as well as relevant policy documents and secondary statistics, the fourth section looks at "why migrants are excluded" from housing in Xi'an. It identifies those formal/legal and informal/social factors, as well as achieved and ascribed characteristics, that contribute to housing-related social exclusion. This chapter ends with concluding observations and claims about migrant social exclusion and housing in Xi'an.

8.1 Urban Housing in the Pre-Reform Period

In the early years of the People's Republic of China, urban housing policy was dominated by a massive nationalization drive. Previously a private good, the urban housing stock was placed under public ownership and supervised by a strong centralized administrative system. This occurred under the umbrella of the emergence of the state's socialist redistribution system, which managed the provision of all social goods and services in China's cities. As a result, public rental housing emerged as the dominant type of housing in urban areas during this period, accounting for between 75 and 85 percent of all housing in most cities (Huang 2004). The pre-reform urban housing system can be characterized by four main policy features (Deng et al. 2015). First, it was premised on the ideal that housing should be affordable for every worker. While property was owned by the state, public housing was heavily subsidized and provided to workers at very low rates (Logan et al. 1999). By the end of 1950s, most big cities had instituted

rent-income rates of under 10 percent, and in some cases less than 1 percent of household income (Wang and Murie 1999). Second, housing was a public good, to be provided and managed by the state. Thus, work units and local governments were both owners and managers of public housing, meaning that urban residents could rent but not buy housing outright. Urban workers and their families were provided with discounted rental housing by their respective *danwei* work units or by the municipal government, which was managed by the municipal housing bureau. Third, housing was considered a communal public good. This was reflected in the predominant architectural housing design of this period, which was the “Socialist Super Block:” 4-to-5-story buildings with standardized 3-by-5-meter modules and communal kitchens and toilet facilities that were shared by several families (Gaubatz 1995). Fourth, there was a strong linkage between *danwei* work units and housing services, meaning that the authorities promoted work units to design, build, and allocate housing to their workers according to their contribution to society. Thus, the larger a worker’s contribution to society, as measured by the work unit, the more living space they were allocated (Deng et al. 2015:6).

The allocation of housing was based on lists developed by work units and local governments using point-based ranking systems. Key factors that determined a worker’s position on these lists typically included tenure and the amount of years that they had contributed to the work unit, their administrative rank, political status, and Communist Party membership. Criteria based on personal family circumstances, such as household size and current living conditions, were also used to determine dwelling allocation, but these were considered within the context of an employee head’s position and status within the work unit (Wang 1995; Wang and Murie 2000). Thus, a household’s position on these lists had a significant impact on the type of

dwelling that they could occupy. For example, in Xi'an, housing allocation for a provincial level organization was based on the administrative rank of the household head. For those with a rank equal to provincial governor, their families could be allocated up to 60-95 square meters; those with a rank equal to department chief could be allocated up to 46-68 square meters; whereas ordinary workers were allocated a maximum of 5 square meters (Wang 1995:66).

The urban housing system during this period contributed to two dimensions of inequity (Logan et al. 1999). As demonstrated by the Xi'an case, vertical inequity arose within particular work units based on differences associated with administrative rank. In addition, horizontal inequity developed between work units as a result of differences that existed between their respective economic power (e.g. industry, size, profitability) and administrative position (e.g. national, provincial, municipal).

8.2 Urban Housing in the Post-Reform Period

The introduction of reform in 1978 had a profound impact on China's urban housing system, and subsequently on the structure of urban society. Whereas the pre-reform period emphasized socialist public ownership and distribution of housing, urban housing policy in the reform period was essentially flipped on its head, characterized by the gradual privatization of housing and the development of a commercial commodity market. While this is indicative of the general trend, housing policy in the reform period can be further differentiated into three separate phases (Deng et al. 2015). The first phase, from 1978 to 1998, was characterized by the presence of both public and private housing systems, while the gradual transition from public rental and work-unit ownership to private ownership was taking hold. The second phase,

from 1998 to 2011, emphasized private ownership and a commercial housing market, influenced by neoliberal tendencies. The third phase, from 2011 to the present, has seen policy return to a mixed-ownership system, with a powerful private housing market, as well as the re-emergence of government-subsidized housing.

During the first phase (1978-1998), housing policy reflected the familiar dual-track approach that characterized much of the early reform period, as market mechanisms increased and gradually overtook existing and declining socialist distribution systems (Naughton 2007).

Initially, rents remained relatively low in the remaining public housing sectors, but beginning in 1988 with the issuing of the Implementation Plan for a Gradual Housing System Reform in Cities and Towns (Yu 1999), urban land and housing was increasingly privatized, and subsequently rent for public housing increased steadily to match market prices (Logan et al. 2010:101). One of the motivations for housing reform was to reduce the burden on municipal and work-unit budgets (Logan et al. 2010:103), and one of the key housing policies introduced during this period was the sale of public housing by *danwei* units to sitting tenants and employees. During this period, two principle types of housing were available to urban residents: through *danwei* work units, and through the emerging private housing market: reformed housing (*fanggaifang*), or commodity housing (*shangpinfang*). While both consist of home ownership, they differed in price, eligibility, and property rights. While the latter refers to buying commercial housing on the open market, the former refers to former public housing stock that was sold off by *danwei* work units or municipal governments to existing tenants at prices that were strongly discounted and much lower than commodity housing. Furthermore, the purchaser owns only that proportion of the housing unit equivalent to the proportion of the full price that they paid,

with the remaining proportion of the property belonging to the work unit (Logan et al. 2010; Deng et al. 2015).

While these policies served to reform the old socialist housing system and spur the development of the housing market, they provided little benefit to disenfranchised and excluded groups (Wang and Murie 2000). Inadvertent or not, as a result of market distortions that accompanied the emergence of the private-housing market, early policy mechanisms exacerbated existing housing inequalities within the urban population. For example, subsidized home ownership provided by housing reform favoured those who were privileged in the traditional socialist system. Less privileged urban citizens and migrants were left to purchase commodity housing on the private housing market, which they generally could not afford (Deng et al. 2015:17). Affordable housing options during this period included the development of affordable housing for sale to middle- and low-income groups through the establishment of the housing provident fund system across the country in 1995 (Wang 2012:433). However, these options were largely aimed at providing housing options for the emerging middle class, and affordable housing developments were designed for those who met eligibility requirements and who could afford a mortgage either through a commercial bank or the housing provident fund, thus only benefitting those with steady and relatively high incomes. While underserved and underrepresented groups were not explicitly excluded, financial requirements meant that most could not afford to purchase commodity housing in the new market (Wang 2012:433).

Despite the emergence of a privatized housing market, public housing continued to account for the majority of housing in urban China up until 1998, when additional privatization reforms

were introduced and private home ownership replaced the practice of subsidized renting (Deng et al. 2015:17). The introduction of the official Resolutions on Continuing Urban Housing System Reform, Accelerating Housing Development (Yu 1999) in 1998 marked a turning point in China's urban-housing system, and also effectively signalled the official termination of the reformed housing system, as the central government officially forbid *danwei* work units from offering reformed housing to their employees. By the end of 1999, the provision and distribution of public housing by both municipal governments and *danwei* work units was ended (Wu 2002:95-6). From there on, the provision of housing in urban China was dominated by commodity housing on the open market.

The near-complete privatization of housing in the late 1990s was an important element of the national economic growth strategy (Wang 2012:424), and was promoted by the government as a key pillar of economic growth for the country (State Council 2003). From 1999 to 2011, the contribution of the burgeoning real-estate industry to the country's GDP increased 20 percent annually (NBS 2013). In terms of investment, the proportion of commodity housing increased from 50 percent in the late 1990s to about 85 percent in 2005. Conversely, the proportion of affordable housing decreased from 17 percent in 1999 to 2 percent in 2011 (Deng et al. 2015:11). As a result, the rate of private homeownership has skyrocketed from 10 percent in the early 1980s (Wang 1992) to 30 percent in 1995, more than 70 percent in 2000 (Lo 2013), and 85 percent in 2010 (Pan 2013). In urban areas, the rate is about 75 percent (Pan 2013). This was fuelled by the rapid growth of China's economy in the 1990s and 2000s and the subsequent emergence of a large and viable middle class. These same factors also contributed to escalating costs of residential housing. For example, residential housing prices in urban China

increased by about 10 percent annually between 2002 and 2008 (Wang and Zhang 2014:53), although this rate of appreciation varied across the country.

Despite the prominence of the private-housing market after 1998, aspects of the subsidized public housing system did not completely disappear (Logan et al. 2010:102). The two principle types of affordable public housing available to urban residents during this period consisted of subsidized home ownership and subsidized rental housing. With regards to the former, Economic Comfortable Housing (*jingji shiyong fang*) was the most prevalent. Formerly known as the Comfortable Housing Project (*anju gongcheng*), this program was launched in 1995 to create private-sector housing options (with government support) for low-income urban families, which were sold at cost. In 1998, the program adopted its current name and was revised with an emphasis on providing housing for both lower- and middle-income groups (Wu 2002:96). Economic Comfortable Housing is a nationwide program and is available in almost every city. While cities can customize the program in response to local conditions, the common feature is that units are sold at a heavily discounted price (subsidized by government) and that their property rights are conditional (Deng et al. 2015:14). The second type of affordable public housing, subsidized rental housing, consisted of two types: Low Rent Housing (*lian-zu fang*) and Public Rental Housing (*gong-gong-zu ling fang*). Nationwide, Low Rent Housing was introduced in 2003 and targeted low-income households that possessed local urban *hukou*. Public Rental Housing began in 2010 and has lower eligibility requirements and therefore a lower level of subsidy (Deng et al. 2015:14). Thus, after 1998, while there were several types of housing available in the city (Table 8.1), the majority of the urban population utilized three main types: government-provided/supported rental housing through Low Rent Housing or Public Rental

Housing; affordable housing through government-supported home ownership schemes like Economic Comfortable Housing; and fully priced commercial commodity housing (Wang 2012:434).

8.1 Types of Housing and Eligibility in Urban China

Type of housing	Eligibility
Commodity/Commercial Housing	Anyone can purchase at market price. However, only those with local urban <i>hukou</i> can qualify for bank mortgage loans
Economic Comfortable Housing	Local urban residents with low or medium income can purchase at subsidized price
Low Rent Housing	For rental to local urban residents with lowest income, living on government allowances, and with per-capita living area smaller than certain standards
Public Rental Housing	Similar to Low Rent Housing, but with lower eligibility requirements and lower subsidies
Private Rental Housing	Anyone can rent already-purchased commodity housing, already-purchased resettlement housing, and private housing
Reformed Housing	Sitting local urban tenants can purchase ownership from their work units and transfer on secondary housing market (with some exceptions). Can be rented out with permit
Resettlement Housing	Local urban residents being relocated from areas undergoing redevelopment can purchase at subsidized price (often lower-quality housing in a more remote location)
Source: Adapted from Wu and Rosenbaum 2008, with input from the author	

Research by the likes of Sato (2006) and Logan et al. (2010) suggests that housing inequality in urban China is strongly affected by state policies that give preferential treatment to insiders. When marketization was extended to the housing sector, the biggest winners were those who were favored under the previous socialist allocation system, as those who met criteria such as existing residence status, work unit administrative rank, and party membership received large discounts for housing purchased from the public sector (Logan et al. 2010:105). In addition,

marketization has increased the influence of economic factors such as income on housing access, as well as housing quality (Wu 2002:96). As a result, housing is now a barometer of rising inequalities in an increasingly marketized economy (Deng et al. 2015:17).

Beginning in the late 2000s, as a result of perceived inequalities in the housing market, urban-housing policy shifted from a single focus on the impact and contribution of the real-estate industry to the economy, to also reflect the government's broader societal goals such as sustainable urbanization (Deng et al. 2015:17). For example, since 2011, the central government has actively promoted policies to strengthen the urban social-housing system, including the availability of affordable housing, such as subsidized housing, low-income home ownership, and rental housing. This new direction aligns with the Party's objective of obtaining "a comfortable society" by 2020. One of the main indicators of this objective is housing and the ideal that "all people should have a place to live" (*zhuyousuoju*, 住有所居). This involves the promotion and protection of "Basic Housing Rights of all People" (Wang 2012:436), where "basic housing" should meet minimum standards in terms of health, safety, and convenience. Implemented and monitored by the Ministry of Housing and Urban-Rural Development, government-supported rental housing and housing benefits have been assigned a major role in this regard. For example, all units should have basic facilities such as kitchen, bathroom, and toilet; sufficient number of bedrooms to meet family requirements; reasonable refurbishment standards; and a supply of gas and electricity (Wang 2012:436). Another factor driving this shift toward social housing was the 2008 global financial crisis, which saw the central government begin to promote the development social housing, including government-subsidized rental housing and

affordable housing, in order to stimulate internal consumption, compensating for the decline in exports.

8.2.1 Urban Land Use and Ownership

While land in rural areas is owned collectively by rural peasant farmers, land in urban areas is owned by the state. As such, even though urban housing is now almost completely market-oriented, what is transacted in the market is the leasehold of land, through public auctions. According to the Law of the People's Republic of China on the Administration of the Urban Real Estate (NPC 2007), the local government has the authority to sell or allocate land-use rights to third parties, such as real-estate developers, or transfer them to companies owned by the local government (Koen et al. 2013:25), subsequently playing a key role in urban development. Since national tax reforms in 1994 centralized much of the national tax into the hands of the central government, the local state has relied almost extensively on the sale of rural land within its borders to fund local projects (Zweig 2013:3). Once the market in land-use rights was established, local governments quickly realized that the powers given to them under the Land Management Act meant that they could control the supply of development land in their administrative area (Koen et al. 2013:25). This includes building roads and schools, new government offices, as well as wasteful extravagance through "big eating and drinking" (*dachi dahe*, 大吃大喝) (Zweig 2013:3). Each year, the city government converts a certain amount of rural land, owned collectively by local farmers, to the urban land supply (Wang and Zhang 2014:55), which includes the re-development of urban villages. Land is a major source of social unrest in China, as demonstrated in the visible struggles over housing and the use of urban

space by migrants in urban villages in some cities (Wu and Wang 2014:786). It is estimated that about 50 percent of the 200,000 mass demonstrations that take place annually in China are triggered by land disputes (Zweig 2013:3). In urban centres, this typically takes place as a result of urban governments looking to appropriate and redevelop rural land, including the urban villages that are a primary area of residence for migrant workers.

8.2.2 Impact of Housing Reform on Migrant Workers

Housing reform has done little to benefit the millions of rural migrants working in China's cities (Wang 2012). In the 1990s, when commodity housing was heavily promoted as a means to spur economic development, migrants could buy a home in the city and receive a "blue print *hukou*," providing them with access to local social benefits. At that time, buying a house in the city became the most effective means of changing their *hukou* status. However, this program was predominantly used by urban-urban migrants, as climbing real estate prices during this period meant that most rural-urban migrants lacked the financial capacity to purchase a home in the city. Furthermore, migrants without local *hukou* had no access to affordable-housing schemes such as Economic Comfortable Housing or the housing-provident fund since they were ineligible for local bank mortgages.

It was not until 2010, when the Public Rental Housing scheme was introduced, that the government suggested including "new workers and migrant workers who have stable employment and already lived in the city for a certain number of years" (Deng et al. 2015:15). Before this, no effort was made to accommodate the housing needs of the growing rural-urban migrant population (Deng et al. 2015:15). Moving forward, all of the provision and maintenance

of subsidized rental housing will be in the form of Public Rental Housing, operated by the local Public Rental Housing Corporation. Public Rental Housing corporations are local government agencies and have a substantial autonomy. They can attract funds from both the governments and the market. The responsibility to implement the universal “right of basic housing” for poor and low-income families, including migrants, has been placed on municipal governments. The central government has encouraged municipalities to develop regulations for the allocation of subsidized rental dwelling under the Public Rental Housing system, as well as rules for determining the different levels of housing subsidy, based on the income level of the household and affordability criteria (Deng et al. 2015:15). Under this model, local governments determine the regulations on the application requirements, process and waiting rules for migrants.

This is a burden on local governments, as the programs require large government financing, often more than some governments can afford. In addition, governments are reluctant to release specifics of the program to migrant workers because they cannot get that amount of revenue from the migrant workers directly in return. Governments face an added difficulty in defining qualified migrant workers, including how long they have worked in the city and whether they have stable jobs. The current huge demand for these affordable houses from local residents is another problem. If the local government cannot meet the need for subsidized housing from local urban poor, then it will be difficult for them to accommodate migrants as well (China Daily April 12, 2013).

The Public Rental Housing scheme is intended to provide a solution to the housing needs of migrant workers. The central government has stated that by the end of 2013, all city-level

municipalities should include migrant workers that have stable employment and meet certain eligibility criteria into their local affordable housing plans (Deng et al. 2015:15). This initiative has already been implemented in several large municipalities, but early evidence suggests that it is providing little benefit for rural-urban migrant workers. For example, a 2011 investigation by Wang and Li looked at eight municipalities that had adopted the program and found that all but two of them required a local *hukou* in order to be eligible (Wang and Li 2011), meaning that rural-urban migrants were ineligible from the outset.

8.3 Migrant Housing in Urban China

Unlike healthcare, whose concerns many migrant workers are able to delay or adopt alternative coping strategies, housing is something that newcomers to the city cannot avoid. In the early years of reform, many migrants were able to rent low-cost traditional housing in rundown neighbourhoods within city centres. However, in recent years these neighbourhoods have been gradually redeveloped in most cities. Due to the increased land value in city centers, even the most dilapidated areas have been replaced by new office blocks and modern apartment buildings (Wang 2012:430). Subsequently, many migrants now find themselves living on the outskirts of the city where employment and cheap rental housing is available, or in dorms or temporary housing offered by their employers (Wang and Zhang 2014:58). In most large Chinese cities, the urban peripheries are now the primary receiving areas for migrants. Research suggests that once migrants arrive in the city, that they remain more or less stationary. While the frequency of their intra-urban mobility is on par with that of local

residents, their mobility trajectories are much more spatially confined, and when they do change residences, they often do so within the same general geographic area (Wu 2010:23).

Most migrants cannot afford to buy homes in the city. This is primarily the result of a dramatic rise in housing prices since the late 1990s. Despite having lived in the city for a prolonged period of time, the majority (79 percent) of migrants in China's large cities are renters (Wu and Wang 2014:788). Typically, rural-urban migrants have three options when it comes to renting accommodations in the city (Li 2004:24-25). The first is to rent or sublet housing owned by local residents in China's "urban villages" (*chengzhongcun*, 城中村), which have emerged as one of the main destinations for migrants, as well as other segments of the urban poor. The second is to live in dormitories or temporary accommodations provided by employers. This type of residence is often offered by construction companies or manufacturing enterprises, or by public-sector institutions such as universities. The third is to live with urban residents as in-house domestic workers, such as housekeepers or caregivers for children or the elderly. Alternatively, migrants have the option of renting or buying houses directly on the open market. Compared to private market rentals, commodity housing purchased on the market is typically newer, larger, and of higher quality. However, commercial commodity housing, the only real property sector open for migrant ownership, is not affordable for the majority of migrants. Compared to local urban residents, the level of homeownership for migrants is very low. While the majority (about 80 percent) of urban residents own a home (Wu and Wang 2014:787), this is the case for only about 9 percent of rural-urban migrants (Wang 2013b:30). Priced out of the housing market, the majority of migrants rent, either in urban neighbourhoods or in urban villages, those locations where cheap housing is available (Wu

2002). In Xi'an, while there are a variety of migrant housing types, private rental housing accommodates the largest number of migrants (65.3 percent). Other popular migrant housing types include *danwei* provided free accommodation (13.9 percent) and the rental of *danwei*/employer housing (6 percent) (Table 8.2). In Shaanxi province, 79 percent of migrant workers rent private accommodations, 5.7 percent rent *danwei* housing, 5.0 percent live in *danwei* free employer provided housing, 5.3 percent live in their own privately owned dwellings, and another 0.2 percent live in government-subsidized affordable accommodation (Wang 2013:126).

8.2 China Migrant Accommodation by Type

While the majority of rural-urban migrants are priced out of the housing market, there have been moderate ownership gains made over time by other segments of the migrant population, primarily urban-

Type of Housing	Percentage
Rent private accommodation	65.3
<i>Danwei</i> -provided free accommodation	13.9
Rent <i>danwei</i> /employer housing	6.0
Self-owned housing	9.0
Workplace accommodation	3.8
Other informal accommodation	2.8
Government-subsidized affordable housing	0.3
Source: Wang 2013b:30-31	

urban migrants. In fact, urban migrants are on par with local urban residents in housing space and, to a lesser degree, homeownership. For rural migrants, their gains are noticeable – from less than 1 percent to around 9 percent, but their housing attainment remains far lower than urban-urban migrants (52 percent), and the gap has widened over time (Wu and Wang 2014:788).

8.3.1 China's Urban Villages (*Chengzhongcun*)

The deficiency in available and affordable urban housing is a big issue for migrants. They typically do not have access to affordable public housing, and they generally cannot afford the

cost of housing in the formal rental or real-estate markets. As such, many migrants rent informal accommodation in urban villages (*chengzhongcun*, 城中村), which are very common phenomena in all large cities in China (Wang et al. 2009; Wang 2012).

Urban villages refer to segments of rural land that were formally on the outskirts of a city but that have since been enveloped by the city as its urban borders have expanded outwards. Because of the different legal status between villages (owned collectively by villagers) and urban land (owned directly by the state), local governments initially found it difficult to annex these villages (Stokols 2013a). As such, these communities can be regarded as rural “islands” physically located within the boundaries of the city. Because of their rural designation, the local residents of urban villages have rural *hukou* status, meaning that they have land rights (i.e. they can own the land) and that they are also exempt from the building codes and regulations that govern the rest of the city. Many of the original residents have abandoned their agricultural roots and now make their living by renting out their properties to migrant workers, who often cannot find a cheap housing anywhere else in the city (Wu and Rosenbaum 2008; Stokols 2013a). This form of rent-seeking is widespread and has evolved into a highly responsive and generally lucrative practice in urban villages.

The formation and growth of urban villages is directly attributable to the absence of other viable housing options for migrants. They have become an informal housing market that has emerged in response to the enormous demand for affordable urban housing by rural-urban migrants, and that fills a gap left between the commercial market and government initiatives. The expansion of urban villages has largely been driven by market forces (demand from rural-

urban migrants, supply by villagers) but is fundamentally rooted in institutional deficiencies that arose as a result of market transition. Whether deliberate or not, one of the consequences of this is that urban economic growth has benefitted by the presence of cheap labour that is supported by this informal market (He et al. 2010:675). Thus, the affordable housing for rural migrants supplied by urban villages has become one of the important elements of China's urban growth and has solved a key issue in urban housing policy by providing affordable accommodations for rural migrant workers (Song and Ding 2008). If urban villages were not there, something would have to replace them. Given the state's strong control over land in China, this would inevitably mean subsidized low-cost housing and higher-cost urban growth. The state, therefore, tolerates the emergence and development of urban villages to maintain the low-cost growth pattern (He et al. 2010:675). In a sense, urban villages have absorbed part of the potential social instability caused by rapid urbanization and the city's immense demand for cheap labour from the countryside.

While urban villages are typically perceived as homogeneous, low-income neighbourhoods characterized by disorder and crime, as well as low-quality and high-density housing, differentiation within urban villages has emerged among residents who possess different quantities and types of capital, rights/entitlements, skills, and other assets (He et al. 2010). As the housing market has continued to grow, the lack of adequate housing has expanded to include other segments of the local urban poor. For example, as one local official in Xi'an noted, "it isn't only migrants who live here. Urban poor, recent graduates, and college students often live here too if the village is close to a university" (Interview 7:3).

Even though urban villages fill a gap in the housing market and contribute to low-cost urbanization and construction in the city, in many cities across China, these communities are under threat, as local governments seek to appropriate and redevelop the land possessed by urban villages. Typically, this involves demolishing villages, compensating and resettling local “peasants” and auctioning lands to real-estate companies to convert the sites into commercial housing (Song and Ding 2008). While this practice compensates the local residents of urban villages, it does not provide support to the many migrant workers who live there. This may not only negatively impact the livelihoods of migrant workers by removing one of the more affordable housing options, but also indirectly impacts the low-cost growth model of urban development, increasing the costs for local government to provide housing options for migrants.

8.3.2 Migrant Housing Conditions

Overall housing conditions in Chinese cities have improved immensely since the beginning of reform. For example, the average housing floor space per person has increased from about 3 square meters in the late 1970s to over 30 square meters (Xinhua 2012, August 31). However, the distribution of housing has become extremely uneven, and a considerable number of lower-class families live in relatively worse conditions (Wang 2012:430). The situation is especially grim for rural-urban migrants.

Compared to local urban residents, the housing conditions of rural-urban migrants are very poor. It is common for migrants to live in dwellings that also serve as shop floors or other purposes, in addition to serving as residences, lacking both kitchen and bathroom facilities, and

are poorly constructed and potentially unstable, such as temporary dormitories erected on construction sites (Wu 2002:105). For example, based on a study of five large Chinese cities, Park and Wang (2010) demonstrate that migrants live in smaller dwellings and have fewer amenities than local residents. They found that the average area of housing per capita for rural-urban migrants was 9.9 square meters, compared to 18.4 square meters for local residents. They also found that migrant housing is much less likely to have accessible drinking water, sewage systems, and heating (Table 8.3). Similarly, rural-urban migrants also fare poorly when compared to urban-urban migrants, whose housing conditions are more or less on par with local residents.

8.3 Comparison of Housing Conditions of Local Residents and Migrants in China

	Local resident workers	Migrant workers (rural and urban)	Rural migrant workers	Urban migrant workers
Housing conditions (Shanghai, Wuhan, Shenyang, Fuzhou, Xi'an)				
Size (square meters)	18.4	10.7	9.9	15.2
Drinking water (%)	98.9	78.1	75.1	94.1
Toilet (%)	88.2	45.5	40.4	73.2
Heating (%)	61.7	31.8	27.4	54.8
Source: Adapted from Park and Wang 2010:19				

Even though migrants typically endure the worst living conditions, slums and shantytowns are largely absent in urban China compared to many other parts of the world. The closest comparison is the urban villages. Because urban villages do not fall under the jurisdiction of the larger city that envelopes them, they rarely have the same level of public utilities that are available in the rest of the city. This includes access to plumbing, heating, and sanitation. Since many migrants congregate in these communities, it is not surprising that they lack these amenities. Within urban villages, it is not unusual to see open sewage running through these

communities, or to see garbage and refuse piled outside of living spaces (Wei 2007:4). As discussed in Chapter 7, the poor quality of migrant living conditions makes them more susceptible to communicable diseases and other physical and mental health problems.

Even within urban villages, there are clear signs of housing stratification between local villagers, urban *hukou* holders, and rural migrants. These disparities exist in terms of average housing size, housing quality, and satisfaction with housing conditions. On all three measures of housing conditions, local villagers are at the top, followed by urban *hukou*-holders, with rural migrants bringing up the rear. Overcrowding is a feature of migrant housing in urban villages, with each person using only about a third of the space occupied by a typical urban resident. For example, one study found that the ratio of average housing size between urban *hukou*-holders and villagers is 1:1.7, and 1:3 between migrants and villagers (He et al. 2010:681-2). Furthermore, within urban villages, rural migrants generally pay the highest rents while enduring the poorest housing conditions.

Some researchers suggest that migrant housing conditions are a function not only of low income but also of a reluctance by migrants to spend their earnings in the city, and that migrant workers consider the city as a temporary place to work rather than a place in which to live (Zheng et al. 2009). However, as discussed in Chapter 4, the length of stay in the city is steadily increasing, and the intentions of younger migrants are increasingly focused on the city as a place to live permanently. As such, housing conditions are increasingly important factor in the ability of migrants to integrate into the urban environment. Evidence from other developing

countries, as well as the current situation in China, shows that poor housing conditions are likely to funnel migrants into becoming part of the urban underclass (Wu 2013:22).

8.4 The Xi'an Housing Market

8.4 Xi'an City Geographic Regions

Xi'an's housing market has changed considerably over the course of the reform period, both in terms of housing type as well as the spatial configuration of the city. Much of this change has occurred since the 1990s, after the

Preservation zone for Han dynasty relics	Economic development zone and the new City Hall	Ecological protection zone
Electronics City (<i>dianzi cheng</i>)	Old City (city centre)	Textile City (<i>fangzhi cheng</i>)
High-tech R&D zone	Cultural, education and research zone	Qujiang new district
Source: Adapted from Zhou et al. 2014:70		

acceleration of economic reforms and the introduction of the Western Development Strategy in 2000, which identified Xi'an as a preferred growth pole for the region, and subsequently served to drive local economic development, urbanization, and migration. The city of Xi'an is unique in that it is one of the few large cities that still has its ancient walls (built in the 14th century) that enclose the old city. Today, this region constitutes the downtown core, and is spatially located directly in the middle of the city. Prior to the 1990s, this was the political, economic, cultural, and population center of Xi'an. To the west and to the east of the centre are two old industrial zones: Electronics City (*dianzi cheng*) and Textile City (*fangzhi cheng*), respectively, which were formerly home to large concentrations of state-owned electronics and textile factories, as well as *danwei* work units. To the south of the old city is the main education and research district of the city, which is home to many of the city's post-secondary institutions (Zhou et al. 2014:70), including Xi'an Jiaotong University. During this time, the city landscape was largely dominated by Soviet-style low-rise or mid-rise buildings and self-contained *danwei* compounds that

housed the workers of state-owned enterprises and public institutions (e.g. universities). Together, these four zones were home to the majority of the city's population (Figure 8.4).

However, since the acceleration of economic growth in the city since the 1990s, the spatial structure of Xi'an has changed dramatically. The local government has since developed new zones to the north, as well as to the southwest and southeast of the old city (Figure 8.4), complete with numerous high-end residential gated communities, high-rise apartment buildings, office towers, man-made lakes, and tree-lined parks (Zhou et al. 2014:70). The shuttering of many state-owned enterprises over the last 20 years has led to the dismantling of numerous *danwei* compounds in Xi'an, particularly in the west and the east. As a result, many of the *danwei* compounds have descended into poverty, with run-down public facilities and few employment opportunities, which has forced many workers and their families to search beyond their respective original *danwei* compounds for employment and housing (Zhou et al. 2014:70).

Furthermore, many of the urban villages that formerly existed in the new zones have disappeared and have been replaced by modern urban landscapes complete with large governmental buildings, high-rise apartments, office towers, box-like factories, parks, squares, and cultural and entertainment facilities. This is particularly so in the areas south, southwest and southeast of the city centre (Zhou et al. 2014:70).

While Xi'an as a whole has experienced significant population growth since the 1990s, this has been sporadic and spread unevenly across the city. Since the 1990s, population has increased in both the city centre, adjacent urban and suburban areas, but growth in suburban peripheral regions is growing more quickly (Yao and Zhang 2005). For example, housing in the regions to

the south of the old city is in high demand and thus expensive. Furthermore, with the relocation of Xi'an City Hall and the Chinese Communist Party's Xi'an Branch headquarters to the north of the old city, new dwelling units in the north and in the northeast have also become increasingly popular (Zhou et al. 2014:70).

The emergence of the housing market has contributed to a new pattern of residential differentiation and spatial distribution, which is largely influenced by the income of workers/residents in Xi'an. As one of the most important economic, education, and cultural hubs in northwest China, Xi'an has attracted a large number of middle- and upper-class white-collar workers, and this is fuelling a healthy demand for housing, in particular high-end residential housing. Moving forward, as a result of the city's flourishing economic growth, including its high-tech and financial services sectors (see Chapter 4), this is expected to continue to sustain the growth of the high-end residential market in Xi'an (Lasalle 2014:16). Wang and Feng (2009) suggest that Xi'an's housing market is mature and that home buyers in Xi'an prefer certain regions based on neighbourhood quality more than proximity to the city centre, which used to be regarded as the most important factor in choosing a home in Xi'an. Improved road transportation infrastructure, rising car ownership, the development of a subway system in 2011, and new multifunctional centers in the new zones have jointly reduced the attractiveness of the old city (Wang and Feng 2009). Today, Xi'an's high-income population clusters in areas to the south of the city centre, in particular in the High-tech R&D zone and the Qujiang new district. By the end of 2013, there were about 60,000 high-end residential units in Xi'an, primarily located in the regions of the City Centre, Hi-Tech Zone and Qujiang (Lasalle 2014:21).

Prices in China's housing market increased rapidly across the country in the late 2000s, including in the city of Xi'an where housing prices appreciated at a rate of 0.49 between 2002 and 2009 (Wang and Zhang 2014:60). Nonetheless, compared to other large cities in China, average commercial purchase and rental prices in Xi'an are among the lowest (Logan et al. 2010:108). Seen as a potential threat to urban social and economic stability, after 2010, the government took several macro-control policies to promote the orderly development of the housing market, which to some extent had a positive impact on curbing speculative demand, reducing price growth and balancing supply and demand (Yang and Zhang 2013). However, oversupply remains a severe problem in Xi'an, as it does in many Chinese cities. At the end of January 2015, Tianjin topped the list of real-estate inventory with 21.92 million square meters, an increase of 11.5 percent year on year, but Xi'an was not far behind, with total housing stock of 20.20 million square meters, and a year-on-year increase of 12.7 percent (Chiecon 2015).

8.4.1 Migrant Housing in Xi'an

Geographically, only 1 percent of Xi'an's rural-urban migrants live within the walls of the city centre. Similar to many other Chinese cities, the majority of Xi'an's rural-urban migrants have established themselves on the periphery of Xi'an's urban area. While a sizeable number (29.7 percent) live in the region between the city walls and the second ring road, the largest proportion (57.4 percent) resides between the second and third ring road, and another 11.9 percent live on the extreme periphery beyond the third ring road (Zhou 2010:25). Having arrived in the city, migrants remain mobile. While 11.6 percent of migrants have never moved, most (52.8 percent) have changed residences within the city between one and three times, and

another 35.6 percent have moved at least four times or more since arriving in Xi'an (Zhou 2010:27). With so few migrants residing in the city centre, it is evident that most of this movement occurs on the periphery of the city. This residential pattern aligns with the distribution of industry in the city and the low-skilled, labour intensive jobs that attract high volumes of migrant labourers. As discussed by one local official,

“In Xi'an, now factories cannot be built inside the third ring road. We are now in the process to trying to relocate all of the old factories outside of the city. In some cases we give them land to relocate, like to Jing Wei New City (*jingwei xinchengqu*, 泾渭新城區) on the edge of the city. The future plan is to turn that area into an industrial park. We give these companies policy support to help relocate, such as providing tax relief, free land, money to relocate. We give them lots of benefits. The goal is that in five years, to have all industrial production moved beyond the third ring road” (Interview 7:2).

Nearly half (42 percent) of migrants desire to stay in Xi'an on a permanent basis. The main reasons for wanting to live in Xi'an permanently include: employment opportunities (31 percent); better education for their children (30 percent); and because they enjoy the urban lifestyle (21 percent) (Zhou 2010:42). Similarly, 44.3 percent of migrants in Xi'an would like to buy a house. While the desire is there, the main reason for not doing so is because of the associated cost of purchasing on the open market (57.7 percent). Another 13.5 percent do not seek to purchase real estate in the city because their employment is not steady enough. Notably, 15.4 percent do not buy housing in Xi'an because they already have property in their

home villages (15.4 percent), suggesting that temporary and cyclical migration still makes up a sizeable portion of Xi'an's migrant population (Zhou 2010:43).

As displayed in Table 8.5, the situation in Xi'an is similar to that found in other cities across China, and the vast majority (87.1 percent) of rural-urban migrants live in informal rental housing, at a rate even higher than the national average. This figure includes both private-market rentals as well as rentals in the informal housing market found in Xi'an's urban villages, but the majority (75 percent) of migrants rent informally, as evidenced by the fact that most do not sign a formal rental contract with their landlord (Zhou 2010:26), but come to verbal agreements on issues ranging from price to duration. Very few rural-urban migrants in Xi'an own their own homes. Only 2.6 percent have purchased housing, and another 0.2 percent have built their own housing. This is much lower than the 9 percent of rural-urban migrants who own houses nationally. Notably, only 0.1 percent of Xi'an's rural-urban migrants rent government-subsidized cheap affordable housing (XJTU 2013:40-41). Furthermore, if you add up the proportion of Xi'an's migrants who live in other types of public, subsidized or free housing, this amounts to only 10.1 percent of the population.

8.5 Migrant Housing in Xi'an by Type (%)

Employment status influences the type of housing that migrants in Xi'an are able to procure. For example, of those who have purchased commodity housing, nearly half (41.3 percent) are self-employed. As

Private rental	87.1
Rent <i>danwei</i> or employer housing	2.9
<i>Danwei</i> or employer free housing	2.4
Self bought housing	2.6
Self constructed housing	0.2
Onsite workplace housing	3.3
Government subsidized affordable housing	0.1
Other	1.4
Source: XJTU 2013:41	

discussed in Chapter 6, this category of migrant on average generates higher income than other

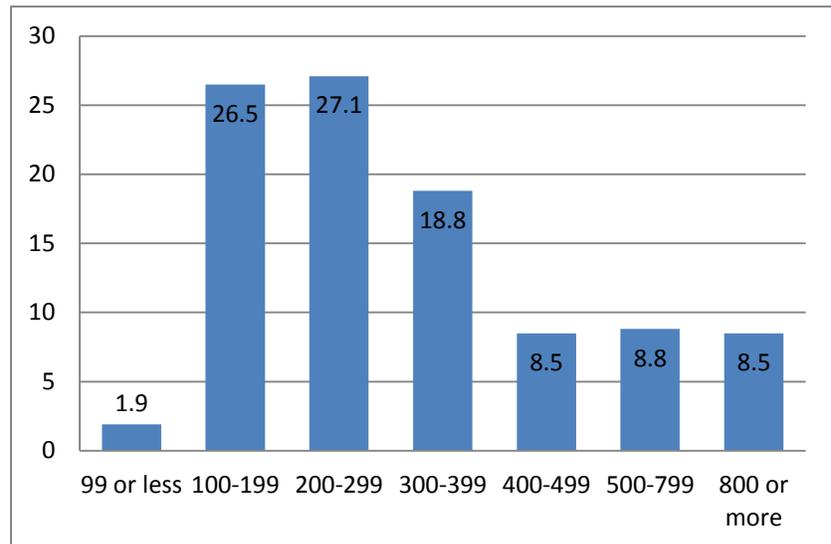
employment groups. On the other side of the spectrum, of the 2.4 percent who reside in free *danwei* or employer housing, almost all of them (95.7 percent) are *danwei* employees (XJTU 2013:42).

The average cost of rent in Xi'an for migrants is 328.4 RMB per month, with the largest proportion (27.1 percent) paying between 200-299 RMB per month (Figure 8.6). With the median monthly income for Xi'an's migrant population hovering around 2,000 RMB (see Chapter 5), this represents about 16 percent of the average migrant's monthly income.

Conversely, for urban residents in Xi'an, the proportion of consumption dedicated to housing has decreased, from 11.23 percent in 2000 to 7.82 in 2013 (Xi'an City Stats 2014:37).

8.6 Xi'an Migrant Worker Rental Fees (%)

While typically viewed as a southern China phenomenon, urban villages can be found in most Chinese cities, including Xi'an. According to local statistics, by the end of 2008, there were around 72 urban villages in Xi'an (He et al.



2010:679). Affordable rental options (e.g. rental houses, dormitories, hostels) for migrant workers are widely available in Xi'an's urban villages, and are in heavy demand. Some of these options, such as shared dormitories, cost as little as 5 RMB per night (WantChinaTimes 2012).

Compared to other large cities in China (e.g. Kunming, Guangzhou, Wuhan), Xi'an's urban

villages are more dilapidated and less developed, providing lower-quality housing for the migrant population (He et al. 2010:687).

One of the more well-known urban villages in Xi'an is Bali Village. Named after its distance 8 (八, *ba*) *li* (里, a unit of measurement, equal to about 500 meters) from the south gate of the old city, the village is located on the city's main north-south boulevard, Chang'an Road. In Bali Village, there are about 60,000 residents in an area of about 1.5 square kilometers. This is a density of about 40,000 residents/sq. kilometer, a measure that is higher than the average density of Mumbai, the world's most dense city. Most of the residents are rural-urban migrant workers who have been priced out of other parts of the city and who live in the village's many dormitories, hostels and guest houses (Stokols 2013b). Of the more than 60,000 residents, only about 3,000 (or 5 percent) are "permanent residents" with local *hukou*. The rest are migrants with no legal status in Xi'an (Stokols 2013a). Most of the original residents make a decent living renting units out to migrant workers (Stokols 2013b). For example, in Xi'an, local village residents can make up to 400 RMB a month renting out a house, and nearly 1,800 RMB a month by converting their property into a dormitory-style hostel, filled with as many beds as possible (WantChinaTimes 2012). As described by a local expert,

"The original villagers in these areas, they may have started out with a homestead of maybe 100 square meters for their family. But now, they have built up these properties into maybe 1,000 square meters. Many of them don't even live there anymore, but just rent out space to migrant workers who need a

place to stay and who want cheap rent. In Xi'an, if you were to rent a normal residence suite, it could cost a 1,000 yuan a month. But many migrants are content to live in poorer environments for 200 or 300 yuan a month. Many of these rooms are very small, and the original villagers have divided up their dwellings into many small rooms of ten or a dozen square meters" (Interview 7:3).

The original villagers of these communities constitute a unique population group. According to one university researcher,

"Now we have developed a new term called the 'demolished second generation' (*chaierdai*, 拆二代). This group has a privately owned home in an urban village or in the suburbs. Once the government comes to demolish and redevelop this area, they will be provided with a lot of compensation, either cash or equivalent housing in a new development. Lots of urban peasants and farmers in the vicinity are reluctant to give up their status because of this" (Interview 21:5).

Despite being one of the primary sources of affordable housing for the city's rural-urban migrant population, Xi'an's urban villages are under threat. The local government has plans to demolish and rebuild most of the city's urban villages and relocate residents to formal resettlement housing (Stokols 2013a). The Xi'an government has been very active on this front. For example, according to official records, in 2012, 7,063 rural households had their dilapidated houses transformed, and in 2013, housing was transformed for another 4,205 rural households

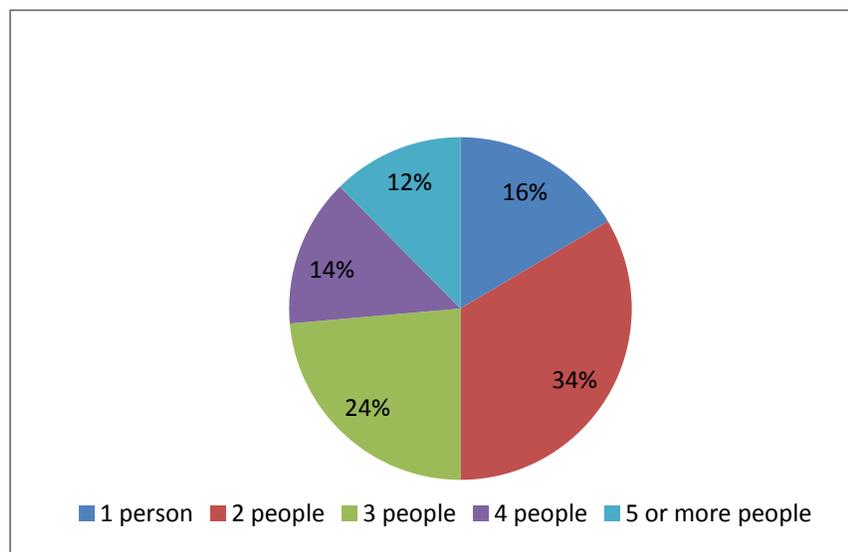
(Xi'an Municipal Government 2013, 2014). As one local academic mentioned, before 2008, “there was a village just across from Xi'an Jiaotong University too, but now the transformation and redevelopment is complete, and the village is all gone” (Interview 6:3). The destruction and redevelopment of Xi'an's urban villages was further elaborated upon by a local public official:

“Xi'an has very few villages left. In my region (Beilin), I don't remember the exact figure of how many there used to be, maybe 40? But now there are only a dozen or so. And, we are currently in the process of further transformation. We can say that in the next few years that maybe the villages will be completely gone. Recently, we just demolished four villages within a two or three month span. The other regions in Xi'an will also likely finish transforming the villages in their regions within a few years as well” (Interview 7:3).

While plans have been laid to compensate and resettle those with local *hukou* who own property in these villages, little attention has been given to what will happen to the migrant population. As urban

villages closer to the city centre are gradually rebuilt, it is likely that migrants will be pushed further towards the periphery of the city.

8.7 Number of People in Migrant Housing



Contrary to descriptions of numerous migrants huddled together in small rooms, in Xi’an, the number of migrants who live in shared accommodation is relatively low. Nearly three-quarters (74 percent) live in dwellings with three people or less (Figure 8.7), and the average number of people per dwelling is 3.19. Furthermore, over half of all migrants in Xi’an (52.28 percent) live only with family members, and a full quarter (25.08 percent) of migrant households are composed of families made up of spouses and at least one child (Zhou 2010:32).

The size of migrant dwellings in Xi’an is relatively small compared to their urban counterparts. The average size of migrant housing is 23.98 square meters. With an average of 3.19 people per dwelling, this works out to an average of 7.52 square meters per person (Zhou 2010:32-33). However, most migrants (58.8 percent) live in dwellings that are smaller than the average, between 10 and 20 square meters in size. Conversely, the per-capita total building area of urban residents’ housing has increased considerably in Xi’an over the last two decades, from 13.05 square meters in 1995 to 33.43 square meters in 2013 (Xi’an City Stats 2014:30-31).

8.8 Migrant Housing Amenities (%)

For the most part, migrant dwellings are equipped with running water (91.6 percent) and electricity (95.5 percent), but most do not

	Private facilities	Shared facilities	No facilities
Kitchen	21.7	19.8	58.5
Bathroom	21.5	34.9	43.6
Shower	11.8	16.0	72.3
Source: Zhou 2010:33			

have heat (87.1 percent) (Zhou 2010:34). However, 58.5 percent of migrants do not have a kitchen, 43.6 percent have no bathroom facilities, and 72.3 percent have no shower (Table 8.8). While overall housing in Xi’an is generally of lower quality than many other large Chinese cities (Park and Wang 2010), the municipal government continues to make strides to increase the quality of housing conditions in the city. For example, in 2013 a total of 32.43 million square

meters of heating supply was added, and another 200,000 households had access to natural gas in their homes (Xi'an Municipal Government 2014).

Compared to local residents, migrant living conditions are relatively poor. For example, as one local expert noted, "Obviously, the living conditions there are very poor. For example, look at workers who live on construction sites. You can see that they sleep on the floors of the lobbies of semi-constructed buildings" (Interview 20:4). Despite lacking certain amenities available to the majority of urban residents, migrants in Xi'an are more or less content with their housing conditions, including housing quality, amenities, size, safety, convenience of location and cleanliness. As one local subject matter expert noted, "Of course living conditions are generally poor, but I think they can be tolerated because compared to rural areas, migrants are making higher incomes in the city" (Interview 9:3). Their primary area of discontent is in the price of rent, and 40.2 percent are unhappy or very unhappy with the cost of rent (Zhou 2010:36-40). When deciding where to live, the most important factor is cost, followed by location, and then transportation (Zhou 2010:40-1). This was corroborated by a local researcher, "migrants want to live in places that are cheap, and that are close to their place of work. As well, they want to live where other migrants are too" (Interview 3:3). Furthermore, "once migrant workers arrive in the city, they want to live near their place of work, because they want to save money on transportation costs. In addition, they do not have particularly high conditions for housing requirements. Some will live together in a group so as to save money, and also to take care of each other" (Interview 6:4).

8.5 Key Factors Affecting Housing Social Exclusion in Xi'an

The previous sections looked at China's urban housing system, urban housing in Xi'an, and how migrants are excluded from local urban housing in Xi'an. Based on a review of local policy, relevant secondary research, and my interviews with migrant workers, experts and local government officials, this section looks more closely at the formal/legal and informal/social factors, and achieved and ascribed characteristics that contribute to the social exclusion of Xi'an's rural-urban migrant population in the area of housing.

8.5.1 Formal/Legal Factors

Urban housing exclusion and inequality in Xi'an is strongly affected by state policies that give preferential treatment to insiders. This includes central government policies such as the *hukou* system, as well as local municipal government policies, and how these central and local policies are implemented on the ground. Formal/legal processes of social exclusion are significant because they contribute to directly limit the housing options of migrants in the city.

The impact of *hukou* status is interesting in this regard. On the one hand, migrant rights to housing are legally restricted by institutional factors such as the *hukou* system. In theory, while migrants may purchase commodity housing on the open market, the cost of housing may necessitate a mortgage, but bank mortgages are only available to residents with local *hukou* (Wu 2004). Research suggests that mortgages are becoming increasingly popular finance vehicles for home ownership, even though they only make up about one third of all home purchases. In this regard, personal savings and family contributions are used most often to finance a home purchase (Li 2010). As such, the *hukou* system is seen as presenting an institutional hurdle to home ownership as a result of migrants having rural status. By looking at

the variation that exists among different types of *hukou* holders within the migrant population, evidence suggests that those with urban *hukou* (urban-urban migrants) are more likely to own homes than those with rural *hukou* (rural-urban migrants) (Wu and Wang 2014:792). In general, these urban-urban migrants have fared well in the housing market, sometimes even better than local urban residents. This suggests that it is not migrant status itself that excludes migrants from urban housing, but that it is the continuing state policy of distinguishing between urban and rural registration that has placed rural-urban migrants with rural *hukou* at a severe disadvantage (Logan et al. 2010:115). Thus, many migrants cannot, or choose not to, make the transition from renters to owners, even if they have lived in the city for years and have no intention of leaving. While the central government has recently loosened mortgage requirements to migrants in the country's smaller county-level cities or towns in China, this has not been the case in larger cities where rural migrants desire to live and where they have concentrated. In large cities such as Xi'an, the authority remains with the local government to tinker with *hukou*-related reforms, according to local conditions.

On the other hand, with the maturity of the private housing market, the *hukou* system is no longer an automatic barrier to urban home ownership. Recent results by Tao et al. (2015) suggest that migrants do not regard local *hukou* as an important determinant of housing decisions. This was supported in the responses from my interviews with migrants, who expressed relative indifference towards the impact of *hukou* status on ownership and rental decisions. As one migrant that I spoke to said, "we bought a house after a few years (in the city). Some houses you need a local *hukou* to buy, some you do not. Generally, if you have the money to afford it, you can find a way to buy it" (Interview 35:7). Another migrant home-owner

that I spoke with said: “Buying a house was not easy. There were lots of steps and it was very difficult” (Interview 19:6). Furthermore, subject matter experts in Xi’an were quick to note that rural *hukou* registration is considered by many migrants as a benefit because it provides them with legal rights to land ownership in rural areas. As one expert said, “from the perspective of the *hukou* system, they do not want local status because they would have to give up their land in the countryside” (Interview 12:4). The private ownership of rural land provides several economic advantages as rural residents can rent it out, or use it as an investment stock, or sell it during opportune moments. Furthermore, it acts as a social safety net should their experience in the city not work out. As explained by one expert, “in a sense, the rural *hukou* is worth more than the city *hukou*, because a rural household will have their own land. They can contract this out to other farmers, even if they are not there, and get income every year. If their piece of land is bought by the government for urbanization or regional development, then they can make a lot of money that way too. They can also go to the city as a worker, and if it does not work out, they can always return home” (Interview 18:3). This was substantiated by one migrant worker who said, “I have land in the countryside that has apple and pear orchards. I will go back there after my child is finished school” (Interview 24:1). Another researcher elaborated, providing an example based on an interview that they had conducted recently as part of their own research, saying,

“There are some migrants in Xi’an, such as renovation workers doing masonry or carpentry, whose incomes can be up to 10,000, which is far more than an ordinary person in Xi’an. They can either return home to their village, or melt into city life. One thing that they have in their hometown is land, and many

migrants do not want to lose the land. Land represents a mode of production, but also a way of life. Now, with the market economy, they choose to work in the city, but also want to keep their land because it might have great economic value in the future” (Interview12:3-4).

As such, *hukou* status would seem to not be an important factor in preventing migrants from accessing or purchasing housing in the city, a view that is supported by the data above on why migrants do not purchase housing in the city. This perspective is supported by recent research by Tao et al. (2015), who demonstrate that the role of *hukou* in migrant housing choices is declining. However, where *hukou* status does limit opportunities to rural-urban migrants is in the affordable-housing sector. As described above, the vast majority (87.1 percent) of migrants in Xi’an are renters in the formal or informal housing market, and only 0.1 percent of them live in government-subsidized public housing. This suggests that the urban housing reforms that have been gradually implemented during the last two decades have overlooked the needs of the migrant population. Urban citizens enjoyed advantages during the reform period that were unavailable to migrants. For example, when financing new home purchases, they can lean on benefits obtained before the housing reform, such as purchasing previously freely provided public housing at a large discount. These benefits did not apply to rural migrants as they were never part of urban public housing and who did not have local urban *hukou* (Wang and Murie 2000). More significantly, migrants cannot acquire either the use right or ownership of municipal and work-unit public housing directly because only sitting tenants (local urban residents) can do so. Similarly, local urban *hukou* continues to be an important qualification for affordable housing, as affordable rental units under the Economic and Comfortable Housing

and Public Rental Housing schemes are reserved for local urban residents only. Thus, as a result of its association with *hukou* status, housing remains difficult to attain for migrants, even after significant reforms in the urban housing sector (Wu and Rosenbaum 2008:250).

The issue of affordable housing is an important one for migrants in Xi'an. As noted above, cost is the number one concern of most migrants when determining where to live. Following the central government's directive to promote and expand the Public Rental Housing system, the municipal government of Xi'an has made a number of efforts in recent years to develop affordable housing in the city. For example, in 2012, 107,400 sets of affordable housing were under construction, with 768,000 sets completed (Xi'an Municipal Government 2013). And, in 2013, there were 87,800 sets of affordable houses under construction, with 68,000 sets nearly completed. The city also included 1.81 million employees into the housing fund security system, "accounting for 70 percent of all the employed of the whole in the entire municipality" (Xi'an Municipal Government 2014). Moving forward, housing-related objectives for the municipal government in 2015 include the improvement of infrastructure and public facilities for low-income housing, and the start of a new housing initiative to provide 120,000 apartments for low-income urban residents within this year, and the completion of 30,000 apartments (Xi'an Municipal Government 2015).

From the central government's perspective, the Public Rental Housing program is the main policy mechanisms for supporting migrant housing, and this program is administered locally by municipal governments. Local experts were cognizant of the steps that the municipal government has taken to improve the overall housing situation in Xi'an, and that the benefits

have extended to migrant workers. As one expert said, “now the Xi’an government is putting lots of funding and policies towards migrant housing, and towards employment, this includes low-rent housing and affordable housing (*baozhangfang*, 保障房), and there is also work toward improving their living conditions and residential environments” (Interview 4:18).

However, many local experts are unsure about the government’s ability or intentions to provide affordable public housing to Xi’an’s migrant population. As one expert noted,

“Xi’an does have some policies to provide housing for the migrant population, such as economic affordable housing (*baozhangfang jingjifang*, 保障房经济房).

But very few migrants, maybe 0.1 percent are able to enjoy this benefit. This is because the program is targeted at reducing the poverty rate and was designed to be provided to the urban poor, so most migrants are not able to enjoy this benefit” (Interview 9:3).

As another expert explained, the priority of the Xi’an government in the area of affordable urban housing is not focused on the migrant population. They said,

“Some benefits are conditional. For example, now in the city rental market no one limits you, but there is for subsidized affordable housing. The basis of it is that the government funds the annual rent in order to provide low rent housing. But, migrant workers cannot rent this type of housing. In the city there are some groups who are worse off than migrant workers, the urban poor for example. There are lots of unemployed people right now, and the subsidized affordable

housing is meant for this group. So, I guess you can say this is limiting. This is from the government's perspective" (Interview 6:3).

Academics noted that the government has an important role to play in the integration of migrants into the city, but noted that simply providing migrants with local *hukou* would not do much to facilitate integration because many migrants are indifferent towards local *hukou* and do not want to stay in the city. One expert said,

"If the government is serious about integrating migrants into the city, then first of all they need to give migrants permanent residency in the city. This will provide migrants with the same conditions as urban residents. But, many migrants do not want to integrate. So if migrants are not making a serious effort, then why should the local government spend lots of energy and resources on this? So then, I guess the government should also work to create the conditions for migrants to want to integrate into the city life... You will need to root migrants in the city. First is through a place to live" (Interview 22:10).

However, it was also noted that "the government cannot do it alone" (Interview 22:10), and that the challenge of migrant housing is more than just a policy issue, and that there were a number of informal/social factors that contributed to migrant-housing social exclusion as well.

8.5.2 Informal/Social Factors

The most significant informal/social barrier influencing migrant social exclusion in the area of housing is income. Economic considerations stemming from poor employment opportunities

and low-income directly impact the ability of migrants to transition from the rental market to the real estate market. As identified above, nearly half (42 percent) of migrants in Xi'an would prefer to own a home, but the cost of purchasing a house is the primary reason for not doing so. Home-ownership is an important ideal for many in Chinese society, migrants included. As explained by one expert, "In China, traditional thinking is that you should not rent, that you should own a house of your own, so I think that many migrants also want to buy a house. But in Xi'an most migrants cannot buy a house, they do not have enough money, so they are just renters" (Interview 20:4).

As found in other cities in China, the high housing prices in Xi'an make it generally difficult for migrant households to purchase housing, as a result of their lower incomes. Irrespective of the fact that migrants are typically ineligible for a mortgage, the high cost of real estate often means that they are not interested. As described by one expert,

"Even if migrants earn 3,000 RMB a month, generally speaking they cannot buy a house in this city. Based on my research and my understanding, even if they want to buy a house, they know they can't afford it, so they consider their situation and because of high prices, they decide to only come to Xi'an to work, then buy a house in the countryside. Not in a rural village, but in a small town. The Xi'an government, they also undoubtedly know this is the current situation, that there are a lot of migrants in the city, but that they will go back to rural areas. Migrant housing doesn't seem to be a current policy priority of policy makers" (Interview 5:3).

The cost of buying and renting on the formal open market also has an impact on the quality of migrant housing. While some argue that migrants actively select poor quality housing in order to save money (Zheng et al. 2009), in Xi'an this does not seem to be by choice. For many, the main reason for the low quality of migrant housing is their relatively low income, which is much lower than the average urban resident (see Chapter 5). While local urban *hukou*-holders and local rural *hukou*-holders (i.e. original inhabitants of Xi'an's urban villages) enjoy better housing quality than rural-urban migrants, this latter group spends more on housing relative to the other two groups. As described above, the housing-expenditure ratio of urban residents and local rural residents is relatively low, 7.80 percent and 7.76 percent respectively (Xi'an city stats 2014:37), compared to rural-urban migrants (about 16 percent). While not unique to Xi'an, the difference is largely due to migrants' exclusion from public rental housing (Logan et al. 2010:105). Urban residents have the advantage of either owning their homes, having purchased them at a discounted price, or living in subsidized housing. Villagers have the advantage of owning their homes and also owning rental accommodation (He et al. 2010:682). Migrants, however, have no such advantages. As a result, many suffer from housing poverty and inequality by paying the highest housing costs while living in the worst conditions (He et al. 2010:689).

Migrant home-ownership and housing conditions are also positively influenced by market-based achieved characteristics such as post-secondary education, employment, job stability, and formal labour contracts (Wu 2013; Wu and Wang 2014). These factors are associated with a higher chance of obtaining better-quality dormitories, receiving mainstream accommodation benefits, and becoming more competitive when renting in the housing market (Wu 2013).

However, given the general informal employment situation of Xi'an's rural-urban migrant population, they are unlikely to have formal labour contracts or job stability. Precarious employment also has an impact on migrant housing stability. As identified above, the majority (75 percent) of migrants have not signed formal rental contracts. According to the report from the Chinese Real Estate Agents Association, generally, standard lease terms in the regular rental market are for at least one year (Wu 2013:2-3). Landlords in the formal rental market prefer to sign long-term contracts with permanent residents or with those who have formal labour contracts because these tenants provide more stability and reduce the risk of a tenant defaulting on rent or of needing to frequently incur opportunity costs associated with the time required to find new tenants. Since many migrants change jobs and locations frequently, and because they lack formal labour contracts, landlords are often hesitant to rent to rural-urban migrants. These factors decrease rural migrants' accessibility to the formal rental market, even for relatively high-income migrant groups (Wu 2013:2-3).

In addition to economic and market-based factors, interviews with experts suggest that social capital factors also play a significant role in the outcome of migrant housing in Xi'an. In this sense, economic considerations that influence housing decisions contribute to have a negative impact on the social integration of migrants in the city, preventing them from integrating with local residents and urban life. As described by one expert,

“There is a big difference in lifestyle between local residents and migrant workers. For example, migrants generally live in very cheap housing, so in those environments they have relatively poor sanitary conditions. Also, they typically

live in transitional areas of the city or at the margins, so they live in very different environments, which can form differences between local residents and migrants” (Interview 12:2).

Social networks are an important element in the integration of rural migrants in the city. For example, Yue et al. (2013) demonstrate that non-kin resident ties in migrant integration have positive effects on acculturation, socio-economic integration, and psychological integration as well. However, they also demonstrate that the majority of the connections within migrant networks are composed of other migrants. Local experts recognized the importance of integrating migrants into local urban society, but recognized that it is a significant challenge. As one expert said,

“If you want the current generation of migrants to integrate socially, I think this is a very difficult question. It is hard to get adults to socialize with each other. You can provide specialized housing cells together with locals, but they may not want to live there. They often want to live somewhere cheaper, close to where they work and together with other migrants” (Interview 3:3).

As a result of being excluded from the formal housing market and the absence of affordable options, migrants are forced to rely on their social networks in order to obtain housing. New migrants to the city often stay with members of their existing social networks, or rely on the information available within this network in order to find a place to stay. As a result, it is not unusual for communities of migrants from a single village to establish themselves in the same location within destination cities, meaning that the residents of urban villages may be

composed of numerous migrants who originate from the same province or hometown (Li 2004:25). There are mixed feeling among migrants about whether urban villages are an attractive housing destination. On one hand, fellow migrants can provide a sense of community and moral support. On the other hand, integrating with local residents helps migrants to adapt to their new lifestyle and to overcome day-to-day challenges that may be beyond the experience or knowledge of other migrants. As one migrant that I spoke with explained, building social connections with his urban neighbours has helped him and his family to overcome difficulties with local informal processes. They said,

“We’ve had some problems renting, with the building management, especially with the electricity bill. Because we have a business here in the building too, the price of electricity for the business is 50 cents per kilowatt, which is right and we accept this. But we rent a house in the building too and for a three person family the cost is supposed to be 3 cents a kilowatt. But they charge us 50 cents for our home electricity which is not right. I don’t even know who to talk to about this. I went to talk to the building manager but he said he was not responsible, I asked him who was but he did not know. This problem has been around for a long time. I talked with other neighbours that we know in the building (local urban residents) about who I need to talk to, and just recently found out it was a man named Xu that I need to talk to. When I have time I will go talk to him. A neighbour said that I should bring some good cigarettes or take him out to eat when I go talk to him about fixing this problem” (Interview 19:8).

8.6 Concluding Observations

According to the interviews conducted for this study, housing did not appear high on the list of challenges related to social exclusion in Xi'an. This is especially true in comparison to concerns about employment and the education of migrant children. While secondary statistics indicate that the urban lifestyle does influence migrants' decision to stay in Xi'an, none of the migrants that I spoke with viewed housing as one of the main reasons for wanting to move to the city, or as one of the key factors keeping them there. While not perceived as a driver of rural-urban migration in Xi'an, housing is seen as an important consideration in the context of social integration.

Over the course of the reform period, the general trend in urban housing in China has been a gradual shift towards privatization and marketization. However, the last few years have witnessed the re-emergence of government intervention in the housing sector, to the extent that housing in contemporary urban China is characterized by a mixed system of coexisting market and nonmarket mechanisms (Bian and Lu 2014). While recent housing reforms have broadened housing choices (including affordable ownership and rental options) for urban residents, these same reforms have generally overlooked the needs of the rural-urban migrant population, irrespective of how long they have resided in the city. This chapter has identified some of the key formal/legal and informal/social factors that contribute to the persistent disadvantages that rural-urban migrants in Xi'an face in the housing sector (Figure 8.9).

With regards to those formal/legal factors that bear a high influence on the housing social exclusion of Xi'an's rural-urban migrants, the data gathered through interviews with subject

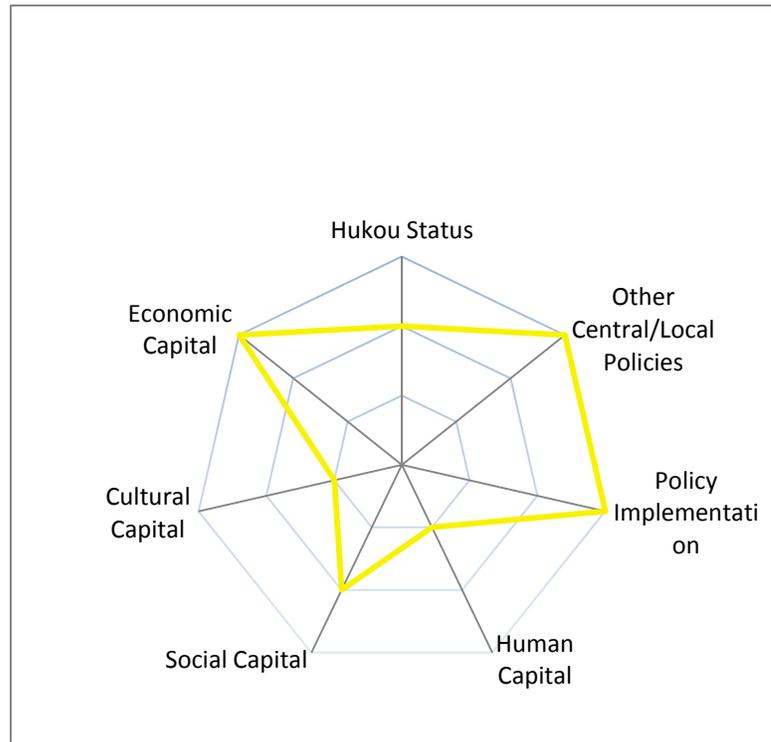
matter experts, local official and migrants suggest that “other central/local policies” and their subsequent “policy implementation” have the most influence. *Hukou* status was perceived to have a medium amount of influence as well because of the challenges that it presents to home ownership. However, while *hukou* status can prevent migrants from obtaining mortgages, it does not directly prevent migrants from purchasing homes in the city.

Indirectly, *hukou* status contributes to prevent migrants from accessing affordable housing programs in the city, but this is more reflective of gaps in how these programs, such as the Public Rental Housing, were developed by the central government, in this case without explicit considerations for setting standards that would identify rural-urban migrants. In many of China’s large cities, including Xi’an, a local urban *hukou* remains an important qualification for accessing several types of affordable urban housing (such as Economic and Comfortable Housing and Public Rental Housing). As a result, the municipal government of Xi’an has been able to target affordable public-housing programs specifically at segments of the urban population. While it is admirable that the city is focusing on the urban poor, the implementation of the Public Rental Housing scheme and other affordable housing programs by the Xi’an government is likely to do little for the integration of rural-urban migrants. Affordable housing options are important because they are active in the type of housing that is of interest to a large proportion of the Xi’an migrant population.

These two formal/legal factors, “other central/local policies” and “policy implementation,” are also considered to have high influence on social exclusion as a result of local plans in Xi’an to demolish and rebuild the city’s

8.9 Factors Influencing Housing Social Exclusion

urban villages. Presently, urban villages represent one of the primary sources of affordable housing for the local migrant population. If these are destroyed and not replaced with affordable housing options for the migrant population, then the available options available to migrants in the city will decrease substantially,



especially if the hundreds of thousands of affordable housing units being built by the municipal government will preclude rural-urban migrants on the basis of *hukou* status. The general redevelopment plan was described by a local official,

“There are lots of areas in the city that are being transformed. This includes regions built in the 70s and 80s, urban villages and houses that are rundown and dilapidated. The government makes the decision to demolish the region and then to build a new one. The existing residents will be resettled. Often they are provided with temporary residence and then take up residence in the new developments that are built in this location. Sometimes the objective is to align

with broader regional development plans. Sometimes the objective is to improve and modernize the environment of the region. This is because the urban villages, these areas are really dirty and have a poor environment. The residents inside often have no gas, no heat, and some may have no water. Usually the old buildings are replaced with high-rise residential buildings. Redeveloping these areas provides better lifestyles for the residents and also improves the image of Xi'an city. Because Xi'an still has lots of shantytowns (urban villages), there is still a lot of work to do for the overall planning of these environments, to bring about a number of new commercial developments and residential housing" (Interview 7:1).

The issue of what to do with Xi'an's urban villages is of particular concern. As one expert noted, "A lot of migrants live in urban villages, and the lifestyle there is not much different than the countryside. It is unhygienic, there is lots of garbage, lots of people don't speak Mandarin, so their integration is inhibited, especially their social behaviour and cultural identity... the government has the ability to do something in this regard, but they choose not to intervene" (Interview5:7). According to another local expert, "there are lots of things that the government can do that are significant. This many not require a lot of money, but can still generate good results" (Interview 4:18). For example, the local government could consider improving the amenities within existing urban villages, or building affordable small-unit housing, where facilities and amenities are available, as an alternative to urban villages for migrant housing (Zheng et al. 2009). In general, the consensus among local experts is that in order to enhance the integration Xi'an's migrant population into the local housing system, the local government

should provide more housing options to migrant workers, of all types, to respond to the variety of family units and their needs (XJTU 2013:46).

While the influence of these formal/legal factors was considered important, there was general consensus from academics, local officials and migrants themselves, that the most pressing housing challenge facing rural-urban migrants in Xi'an was related to their relatively low economic status. Concerns about "economic capital" were identified by all of my interview subjects who elaborated on housing as an important element of migrant inclusion and exclusion. Thus, it has a "high influence" in figure 8.9. The privatization and marketization has increased the influence of economic factors, such as income, on housing access and quality (Wu 2002:96), in both the ownership and rental markets. Similar to the situation found in healthcare (Chapter 7), reform and the marketization of social services has had a significant impact on the housing-related social exclusion of Xi'an's migrant population. In addition to exacerbating existing inequalities, housing reform has also introduced an additional factor, economic capital and financial considerations, that serve to exclude the rural-urban migrant population from available benefits and resources in the city. As a result, housing is now a barometer of rising inequalities in Chinese society (Deng et al. 2015:17). As discussed in Chapter 6, low migrant income is largely a product of their position in the labour market, which is often precarious, informal, and concentrated in low-skill and subsequently low-paying occupations. As described by a one local academic, one of the solutions that the local government could pursue in this regard is to focus on policies that improve the job prospects and social security of migrant workers, which could stimulate migrant spending on housing and subsequently improve their living conditions as well (WantChinaTimes 2012). Other low-cost steps that the government

could pursue include supervising the rental market, including price and quality of rental units, as well as providing migrants training in financial literacy, and financial support for housing (XJTU 2013:47).

According to the data collected in the interviews for this project, financial concerns are considered to be the number one barrier to not only home ownership, but also to accessing quality housing on the rental market. This shift in the governance structure of social policy and the provision of social services has had a profound impact on the structure of state-society relations in China. The gradual introduction of housing privatization over the reform period has changed the fundamental organization of urban society (Wang 1995). Whereas previously the life chances of an individual were predominantly dependant on their direct relationship with state, this shift towards marketization has inserted property, understood here as capital, as an additional causal variable in the equation. The implication of this shift for social exclusion in contemporary China is that now, in order to access many of the social resources and services available in society, an individual is required to pay for them, lest they be excluded. As such, it is apparent that achieved, market-based characteristics are the number-one determining factor influencing housing-related social exclusion. While the general shift towards the marketization of urban housing in many cases resembles the adoption of neo-liberalism, this does not account for the substantial degree of authority and interventionism of the Chinese state. The ongoing importance of achieved characteristics in determining the social exclusion of the migrant population also contributes to differential access to opportunities in society because those with greater control of economic resources can command a greater share from market exchanges

compared to those with fewer resources (Weber 1958:181-2), as individuals are increasingly required to turn to financial means in order to access available social benefits and resources.

Aside from market-based characteristics such as income, social capital and social networks were perceived as another informal/social factor that has a “medium influence” on the housing exclusion/inclusion of the migrant population in Xi’an. As demonstrated by Yue et al. (2013) as well as the interview responses above, the role of non-migrant social connections have a positive effect on migrant acculturation, socio-economic integration and psychological integration in the city. However, since the majority of the connections in migrant social networks are other migrants, this support is unavailable to them. As described by one expert above, “It is hard to get adults to socialize with each other. You can provide specialized housing cells together with locals, but they may not want to live there. They often want to live somewhere cheaper, close to where they work and together with other migrants” (Interview 3:3). In this sense, one potential option to help integrate rural and urban residents is to incorporate migrant housing considerations along with education policy. As described by experts in Chapter 5, “putting migrant children together with local children allows them to integrate socially with each other. To grow up together, which should help with social integration” (Interview 3:3), and “that way the children can slowly integrated with locals. Children can be used as a medium to communicate between parents, and help them integrate too” (Interview 22:10).

Housing is an indicator of the degree to which migrants are embedded in the local social structure. Furthermore, housing plays a major role in defining lifestyles and identity, and

characteristics such as housing type (rental or private ownership) and overall housing conditions and amenities have an impact on the quality of life and life chances of migrants in the city. Given the evidence available in the secondary literature, and interviews with migrants, subject matter experts and local officials, it is clear that the current housing situation in Xi'an does not reflect the needs and demands of migrants, but rather a mix of formal/legal and informal/social barriers contribute to exclude migrants from available housing benefits and resources in the city. It is also apparent that steps could be taken to ameliorate this situation, but as described by one expert above, "the government has the ability to do something... but they choose not to intervene" (Interview5:7). Thus, in its current form, migrant housing is likely to continue to reflect the general overall sense of inequality in the city, as opposed to inclusive growth that facilitates migrant integration.

9 Chapter: Fragmented Social Exclusion in Xi'an: Findings and Implications

The emergence and growth of domestic rural-urban migration since the introduction of reform in 1978 is one of the most influential phenomenon of contemporary China. Migration affects virtually every facet of society, including the course of the country's regional, economic and social development, as well as the economic, political, social, and cultural makeup of China's cities. As the size of the migrant population continues to grow and urbanization increases, the successful integration of this population group into the urban social structure will be critical to the country's ongoing economic and social development. As such, investigating those factors that hinder migrant integration into urban society is a worthwhile effort, as it can help to identify opportunities for state intervention at the national, provincial and municipal levels.

This chapter begins with an overview of the impact of reform on migrant social exclusion, reviewing trends and major societal transformations and setting the context for contemporary social exclusion of rural-urban migrants. The second section summarizes the findings from Chapters 5-8, and the third section compares these findings against each other, subsequently demonstrating the multidimensional and fragmented character of social exclusion in Xi'an. The fourth section discusses the theoretical implications of this study, including those associated with broader societal issues of social stratification and social justice. The fifth section discusses policy implications in the context of each of the four socio-economic dimensions examined in this study and for the *hukou* system in general. This chapter ends with a discussion on opportunities for future research.

9.1 The Impact of Reform on Migrant Social Exclusion

Economic and social reforms introduced since 1978 have contributed to several important societal transformations that have had an impact on the contemporary context of social exclusion for rural-urban migrants. As discussed in Chapter 2, these include the marketization of social policy; economic and political decentralization; and shifting state-society relations. In particular, the shift toward the marketization, privatization, and commoditization of social services has restructured the economy along capitalist lines, given primacy to the market, liberalized foreign capital, adopted capitalist labour relations, and privatized economic and social assets that were previously firmly within the domain of the state. Intragovernmental relationships have also undergone significant change during this period, characterized by the parallel decentralization of economic and administrative decision-making from the central state to lower levels of government. This has provided municipal governments with unprecedented jurisdiction and authority over resources, investment-planning, and decision-making, and subsequently over the direction of local economic and social development. In particular, it has also placed much of the authority around *hukou* policy in the hands of local municipal governments. The structure of state-society relations has been profoundly transformed as the economic and institutional foundations of the previous system have gradually been dismantled, leading to a separation of party and state, and separation of state and economy (Fewsmith 1999:92). As a result, citizens who were previously reliant on the state now turn to private-sector sources for the provision of numerous social and economic resources and benefits. As such, the distance between the individual and the state is further than at any time since the establishment of the People's Republic of China. State-society relations have been reordered, becoming more complex and dynamic, including the emergence of "public space" and "social

space,” paralleled by the rapid growth of non-state interest groups, organizations, and associations who have occupied these spaces (White 1991:17), resulting in a more pluralistic society. Post-reform state-society relations can be characterized by a gradual shift and redistribution of power, away from the state, towards a plethora of group and individual interests (White 1991:16). There is now more space for the articulation of interests, and more opportunities for social forces to exert influence over state institutions (White 1994). This has led to an increasingly dynamic, interactive, and deliberative relationship between state and society. While the state still plays the lead role in policy-making, there has been steady growth in the amount of opportunity for non-state actors to articulate their concerns and views in socio-economic policy decision-making processes, particularly at the local level. Together, these societal transformations have contributed to the emergence of the contemporary political decision-making environment characterized by fragmented authoritarianism (Lieberthal and Oksenberg 1988; Mertha 2008). As a result, the authority of the Chinese political system has become increasingly “fragmented and disjointed” since the introduction of reform (Lieberthal 1992:8), and policies developed by the central government have become increasingly malleable to the organizational and political goals of various vertical agencies and spatial regions charged with implementing and enforcing policy. The contemporary fragmented authoritarianism reflects the emergence of opportunities to influence policy and decision-making that arise from outside the state system (Mertha 2008), suggesting an increasingly pluralized policy-making and policy implementation process.

The overall impact of China’s ongoing reforms has been nothing short of exceptional. Since the reforms began to take hold in the early 1980s, the economy has rocketed to become the

second largest in the world, and along the way, hundreds of millions of people have been pulled out of poverty. However, uneven growth across the country has resulted in significant regional disparity in economic and social conditions, between prosperous coastal provinces and relatively backward and poor inland provinces. More significant is the disparity that exists between rural and urban areas. The rural-urban divide is the main driver of China's domestic migration phenomenon, which today is estimated at more than 274 million, the majority (168 million, or 61 percent) of whom are rural-urban migrants (NBS 2015). Reform to the *hukou* system has loosened the bonds that previously kept the rural population chained to their home towns and villages, subsequently enabling the largest flow of human migration in the world. From the perspective of most rural-urban migrants, migrating to the city affords a significant opportunity for social mobility, as they have few alternatives in their home towns and villages as a result of the imbalanced development between urban and rural area (Wei 2007:4-5). Thus, the domestic migration phenomenon is expected to continue to grow, reaching 310 million by 2030, with about 230 million of these being rural-urban migrants (Xinhua 2015, July 10). However, despite the fact that migrants are free to roam around the country in search of better economic and social opportunities, the plight of rural migrants in urban China is well documented. Long viewed as "second class citizens" (Solinger 1999), migrants are excluded from education, employment, healthcare, housing, and other available benefits and resources in China's cities.

While the plight of rural-urban migrants has been well documented, much of the research on this issue has focused on the role of the state and public policy, and in particular the prevalence of the *hukou* system as the leading, and sometimes only, significant factor influencing the social

exclusion of the migrant population. However, recent and emerging evidence (this study included) suggests that *hukou* is not the only factor contributing to social stratification in urban China, that the situation is more complex, and that there is a need to go beyond *hukou* explanations of migrant social-exclusion. The situation facing rural-urban migrants has clearly improved over the course of the reform period; however, it is also evident that rural-urban migrants continue to be socially excluded from opportunities in a number of socioeconomic areas. As this project has attempted to demonstrate, relying only on *hukou* status to explain the social exclusion of rural migrants in urban China does not account for the complexity or the variance of social exclusion across socioeconomic dimensions.

9.2 Fragmented Social Exclusion in Xi'an

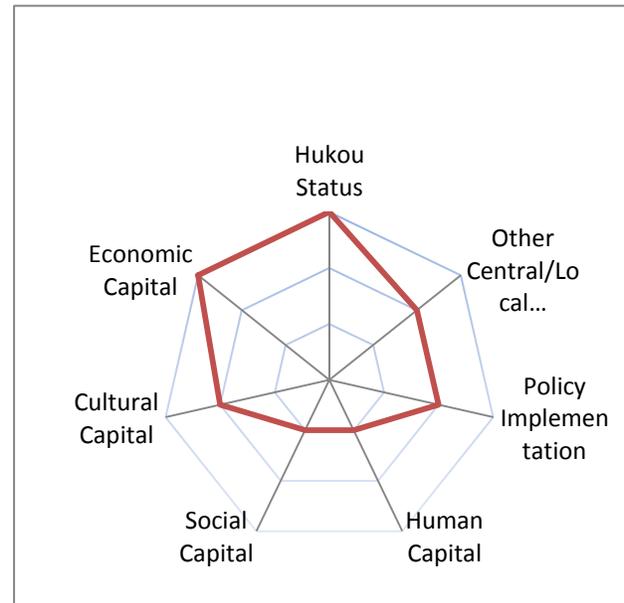
This study has looked into those factors that contribute to, and that help to explain the social exclusion of rural-urban migrants in Xi'an. Chapters 5 through 8 examined the key formal/legal and informal/social factors that contribute to social exclusion of Xi'an's migrant population across education, employment, healthcare, and housing. Based on the evidence provided in those chapters, it is apparent that the social exclusion of rural-urban migrants in Xi'an is multidimensional, fragmented and layered differently across these interrelated socio-economic dimensions.

9.2.1 Education

As discussed in Chapter 5, for migrant families with children, the opportunity to obtain better educational opportunities for their children is the most important reason for migrating to Xi'an. And, as one expert said, "I think that the quality of migrant children education is the biggest

9.1 Factors Influencing Education Social

concern in the city” (Interview 5:4). This is supported by secondary statistics, which demonstrate that two-thirds (66.8 percent) of migrants with children indentify their children’s education as the number-one reason for coming to the city (Zhou 2010:79), as well as the interviews that I conducted for this project. As explained by one migrant, “we came to Xi’an so that my son could go to high



school... my son wants to go to university, not a vocational school to learn a craft, and studying in the city is the best way to get there” (Interview 24:1-2).

The exclusionary barriers that migrant children face in accessing education opportunities in Xi’an are provided in Figure 9.1 (replicated from Figure 5.6). The factors that have the highest influence on education-related social exclusion are *hukou* status and economic capital. In comparison, cultural capital, as well as other central and local policies, and their poor implementation have a medium influence. On the other hand, social capital and human capital have little influence on the social exclusion of rural-urban migrant children in Xi’an’s education system.

As described in Chapter 5, the *hukou* system is the leading formal/legal factor that limits educational opportunities for migrant children in Xi’an. This is particularly so for those who intend to pursue learning beyond compulsory education. While migrant children are able to

take the entirety of their compulsory education in Xi'an, *hukou* status still determines where they can take the high-school and college entrance exams. This means that they are required to return to their place of origin to take these exams, where the content may differ from the curriculum taught in Xi'an, which is even more likely for out-of-province students. Despite its ongoing influence, the overall impact of *hukou* status on the education-related social exclusion of migrants in Xi'an is in decline. Recent changes to the local education system, stemming from policies and regulations developed by the central government, and implemented by the municipal government, have contributed to more favourable circumstances for the education of migrant children in Xi'an. For example, since 2010, public schools have been directed to admit migrant students into compulsory education in the districts that they live, for free and without any undue special conditions aimed at migrants (XJTU 2013:49). Moving forward, continued reform to the *hukou* system may continue to diminish the impact of *hukou*-related social exclusion for migrant education, in Xi'an and across China. However, this will depend in large part on the degree that central policy decisions are successfully implemented by the local government in Xi'an. To date, the poor implementation of several existing central and local policies aimed at improving migrant access to the local education system has had a negative impact on migrant access to education opportunities. For example, the local government has not been successful at preventing local schools from levying arbitrary entrance fees on migrant students. As a result, economic considerations also have a high influence on excluding migrants from educational opportunities in the city. As a result of a high level of competition between all families to have their children registered in the city's best schools, many public schools screen applicants based on socio-economic considerations, and impose high fees. In other cases,

migrants are refused entry based on their status as outsiders. Equivalent to cultural discrimination, local parents pressure school administrators to limit the number of migrant children who can be admitted, believing that too many migrant students will negatively impact the education of their own children. This is especially so in highly desirable and sought-after schools and school districts.

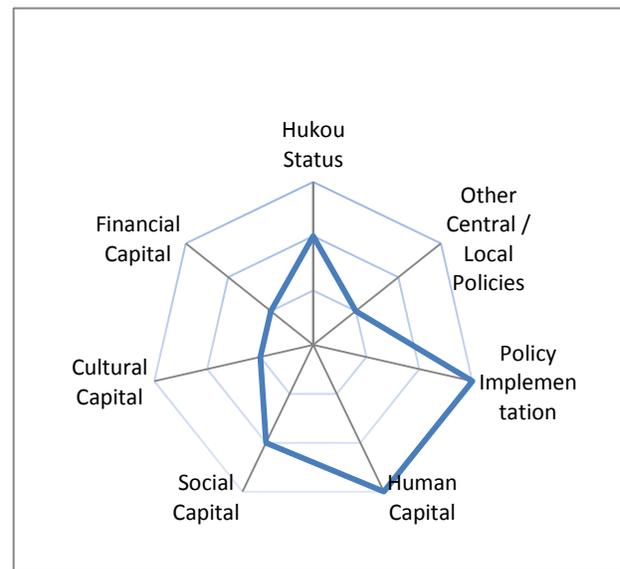
9.2.2 Employment

For migrants without children, employment is the most important factor driving migrants to Xi'an. Similarly, employment is also seen as a critical factor to integrating rural-urban

migrants in the city. As one expert said, "without a job, all other social integration concerns are secondary, and the migrant worker is likely to return home" (Interview 4:18). According to another expert said, "In many cases, economic, social and cultural integration are all connected. If you are a migrant but you have a good occupation, with

a high salary and a high income, then you can more easily overcome cultural barriers. If you have the economic foundation, you can integrate more easily into local culture, otherwise it is very difficult, and impossible for some" (Interview 15:7). While Xi'an's migrants are generally not discriminated against directly in their ability to find a job, the majority are limited in the type of employment that they can secure. As evidenced in Chapter 6, most migrants are

9.2 Factors Influencing Employment Social Exclusion



confined to low-skill jobs, such as those in the service sector, where income-generating opportunities are typically low. Compared to their urban counterparts, rural-urban migrants in Xi'an work in undesirable jobs where they earn less, and work longer hours in poor and sometimes dangerous conditions.

As identified in Figure 9.2 (replicated from Figure 6.6), it is evident that the lack of implementation of existing laws, policies and regulations, coupled with low levels of human capital (education, skills, training) have the highest degree of influence in determining employment-related social exclusion for rural-urban migrants in Xi'an. According to experts and migrants that I spoke with, the most notable of the Chinese government's policies concerning migrants, the *hukou* system, was perceived by both groups as being inconsequential in so far as its ability to restrict migrants from securing employment. However, while finding a job is relatively easy for rural migrants in Xi'an, the *hukou* system is seen as institutional barrier that prevents equal access to higher-quality and higher-paying positions for qualified migrant workers. However, for the majority of rural-urban migrants, this does not apply, as they lack the requisite skills to compete in the first place. From a policy perspective, Xi'an's migrants are in theory covered by a wide net of national, provincial, and local laws and regulations that provide a measure of protection against exploitation, discrimination, and unequal access to employment. However, despite the presence of policies to protect and integrate migrants into the local labour market, employment opportunities for migrants are challenged by a lack of effective implementation of these policies. Many respondents identified poor policy implementation as possibly the most detrimental formal/legal factor preventing social integration and exacerbating the employment-related social exclusion of migrants in Xi'an.

Several informal/social factors also contribute to the social exclusion of Xi'an's migrant population. Social capital was identified as playing a dual role of facilitating migrant integration through usurpation, where local kinship ties create sub-groups within the excluded migrant population in order to provide additional support and access to employment opportunities to those who share a location of origin. However, social-capital networks were also seen as limited in the benefits that they could provide, and as something that can also hinder the social mobility of migrants by placing additional pressure to remain within that particular social network, and preventing them from developing social ties with local urbanites. The most significant factor (formal/legal or informal/social) that influences the employment opportunities of migrants in Xi'an is human capital. According to local experts, human capital plays an even larger role than *hukou* status and social capital. Several other factors contribute to the makeup of migrant social exclusion in Xi'an, but at a lower degree. Cultural capital, where individual characteristics such as language and accent, fashion and dress, and norms and values contribute to long-held prejudices against rural-urban migrants and limit access to certain employment opportunities, although this is changing for Xi'an's second generation of migrants, who were born and/or raised in the city and thus more acclimatized to the local culture. Similarly, existing economic considerations do not play much of a role in mitigating access to additional employment opportunities.

9.2.3 Healthcare

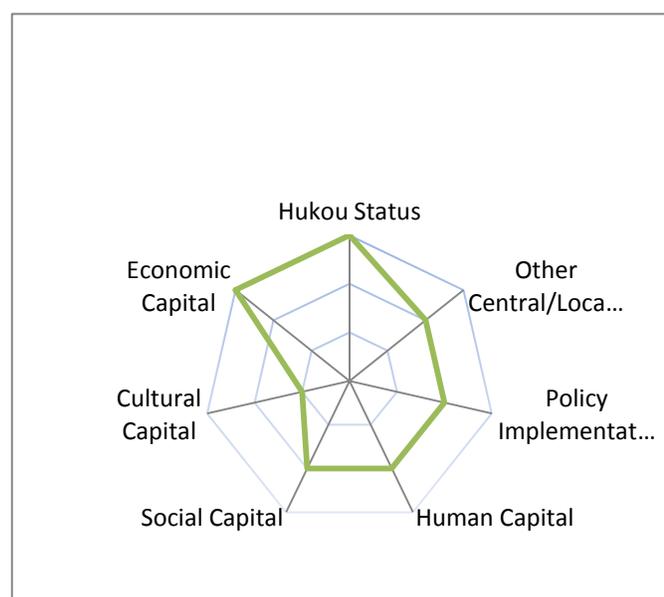
There are several formal/legal and informal/social factors that contribute to the healthcare social exclusion of Xi'an's rural-urban migrant population (Figure 9.3, replicated from Figure 7.5). The two with the highest influence are economic capital as well as the lingering impact of

the *hukou* system. Factors that have a medium influence on the exclusion of migrants from local healthcare include the presence of other central and local policies, the implementation and enforcement of existing policies, human capital and overall health literacy, and social capital. Cultural capital was not considered as a key detriment to the outcome of healthcare-related social exclusion for migrants.

The *hukou* system remains a key structural barrier that excludes migrants from key social service such as healthcare in Xi'an because, as in other cities in China, access to the local healthcare system is largely provided through insurance schemes, which are limited to a single municipal jurisdiction. As a structural institution, the *hukou* system frames the discourse of eligibility through the provision of healthcare insurance. Because the provision of social benefits through healthcare insurance schemes is tied to one's registered *hukou* location, migrants are limited in their ability to receive local healthcare services.

Despite the high degree of influence that formal/legal factors such as the *hukou* system have on the ability of rural-urban migrants in Xi'an to access local healthcare services, most migrants in Xi'an do not have local health insurance and do not see much of a need for it. This is because of the general demographics of this population group, which is

9.3 Factors Influencing Healthcare Social Exclusion



younger and healthier than both their urban and rural counterparts. However, when migrants do require healthcare services, because the vast majority of them are not enrolled in a local health insurance plan, when they are required to access the healthcare system they have little recourse but to pay out of pocket, which can be very cost prohibitive for many migrants. As explained by one expert, “the urban social security system cannot protect them if they are sick because they do not have local urban *hukou* status, they cannot stay in city hospitals or access healthcare. There’s nothing that they can do, unless they pay for the whole thing” (Interview 6:5). As a result, migrants in Xi’an are most concerned with the high costs of accessing healthcare. When migrants do have health concerns, and become sick or injured, they tend to employ a variety of coping strategies, delaying hospital visits until they have exhausted other alternatives and have no choice. The principle reason for avoiding the hospital is because of the perceived financial burden.

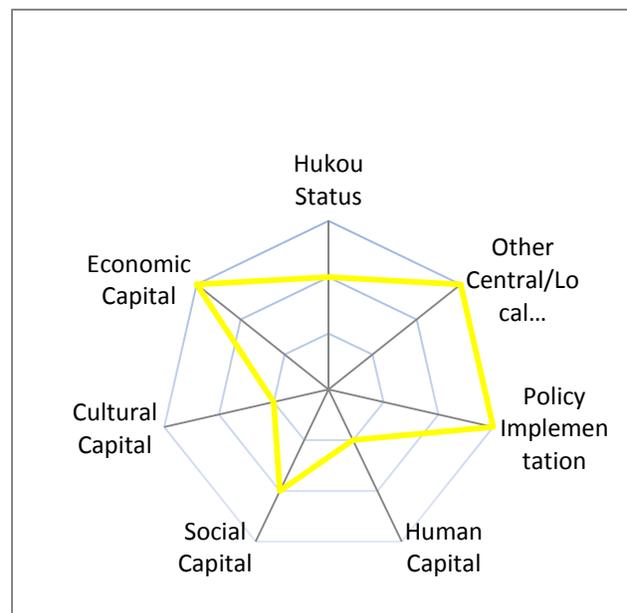
9.2.4 Housing

While the overall trend in urban housing during the reform period is characterized by a gradual shift towards privatization and marketization, housing in contemporary urban China continues to display features of a mixed system with coexisting market and nonmarket mechanisms (Bian and Lu 2014). Recent housing reforms in particular have broadened housing choices for urban residents, including a spat of government subsidized affordable ownership and rental options. However, these same reforms have largely overlooked the needs of the rural-urban migrant population, irrespective of how long they have resided in the city.

As identified in Figure 9.4 (replicated from Figure 8.9), there are several factors that contribute to the persistent disadvantages rural-urban migrants in Xi'an face in the housing sector. With regards to formal/legal factors, "other central/local policies" and their subsequent "policy implementation" have the highest influence. *Hukou* status has a medium influence because of the challenges that it presents to home ownership, particularly in preventing migrants from accessing mortgages. Indirectly, *hukou* also contributes to prevent migrants from accessing affordable rental housing programs in the city, but this is more reflective of gaps in how these programs were developed by the central government, enabling the local government to identify the requirements for these programs. As such, in Xi'an, a local urban *hukou* remains an important eligibility requirement for accessing several types of affordable urban housing (such as Economic and Comfortable Housing and Public Rental Housing). Affordable rental housing options are important because they are the type of housing that is of most relevance to a large proportion of the Xi'an migrant population. But, the Public Rental Housing scheme and other affordable housing programs in Xi'an are

9.4 Factors Influencing Housing Social Exclusion

likely to do little for the integration of rural-urban migrants because of they have been implemented by the local government. As such, policy influence has a high influence on housing social exclusion for migrants. These two formal/legal factors, "other central/local policies" and "policy implementation," are also considered to have high influence on



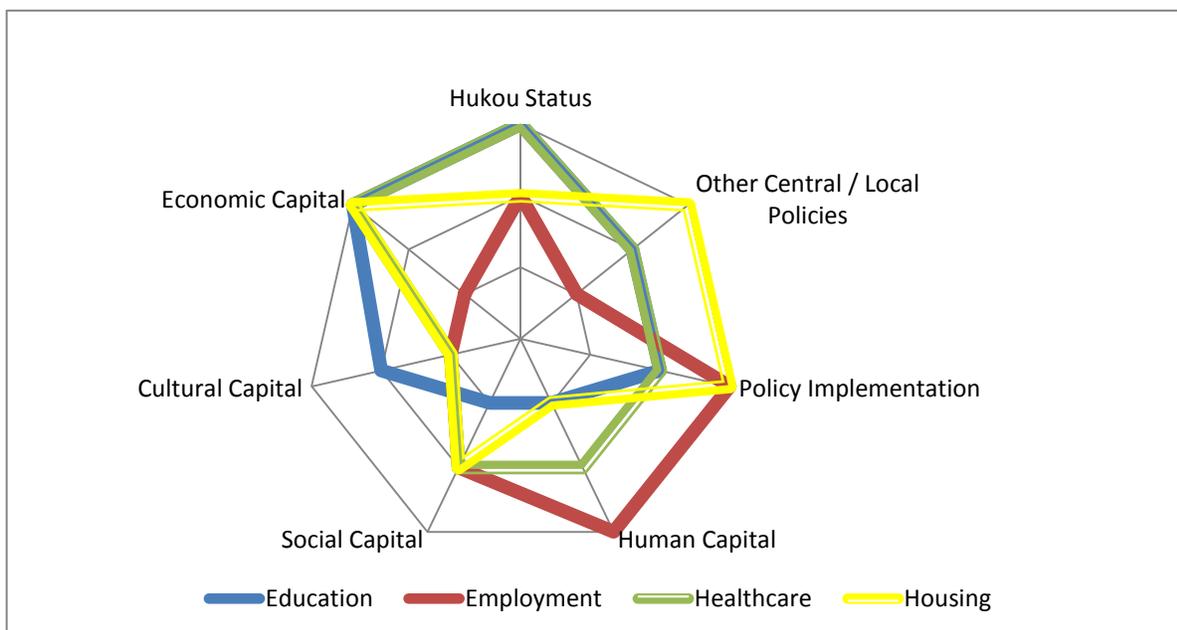
social exclusion as a result of local urbanization and development plans to demolish and rebuild the city's urban villages. Presently, urban villages represent one of the primary sources of affordable housing for the local migrant population. If the affordable housing options provided by this form of informal housing are not replaced following redevelopment, then migrant housing options will become continually diminished.

According to academics, local officials, and migrants themselves, the most pressing housing challenge facing rural-urban migrants in Xi'an is related to economic capital. This is because housing privatization and marketization has increased the influence of economic factors, such as income, on housing access and quality (Wu 2002:96). In addition to exacerbating existing inequalities, housing reform has also introduced an additional factor, economic capital and financial considerations, that serves to exclude the rural-urban migrant population from available benefits and resources in the city. As a result, housing is now a barometer of rising inequalities in Chinese society (Deng et al. 2015:17). According to the data collected in the interviews for this project, financial concerns are considered to be the number-one barrier to home ownership, as well as access to quality housing on the rental market. While market-based characteristics such as income have a high influence on exclusion, social capital was perceived as an informal/social factor that has a medium influence on the housing exclusion/inclusion of the migrant population in Xi'an. As demonstrated by Yue et al. (2013), as well as in the interview responses above, non-migrant social connections have a positive effect on acculturation, socio-economic integration and psychological integration in the city. However, the quality of these connections, composed largely of other rural-urban migrants, provides only a limited amount of support in overcoming processes of social exclusion.

9.3 Comparing Social Exclusion across Socio-Economic Dimensions

According to the data gathered in this study, it is clear that the social exclusion of rural-urban migrants in Xi'an is multidimensional, the outcome of a combination of formal/legal and informal/social factors, and ascribed/achieved characteristics. As demonstrated in the matrix diagrams above, the key influencing factors that contribute to social exclusion across education, employment, healthcare and housing are fragmented and vary considerably from one another. My use of the term fragmented is not meant to suggest that social exclusion within each of these four socio-economic dimensions is exclusive and independent from one another. Here, I employ the notion of fragmentation to suggest that there are numerous facets that make up the overall nature of social exclusion in each of these four areas. In this sense, my use of the term resembles the notion of "layered" or "nested" inequalities, suggesting that different factors have a different amount of influence across the various socio-economic dimensions. This fragmented quality of social exclusion in Xi'an is evident when the results from Chapter 5-8

9.5 Migrant Social Exclusion across Education, Employment, Healthcare and Housing



are displayed together in a single matrix diagram (Figure 9.5).

A casual glance at Figure 9.5 reveals the stark differences, as well as several interesting similarities, with regards to how these layers are positioned in each of the four areas. The interconnectedness of the four socio-economic dimensions examined in this study is apparent when one looks at the similarities that exist between them. The character of social exclusion is most similar between education and healthcare, and between employment and housing. In both cases, similarities are found in four of the seven axis points (Table 9.6). Looking more closely at the similarities between education and healthcare, we see that economic capital and *hukou* status rank as the highest influencing factors, and both also display similarities in the relative medium influence of other central/local policies and policy implementation. The two socio-economic dimensions of employment and housing also share identical results across four axis points. In both cases, policy implementation has a high influence, *hukou* status and social capital have a medium influence, and cultural capital has a low influence. Looking at the similarities between education and housing, there are parallels across two data points: economic capital has a high influence in both areas, and human capital has a low influence. Conversely, social exclusion in the socio-economic dimensions of education and employment is the most dissimilar, and do not share any data points.

While there are multiple similarities in the relationship between education and healthcare, and between employment and housing, there are also several distinguishing features between them. In the first case (education and healthcare), the differences that do exist are not very strong, and only vary by one level of influence from each other, in this case either medium or

low. Here, human capital and social capital have a medium influence in healthcare, but low influence in education. Cultural capital is seen as having medium influence in education, but low influence in healthcare. The low degree of variance between these two socio-economic dimensions suggests that the character of social exclusion is very similar for both. The second case (employment and housing) also share similarities across four axis points. However, the differences in the other three areas are more pronounced. Whereas the impact of economic capital and other central/local policies have a high influence on social exclusion in the area of housing, these factors have low influence on employment. Similarly, where human capital has high influence in the area of employment, it has low influence in the area of housing. Based on the variance that exists in this latter relationship, we can say with some certainty that the character of social exclusion in education and healthcare is more similar than that found between any other areas.

9.6 Social Exclusion Similarities across Socio-economic Dimensions (# of shared results from Figure 9.5)

	Education	Employment	Healthcare	Housing
Education		0	4	2
Employment	0		2	4
Healthcare	4	2		3
Housing	2	4	3	

There are also some unique features associated with social exclusion in each of the four socio-economic dimensions. While education shares many similarities with healthcare, it is unique in that it is the only one of the four areas where cultural capital plays a prominent role (i.e. medium influence) in social exclusion. As demonstrated in Chapter 5, school administrators and local officials are pressured by local residents to limit the access of migrant children to urban

education resources, especially in those neighbourhoods and schools that are in high demand. Believing that too many migrant children will negatively impact the education of their own children, migrants are excluded based on their status as outsiders. Education was also the only area where social capital has a low influence, suggesting that social networks have little to no influence in helping migrant children overcome barriers to entry and access to quality education in the city. Employment-related social exclusion is unique in that it is the only area where human capital has a high influence. This is consistent with the maturation of the domestic economy and its ongoing transition from a reliance on the production of low-value-added goods toward the production of higher-value-added goods, as well as the transition toward a mixed economy and the emergence of a strong service sector, where high-quality employment opportunities are increasingly dependent on human capital, knowledge, and skills. Since the majority of the current generation of migrants has been educated in rural towns and villages, their stock of human capital is typically lower than that of urban residents, making them less competitive in the labour market. Employment is also unique in that it is the only area where economic capital and other central/local policies have a low influence on social exclusion. This is to be expected, as income and wage factors are generally the result of employment, rather than a cause. Furthermore, as indicated in Chapter 6, China has a wide range of policies and regulations that have been developed in order to support migrant employment access and quality. The main challenge is not found in their development, but in their effective implementation, which is sorely lacking. Social exclusion in the area of healthcare is unique in that it is arguably the socio-economic dimension with the most robust challenges for migrants. Compared to the other areas, only one factor (cultural capital) has a low influence

on healthcare social exclusion. Thus, while migrants are not excluded from healthcare resources on the basis of being identified as migrants, there are multiple formal/legal and informal/social challenges that migrants need to overcome. Housing is unique in that it is the only socio-economic dimension where three factors were identified as having high influence (*hukou* status, other central/local policies, and economic capital). In addition, it is the only area where central/local policies have a high influence. On the one hand, migrants are largely excluded from home ownership as a result of the high costs of real estate in the city. On the other, they are excluded in part due to the confluence of their *hukou* status and other local policies and regulations that incorporate *hukou* status as an eligibility requirement for accessing affordable housing in Xi'an.

9.7 Formal/Legal and Informal/Social Influence Factors of Social Exclusion

	High	Medium	Low
Education	<i>Hukou</i> Status Economic Capital	Other Policies Policy Implementation Cultural Capital	Social Capital Human Capital
Employment	Policy Implementation Human Capital	<i>Hukou</i> Status Social Capital	Other Policies Economic Capital Cultural Capital
Healthcare	<i>Hukou</i> Status Economic Capital	Other Policies Policy Implementation Human Capital Social Capital	Cultural Capital
Housing	Other Policies Policy Implementation Economic Capital	<i>Hukou</i> Status Social Capital	Human Capital Cultural Capital

The impact of formal/legal and informal/social factors across the four socio-economic dimensions examined in this study is relatively balanced. As demonstrated in Table 9.7, it is

readily apparent that social exclusion is highly influenced by both. In each of the four socio-economic dimensions, as least one formal/legal and at least one informal/social factor has high influence. Notably, formal/legal factors all have a medium or high influence on social exclusion in each of the four socio-economic dimensions, except for employment, where other central/local policies have a low influence. Furthermore, housing is interesting in this regard in that it is the only area where more than one formal/legal factor has a high influence (other central/local policies and policy implementation). While this may suggest that formal/legal factors have more relative influence on social exclusion than informal/social factors, it is difficult to define the significance of this relationship as a result of the low number of formal/legal factors (3) and informal/social factors (4) examined in this study. As such, this should be interpreted with some caution.

This study examined seven factors that have an influence on social exclusion. Comparing and contrasting these factors against one another reveals several interesting features about the overall character of social exclusion in Xi'an. The relative strength of influence that each of the seven factors have in contributing to the social exclusion of rural-urban migrants in Xi'an can be estimated by associating a numerical weight of 3, 2 and 1 to the categories of high, medium and low, respectively, and then adding up the total influence according to where the four socio-economic dimensions of education, employment, healthcare and housing intersect on matrix from Figure 9.5. This can be used as a proxy to illustrate the impact of each of the seven factors on overall social exclusion in Xi'an. As demonstrated in Table 9.8, the factors of *hukou* status, policy implementation and economic capital have the most influence on the overall social exclusion of rural-urban migrants in Xi'an. While *hukou* status and policy implementation were

identified as having a medium amount of influence in two socio-economic dimensions and a high amount of influence in another two, economic capital has high degree influence in three socio-economic dimensions, except employment where it has a low amount of influence. As mentioned above, this is because economic capital is generally a product of employment opportunities, rather than a driver. As a result, it is plausible to suggest that economic factors have the most influence on overall social exclusion of Xi'an's rural-urban migrant population, followed by a combination of factors related to *hukou* status and effective policy implementation. Comparatively, other central/local policies, human capital and social capital have a medium influence on overall social exclusion, followed by cultural capital which has the least amount of influence compared to the other factors.

9.8 Main Drivers of Social Exclusion in Xi'an (weighted approximation of the strength of each of the seven factors on social exclusion in Xi'an)

	Economic Capital	<i>Hukou</i> Status	Policy Implementation	Other Policies	Human Capital	Social Capital	Cultural Capital
High (x3)	3	2	2	1	1	0	0
Medium (x2)	0	2	2	2	1	3	1
Low (x1)	1	0	0	1	2	1	3
Weighted Total	10	10	10	8	7	7	5

Another important factor to consider when assessing the relative impact of factors that exclude rural-urban migrants from available local benefits and resources is the degree to which migrants are aware of, and concerned about, being excluded. As discussed in Chapter 2, this study has conceptualized social exclusion as the denial and limitation of access for outsider groups (in this case rural-urban migrants) to participate in key activities and opportunities available to the rest of society, as a result of reasons beyond their control, but where they

would like to participate (Burchardt et al. 2002). This has important implications for policy initiatives aimed at improving migrant integration. If migrants are unaware or unconcerned with being excluded from certain opportunities in society, then efforts to improve their integration in these areas could have difficulty in obtaining migrant participation and become less likely to be successful. Based on the interviews conducted for this project, it is apparent that migrants in Xi'an are more concerned about exclusion in some areas more than others. In particular, Xi'an migrants are primarily concerned with opportunities associated with employment and with the educational of their children. While employment and income generating opportunities were a concern for all migrants, for those migrants with children, the exclusion of educational opportunities for their children was their number-one concern. While a lack of access to opportunities surrounding healthcare and housing were considered important to overall migrant social integration, especially by subject-matter experts and local officials, these were not considered to be as high of a priority by migrants themselves.

9.4 Theoretical Considerations

This study has used a theoretical approach based on a Weberian and neo-Weberian understanding of social closure and social exclusion, influenced by important societal transformations occurring across the country, including privatization and marketization, state-society relations, and fragmented authoritarianism. The benefit of this approach is that it facilitates going beyond *hukou* explanations of social exclusion and provides insight into the influence that other factors, originating from within the state, market and society, have on the processes and mechanisms that exclude rural-urban migrants from locally available socio-economic benefits and resources.

When compared to the existing literature, in particular studies that examined the social stratification and exclusion of migrants during the first two decades of the reform period (e.g. Cheng and Selden 1994; Solinger 1999; Fewsmith 1999), the findings from this case study of Xi'an suggest that the structure of rural-urban migrant social exclusion has shifted over the course of the reform period. Whereas *hukou* status was the dominant barrier to migrant integration in the late 1970s and early 1980s, its role in social exclusion has changed over the more than three decades of reform. Leading up to the introduction of reform, the impact of *hukou* on the socio-economic livelihood of Chinese citizens was virtually absolute. *Hukou* status was ascribed to an individual based on the location of birth of their parents, effectively linking subsequent generations of a family to the same location. The *hukou* system also effectively prevented geographic mobility between locations, especially between villages and cities. And, because the provision of all socio-economic goods and services were provided locally according to one's *hukou* status, this led to the presence of parallel, separate, and distinct production and distribution systems of socio-economic goods and services in rural and urban regions of the country. Several of these have been described in this study, including the disparate rural and urban education and healthcare systems. Thus, when reforms were introduced that loosened the bonds of the rural population to their locations of origin, the surplus rural workforce that had been created as a result of the introduction of the Household Responsibility System was able to venture into the cities in the pursuit of employment opportunities. As a result, reform has meant that the *hukou* system no longer restricted geographic mobility. Increasingly free to compete in the emerging labour market, migrant access to employment in the cities was no longer unilaterally determined by their ascribed *hukou* status, but by achieved factors as well,

including their own human capital, education, and skills. However, *hukou* status did remain a barrier to equal access to education, healthcare, and housing opportunities available to their urban counterparts. This situation reflects the nature of migrant social stratification and social exclusion during the first two decades of the reform period. While the social stratification and exclusion of the migrant population remained largely dependent on *hukou* status, the influence of market and achieved factors was beginning to emerge as well. Over the last decade, the nature of migrant social exclusion has shifted even more. In particular, the near total deconstruction of the socialist distribution system and subsequent increase in reliance on market forces for the provision and distribution of social-economic resources has rendered *hukou* status increasingly obsolete as a basis of determining eligibility and access to socio-economic benefits.

As this study has demonstrated, the marketization of these resources and benefits has introduced additional market-based factors into the equation, which in some cases have eclipsed *hukou* status in terms of the influence that they have in contributing to the social exclusion of rural-urban migrants. As evidenced throughout this case study of Xi'an, *hukou* status still represents a formidable challenge for rural-urban migrants in several socio-economic dimensions, particularly in the areas of healthcare and education. However, it is also apparent that *hukou* status is not the sole determining factor influencing migrant social exclusion and that several other formal/legal and informal/social factors also have a significant influence on the social exclusion of rural-urban migrants, including economic capital, other central/local policies, policy implementation, and human capital.

In addition to becoming multidimensional and fragmented, the shift in the structure of social exclusion in contemporary urban China is also characterized by the emergence of achieved characteristics as an additional basis for social exclusion, in combination with existing ascribed characteristics, such as *hukou* status. One of the most significant achieved factors influencing the social exclusion of rural-urban migrants in contemporary urban China is economic capital. As China continues its transition to a market economy, market-based factors have become an increasingly important determinant of social exclusion. This is clearly demonstrated in this study, as economic capital is identified as having high influence on social exclusion in the areas of education, healthcare, and housing. As discussed in Chapter 2, the arrangement of the market and the value that it places on particular assets is socially constructed depending on the interaction of socially produced structures and actions, such as the prevailing political and legal orders (Weber 1978:930). For Weber, market exchange is an important determinant of social differentiation and stratification in society. The market contributes to the differentiation of opportunities in society because those who control greater resources can command a greater share from market exchanges compared to those with fewer resources. The emergence of market-based factors of social exclusion is important because they serve to preserve existing social differentiations and cleavages within society (Weber 1958:181-2). An example of this was demonstrated in Chapter 8, where the creation of a privatized housing market benefited existing urban residents, providing them with opportunities to purchase housing at discounted rates on the basis of their association with *danwei* work units. The growth and maturity of the market economy and the subsequent rise of market-based factors, in particular economic capital, as a significant determinant to social exclusion also strengthens inequality over time, as

the frequency of market exchanges increase (Weber 1958:181-2). In this sense, migrants are generally at a disadvantage compared to their urban counterparts because they have accumulated less economic capital, putting them at a lower starting point and making them less competitive in their ability to access available resources and opportunities in society. This is particularly the case when resources are scarce and demand outstrips supply, as demonstrated clearly in the area of education. Schools have a limited number of students that can be enrolled in any given class. Even though policy dictates that rural migrants are supposed to receive free access to compulsory education, where there is high demand and competition for entry between urban and rural students, those families with more economic capital are more likely to be successful. As a result, it is unsurprising that economic capital is seen as having high influence in the area of education. Similarly, other achieved factors, such as human capital, have also become increasingly important when it comes to influencing social exclusion in contemporary China. This is particularly the case in the area of employment, where human capital is identified as having a high influence. According to the interview data gathered during this study, and corroborated by secondary statistical data, human capital and education credentials are the most important factor that contributes to employment outcomes for the migrant population. The emergence of achieved characteristics, including economic capital and human capital, as important determinants of social exclusion, is consistent with Parkin's perspective that achieved factors, particularly property (e.g. economic capital) and credentialism (e.g. human capital and educational attainment), become increasingly influential on the outcome of social exclusion in modern societies.

Thus, in contemporary urban China, rural-urban migrants face the combined challenge of having to compete in the market economy, while also being excluded from local resources and opportunities based on a number of non-market formal/legal and informal/social factors and achieved/ascribed characteristics. As described by Weber, exclusion occurs when social goods, resources and opportunities are withheld from free market exchange so that “outsiders” are unable to access them (Weber 1958:190-3). By restricting access, those belonging to the “insider” group are able to maximize rewards, benefits, and opportunities for themselves (Silver 1995:69). Exclusion occurs as a result of a combination of formal/legal and informal/social boundaries. Formal/legal boundaries of exclusion include formal mechanisms and processes that are defined by law and enforced by the state, through policy, regulations and policing, whereas informal/social boundaries are predicated on informal mechanisms and closed social relationships (Weber 1978:191).

The findings of this study provide insight into the understanding of social stratification, social inequality, and social justice in urban China. While any attribute can be used as a basis of exclusion (Weber 1978; Parkin 1979), this study has revealed that ascribed and achieved characteristics both have a high degree of influence on migrant social exclusion. As observed by Parkin (1979), the nature of these exclusionary practices determines the general character of the distributive system in a given society. While exclusion based on ascribed characteristics (e.g. *hukou* status) tends to result in communal out-groups, exclusion based on achieved characteristics (e.g. human capital, economic capital) results in segmented status groups (Parkin 1979). The distinctions made between rural-urban migrants and other segments of society based on the unique composition of formal/legal and informal/social criteria have implications

for the access to opportunities across social dimensions for this population group and their life chances in the city. The findings of this study suggest that the structural systems of subordination in urban China have shifted, and that class and power is not longer determined solely by ascribed characteristics such as *hukou* status, but by the combination of additional social resources, including economic capital and human capital. This echoes Parkin's observation that in modern capitalist societies, that human capital (defined as qualifications and credentials) increasingly serves as a gateway to social mobility. The results of this study support observations that migrant workers are increasingly becoming a new social stratum within urban society, and that they are increasingly conscious of their status, right, and social situation (Wang 2006). The plight of China's rural-urban migrants begs questions as to the likelihood of coordinated illegitimate usurpation by this population group. As discussed in Chapter 2, usurpation is a form of closure pursued by excluded groups in order to increase their access to resources and benefits that normally accrue to dominant insider groups in society. "Illegitimate" usurpation generally relies on public mobilization, and takes the form of strikes, demonstrations, sit-ins, marches and picketing. As such, usurpatory activities are often seen as standing in opposition to the state. However, usurpation can also be a strategy to promote social inclusion that can be pursued "legitimately," in association with state participation. The state is a key player in social exclusion because it is a gatekeeper to the primary determinants of "access to, or exclusion from, power, resources, and opportunities in society" (Weber 1978:302). This gives the state a unique role to play in the social differentiation, stratification, and inequality in society. In China this role is overt as a result of the authoritarian structure of the state. While fragmented, its authoritarian structure provides the state with the means to

contribute to the social exclusion of migrant workers, as well as their usurpation and inclusion. With regards to rural-urban migrants in contemporary urban China, the efforts of the central and local levels of government are often contradictory and at odds with one another. This has been well documented in this study. On the one hand, numerous policies and regulations have been developed by the central government to improve migrant access to available resources and improve the life chances of migrants. On the other hand, local implementation of these policies has been shown to be lacking in relation to the intended objective of these same policies. In both cases, the rationale behind both their development and implementation is to stimulate economic development. However, in doing so, the state is also indirectly increasing its political legitimacy and promoting social stability by improving the life chances of a large and potentially destabilizing segment of population. In practice, usurpation tends to take place not when there is a large disparity between classes, but when the position of outsiders is not improving (Parkin 1979). While the opportunities available to rural-urban migrants are still less than those of their urban counterparts, their overall social position is continuing to improve. Migrant social and economic status is higher than what they can expect in their location of origin, and most are convinced that they have experienced upward social mobility. Thus, even though migrants are aware that they are excluded from certain opportunities compared to their local urban counterparts, the perception of upward social mobility tempers their likelihood to engage in overt and illegitimate usurpation and protest. This is particularly so in those areas where migrants demonstrate little concern, such as access to healthcare benefits and services. As identified above, migrants are most concerned about being excluded from opportunities in the areas of employment and education. Across China, hundreds of thousands

of protests are held every year, many of which are organized by migrant workers. Up until recently, the majority of these have been confined to the economic field (Wang 2006:195), and directed at employers (which can be the state, in the case of state-owned enterprises) over concerns about maltreatment, poor working conditions, and delayed or unpaid wages. However, in line with the increasing importance of human capital, education, and credentials in the Chinese labour market, migrant protests related to the education of their children have become increasingly common (Reuters 2012, December 22; Ming 2014:105). Moving forward, usurpation attempts by migrant workers are expected to focus primarily on these two issues.

9.5 Policy Implications

Urbanization is a central tenant of the central government's national development strategy to restructure the economy towards economic growth based on domestic demand and consumption, and become less reliant on low value-added exports. In support of this strategy, the state is targeting a 70 percent national urbanization rate by 2025 (China Daily 2013, June 18). The government is cognizant that urban population growth alone will not be enough to achieve its economic objectives and is promoting "inclusive growth" (Xinhua 2010, October 13) in conjunction with urbanization, as evidenced by the 12th Five Year Plan (2011-2015) and the "National New-Type Urbanization Plan" for the 2015-2020 period (Xinhua 2014, March 16). The successful integration of rural-urban migrants has an important role to play in this strategy. Recognizing the contribution that migrants make to the economy, the central government has released numerous documents calling for attention to the working conditions and rights of migrant workers, and has taken several steps to end discriminatory practices and integrate migrants into urban society, including efforts to provide better working conditions and

integrate migrants into urban social welfare schemes. Moving forward, the realization of these efforts will have an important impact on the ongoing development of urban China, and whether it is marked by inclusion and integration, or increased socio-economic stratification. In order to integrate migrants effectively, it is important to understand the factors that exclude migrants from participating in urban society, and from accessing locally available socio-economic benefits and resources in areas such as education, employment, healthcare, and housing.

The dominant discourse in the existing literature on social stratification in China places emphasis on the role and influence of the *hukou* system, often to the detriment of other factors. However, as demonstrated using a case study of Xi'an, this approach does not reflect the complexity of social exclusion in urban China. The findings presented in this study demonstrate that social exclusion in Xi'an is multidimensional and fragmented across socio-economic dimensions. To a certain extent, these results are generalizable to other cities in China. On the one hand, it is plausible to suggest that the broad findings of this study are generalizable to the broader context of social stratification and social exclusion of the migrant population in urban China: that social exclusion of the rural-urban migrant population is multidimensional and fragmented across socio-economic dimensions in other large urban centres across China. Furthermore, as demonstrated throughout Chapters 5-8, there are numerous parallels that exist across cities in China. On the other hand, the specific character of social exclusion in other Chinese cities likely varies as a result of local conditions. As a result, it is likely that the relative influence of various factors on social exclusion across socio-economic dimensions can vary. In particular, in those factors that are locally specific, including the formal/legal factors of 'other central/local policies and regulations' and 'policy

implementation.’ Depending on the geography and demographics of the local migrant population, variation could also be expected in the influence of the informal/social factor ‘cultural capital.’ This has several implications for policy aimed at improving the social integration of the rural-urban population in Xi’an, and for other large urban cities in China.

Since social exclusion is fragmented across socio-economic dimensions, and the factors that influence exclusion in each are multidimensional (a combination of formal/legal and informal/social), potential solutions to successful migrant integration will likely require a wide variety of targeted approaches. There is no single panacea, no single “silver-bullet” policy solution or “one size fits all” approach that will lead to successful migrant integration. This includes the abolishment of the *hukou* system, which is unlikely to significantly improve migrant social integration without providing migrants with access to locally available opportunities and resources. It is not the hukou system itself that leads to social exclusion and low levels of migrant social integration (Chen and Wang 2012:424). As this study has demonstrated, it is the interaction of formal/legal and informal/social factors. Moving forward, since social exclusion across socio-economic dimensions is highly influenced by both formal/legal and informal/social factors, potential solutions will also need to involve actors from the state, market and society, including migrants who desire to settle permanently in the city.

While reform has resulted in substantial social and economic pressures and challenges for China’s cities, it has also resulted in increased authority and capacity at the local level to respond to these challenges and develop innovative solutions through policy development and implementation. As discussed in Chapter 2 and demonstrated throughout this study, when it

comes to managing the migrant population, policy direction is often provided by the central government, with directives for lower levels of government to pursue these objectives within the context of their local conditions. Since the integration of the migrant population is a key facet of the government's current urbanization and economic development strategy, this means that local policy implementation not only has a significant role to play in the exclusion/inclusion of migrant workers, but on the outcome of the country's national development strategy. As demonstrated in this study, the gap that exists between central policy development and local policy implementation has a profound impact of migrant social exclusion. In some cases, local officials are less able, and at times less willing, to enforce regulations because of a lack of financial resources. In other cases, while the objectives and intent of the laws, regulations, and policies developed by the central state are clear, the path forward is vague and ambiguous. Thus, while the degree of influence that policy implementation has in each socio-economic dimension of social exclusion is likely to vary, the role that policy implementation has on migrant inclusion/exclusion is universal in urban China. To a certain extent this is not unique to migration-related issues. It is a problem that afflicts a multitude of policy areas. For example, Mertha (2009) has demonstrated that implementation is fragmented in the area of hydropower policy, leading to a plurality of policy outcomes. Similarly, Lee (2006) has demonstrated that water-policy management varies as a result of the existing laws not being properly enforced. This has put China's water assets in danger, including unsustainable water use, worsening water pollution, and inefficient flood protection measures (Lee 2006:10). The implementation of current policies has to be improved. To address this problem, the local government could develop mechanisms that provide migrants with a means

to express their dissatisfaction with existing mechanisms, which could subsequently identify areas for improvement. In Xi'an, as well as other cities where migrants are highly concentrated, local governments often find themselves short on resources. To solve this problem, higher levels of government need to cooperate, intervene and provide funding to local governments. The transfer system needs to be set up to support and motivate local governments to support the local provision of social services, including education for rural migrant children, and access to affordable rental housing as well as healthcare services. in accordance with the number and demand from rural migrants.

In order to reduce exclusion and enhance migrant integration across education, employment, healthcare, and housing, initiatives should be targeted at those challenges that have the most influence in each of these dimensions. The results of this study, presented in Figure 9.5 and Figure 9.7 provide insight into those challenges that central and local policy-makers and influencers could target (i.e. those factors that have high and medium influence on social exclusion) in order to have the greatest impact on reducing migrant exclusion and promoting inclusive urbanization in Xi'an. For example, in the area of education, initiatives could target *hukou* status and economic capital (high influence) and other central/local policies, policy-implementation and cultural capital (medium influence). This provides opportunities for intervention from all levels of government. The central and provincial governments could focus on existing rural-urban inequalities and on improving the rural education system in Shaanxi province. By providing better quality education opportunities in surrounding rural areas, migrant children will be better prepared when they arrive in Xi'an (Luan 2013:374).

Furthermore, the various levels of government could come to an agreement to let migrant

students take the *gaokao* national college entrance exam in Xi'an, regardless of where they are registered. The central government could also put pressure on, and collaborate with, the municipal government to provide adequate space and resources towards the education of migrant children. Given the declining rate of enrollment by local urban students in Xi'an, the local government could also provide incentives to local schools to admit migrant students in order to strategically fill gaps in enrollment in specific regions across the city. This could be complemented by housing incentives for migrants in regions of the city where local student populations are in decline. The economic barriers that migrant students face are significant. The local government could also strengthen its efforts to enforce existing policies that make it illegal to levy fees on migrant students in order to provide equal access to migrants to local education opportunities. The relative influence of cultural capital as a barrier toward migrant education could be addressed by all levels of state through initiatives to improve the social status of migrants in the city.

With regards to employment, initiatives could target policy implementation and human capital (high influence), as well as *hukou* status (medium influence). In this case, the central government has made significant efforts to develop the labour market and to improve migrant working conditions across the country. Indirectly, central-government initiatives that also target rural education, as described above, could theoretically improve migrants' human capital before they arrive in the city, and subsequently make them more competitive in the urban labour market. However, much of the progress in the area of employment would have to come from the municipal government. For the most part, policies are already well developed, but the local government needs to do a better job of implementing and enforcing them. In particular,

improvement could be made with regards to the adoption of formal labour contracts. This would not only protect the labour rights of migrant workers, but increase their eligibility for a wide range of other social benefits as well. At the local level, the Xi'an government could also provide additional training opportunities for migrant workers to improve their human capital in the city. In order for these to be useful for migrants, these offerings would need to be affordable and convenient for migrants. Providing education and training to migrants could also facilitate the accumulation of human capital and increase industrial efficiency, salaries, household income, and consumption capacity for the city at large (Gottschalch 2015:8).

In the area of healthcare, there is a broad range of approaches available that government could pursue to improve migrant integration into the local healthcare system. Policy initiatives could target *hukou* status and economic capital (high influence), as well as other central/local policies, policy implementation, human capital, and social capital (medium influence). The central government could work with lower levels of government, insurance providers, and hospitals to ensure that migrants can access public healthcare services where they live and work, irrespective of the location of their *hukou* status. Without local healthcare insurance, migrants must bear a heavy financial burden whenever they access the urban healthcare system.

Ensuring that migrants can claim local healthcare costs against insurance schemes from other areas would go a long way to improving migrant access to local healthcare. This could be achieved by making migrants eligible for urban insurance schemes, or by expanding the geographic coverage of existing rural insurance schemes to include urban areas. Subsequently, by reforming the social security system so that migrants do not need to save for potential

future costs, such as healthcare, housing or education, migrant household income could be converted into more effective purchasing power and support domestic consumption.

In the area of housing, migrants are challenged by other central/local policies, policy implementation and economic capital (high influence), as well as by *hukou* status and social capital (medium influence). Migrants could receive equal rights to purchase housing in the city where they live and work, a decision that resides within the authority of the municipal government. However, since the costs of home-ownership are often more than what rural-urban migrants can afford anyways, efforts could also be made by the municipal government to improve the inclusion of migrants into local affordable housing schemes. As the cheap, informal housing solutions that have been provided by Xi'an's urban villages are increasingly reduced as a result of urban redevelopment, the need for affordable housing for migrants is on the rise. This could include further changes to the *hukou* registration system, as well as market-based rules on land ownership and use.

While the examples presented above are just some of the many potential solutions that the government could take to help integrate migrants into local society, those with the greatest likelihood of success are those that correspond with the concerns of migrants themselves. As identified above, migrants in Xi'an are primarily concerned with opportunities related to employment and with the education of their children. As such, in order to maximize the likelihood of success, central and local policy initiatives would need to be developed that target those factors that have high influence in the area of employment (i.e. human capital and policy implementation) and education (i.e. *hukou* status and economic capital).

The continued prevalence of exclusion and inequality between rural migrants and urban residents has the potential to lead to increasing social instability. Going forward, the successful integration of the second generation of migrants will become increasingly important policy makers in this regard. This cohort, younger and better educated than their parents, is far more aware of their rights and what unsatisfactory conditions they face than the previous generation. Furthermore, they are demanding change. Increasingly, this is taking the form of collective action, protests and social unrest, which has become more prevalent since 2000. In recent years, there have been hundreds of thousands of protests across China, many of which are organized by migrants. It is clear that there is a lot of pent-up anger among this new generation of migrant workers. If these frustrations cannot be diverted, they will pose a serious threat to China's social and political stability (Chan 2012). The successful integration of second generation migrants is important for policy makers because of their perceived contribution to promoting urbanization, which is considered by the state to be one of the major driving forces of economic growth and social development. In order to achieve this goal, inclusive policies are needed to help migrants gain access to opportunities and resources, irrespective of their *hukou* status (Chen and Wang 2015:424).

9.5.1 The Impact of Recent *Hukou* Reforms

Various components of the *hukou* system have experienced gradual change over the reform period, and this has modified several of its major functions. As discussed in Chapter 1, the *hukou* system documents and registers individuals and households, manages strategic segments of the population (e.g. political dissidents), divides the population into rural and urban categories, and restricts population migration across regions and between rural and

urban areas (Wang 2005:62-63). In several cases, the influence of these functions has diminished. As one expert explained, “from a historical perspective, the *hukou* system is becoming less and less important” (Interview 9:3). By the early 2000s, the only remaining aspect of *hukou* status that really mattered to migrants was the location of their *hukou* registration. This is because during the reform period, social services that were formerly provided by the central government were passed on to local governments, the distribution of which was provided to local residents, as defined by the location of their *hukou* registration. As one expert said, while elaborating on the association between *hukou* registration and social benefits,

“The problem is not the *hukou* system itself. It is that the *hukou* system is bundled together with the social welfare system. This should be the subject of criticism, but often it is not. A kind of population management system will always be necessary, but that does not mean that it has to be linked to social welfare benefits. You need to reform the system, not overthrow it... To get rid of the *hukou* system completely is unrealistic. You will always need a system to manage identification and to keep track of, and to manage the population. In fact, the original function of the *hukou* system was to gather demographic information, which is another function of the *hukou* system. The problem is not the *hukou* registration itself, but that it is linked to some aspects of the social welfare system. As it stands, the system is not fair” (Interview 6:5).

Despite iterative adjustments made to the *hukou* system over the last decade, its structure has not changed significantly over this time. Even in 2008, when the State Council announced that the *hukou* system would be dismantled, the cumulative effect did not result in its elimination. Instead, residency rules were significantly reduced and in many cases removed in most Tier 3 cities, in an effort to stimulate urbanization in the country's small and medium-sized cities. However, increasingly stringent requirements were established as urban populations surpassed 1 and 3 million, and in cities with over 5 million people, local governments could enact a points-based system, similar to that used to assess international immigration to Canada, to decide who was eligible for permanent residence. With the responsibility for *hukou* policies devolved to local governments, in practice this often made permanent migration to large cities even more difficult (Chan and Buckingham 2008) because it effectively introduced a mechanism for large cities to preferentially select segments of the migrant population that it deemed appropriate. In most cases, this was restricted to highly educated and high-income applicants, subsequently excluding the majority of the rural-urban migrant population.

Reforming the *hukou* system continues to be seen as an important driver of urbanization and economic growth. Estimates suggest that total reform of the *hukou* system could contribute 2 percentage points to China's economic growth (China Daily 2015, October 27). Other perceived macro-economic benefits of *hukou* reform include increasing labour mobility, strengthening domestic consumption, expanding the service sector and raising productivity. Moving forward, *hukou* reform is a major platform of the 13th Five Year Plan (2016-20), and the central government has announced that there will be comprehensive reform to the *hukou* system in the coming years.

The origins of the latest round of reforms began in 2014 when the State Council released plans for a “National New-Type Urbanization Plan,” with the objective of having permanent urban residents comprise 60 percent of the population by 2020. This plan includes transitioning 100 million migrant workers and other permanent residents to urban *hukou* status (Xinhua 2015, February 11). This would be a dramatic increase over recent progress, which saw only 13 million people officially admitted as urban residents during the 12th Five Year Plan (2011-2015). In 2010, 35 percent of Chinese residents had an urban *hukou*, while about 50 percent of the population resided in cities. In 2014, 36 percent of Chinese residents had an urban *hukou*, but the urban population totaled 54.7 percent of the population (China Daily 2015, October 27). This suggests that *hukou* reform has lagged behind the changing reality of Chinese domestic migration. The goal of transitioning 100 million people to urban *hukou* is an ambitious target, and to achieve this target, 23 million people a year will have to have their *hukou* status changed between 2015 and 2020 (China Daily 2015, December 10). However, this is still less than half of the more than 274 million migrant workers that currently exist across China.

In support of this strategy, the State Council has released new guidelines, effective January 1, 2016, which direct local governments to allow rural-urban migrants permanent residency in the cities where they live and work. This would enable many migrant workers to permanently settle down and enjoy similar rights as urban residents (China Daily 2015, November 5), including access to six “basic public services,” including compulsory education for children, employment services and basic healthcare, pensions, and housing (China Daily 2015, November 5; Xinhua 2015, December 12). Local governments are expected to have new guidelines in place by the end of the year.

The country's staggered approach to *hukou* reform is consistent with the state's overall gradual approach to development. From the perspective of the state, one of the advantages to this approach is that it mitigates the risk of local governments, infrastructure and social services being overwhelmed by a large influx of new migrants. According to Yi Peng, a researcher with the China Center for Urban Development under the National Development and Reform Commission, "The *hukou* reform will put great pressure on local governments since it will increase public expenses for education, health and pension services" (Xinhua December 18, 2013). To support the transition of 100 million more permanent urban residents, the central and local governments are expected to expedite processes for land development and to increase infrastructure investments in order to satisfy the strong expected demand that will come with large numbers flowing to the cities (China Daily November 5, 2015). Local governments will also need to provide additional social services and welfare for those who migrate to the cities (China Daily October 27, 2015), but more clarification is still needed regarding the division of financing the costs of *hukou* reform between the central and local governments.

According to Premier Li Keqiang, the latest urban development strategy will allow migrant workers to become urban residents in "an orderly way." However, while the new reforms may help to spur urbanization and increase the size of the permanent urban population by 100 million by 2020, this opportunity will not apply equally to all migrants. According to the Ministry of Public Security, four groups of people will be prioritized: rural residents pursuing higher education; rural residents joining the army; those who have worked and lived in cities and townships for over five years; and those who have moved to cities with their families (Xinhua

January 28, 2016). Thus, the latest round of *hukou* reform will target only certain segments of the migrant population, those which Xi Jinping described as “suitable people” who are both “capable of maintaining steady jobs and comfortable in cities” (The Diplomat 2015, 2016). Eligible applicants will be identified based on factors such as their employment record, education level, and housing situation. In many cases, applicants must have lived in the city for at least six months and either have a stable job, stable place to live or be studying at a school. This will require documentation demonstrating employment (e.g. a formal labour contract), business ownership, housing rental or ownership, or proof of student status (Xinhua 2015, December 12).

While all provinces, autonomous regions and municipalities in China are required to follow the new policy, the eligibility requirements vary across the country. In smaller cities with populations of under 1 million, people can apply for a *hukou* if they have a stable job, house and can render insurance bills for 3 years. This requirement is raised to 5 years in cities with populations of 1 to 5 million (Xinhua 2015, December 12). In large cities of more than 5 million, the local government can adopt a points system and “enact their own regulations according to local conditions.” Thus, local governments will still be able to set different thresholds and eligibility requirements based on their own perceived ability to absorb migrant workers and manage the flow of people into the city (China Daily 2015, November 5). Conversely, *hukou* restrictions will be fully removed in small towns and cities in cities under 1 million. The hope is that by reducing barriers to entry in smaller cities and towns, that these locations will become more attractive to migrants. However, migrants can already obtain a permanent *hukou* in most smaller and less developed cities without much difficulty. But, these smaller cities “lack both

the employment opportunities and the quality social services of the metropolises” (The Diplomat 2015), making these locations unattractive to many migrants.

In Xi’an, the current guidelines to obtain a permanent local Xi’an *hukou* came into effect in January 2015. Today, in order to acquire local urban *hukou* status, applicants must already have a permanent *hukou* from another city; have a signed formal labour contract from a registered company, institution or organization in Xi’an; participate and pay into a Xi’an social insurance scheme for more than five years, beginning from the time they were 35 or younger; and have evidence of legal permanent residential occupancy (e.g. rental or ownership). Non-employed spouse and children under 18 can also accompany the applicant. Given these requirements, it is clear that the majority of rural-urban migrants in Xi’an will have great difficulty in being able to transfer their *hukou* status. As a result, they are likely to encounter considerable challenges in those areas where *hukou* has a high degree of influence on social exclusion, including education and healthcare.

While it will take some time to accurately assess the impact of the most recent round of *hukou* reforms, it appears that there are still several significant barriers associated with the *hukou* system that negatively impact the integration of rural-urban migrants. This is most apparent in the areas of education and housing. For example, in the area of education, migrants still lack equal access in terms of high school and higher education. While entry into urban compulsory education programs is anticipated to improve, migrant children will still be required to return to the towns and villages of their parents in order to participate in the *gaokao* national college entrance exam. Lower levels of government will have the option of abolishing this requirement,

and some, such as Guangdong, have already done so (Xinhua 2015, December 12). However, this is not a requirement of the new policy, and will be based on local conditions. Moreover, with regards to housing, the new rules do not specify whether or not the new permanent urban residents can buy houses in the large cities that have created restrictions on non-native buyers, an initiative that was put in place in many cities in order to curb rising house prices (Xinhua 2015, December 12). More importantly, a change of *hukou* status will require rural residents to give up their rights to farmland back in their hometowns, since only those registered as farmers are entitled to the land (Xinhua 2013, December 18). Many migrants believe that rural *hukou* status is more advantageous than in cities, and many rural-urban migrants are unwilling transfer their *hukou* status. Most farmers still regard land as the most reliable guarantee of their livelihood. If they become urban residents, migrant workers lose their land-related interests under the current local regulations of many rural areas (Xinhua 2014, August 1). As described by one expert,

“Despite the unequal access to social services in the city, many migrants are unwilling to give up their rural *hukou* status. In many cases, local governments are now trying to implement plans to allow rural migrants to transfer their *hukou* registration to a local city *hukou* status. But, these plans are not always successful. Rural-urban migrants also have rights in the countryside, especially related to land. And, the central government has taken steps to improve social services in the countryside around education and social security, so now migrants are less and less concerned with transferring their *hukou* status, even if it provides them with better access to social services” (Interview 18:9).

Moving forward, rural-urban migrants are increasingly likely to want to remain in cities on a permanent basis, but this does not mean that they will be motivated to convert their rural *hukou* status to an urban *hukou* status. Despite recent efforts to relax restrictions for migrant workers to seek permanent resident status in towns, small and medium-sized cities, many migrants are indifferent to the changes. According to a survey conducted in nine cities in nearby Sichuan province, only 10.7 percent of migrants said they are willing to register their *hukou* in cities (Xinhua 2014, August 1).

The latest round of *hukou* reforms is likely to lead to minor improvements for the migrant population, including easier access to compulsory education for migrant children. However, the overall impact of the reforms is unlikely to represent a major advancement in the social integration of China's rural-urban migrant population. In this sense, the most recent changes to the *hukou* system are superficial and will do little to improve the social stratification of China's growing rural-urban migration population. Because obtaining local urban *hukou* status remains out of sight for many rural-urban migrants, it is tempting to see the current round of reforms as marginal and to conclude that the *hukou* system remains "alive and well" (Chan and Buckingham 2008). As it stands, by not taking significant steps to sever the link between *hukou* status and the provision of social and economic benefits and resources, the *hukou* system continues to reinforce existing patterns of social exclusion in urban China. However, as this study has demonstrated throughout, contemporary rural-urban migrant social exclusion is more complex and dynamic than *hukou* status alone. On the one hand, rural-urban migrants in contemporary China are faced with more exclusionary barriers than ever before. In addition to *hukou* status, this study has identified formal/legal structural factors such as other central/local

policies and policy implementation, as well as achieved informal/social factors such as economic capital and human capital, as all having a high degree of influence on rural-urban migrant social exclusion. On the other hand, there is some room for optimism. Despite a fragmented environment characterized by a numerous factors that can impede integration and exclude migrants from available opportunities and resources, this same fragmentation provides additional opportunities and alternatives for migrants to cope, develop survival strategies, and overcome the challenges associated with social exclusion that go beyond *hukou* status. Policy makers, policy influencers, policy entrepreneurs, and migrants themselves should take heed of these opportunities in order to help achieve the ambitious targets that have been set with regards to urbanization, inclusive development and the Chinese Dream – and subsequently, provide the migrant population with the social justice that they deserve.

9.6 Opportunities for Future Research

This study contributes to the emerging position that it is necessary to go beyond *hukou* explanations of social exclusion, incorporating formal/legal and informal/social factors, processes and mechanisms that originate from the market, the state, and society.

The results of this study provide a basis for future research. In particular, there is an opportunity to further investigate the generalizability of these findings by conducting comparative studies of social exclusion in different cities across China. In addition, there is an opportunity to look more closely at the migrant population of Xi'an (or another city), and engage in a comparative analysis of social exclusion across different segments of the migrant

population, within the rural-urban migration population, and between the rural-urban and urban-urban migrant populations.

9.6.1 Comparative Study of Chinese Cities

Chapters 5 through 8 compared migrant social exclusion in Xi'an with national trends and other major cities in China across the socio-economic dimensions of education, employment, healthcare, and housing. These chapters, in addition to Chapter 4, identified many of the unique features of rural-urban migration in Xi'an. They also identified many common trends that exist between Xi'an and other large urban centres in China.

Social exclusion in Xi'an is conditioned by its local characteristics and those of the local rural-urban migrant population. For example, Xi'an's local economy dictates the type of employment opportunities available to migrant workers. Given the city's industrial base and its reputation as a manufacturing, technology, and research hub, Xi'an migrants are largely employed in the service sector, as opposed to migrants in many coastal provinces who are employed in manufacturing. Considering working conditions in the service sector are generally not as dangerous as in manufacturing, migrant concerns over health and safety in Xi'an may not be as high as in other parts of the country. As such, migrant concerns about social exclusion in the area of healthcare may not be as high. In addition, the demographics of Xi'an's migrant population differ from other major urban centres in China. In particular, because the vast majority of migrants in Xi'an originate from nearby towns and villages, it is easier for them to travel between rural and urban areas to access location-specific amenities and social services compared to migrants who travel longer distances. Thus, migrants in Xi'an may perceive

formal/legal barriers that incorporate *hukou* status as less important than migrant populations in other cities, which have a higher proportion of long-distance migrants. Similarly, since the majority of Xi'an's migrants originate from nearby locations, their cultural differences may not be as significant as those found between migrants and non-migrants in other cities. For the most part, Xi'an's migrants and non-migrants share cultural roots in terms of ethnicity, language, religion, history and customs. The discrepancies that do exist are more akin to differences that stem from variations in rural-urban lifestyles than anything else.

As described throughout this study, the reform period has had a profound impact on the nature of state-society relations and on local-central government relations. These changing relations play a strong role in the fragmented quality of social exclusion across the country. Undoubtedly, there are several similarities between migrant social exclusion in Xi'an and that found in other major cities in China. The significant role that the central state has in the development of overarching policy direction ensures that there are parallels in the processes of social exclusion in Xi'an and those found in other cities in China. In particular, many of the formal/legal processes of social exclusion are based on policies and regulations that are developed by the central government, and provide a blueprint for initiatives and activities for local governments to emulate. However, while the major formal/legal barriers of social exclusion (e.g. *hukou*) are expected to be similar among large cities in China, the specific implementation of these policies and the forms that they take on the ground are expected to be location-specific. As a result, local governments in different cities may have different initiatives and approaches to dealing with migrant issues. This could have an influence on the local nature of social exclusion, and also influence migrant survival strategies across the country.

This case study of Xi'an has provided a substantial amount of detail and in-depth insight into the local character of social exclusion. It has also enabled me to examine the overall phenomenon of rural-urban migrant social exclusion, trace causal mechanisms and pathways, and suggest correlations and relationships among different factors. However, by relying on a case-study methodology, the broad generalizations that have been made above regarding social exclusion in urban China should be accepted with a degree of caution. The reliability of the findings generated in this study applies to the city of Xi'an, and cannot be directly applied to other cities in China. A comparative study of multiple cities that uses quantitative multivariate analysis could help to shed light on the impact that differences in local implementation have on the social integration of rural-urban migrants. By looking at cities with different urban features, including population size, geographic location (e.g. coastal vs. inland), and economic conditions, a comparative study could also provide great insight into the impact that local formal/legal and informal/social factors have on migrant integration across the country.

9.6.2 Comparative Analysis of the Urban Migrant Population

The methodology used in this study has facilitated the generation of a substantial amount of depth and detail concerning the social exclusion of the rural-urban migrant population in the city of Xi'an. However, the choice of methods did not lend itself to gathering extensive unique descriptive information regarding the migrant population itself. Xi'an's migrant population is not a homogenous group, and there are numerous cleavages that exist within it. The migrant population is differentiated as a result numerous ascribed and achieved characteristics, including existing assets and individual skills. Each of these has a different value and influence in the context of the exclusion/inclusion, social inequality, and effect on an individual's life

chances. The intersections of the rural-urban migrant population in Xi'an are numerous. This is clear when it comes to the differences that exist between urban-urban and rural-urban migrants, which have been the focus of many existing studies of China's migrant population. But even within this latter group, the differences are immense. In particular, key ascribed characteristics such as sex, gender, age, location of origin (i.e. distance of travel to Xi'an), as well as achieved characteristics such as duration of stay in Xi'an, type of employment, socio-economic status, and family status all contribute to the variance of the migrant experience of social exclusion. Some of this variety has been teased out in this study. For example, in Chapter 6, interviews with migrants and experts suggest that age has a significant impact on the type of job that migrants can secure. A quantitative research project, utilizing a survey and incorporating a multivariate analysis of the migrant population, informed by the framework developed in this study would provide added precision about the differential experience of migrant social exclusion in Xi'an. Furthermore, by examining these questions on a routine basis, the results could provide insight that could be used to evaluate the performance of local initiatives and local policy implementation, positively impacting the quality of urbanization in Xi'an.

Appendices

Appendix A



**Department of Sociology and Anthropology
Carleton University (Ottawa, Canada)**

**PARTICIPANTS NEEDED FOR
RESEARCH ON RURAL-URBAN MIGRATION IN XI'AN**

We are looking for volunteers to take part in a study of rural-urban migration in Xi'an.

As a participant in this study, you would be interviewed and asked to convey your perspective on how the city of Xi'an plans, prepares and reacts to rural-urban migration.

Your participation would involve 1 interview session,
no more than 45 minutes in duration.

For more information, or to volunteer for this study,
please contact

Ian Cooper
Department of Sociology and Anthropology
at
Phone: 13201794324 or
Email: ian.cooper@carleton.ca

**This study has been reviewed by, and received ethics clearance
through the Carleton University Research Ethics Board.**



加拿大渥太华卡尔顿大学

社会学系与人类学系

徵求参与者

我们在寻找志愿者参与针对西安市外来农民工城乡迁移的案例研究

在这项研究中的参与者将会接受我的访谈，分享您对于西安地方政府如何规划，准备和应对大批前来城市寻找工作的农民工的观感。面对面访谈时间将不超过 45 分钟。

欲了解更多信息，或愿意参加这项研究者，

请联络

Ian Cooper

社会学系与人类学系

联络电话: 13201794324

Email: ian.cooper@carleton.ca

这项研究已通过加拿大卡尔顿大学研究伦理委员会审查，并符合研究伦理的要求。



Bracing for the flood:

A case study of local policy response to rural-urban migration in Xi'an China

Greetings ,

I am a PhD Candidate at Carleton University (Ottawa, Canada) with the Department of Sociology and Anthropology, and am being hosted by the Institute for Empirical Social Science Research at Xi'an Jiaotong University. I am currently undertaking a study entitled "Bracing for the flood: A case study of local policy response to rural-urban migration in Xi'an China". In this study, I am investigating how local governments plan, prepare and react to the imminent arrival of large numbers of migrant workers.

To help shed light on this issue, I am soliciting the perspectives, opinions and experience of government officials, academics and other subject matter experts in the areas of policy development and implementation, social integration and migrant labour.

I am writing today to invite you to participate in an interview and share your expertise and knowledge in this area.

The interview will take upwards of 45 minutes, and will occur at a location of your choice anytime between March 13 – April 30, 2014. Any information collected during this interview will be used solely for academic purposes. Should you choose to participate, efforts will be taken to keep your identity anonymous and any information that you provide will be kept confidential.

Your participation will be of immense help and greatly assist the completion of this project.

Thank you for taking the time to consider this invitation. I look forward to receiving your reply.

Sincerely,

Ian Cooper
PhD Candidate, Carleton University
Department of Sociology and Anthropology
Phone: 13201794324
Email: ian.cooper@carleton.ca



Canada's Capital University

迎接潮水般的农民工：针对中国西安地方政策该如何应对大量农民工向城市迁移

大家好，

我是卡尔顿大学（渥太华，加拿大）社会学的博士生，我将在西安交通大学实证社会科学研究所进行一项标题为“迎接潮水般的农民工：针对中国西安地方政策该如何应对大量农民工向城市迁移”的研究。在这项研究中，我将研究地方政府如何规划，准备和应对大批前来城市寻找工作的农民工。

为了让**我的研究**更全面，我将访谈政府官员、学者、以及邀请相关於政策制定和实施，社会融合和农民工等领域的专家来提供他们的观点、意见与经验。

我非常希望能邀请您接受我的访问，分享您在这方面的经验和知识。

如果您愿意参加，为了不耽误您宝贵的时间，访谈时间将在 45 分钟以内结束。在 2014 年 3 月 13 日至 2014 年 4 月 30 日之间，我可以前往任何您方便的时间以及地点。

在这次采访中收集的任何信息将只用於学术目的。我们将保持您的身份匿名，而您所提供的任何信息也将被保密。

您的参与对于这一个研究项目将带来极大的帮助。感谢您在百忙之中考虑这个邀请。我期待着收到您的答复。

真诚的，

Ian Cooper
PhD Candidate, Carleton University
Department of Sociology and Anthropology
电话: 13201794324
Email: ian.cooper@carleton.ca



Academic & subject matter experts – interview questions

Main research question: How does the Xi'an government prepare, plan and respond to the arrival of migrants?

Migrants in Xi'an

- Regarding migrants in Xi'an:
 - Is there anything unique about Xi'an that attracts them here?
 - Where do Xi'an's migrants come from? How do they get here? What do they do?
 - What is the current status of migrant integration in Xi'an?
 - What challenges do they face (regulations, policies, social, cultural etc.) across the following five socio-economic dimensions: employment, education, health, social security, housing?
 - Are there differences across these dimensions (is the situation better or worse)?

Your experience working with migrants

- Please describe your experience researching or working with migrant workers?
 - In your research, have you contributed to policy development or implementation? Have you made policy suggestions? Please elaborate.
- Do you feel that your work is able to influence public policy development or implementation?

Policy development & implementation

- How has the role and the ability of the local state to promote urbanization, and economic and social development changed throughout the reform period?
 - What factors have influenced this?
 - Opportunities & challenges faced by the local state to do this?
- Can you describe the interaction between the local government and higher levels of government in policy development and implementation?
 - How is national and provincial policy interpreted and implemented in Xi'an?

- What policy or program innovations has the local government adopted to help plan, prepare and react to in-migration in Xi'an (e.g. laws, regulations, services etc.)?
 - What measures (policy, regulation) have proven most successful at integrating migrants?
 - Is there anything that could/should currently be changed?
- What impact does hukou have on migrant integration in Xi'an?
 - In addition to hukou & related policies, what other barriers to social integration do migrants face (other locally developed and implemented formal/legal, cultural, social & human capital processes of social exclusion)?
 - Are there differences across the 5 social dimensions?
- If the structures and processes of social exclusion (e.g. hukou) are undergoing transformation, then what are the factors that explain this transformation?
- In an environment where migrant integration is identified as a key driver of future prosperity, why is status differentiation maintained? If the *hukou* policy is recognized as being outmoded at odds with identified state interests, why does the state still support this and other structures that contribute to exclusion; what are the incentives for the state?
 - How do different segments of the local urban population benefit as a result of local policy. I.e. who benefits from the current situation, and who is at a disadvantage?
- Furthermore, who is able to influence the development and implementation of these structural processes? What pressures do local officials encounter from local insider groups, and how does this influence process of social exclusion? Conversely, what pressures exist from below, and how does this contribute to usurpation, inclusion and the integration of rural migrants into society?
 - To what extent are non-governmental actors involved in policy development and/or implementation (academics? NGOs? private sector? businesses? Migrants themselves)?
- Is there anything you'd like to add?

Public officials, analysts, officers etc. – interview questions

Main research question: How does the Xi'an government prepare, plan and respond to the arrival of migrants?

Migrants in Xi'an

- Regarding migrants in Xi'an?
 - Is there anything unique about Xi'an that attracts them here?
 - What is the current status of migrant integration in Xi'an?
 - What challenges do they face (regulations, policies, social, cultural etc.) across the following 5 socio-economic dimensions: employment, education, health, social security, housing?
 - Are there differences across these dimensions (is the situation better or worse)?

Xi'an policy related to migrants

- What benefits and challenges do migrants bring to the city of Xi'an?
- What are the current "high level" policy priorities (short-term & long-term) related to migrants in Xi'an (across the 5 socio-economic dimensions)? Have these changed over time? If so, how & why?
- What are the current priorities (short-term & long-term) related to migrants in your department? Have these changed over time? If so, how & why?
- Please describe your experience developing and/or implementing policies directed at migrants in Xi'an?
 - What was your role and responsibilities associated with this?

Policy Development & Implementation

- How has the role and the ability of the local government to promote urbanization, and economic and social development, and migrant integration, changed over the course of the reform period?
 - What factors have influenced this?
 - Opportunities & challenges faced by the local state to do this?

- Can you describe the interaction between the local government and other levels of government in policy development and implementation and the provision of services to migrants?
 - How is national policy interpreted and implemented in Xi'an?
- Does the local government develop policy/programs based on “Best Practices” in other Chinese cities, globally?
- What innovations has the local government set up to help integrate migrants into society (in the implementation of provincial/central directives, or local initiatives)?
 - What influenced their development? What was the development process? How are they implemented?
 - How do migrants access these? Are there any restrictions (e.g. qualifications, experience, fees etc.)?
- To what extent are non-governmental actors involved in policy development and/or implementation?
 - Academics? NGOs? private sector? businesses? migrants?
 - Does the local state utilize third parties for program delivery?
- What measures (policy, regulations, programs) have proven most successful at integrating migrants?
- Is there anything else that you'd like to add?

访问提问概述

在这个研究中，我将研究地方政府如何规划，准备和应对大批前来城市寻找工作的农民工。

你对农民工的经验

- 请描述您与外来农民工接触的相关经验。
- 请描述您在发展与(或)实施针对农民相关政策的经验。您所担任的职责、角色?

西安的农民工

- 来到西安的农民工，都是从哪些区域过来的? 他们为什么想要来西安? 西安有没有特此吸引他们? 他们来干什么?
- 目前在西安这些移民融入当地社会的情况如何? 以各种社会层面来说，包含医疗、教育、就业、社会保险/保障及居住。

政策发展或实施

- 对于大量迁移进来的农民工，本地的政府有作什么样的计划与准备?
- 可否请您描述本地政府与陕西省政府/国家政府对于相关政策的发展与实施有什么样的矛盾与妥协?
- 请问国家政府的政策在西安是如何的解释与实施?
- 本地政府有采取哪些创新的举动来帮助规划、准备与应对迁移到西安的农民工?
- 非政府的角色对于政策的制定与实施有什么样程度的参与或影响? 比如说，学术界、非政府机构、民营企业、一般商家和管理、或者他们自己迁移至西安的农民工等等。
- 有没有哪些策略(法规、政策)已被证实是整合移民最有效、最成功的?
- 您认为现在的情况还有哪些部分是可以改善的?



Confidentiality Agreement

Bracing for the flood:

A case study of local policy response to rural-urban migration in Xi'an China

I, _____ (insert name), have been hired to translate audio recordings from Mandarin Chinese to English, under the supervision of the Researcher: Ian Cooper.

As a member of this research team I understand that I may have access to confidential information about research participants. By signing this statement, I am indicating my understanding of my responsibilities to maintain confidentiality and I agree to the following:

- That all data, including names and other identifying information about research participants is completely confidential.
- To translate the interview dialogue as accurately as possible and to the best of my ability. I will ask questions only to the extent and for the purpose of performing my duties on this project.
- Keep all the research information shared with me confidential by not discussing or sharing the research information in any form or format (e.g., USB, tapes, transcripts) with anyone other than the Researcher.
- Keep all research information in any form or format (e.g., USB, tapes, transcripts) secure while it is in my possession.
- Return all research information in any form or format (e.g., USB, transcripts) to the Researcher when I have completed the research tasks, including any notes taken throughout the interview process.

- After consulting with the Researcher, erase or destroy all research information in any form or format regarding this research project that is not returnable to the Researcher (e.g., information stored on USB).
- To notify the Researcher immediately should I become aware of a breach of confidentiality or a situation which could potentially result in a breach, whether this be on my part or on the part of another person.

Name (Print): _____ Researcher Name (Print): _____

Signature: _____ Researcher Signature: _____

Date: _____ Date: _____

保密同意书

迎接潮水般的农民工：
针对中国西安，地方政策该如何应对大量农民工向城市迁移

我，_____ (填入姓名)，在研究员 Ian Cooper 的协助指导之下将研究访谈录音档由中文翻译为英文。

身为此研究团体的一员，我清楚我将接触到受访者提供的受保密的讯息。通过签署此同意书，我在此声明我了解我必须保持资讯机密的责任，并同意以下事项：

- 所有资料，包括姓名和有关研究参与者的其他身份信息是完全保密的。
- 我将尽我最大的能力，将翻译的访谈内容做到最高的准确性。我只会针对执行我翻译的职务提出问题。
- 保持资讯保密，除了研究员 Ian Cooper, 我将不会以任何形式与任何人讨论或共享研究资料（例如：USB，磁带，成绩单）。
- 在我进行翻译的期间，确保所有的研究资料（例如：USB，磁带，成绩单）受到保密不会外流。
- 当我完成翻译的职责，我将确保所有的研究资料（例如：USB，磁带，成绩单），包含访谈时作的笔记，都将还给研究员 Ian Cooper。
- 与研究员 Ian Cooper 确认后，删除或销毁所有此研究项目中无法归还给研究员的研究资料（如存储在 USB 中的讯息）。
- 若我发现有因为任何原因导致资料有不受到保密的可能性时，我将立刻通知研究员 Ian Cooper。

签署者姓名 (正楷): _____

签署者签名: _____

日期: _____

研究员姓名 (正楷): _____

研究员签名: _____

日期: _____

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