



The Making of the Chinese Working Class: Rural Migrants in Shanghai

by Li Ma

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THE MAKING OF THE CHINESE WORKING CLASS:
RURAL MIGRANTS IN SHANGHAI

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THE MAKING OF THE CHINESE WORKING CLASS:
RURAL MIGRANTS IN SHANGHAI

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My dissertation analyzes the institutional mechanisms that cause the persistence of class and status inequalities between rural migrants and urban residents in post-socialist Shanghai. I examine how remnants of China's socialist institutions, after the gradualist market reform, continue to stratify rural migrants and their second generation through sociopolitical processes. Making two thirds of the labor force nowadays in China, rural migrants experience social forces in China's emerging market capitalism as well as repercussions from the socialist legacy. Drawing from historical archives and a 12-month ethnographic fieldwork in Shanghai, I demonstrate how rules, norms, organizations and beliefs in contemporary Chinese society make rural or urban residence identities the most salient sites of social distinction. I examine the blending and segregating processes of rural migrants' life in the city. I also analyze how rural migrants respond to social exclusion with a variety of strategies.

I argue that since rural migrants and urban residents have been classified into two different forms of citizenship that were deeply rooted in the ideological and organizational structures of Chinese socialism. Economic liberalization alone only led to limited upward social mobility of rural migrants, the new working class in China. Taking rural migrants' experiences in urban China as an exemplar case of path dependent institutional change, I argue that changes in formal rules interact with the persistence of informal institutional elements—customs, networks, norms, and cultural

beliefs—to produce persistent status hierarchies. Rural migrants respond to these structural constraints by developing distinctive coping strategies in the labor market, communal life, and education attainment. I argue that the institutional matrix of political, fiscal and economic constraints comprises the deeper causes that determine rural migrants' purposive actions and networks to be advancing segregative more often than integrative processes.

BIOGRAPHICAL SKETCH

Li Ma received her B.A. in English Literature and Economics at Wuhan University of Technology (P.R.China) in 2002, and then her Master of Science degree in Sociology at University of Oxford in 2003. She entered into the doctoral program in sociology at Cornell University in 2004, after working as a research analyst for Horizon Research Group in Beijing. Since 2006, she has been in voluntary service as a consultant for a few NGOs serving rural migrants in China. Li Ma started her dissertation on rural migrants' life in Chinese studies from June of 2007.

To ZHAO Shuxiang, my beloved mother,
a peasant's daughter, a godly woman of courage and compassion

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CHAPTER 1

INTRODUCTION

The annual homecoming during the Lunar New Year, the most celebrated festival in China, has become bittersweet for most Chinese. Since 2006, the flow of railway passengers, as estimated by the Ministry of Railways, has exceeded 100 million commuters during the three weeks of what is called the “spring rush” (*chunyun*). The number increases each year due to rising rural-to-urban migration and return migrations for family reunions. Every year around this time, the wave of two-way flux puts the nation’s centrally controlled railway system to the test of shipping home millions of migrants (*Financial Times*, Jan 7, 2008).¹ The state media label them as “*wàidìrén*” (other-landers), “*mángliú*” (blind floaters), “*liúdòng rénkǒu*” (the floating population), and “*míngōng*” (peasant-workers). They are depicted as coming in faceless “tides” (*chao*), with connotations of uncontrollable and disturbing forces. Their motives for coming into the cities have been generalized into one claim—to make money.

The Lunar New Year has become a moment for the average Chinese citizen to realize the presence of this large “floating population,” as it is officially labeled, for a number of other reasons besides the everyday experiences of overcrowding on long-distance train rides. It is a time when wage arrears and exploitations of rural migrants receive wider attention through the state media, sometimes with reports of top leaders helping them to claim back their overdue wages.² It is also a time when urban residents of large cities warn each other about higher crime rates, pointing to the

¹ The snowstorm before 2008 spring festival stranded over one million rural migrants in the Guangzhou city railway station alone, causing a national emergency.

² In the spring of 2003, a rural migrant women named Xiong Deming made a direct claim to Premier Wen Jiabao when he was on an inspection trip to her hometown about a 2300 *yuan* wage arrears her husband suffered from (*China Daily*, April 14, 2004).

potential criminality of rural migrants in certain migrant-concentrated neighborhoods.

The Largest Internal Human Migration

China's massive rural-to-urban migration has brought a sweeping social change to the society. In 1984, after agricultural decollectivization and the collapse of People's Communes in rural areas, the Chinese government deregulated control over peasants' residential mobility, allowing them entry into non-farming jobs in townships and cities.³ Such belated deregulation was historical because it re-granted peasants' residential and occupational freedom of mobility. Unlike in central planning, peasants no longer face severe penalties for leaving their socialist duty as serf-like farmers.

With deepening economic reforms, market incentives also encouraged enterprises to recruit cheap rural labor, first into township enterprises in the 1980s, then into urban industrial enterprises in the 1990s. As a result of gradual deregulation, the number of out-migrating rural workers tripled from 20 million to 60 million within less than a decade until the early 90s (Chan, 1994; Zai, 2001).

Economic development along the east coast industrial zones began to take off after Deng's liberal policies began in 1992. Rising regional disparities added dramatic momentum to the volume of inter-provincial migration towards the southeast, especially to Guangdong province (Fan, 1997; Wei, 2000; Wu, 2003; Bian, 1994; Chan, 1994). In the following decade, China's landscape witnessed "the biggest peace time wave of internal migration the world has ever seen" (Knight et al., 1999).⁴ By 2007, half of the Chinese population become city-dwellers, compared to 20 percent in

³ Two official documents directed the deregulation of residential control, allowing peasants' entry into township and small cities for non-farming economic activities. They are "Announcements on 1984 Agricultural Production", Central Communist Party (January, 1984); and "Announcements on Peasants' Settlements into Townships", PRC State Council (October, 1984).

⁴ According to the 2000 China Population Census, there are 200 million rural migrants in the cities and smaller townships, with this number likely to increase to an estimate of around 300 million by 2010.

1985 (China Statistical Yearbook 2007).⁵ In 2008, official estimates of rural migrant population reported a figure of around 230 million.⁶ It is estimated that an additional 200 to 250 million of rural-to-urban labor transfers should occur by 2025 (World Bank 2009: 146). From its sheer magnitude, China's rural-to-urban migration has caused massive rearrangements of its geographical and social landscape.

During this time, however, the longstanding rural-urban gap in China not only persisted, but also worsened when compared to most other developing countries (Knight et al. 2006; Eastwood and Lipton 2004). The ratio of average income between urban and rural residents increased dramatically, from 2.36: 1 in 1978 to 3.2: 1 in 2000. By 2005, the real rural income per capita was only 39 percent of real urban income per capita. Analysis shows that some 43 percent of this wage gap is unexplained by individual characteristics such as education (Wang 2007). Patterns of labor market segmentation by administrative arrangements based on *hukou* are self-evident: according to a 2005 national survey, 65.4 percent of rural migrant workers work in the unprotected informal sector, compared to 29.8 percent of urban workers (National Statistics Bureau 2005).⁷ The poverty rate among rural migrants is 50 percent higher than that among urban residents (Yusuf and Saich 2009).

⁵ Rapid urbanization in the latter half of the 1950s peaked at 20 percent in 1960, and then dropped to 15-16 percent ever since and throughout the Cultural Revolution. Market reform in the late 1970s led to a gradual rebound to 20 percent in 1985, then 26 percent in 1990s, 30 percent in 1996. According to the National Bureau of Statistics, China was 40 percent urbanized, and by 2006, 44 percent of the population were defined as "urban" (using NBS' 1999 definition). Urban-dwellers are classified by NBS to include permanent residents and temporary residents with over 6 months of residence, regardless of *hukou* status.

⁶ This is an official statistic from the State Council on December 20, 2008. Before that, *Xinhua News Agency* released a rough estimate of 210 million farmer-turned-migrant workers on Oct 19, 2008.

⁷ This estimate uses the 1% Population Sampling Survey data in 2005. The size of the informal sector in China is hard to obtain due to lack of data. Some studies estimate that 30 to 40 percent of the labor force work in the informal sector (Cai et al. 2005; Du et al. 2006). A *hukou* refers to a type of residency permit which classifies the individual into either 'agricultural' or 'non-agricultural' category. *Hukou* status is passed down on a hereditary basis. The system was established in 1958, and has functioned as one important instrument of central planning of the labor force. The state relaxed *hukou* control in 1984, allowing peasant mobility into the cities with temporary residence right.

Administrative categorization, deliberate separation of rural development from the urban economy, and the decentralized public finance system have led to rural residents' relatively lower social status and human capital (i.e. education and non-farming skills). When post-socialist peasants came into cities for survival, they came loaded with historical baggage from their socialist past. Although freed of the socialist chains that bound them to the land, they faced other forms of structural exclusion and discrimination within the urban labor market. Rural migrants' lack of permanent residential rights has turned them into a caste of "transient" members in the city. They are seen as cheap and flexible labor and not wanted as permanent citizens. These structural bondages lock them into a state of second-class citizenship even within their own country.

This study examines how remnants of China's socialist institutions stratify rural migrants and their following generations through sociopolitical processes in the city. By focusing on the blending and segregating processes of the rural migrant experience in Shanghai, and on how these processes interact with public policies, I offer an institutional theory of social distinction and post-socialist inequality.

The Commodification of Public Goods

Since mid 1990s, both state and local authorities were aware of rural out-migration being an inevitable trend and the inapplicability of old "blocking" policies. Public policies turned to a mode of "managed" migration—urban administrators stepped back in order to provide administrative guidance rather than relying on coercive controls. Specifically, a system of licenses and permits for managing the rural migrant population was established. Every individual needs to obtain a Migration-for-Work Certificate at his *hukou* origin. When he arrives in the city, the rural migrant is required to apply for a Temporary Residence Permit and other licenses for work.

Early migrants had to pay a large sum of money for these necessary documents. Such practices were justified by local authorities as compensation for extending public services to rural migrants. In 2001, it was estimated that, on average, a rural migrant working in the city of Shenzhen paid 600 *yuan* per year for their permits (*Guangzhou Evening News*, Mar30, 2001).⁸ These surcharges later grew so out of control that in 2002, the state ordered the “temporary residence fee” (*zanzhufei*) to be cut down to 5 *yuan* per person.

Over time, these regulatory activities have created procurable “rents” for local authorities. City and municipal governments have increasingly become “fiefdom-like” regimes controlled by local officials (Young 2000). The permit system not only produced revenues for China’s police system, but also expanded the enforcement agency to include a “joint security team” made up of laid-off urban workers. Detention and arrests became a common experience among rural migrant workers during the years between 1998 and 2003. They were frequent targets of forced bribery, repatriation and physical violence.⁹

Meanwhile, local “green card” regimes appeared to selectively incorporate migrants with skills or capital. In Shanghai, for instance, rural migrants were allowed to obtain the “blue stamp *hukou*”, a type of “green card” system, through purchasing real estate from 1994 to 2002.¹⁰ At that time the market needed an injection of capital to boost its real estate market (Wong and Huen 1998). Shanghai allowed wealthy and educated migrants to invest in the real estate market. The minimum size of a real estate purchase had to be 100 square meters. But even for those who are issued with

⁸ There were around 4 million rural migrant workers in Shenzhen around the time, so the local governments gained around 2.4 billion *yuan* from the permit system.

⁹ See reports from *Human Rights in China*, Sept 1999, and *China Rights Forum*, No.2, 2002, p22-27.

¹⁰ The name came from the fact that their stamps are blue, while urban residents’ are usually in red color.

the blue stamp *hukou*, many were not given legal residence status. Candidates for this *hukou* certificate remained on the waiting list for five years.

When the economic function of this policy was completed, urban administrators discontinued it. The official explanation was that it had attracted too many “undesirable low-human-capital individuals” (*di suzhi*), which referred to rural migrants (Liu, 2008). Since the interpretation of these policies was at the local officials’ discretion, many rules were used to disqualify some new homeowners from obtaining a Shanghai urban *hukou*, such as violation of the one-child policy (Liu 2008).

In the 1990s, more than 20 Chinese cities had implemented similar green card systems. The commodification of *hukou* produced two conflicting effects: it relaxed the ideological taboo against peasants’ out-migration, but urban residency status became even more valued and highly commodified. These changes underline the policy oscillations of *hukou* abolition since the 1990s.

Oscillations in Policy-Making and Hukou Reforms

Solinger (1999) refers to the dilemma of *hukou* reform as “the collision of these forces with entitlements and expectations long and inextricably bound to the institutions of the prior regime.” A free market order requires the free mobility of factors like labor, land, and capital, but China’s partial reform preserved parcels of the old “rules of the game.” Media disclosures of labor and police abuse towards rural migrants and advocacy from civil rights activists and organizations to make legislative changes have built up pressures to reform the *hukou* system (*The Independent*, June 10, 2001).

In 2005, the Ministry of Public Security announced a legal review report of the *hukou* system, but only later deferred specific reform measures to local governments

(*BBC News*, Nov 10, 2005). The state allocated no direct finances to make it happen. In their recent study, Chan and Buckingham (2008) examine the wave of “*hukou* abolition” discussions in late 2005 and find that these “liberal” reforms have been overstated, and their cumulative effects have not contributed to the abolition of the *hukou* system, but rather to the “devolution of responsibility for *hukou* policies to local governments, which in many cases actually makes permanent migration of peasants to cities harder than before.”

In March of 2010, a news editorial collectively made by thirteen newspapers in China urged for a genuine *hukou* reform. It expressed the hope that “citizens, whether they are rooted in the north or south without dividing them into urban and rural, will all have the same rights to employment, medical treatment, elderly care, education, and freedom of movement.” But this editorial was soon removed from the website, and the deputy editor for the *Economic Observer*, who was one of the initiators of this editorial, was removed from his post (*New York Times*, 1 March 2010; *Associated Press*, March 10, 2010). This repercussion reminds many of what appeared earlier in Premier Wen’s annual report at the annual National People’s Congress meeting, where he indicated that the government was only considering unspecified reform efforts of the system rather than abolition.

The fact that *hukou* has become so infused with every aspect of life makes piecemeal reforms ineffective. With regards to pension reform, for example, more progressive cities such as Shenzhen have included rural migrants in its pension programs. But according to the *People’s Daily*, 95 percent of rural recipients of this type of pension plan have filed for refunds, mainly because, according to the legal premises, it will take pensioners (the 1997 legislature) 15 years of continued premium payment in one locality to receive its benefits. Due to this restriction, rural migrants

with unstable jobs were at a disadvantage. In other words, these welfare items are “non-portable” within the old legal framework.

Education is another example. Although the state repeatedly “urged” public schools to unconditionally accept children from rural migrant families, only a very small number of low-tiered public schools complied because there has been no allocation of funds. Some education authorities even responded with “innovative” policies to continue disqualifying rural migrant children. *Hukou* restrictions for *gaokao* also prevent nonlocal students from entering into public high schools and colleges.

Research Questions

Since just more than a decade ago, economists, demographers and sociologists have started to examine rural-urban labor mobility in China (Chan, 1994; Liang and White, 1996; Scharping, 1997; Davin, 1999; Liang, 2001; Murphy, 2002; Wang, 2004), rural migrants’ adaptation in China’s urban society (Solinger, 1995; Zhang 2001; Wu and Treiman, 2004), and their citizenship (Solinger 1999). While some research shows that rural migrants are economically better off compared to their pre-migration conditions (Wang, 2004), others argue that rural migrants experience “relative deprivation” in the urban society (Chan, 1996; Solinger, 1995, 1999; Zhang 2001). Given the fact that rural migrants as an identifiable social group have become internally stratified with only a small fraction entering into private entrepreneurship, these findings respectively demonstrate viable parts of the whole picture in order to help readers understand the patterns and changes. However, I am not satisfied with the scholarly efforts to study rural migrants as either the data dots for statistical series or pioneers for the emerging Chinese capitalism. As Thompson (1963:12) writes, the agency and historical conditioning were obscured in these approaches.

Insufficient scholarly attention is devoted into examining why the pathways of rural migrants' assimilation into the urban society have been rugged. As Roberts (1997) points out, China's rural migrants face similar institutional constraints to undocumented Mexican immigrants in the US, including restrictions preventing permanent settlement in their destination. But what has turned rural migrants into "transient residents" within their home country, even after over three decades over market liberalization? Why have this systematic discrimination persisted? This study attempts to contribute to the causal understanding of rural migrants' predicaments in the city in the following ways.

First of all, this study attempts to directly explain the realistic dilemma faced by rural migrants as well as urban administrators after migration networks matured and stabilized in the city. The speed of mass migration out of agriculture in China poses an anomaly due to the effects of long-term institutionalized closures against the freedom of movement. The abolition of migration control in 1984 directly resulted in the "spike" of migration flows in the subsequent decade.¹¹ With an increasing volume of rural migrants relocating to cities with their family members since the mid 1990s, their access to public goods (e.g. housing, health care, and education) in the city becomes a major concern. This trend is supported by findings from my fieldwork interviews. For example, both migrant school founders and urban administrators in Shanghai recall the fast growth of migrant schools after the mid 90s. The situation in Beijing was similar: according to the 1997 Beijing Migrant Population Census, about 32 percent of rural migrants in Beijing were families. Statistics shows that in 2003, 24.4 percent of rural migrants in Shanghai have lived in the city for more than five years.¹²

¹¹ Across China, the number of short-term rural migrants increased by 119.7 percent from 1983 to 1988, and then experienced a historic high from 1988 to 1993 by 145.5 percent (PRC Population Censuses).

¹² The 2003 Shanghai Migration Survey (N=332040) was collected by Shanghai Public Security Bureau and Shanghai Statistics Bureau.

Scholarly attention is needed to examine how the institutional environment in their destination accommodates these “long-term” migrants, or vice versa—how their long-term settlement pushes for institutional change. Here I propose an alternative to an economic analysis of migration in term of “pull-push” factors: rural-urban migration as an instituted process (Polanyi 1957), i.e., the migration across China’s dualistic socioeconomic subsystems involve a set of institutionally embedded social interactions that are contingent, and constituted by, networks of relationships and social norms that serve to delineate group boundaries.

Secondly, this study aims at specifying “the mechanisms through which institutions shape the parameters of choice” (Nee and Ingram 1998). This approach is of primary importance in the research agenda of new institutionalism. Previous studies by Chinese scholars tend to overestimate the network-embeddedness of rural migrants, making generalizations of their clustered working and living patterns without providing a satisfactory causal explanation.

The study by Zhang (2001) about the Zhejiang village, a rural migrant community in Beijing, was a pioneering step towards causally explaining the ongoing social interactions between rural migrants and other relevant actors using ethnographic methods. But her study also leaves the “why” question aside, and instead focuses on explaining the micro processes of group solidarity and collective action within that rural migrant community.

Portes and Zhou (1993), when theorizing immigrants’ assimilation into the American society, argue that “modes of incorporation” consist of the localized complexity formed by (1) the policies of the host government, (2) the values and prejudices of the receiving society, and (3) the characteristics of the co-ethnic community.” These generalizations are pertinent to China’s internal migrants as well. I

analyze how rules, norms, organizations and beliefs in the host society create and reinforce different identities and distinctions in rural migrants' life.

Thirdly, the continuity of *hukou*-based social inequality makes this project another case study of path-dependent institutional change in post-socialist societies. Why did native-place identity persist as a quasi-ethnicity factor among the Chinese? What determines its institutional continuity or divergence? According to Nee (2005), the relationship between the persistence of informal institutions and change in formal rules is vital in the understanding of lock-in effects from the preceding social conditions. This study confirms that it is the stability of informal institutional elements—customs, networks, norms, and cultural beliefs—that disproportionately accounts for path dependence in institutional arrangements.

Meanwhile, migration policies and rural migrants' collective action have been in a constant flux. Within the education system, for example, the emergence of an “informal” education sector since 1993 and the subsequent closedown campaigns by city governments symbolize the heightened contestation between old and new institutions. Rural migrants' quest for education opportunities has involved challenging the society's underlying political and economic structures with the potential for collective action against powerful actors representing the post-socialist state.

As Powell (2007) argues, while new institutionalism in economic sociology is predominantly occupied with the institutional effects on individuals' and organizations' compliance to the expectations of the fields of their membership, a new research direction is to study “how changes in rules, normative systems, and cognitive beliefs shapes organizational fields.” This study also tries to explain the many changeables during institutional continuity.

Theoretical Approach

My analysis focuses on the three core components that make institutions: the rules of the game, the legitimacy of rules, and a system of incentive distribution (North 1990). Alba and Nee (2003), point to mechanisms at the *individual*, *primary-group*, and *institutional* levels. They also highlight the importance of “incentive structure” embedded in the institutional environment for social actors. I argue that it is primarily through the institutional mechanism that rural migrants’ pathways to assimilation are determined. Tilly (1998: 8) also claims that “durable inequality depends heavily on the institutionalization of categorical pairs”, and more specifically, through social processes of “exploitation” and “opportunity hoarding” (Tilly, 1998: 9). Although “ruralness” may not be an identifiable trait as distinctive as race, it makes a quasi-ethnic distinction with deeply entrenched norms of socialist categorization. How “ruralness” becomes an institutionalized distinction requires a historical analysis.

As legitimation is key to institutionalization, I study the sources of legitimacy for these institutional changes. Among existing literature on the Chinese *hukou* system (Lu, 2003; Wang 2005), very few scholars examine the sources of its legitimacy of changing institutions. According to Suchman (1995), legitimacy is a ‘perception that actions of an entity are desirable or appropriate within some socially constructed system of norms, values, beliefs, and definitions.’ With its coercive origin, *hukou*, as a system of social distinction, continues to rely on a general recognition of its legitimacy, as Weber put it, “custom, personal advantage, purely affectual or ideal motives of solidarity do not form a sufficiently reliable basis for a given domination” (Weber 1978[1921]:213). Scott (1992) also demonstrates that it is the aura of impregnability, rather than of moral superiority, that is essential to the durability of power. Weber stresses that it was primarily those who were involved in the administration and enforcement of a system of power who had to be convinced of its

legitimacy. During my ethnographic fieldwork, I not only interviewed individuals who are subject to this systematic domination, but also talked to actors of administration and enforcement to shed light on this issue.

The study calls for a return to Weber's social closure thesis—which entails rich institutional and process analysis—to formulate *an institutional theory of social distinction*. Weber (1978[1922]: 342) theorizes that resource scarcity and competition for “remunerative opportunities” first build into a certain group's incentive structure to take some “externally identifiable characteristics” (e.g., residence) for installing a social boundary. This jointly acting group of individuals forms into an “interest group” toward out-group members. When this high-status group gains access to political capital, a tendency for rational regulation appears, which logically results in a “legal order that limits competition through formal monopolies”. This interest group then evolves into a “legally privileged group”. A social closure enforced by formal legislation is set in place.

Closure may assume various forms, from a caste, a guild, a membership club, a secret cult, to a monopoly, or the right to a particular job. Take the caste system in India, members of the society claim over opportunities for business or for life on a hereditary basis. In China's two-tier *hukou* system, because all administrative positions are filled by individuals with urban residence status, there's an inevitable tendency to form a common interest group to enforce the borderlines of enjoying such privileges, through techniques such as enforcing entry requirements, licensing through permits and legal papers, eligibility by birth, acquisition of an appropriate right, etc.

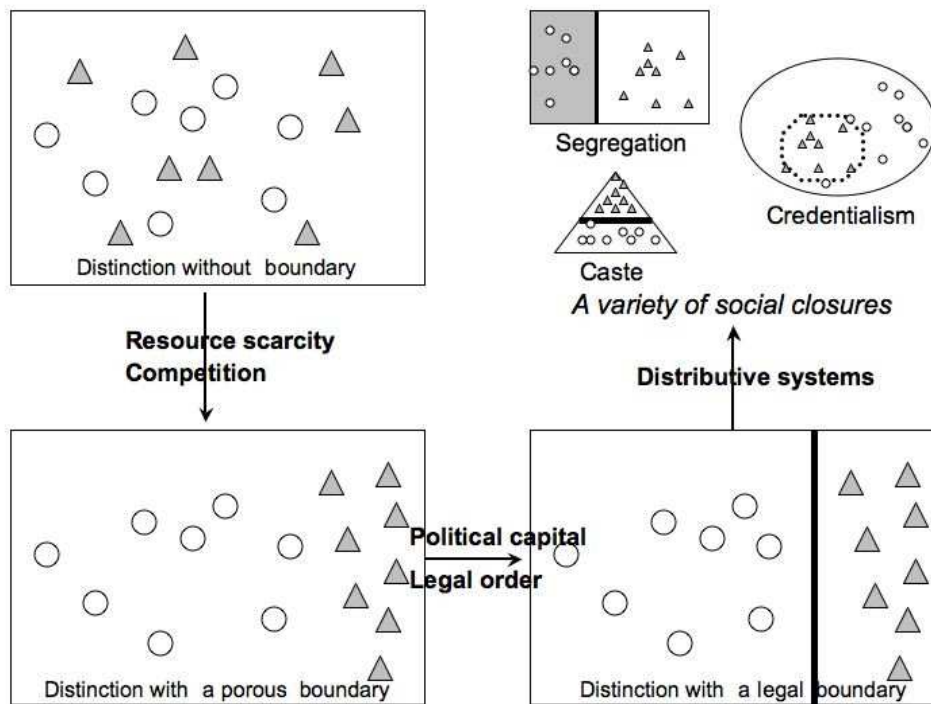


Figure 1-1. Weberian Conceptualization of Social Closure Formation

Later inequality theorists elaborate on this Weberian concept (Collins, 1979; Murphy 1988; Parkin 1979; Tilly 1998; North et al. 2007), and claim that similar systems persist with the incentive to generate rents through limiting entry of all to “valuable political and economic functions” (North et al. 2007). These systems exist in various forms, such as occupational licensing or certification (Weeden 2002), segmented labor market (Doeringer and Poire 1971), and more extreme forms like apartheid segregation and the caste system.

Yet why is China the only country that has instituted a system of social distinction based on residence for over fifty years? Although the Soviet Union was the earliest regime to design such an internal passport system in 1932, ‘the *propiska*’, it abolished such distinction and extended privileges to rural residents in 1974. Is this social

distinction causally related to the Soviet-type development strategy? What are the social constituents for its persistence in the Chinese society?

According to Parkin, the criteria and strategies for closure depend on the distributive system of that society (Parkin, 1979). Likewise, Sen emphasizes the mechanisms of redistribution as the culprit for large-scale famines in non-democratic societies (Sen 1982). I examine two central meso-level institutions that determine the basic redistributive system in China: the fiscal system and the administrative bureaucracy of urban governance.

In addition, how the excluded social group responds to their status as outsiders of privileges, according to Parkins (1979), is also a key factor in explaining the self-reinforcing processes of social exclusion. Ethnographic fieldwork and qualitative interviews assist me to examine the ongoing blending and segregative processes rural migrants experience in the city, and how their responses challenge or reinforce these structural forces.

The Rural Migrant Experience in Shanghai

Shanghai, as the exemplar port city of China marketization and modernity, ranks highest on China's rural-urban hierarchy. Empirical evidence shows that over time rural migrants experience positive changes in the opportunity structure when compared with the early stage of the reform. Demographic changes reflect this integrating trend in Shanghai's landscape. In 1990, non-*hukou* population numbered over one million, about 5 percent of Shanghai's total population, and it increased to over six million, which is over 31 percent of the total population of the city (Shanghai 2000 Population Census).¹³

¹³ In 2008, the total number of migrant population reaches 6.42 million (Shanghai 2008 Statistics Yearbook).

However, when permanent residence in the cities is concerned, segregative processes outweigh blending processes in creating a pattern of limited upward mobility for them and their descendants. The municipal government's policies towards migrants from other cities have been fluctuating over the years too. Below are a few examples:

- After the State Council encouraged Shanghai government to invest in infrastructure-building in Pudong and granted the city government 10 preferential policies and 6 capital investment plans (*Pudong Development Plan in 1990*, PRCSC), in 1992, Shanghai government sped up the city expansion. One measure was to deregulate labor control and allow rural migrants to enter into construction projects including railways, express ways, and airport projects (*Shanghai General History 2005*, p1624-1626). The total number of rural migrants employed increased by 16 percent from 1990 to 1997. Shanghai also mandated a policy of “Three Concentrations”: to accommodate these rural migrants into concentrated lodging, concentrated services, and concentrated management.
- In December of 1997, the Shanghai City Government mandated its “Regulative Measures for Enterprises’ Hiring of Nonlocal Labor”, making it mandatory for industrial enterprises to apply for quota of migrant labor before hiring. Article Four of this legislature states that the city government adopts a “Total Volume Control” (*zongliang kongzhi*) approach to limit the number of in-flowing migrant labor. This legal document was a breakthrough from restrictive entry to “quota management.”
- In April of 2001, according to the Shanghai Labor and Social Security Bureau, a series of government policies would be released on restricted entry against rural migrants to certain job positions. The first document listed five types of jobs: (1) all staff positions in party and government work units, public institutions, and social organizations; (2) jobs in social charity organizations including cleaning, environmental protection, maintenance, and security staff; (3) all positions in property management enterprises; (4) all salespersons in shops and department stores; (5) cleaning staff in airports, railway stations and other ports.
- In July of 2004, the Shanghai government abolished the legal mandates requiring hiring enterprises to apply for work permission for rural migrants. Rural migrants can enter into the local labor market with their Resident Permit.

Formal institutionalized closures facilitate a binding social norm that sees rural migrants as “not entitled” to equal job opportunities, even given equal stock of human capital. The majority now still work in the shadow economy as casual laborers on construction sites, temporary assembly line workers, street peddlers or live-in maids. A quantitative study by Knight and Yueh (2009) shows that segmentation outweighs competition between rural migrants and urban workers, and urbanites dominate formal contractual jobs. The majority of rural migrants enter into the “shadow economy”, and accompanying the growth of this sector was the emergence of informal economic clusters: jobs in vegetable production, construction, recycling, domestic services, renovation, and wholesale are typical niches for rural migrants. Occupational clustering by native-place is relatively a less salient pattern in Shanghai than in Beijing. For almost three decades, the growing “grey zone” of China’s informal economy has offered not only opportunities for migrant entrepreneurship, but also risks and continued vulnerabilities.

Rural migrants’ economic incorporation is largely determined by the “degree of closure” in the specific industry. State enterprises (*guoqi*) and public institutes (*shiye danwei*) hired only a small number of rural migrants on low-skill job positions such as public canteen cooks, janitors, and cleaning staff, usually through strong personal referrals. Getting a job in this relatively more closed sector offers rural migrants regular work hours and relatively higher prestige. But it is the norm that as “temporary residents” of the city, they enjoy a lower pay packages with no contract or welfare benefits. Staffing positions of authority with urban workers only, factories set up their internal segregative regimes. They name urban workers as “contractual workers” (*hetong gong*), and rural migrant workers as “labor workers” (*laowu gong*). Factory dorms are also turned into highly politicized “segregative regimes”, resembling a “mini-paternalistic state” (Lee 2007).

Competition between regions also exacerbates the suppression of industrial wages for informal laborers. Decentralization and deregulation in wage-setting policies has made local authorities to turn a blind eye to labor exploitation, because “the China price” is key in attracting foreign investments (Chan 2003). Chan (2003) argues that *hukou* also functions as the “by-default” system legitimating enterprises to “drive down wages and other labor standards.” A recent study compares such wage differences, showing that rural migrants’ wage increases since 2001 had been minimal and unstable, compared to their urban co-workers in Table 1.1. (Bai 2007).¹⁴

Hukou distinction still constrains the labor mobility of rural migrants. In institutionalized workplaces, long working hours, rigid workplace regimes and literally no unionization makes “job-hopping” a coping strategy among rural migrant workers.

Table 1-1. Comparison of Wage Increases

Year	Rural Migrants			Urban Workers	
	Population	Avr. Annual Income (yuan)	Annual Growth Rate	Avr. Annual Income (yuan)	Annual Growth Rate
2001	8961	5502	-	10870	-
2002	9400	5597	1.7	12422	14.3
2003	9820	5279	-0.57	14040	13.0
2004	11823	6471	22.6	16024	14.1
2005	12578	6577	1.6	18405	14.9

Cumulative migration, network reliance, low income and haphazard demolition restricted most rural migrants into four types of housing situations: (1) on-job

¹⁴ This table is taken from a secondary source, calculated by Bai (2007). Bai’s calculation is based on data from *China Statistics Yearbooks* (2001-2005), *Rural China Statistics Yearbooks* (2001-2005), *Chinese Economy Statistics Yearbooks* (2001-2005), *2005 Survey of Rural Policies and Regulations*, *2001-2005 National Statistics Bureau Surveys*.

dormitories (on construction sites or in gated manufacturing factories), (2) old slum neighborhoods in inner-city districts, (3) villages vacated by Shanghai rural residents in suburban areas, and (4) residential apartments shared by two to three migrant households collectively. The 2000 Population Census shows that 63 percent of rural migrants living in temporary and precarious accommodations (including dormitory and rent spaces). Out of a hundred and more rural migrant informants I interviewed, only a handful of individuals afforded real estates in Shanghai. One migrant did it through the “blue stamp *hukou*” policy (1994-2002), and three to four “spatially upwardly mobile” migrants were “bosses” of informal migrant schools.

Statistics from the Shanghai Population Census show a clear trend from 1990 to 2000: newly arrived rural migrants tend to cluster in central districts, but with the passing of time, they tend to gravitate to suburban areas (Shanghai Statistical Yearbook 1991, 2002). Urban renewal projects aggravated suburbanization of this group. Despite the city government’s demolition projects, still less than ten concentrated “*penghu*” (shantytowns) areas exist in Shanghai’s central landscape today. These areas later became migrant-concentrated neighborhoods for their cheaper rent and easier access to service jobs. But more and more have gradually relocated to more suburban districts, primarily the three areas of Pudong, Minhang and Baoshan.

Migration bridged the physical distance between the urban and the rural Chinese, but there persist a salient yet invisible social distance among these two groups. A survey reports that 74 percent of local Shanghai residents held rural migrants responsible for emerging urban problems such as crime, overcrowding in transport, employment, and environmental pollution (Solinger 1999:101). A survey in 2004 shows that 79.5 percent of rural migrants develop friendship ties only with their in-

group members, and 67.9 percent of rural migrants experience disrespect from urban residents (Horizon Research Group 2004).¹⁵

Many surveys show that rural migrants' primary concern in life is their children's education. As a result of more liberal policy making since 2000, Shanghai's public primary schools now receive half of the school-aged children from rural migrant families. Statistics show that the percentage of migrant children enrolled in public schools (both primary and secondary levels) has increased from 44 percent in 2002 to 54 percent in 2007. Now a significant proportion of rural migrant children are enrolled in Shanghai's 200 "informal" migrant schools. The fact that *Shanghai Education Commission* is determined to close down all migrant schools by 2010 has made the legalization of these schools a highly contentious issue (*Shanghai Daily*, Jan 22, 2008).

Exam closure forms another policy barrier, as the Chinese education legislatures require students to take their key-point exams only in their *hukou* registration. By September of 2007, according to the Shanghai Education Bureau, over 80 thousand migrant students who are enrolled in Shanghai's junior middle schools are faced with the prospect of returning to their rural high schools for qualifying exams and further education. This policy greatly disrupts migrant children's education trajectory. Many, having actually grown up in the city, are now faced with family separation and difficult adjustments to rural life. Consequently, the number of dropouts from junior middle rose steadily. The China Children Center conducted a survey in 2004 showing that rural migrants' children receive less than average education than the rest of the country, with a dropout rate as high as 9.3% for children from age 8 to 14.

¹⁵ The survey was conducted by China's earliest independent survey company, Horizon Research Group, in four cities (Beijing, Shanghai, Guangzhou, Wuhan) in 2004, with a sample of 1000.

Moreover, disadvantages in educational attainment perpetuate patterns of labor market segmentation along the *hukou* line. A survey by the *China Children Center* shows that in 2004, 60 percent of dropout students from rural migrant families (aged 12 to 14) took up informal jobs in the city. According to a survey conducted by the China Youth Development Foundation in 2005, over 60 percent of rural teenagers enter into the labor market after junior middle school. A report from the Ministry of Education in the same year confirms a close estimate of over 35 million rural youth entering into the segmented labor market (2005 China Education Development Statistics Report).

An Institutional Theory of Social Distinction

This study examines the institutional processes by which an individual's identity as a rural or urban resident became the most salient site of social distinction and persisted during China's market transition. I construct an institutional theory of social distinction rather than a systematic study of the *hukou* system because after decades of institutionalization, in everyday social interactions, salient *hukou* identities have evolved into identifying the social distinctions of "ruralness" versus "urbanness" symbolizing backwardness and modernity respectively. Individuals take the status hierarchy behind these distinctions as "the way it is." It is only in areas of administrative governance when rigid categories of *hukou* re-appear as the social reality for individuals. Neither do I downplay the role of formal institutions (e.g. *hukou* and its variants), because these "rules of the game" forcefully constrain individuals' choice making.

When investigating every social aspect of rural migrants' experiences in Shanghai, I specify the mechanisms through which regulatory institutions shape their choices. These include (1) formal rules and binding organizational practices, (2)

informal beliefs, ideology, values and prejudices of members from different social groups, and (3) the processes of how individual actions mold these institutions into new forms. I also analyze the sources of legitimacy for these institutions, and discuss how incentives for changes are played out. In every section, I attempt to integrate some historical analysis.

To explain the resilience of status hierarchies, a researcher needs to tap deeper into the informal beliefs and value systems of the Chinese, whose lifestyles have turned towards free market and individualism but whose mindsets are still half-encaged in the “plan”. Most Chinese bureaucrats, in particular, still hold on to the belief in “differential entitlements” for those who are “outside of state plan.” To them, things “outside of state plan” are likely to be “out of order.” Rural migrants, especially the first generation, on the other hand, tend to defer to authority in an unquestioning manner. Exceptions include high-risk industries where exploitation was too widespread (e.g. construction), and city-born second generation of rural migrants. They develop a range of strategies to cope with discrimination. In 2004, public media exposed that wage arrears for rural workers reached an astonishing total of 100 billion *yuan* in the construction industry alone. The pervasive labor abuse caused notable cases of “suicidal appeals” by rural migrants in several cities.¹⁶ Media played an important role in bringing the plight of rural migrants to wider visibility. Since early 2000s, the emergence of non-government organizations and advocacy of independent public intellectuals directly challenged the legitimacy of these practices.

Rural migrants’ struggle for long-term settlement in the city has challenged China’s existing legal frameworks and governing ideology. It is important to discuss

¹⁶ According to estimates from the state-affiliated All-China Free Trade Union (ACFTU), wage arrears for rural migrants in year 2004 reached a total of 100 billion *yuan*. Legislative costs for claiming back this amount is estimated to be close to 300 billion *yuan* in total. And it usually takes one 15 to 25 days to file one claim of this sort.

the dominant ideological infrastructure of a society, as Alba and Nee (2003) highlight that the constitutional rights in the US functioned as legal safeguards that backed up the opening up of upward mobility channels for minorities before the Civil Rights Movement. Although I do not consider the Chinese state as a unitary actor without internal fractions, I think the party-state has a coherent “paternalistic” conception of social justice which is not much changed from its socialist state: the sacrifice of individual pursuits can be justified if collectivist ideals are achieved. The post-socialist central state itself remains the most potent institutional force shaping individuals’ choice making. The local government, although structurally situated in some conflict of financial interests with the central state, shares the core of such an ideology. I analyze migration related policies, legal documents and their implementation in reality to support this.

Fieldwork and Data Collection

Motivation for Using Mixed Methods

According to Weeden (2002), social closure theorists have paid inadequate attention to the mechanisms “through which closure is translated into rewards” (or absence of rewards) during context-specific social processes. I use mixed methods to investigate these social processes and mechanisms, including archival research, quantitative surveys, ethnographic observation, and in-depth interviews. My fieldwork in China included three stages: a 2-month pilot observational study in Beijing and Shanghai, a six-month participant observation in one migrant community in Shanghai, and months of archival research.

From June to September of 2007, I visited over 15 sites in Beijing and Shanghai. The purpose was to get a larger and comparative picture of what life circumstances rural migrants in large cities face. Local NGOs provided resourceful perspectives into

the historical development of these neighborhoods, city policies, and their surrounding industrial environments. These two months of pilot study was fruitful in observing general patterns in term of rural migrants' living conditions, job opportunities, and demographic make-ups in these neighborhoods. This period also prepared me stronger connections in finding a long-term research site in Shanghai.

From October 2007 to November of 2008, I conducted my fieldwork in two migrant-concentrated districts of Shanghai: Xuhui and Minhang. I finished a six-month participant observation in the Pond, a rural migrant neighborhood in Xuhui, and another six-month of interviews and follow-up interviews with my pool of over 100 rural migrants through referrals.

The selection of a rural migrant neighborhood is done after great deliberation. During my pilot study, I have observed and recorded a variety of migrant neighborhood, with different degrees of market activity and local mobilization. It is impossible to locate one community and take it as the typical one. But in order to avoid selection bias, I chose one neighborhood that contain a relatively vibrant self-made market which allows upward mobility for migrant tenants there. With the help of a local NGO inside that neighborhood, I was able to gain trust from the street committee. This is an essential process because in big cities like Beijing and Shanghai, the presence of a researcher in a rural migrant neighborhood can easily invite the prohibition of street committee cadres who served as the eyes of the communist party in neighborhoods where the “floating population” inhabit. I had a British photographer friend who ventured with his camera into a similar community in Beijing without befriending the street committee first. The police showed up within an hour while he was taking pictures and asked him to delete all digital images he made.

I was personally involved in the Pond as a NGO volunteer and researcher. This period contributed to a real life understanding of the living experiences of rural

migrant families in these communities. Over a six-month period, I frequented the neighborhood everyday and visited the families with whom I built up trust. Meanwhile, I gradually set up a snowball sampling procedure to recruit additional respondents. Realizing the importance of the education issue, I later extended my pool of interviewees to outside of that particular migrant community. I interviewed major stakeholders of this social problem, such as rural laborers in different lines of work, local administrators, urban residents, public school principals, and principals and teachers at “informal” migrant schools.

Cluster Snowball Sampling

I attempted to use snowball sampling both inside the Pond and in other localities. But the method was less effective than I expected—respondents often tell me that their close contacts have relocated to another district. Following the long-distance referrals can be very time-consuming. I then switched to “cluster snowball sampling”, i.e. first select a sample of clusters (a neighborhood group, a NGO group, a church group, and a school group) and then, use initial contacts from these clusters to recruit and refer additional contacts. Referees receive a small compensation of 20 *yuan* for every referral they provide me with.

The contacts in these cluster groups proved critical throughout the process. They are (1) street committee staff members, (2) NGO volunteers and founders, (3) church leaders, (4) school founders and teachers. I used the neighborhood group located in the Pond to sample and study neighborhood effects. Respondents from other clusters live in different parts of the city, but they serve to diversify the sample into including a range of jobs, socio-economic statuses and life circumstances.

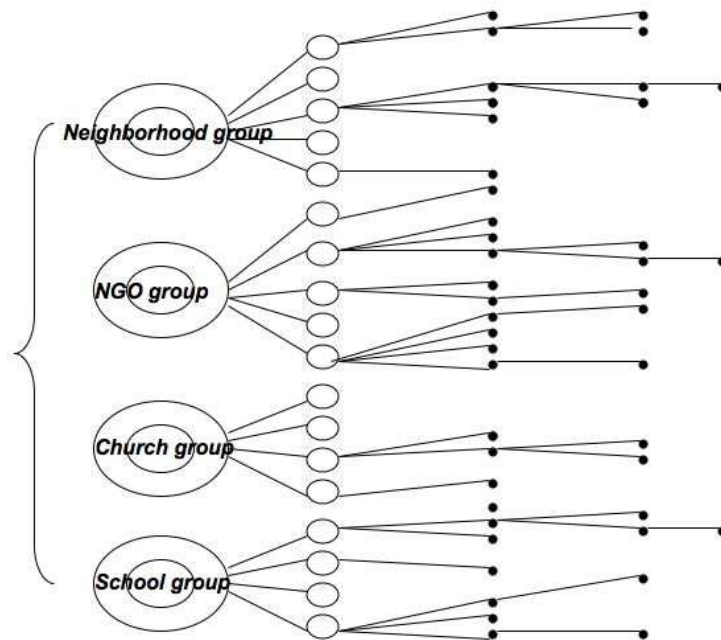


Figure 1-2. Cluster Snowball Sampling Processes

My fieldwork produced over 130 in-depth interviews (two thirds taped with interviewees' informed consent), a community survey, and a four-school survey.¹⁷ The pool of in-depth interview respondents included around twenty families in the Pond, and eighty interviews with rural migrants from other neighborhoods. The community survey sampled 51 households in the Pond. The four-school survey was conducted in two other districts of Shanghai. I discuss the findings of these two surveys in Chapter 4 and 5.

Among the 130 in-depth interviews, there are one hundred and seven interviews with rural migrants, five with urban administrators, five with NGO staff and volunteers, five with public school teachers and principals, six interviews with migrant

¹⁷ A 51-household community survey (2008) was conducted in collaboration with a non-government organization (ROOT) in a rural migrant community. A four-school survey (2008) was conducted in collaboration with the Survey Research Center, Institute of Advanced Studies, at the Shanghai University of Finance and Economics.

school principals, eighteen interviews with migrant school teachers, three interviews with teachers from a private junior middle school which receives migrant students, and lastly, eighteen informal interviews with second generation migrants in their late teens or early twenties.

Table 1-2. Summary Statistics of Rural Migrant Respondents (N=107)

Variables		Percentage
Gender	Male	50.9
	Female	49.1
Age	Under 25	16.7
	26 ~ 35	31.6
	36 ~ 45	39.5
	46 and above	12.3
Marital Status	Single	14.0
	Married	86.0
Employment	Manufacturing	18.4
	Construction/Renovation	6.1
	Service sector	26.7
	Self-employed	40.2
	Jobless	7.9
	Agriculture	0.9
Monthly Income (<i>yuan</i>)	Less than 1000	39.5
	1001 ~ 3000	48.2
	3001 ~ 5000	10.5
	Above 5000	1.8

The interviews with migrant teachers, in particular, are useful in two ways—I asked these migrant teachers about changes in their own life trajectories as rural migrants themselves, but I also asked them about the educational resources available to second-generation migrant youth. Casual conversations and chats with volunteers in

some migrant NGOs (or named “NGOs serving rural migrants”) are also beneficial for making sense of the changes in these neighborhoods over certain periods of time.

Reliability and Validity

Reliability, internal validity and external validity of the data used here need to be discussed. After all, I was intruding into the lives of individuals asking about their daily routines and migratory experiences. How could it be in their best interest to give me the accurate narratives about their life in Shanghai? The legitimation I received from both the street committee and the service NGO was critical in securing both access and trust. I generally start with casual chats about issues they are most concerned with in the first interview, then pay another follow-up visit a few days later, with the request to do a taped interview. If hesitation is sensed, I will postpone the interview to a later visit.

To determine intersubject reliability and internal validity, my informants were asked the same questions, and their responses were systematically checked against each other across other knowledgeable respondents. In addition, the nonobstrusive participant observation I engaged in over a period of time confirmed many of the issues. It was around the 60th interviews when I sensed that responses from the pool of informants began to show repetitious themes, which indicated sufficient topical covering. Some repetitions certainly had much to do with the artifact of the sampling and interview outline (see Appendix).

As for external validity, the representativeness of this sample, as I explained earlier, cannot be determined conclusively. Rural migrants have been a largely hidden population in census data or large-scale surveys. The parameters of the rural migrant population in Shanghai were unknown, except an estimate of 6.24 million in total number. Unspecified parameters of the migrant population have always been the

major difficulty for researchers in this area because the demographic and socioeconomic compositions of this group are always changing. My strategy is to diversify the pool of informants as much as I can, on the demographic basics, such as age groups, gender, jobs, income levels, education levels, etc.

Secondary Materials

The study also draws on extensive search in scholarly Chinese journals. I have reviewed a massive number of news reports and academic papers in Chinese and English on this issue. I have also studied NGO reports and analyses where they have been relevant. Though Chapter One is devoted to the historical legacies of rural-to-urban migration using around 50 complete oral histories dating back to the early 1980s, my primary interest is to study the life of rural migrants from late 1990s to the present. During the 10 months of fieldwork in Shanghai, I was witness to life's vicissitudes of these rural migrant families. I also refer occasionally to field notes from my visits to several rural migrant communities in other cities like Beijing. However, my primary interest is in no way of comparative endeavors.

These methodological details aside, I also consider my own life experience to be another source of interest and inspiration on this topic. I have grown up in a rural setting in China, and then migrated to the city with my parents. Ever since, I've made trips to visit our rural hometowns where I still felt emotionally attached. I personally experienced the drastic difference between getting an education in rural China and in the cities. The acute rural-urban inequality was part of my own experiences as a youth.

Organization of Chapters

Chapter 2 offers a historical account of China's internal migration as an instituted process during and after central planning. I examine the political, economic and social dimensions of such institutionalization using archival data and oral histories of rural migrants. Chapter 3 zooms in to examine Shanghai's changing labor market structure and rural migrants' pathways of integration into the urban economy. I survey a range of occupations rural migrants concentrate in, and generalize how workplace socialization contributes to the formation of social distinction. I also present the rise of migrant entrepreneurship with implications for institutional change. In Chapter 4, I present a thick ethnographic study of one rural migrant community in Shanghai—the Pond. Rural migrants' communal life in metropolitan Shanghai involves their active agency in redefining and negotiating the group boundaries with the locals and between different native-place groups. Chapter 5 analyzes rural migrants' active engagement in negotiating a space for their children's education in Shanghai. While presenting education as a key mechanism reproducing social distinction, I analyze how social interactions in the process of "contentious education" directly contribute to rural migrants' changing identity formation. Chapter 6 draws conclusions from comparative and institutional analyses based on previous chapters.

CHAPTER 2

SHADOW OF THE OLD REGIME

China had a very Chinese way of rebelling against itself. Even when seeking to break with its past, it plumbed that past for precedents to grasp in asserting its own invariance.

--Peyrefitte, *The Immobile Empire*, 1992, xix

Resonating with Tocqueville, the French historian Peyrefitte identifies a pattern familiar to students of institutional change—the ruins of the old regime were often reused as materials for the construction of another “new-born” social order. Institutional change throughout the world can be “overwhelmingly incremental” (North 1990: 89). It applies to a country like China where traditional ways of governance and collectivist norms are stronger than in other cultures. When the fate of the peasantry is concerned, such an institutional continuity is even more obvious.

“Institutions,” according to new institutional economic sociologists (Nee and Brinton, 1998; Nee and Ingram 1998), are defined as “a system of interrelated informal and formal elements—custom, shared beliefs, conventions, norms and rules—governing social relationships within which actors pursue and fix the limits of legitimate interests.” They are the “rules of the game in a society” (North 1990:3) that individuals play by. Institutions allocate information and opportunities, influencing the distribution of power in that society. These functions gave rise to mechanisms that contribute to institutional persistence, or “path-dependency”. When some structural changes take place, the discrepancy between what is permissible within the old institutional framework and what is necessary to cope with pressing problems grows

large. This leads to a “structural misfit” which is often corrected by the creative destruction of the old system.

This chapter examines how *hukou* (or *huji*), a complex traditional system of state domination in ancient China was developed and consolidated under socialism. This system generated a spatially structured hierarchy of economic and political power, a system of social distinction based on inherited status. I analyze the institutionalization of migration-control system (known as *hukou* or *huji*) during socialist restructuring (1949-1978), the deinstitutionalization of this system after market reform (1984-2003), and its current developments and social complexities (2003 to the present).

China’s history shows that an invisible wall existed long before socialist era and integration into the global economy. Today, individuals’ *hukou* identities continue to be one of the most salient sites of social distinction in China. The core question is to ask why migration-control institutions (*hukou* and its variants) demonstrate strong path-dependent characteristics. I begin with analyzing the sources of its stability at the system’s legitimation. Institutionalization, by definition, implies a high degree of legitimacy; and legitimation is often used as a signal or a stage of institutionalization. As Greif (2007) claims, legitimacy is “crucial to the institutionalization of intentionally created institutions.”

How was the system forbidding peasants’ out-migration established as a quasi-legal order in the first place? What are the sources of inertia which make it durable over time? One obstacle to study the Chinese *hukou* system is the lack of access to pertinent information, due to the low transparency of the system under the direct surveillance of China’s Ministry of Public Security. *Hukou* archives still belong to the “sensitive” category kept by the public security bureaus in China.¹⁸ I draw from both

¹⁸ At the beginning of my fieldwork in China in 2007, I made two attempts to approach the public security bureaus who are in charge of *hukou* registration through internal contacts. At the time of 2007, the public security system just proudly announced its “digitalization” of *hukou* documents. My requests

secondary sources and qualitative interviews to restore its historical evolution by patching up pieces of its legitimatization, enforcement, and partial disintegration.

The Origins and the Evolution of Hukou

Inherited Origins: Imperial Taxation and Bureaucratization

Systems of household-based registration originated in the Xia Dynasty (21st -16th century B.C.) along with a population census, according to *Shiji*. When Qin unified China (221 B.C.), a *baojia* system (sometimes spelled as *pao-chia*) was adopted nationally, and its functions in taxation and conscription were expanded and reinforced. Individuals were required to report residence, age, gender, and profession to the ruler, who verified such information three times a year. A functioning system of population registration identifies a person as a resident of an area and includes his or her basic personal information into document files. Usually a household is registered into one document (*huji*), later known as “*hu-kou*” (literally referring to “household” and “mouth”). Lu (2003) argues that historically, given the vast farming population among the Chinese, the system was a product out of the marriage between totalitarian politics and agrarian order. The dynasty cycles after the Qin brought changes to the *huji* system, but its functions in tax collection and law enforcement persisted.

Despite the presence of social control, internal migration of peasants persisted. Even with legal prohibitions, local enforcement by the gentry class was weak, so such regulations only led to inaccurate *hukou* records (Wang 2005: 36). Some scholars trace it back to even earlier times as the Sui and Tang dynasties, when bureaucratic appointments were made through the imperial exam system (*keju*), which was linked up with household registration.

to visit their office and to talk to their staff members were immediately turned down when they learned that I am a sociologist from an American university. I was told that the *hukou* issue is classified as “top state secret,” and a recent interview by a Chinese journalist over this issue was frowned upon.

It was not until the Sui and especially the Tang Dynasty (581-907 A.D.) when the *hukou* system was incorporated as part of the imperial political apparatus. Bureaucratic offices were set up, and master *hukou* files were created and maintained. Individuals were classified into four main categories: military, peasants, merchants, and handicraft workers. They subjected to different tax burdens. This highly bureaucratized feature was passed on to subsequent regimes, including the rulers of the Republic China and the PRC.¹⁹ Maintaining the *huji* records was incorporated into the evaluation criteria of government officials. Reforms in the Ming and Qing dynasties severed the traditional links between taxation and the *huji* system. A *baojia* (or *pao-chia*) system replaced *huji*, and it incorporated even stricter forms of social surveillance (Kuhn 1980).

As a result, the traditional Chinese society has displayed a highly hierarchical structure with individuals falling into “*san liu jiu deng*” (various ranks). The Chinese have become habituated to such “differentiated citizenships.” As Fairbank (1986) notes, the Chinese people have long developed a belief which takes the ruler as the “dispenser of justice” who has “inherited control” over the peasantry:

“In China’s inheritance was the tradition that the state authorities had unquestioned control over the populace in the villages (e.g. the *pao-chia* system, *li-chia* system). Using these structures, emperors from early times had pursued public works using labor conscripted from the countryside. The ruling class in short could tell the peasants what to do with himself and his belongings at the same time they taxed him. ... Part of China’s inheritance was that their state of morale, their loyalty to the center, was a key determinants of the results achieved.”

China’s rural-urban gap had a long history. It did not start from 1949. The historian Mote (1970: 42-49) notices “a cultural continuum of country and city”

¹⁹ In today’s China, computer-aided record keeping has transformed the system into a highly sophisticated and secretive data system managed by the Ministry of Public Security.

discernible in traditional China. Skinner (1977:267-69) observes a complex web that includes “markers of economic, political, and cultural divergence” between villages and cities. Rural-urban gap persisted as a result of modernization.²⁰ The majority of the Chinese lived on farming land, but rural migrants were also common scenes in cities. Cohen (1993:151-30) points out that urban intellectuals “invented” the cultural category of Chinese peasantry in the early twentieth century. Mann (1984:94) claims that an “urban bias” was emerging in the 1920s and 1930s, as urbanites developed different views on “rural roots.”

Surprisingly, the “great demarcation” of rural from urban society happened only after 1949. Although the Chinese peasantry has long been considered as an inherited social status (Lu 2008), peasants were free to enter into mercantile trading or the political elite group through the *keju* exam system. It was during the communist Great Leap Forward that China made a qualitative transformation into a “spatial hierarchy” along *hukou* lines (Cheng and Selden 1994). Communist collectivization enforced inherited status, place-based identities, entitlement to necessities, and collectivist norms. Never before had *hukou* control penetrated to such a totalitarian degree in China. How did it happen?

Conditions on the Eve of Chinese Communism

During the Chinese civil war, food scarcity was widespread. When rice provision fell short, the Republic China government enacted food rationing. These became important episodes heightening village-city relations. For the first time in China’s history, political actors allocated food rationing based on *hukou* registration. In Shanghai for example, rationed rice gained the name of “*hukou* rice” (*hukou mi*), as

²⁰ During the Republican period, some major port cities developed into modernized connectors with the outside world.

only Shanghai *hukou*-holders were entitled to it. By such stringent rules of food provision, the government “successfully” discouraged rural migrants seeking urban shelter. This “temporary” wartime policy was a crucial development because it reshaped the entitlement hierarchy among people. “Institutional genesis” like this left unintended consequences. Such design can be “tentative” at the time of urgency, but it often produced lasting ramifications (Anderson 1943:23-33)—state power penetrated the society with new techniques of social control.

Rationing requires uniformity and elaborated checks against evasion. These transform political structures, social relationships and attitudes. If the design of a rationing system fails to neutralize the existing privileges by giving more to advantaged groups, or if it was based on criteria other than the basis of nutritional need, it tends to twist the redistributive system towards injustice. Instead of using rationing to alleviate the effects of class lines, it was twisted into strategies of exclusion. New categories of social status were invented, which conveyed a sense of “unworthiness” attached to the excluded. Furthermore, scarcity also creates a panic to guard one’s membership among the privileged. As Weber points out, resource scarcity and competition as the preconditions for closure-formation based on “externally identifiable characteristics” (1978[1922]: 342). Under these conditions, although the institutionalization of certain exclusive strategies was clearly not the optimal choice, it can be considered as “temporary” and legitimate.

In other social contexts, famines and plagues sometimes gave rise to similar processes of institutional genesis. At the end of the seventeenth century, France adopted methods of registration in some plagued towns to discourage internal migration (Foucault 1975). The “momentary” nature of this form of social control only functioned for that period of time. Temporary sacrifice of fair distribution is dangerous, but it would lead to more damaging effects if such a rationing system were

enacted for a prolonged period of time. Unfortunately, the food shortage crisis and urban unemployment lasted for an even longer period of time after the civil war, and throughout communism. The Chinese civil war and the subsequent regime change into communism in the 1940s created a historical opportunity for the new regime to launch for large-scale social engineering.

After 1949, high unemployment and inflation plagued the country's war-battered economy. The number of unemployed and refugees amounted to 1.66 million in nine large cities. Shanghai alone had 150,000 urban residents without jobs (Zeng and Lin 1990:19). In 1949 and after, the communist state pressed massive wartime refugees and jobless migrants in large cities to resettle in the countryside. A news editorial asserted that "Shanghai can only maintain a population of three million" (*Workers' Newspaper*, August 11, 1949).²¹ In the early 1950s, Shanghai administrators urged jobless family members of hundreds of thousands of residents to return to the countryside.

Socialist Collectivization as "Internal Colonization"

After 1958, migration-control developed into a full-blown system which forbids freedom of movement. It was the main component of the Chinese Communism project, which we later viewed as disastrous. Scott (1997: 3) explains why some full-fledged statecraft fail with four factors: the administrative ordering of nature and society, a high-modernist ideology, an authoritarian state that is willing and able to use the full weight of its coercive power to bring these high-modernist designs into being, and a prostrate civil society that lacks the capacity to resist these plans. He points out that wartime shortages and revolution make "the most fertile soil" for the state to use its coercive power to realize its designs:

²¹ Cited in Gaulton (1981).

“In such situations, emergency conditions foster the seizure of emergency powers and frequently delegitimize the previous regime. They also give rise to elites who repudiate the past and who have revolutionary designs for their people.”

The evolution of *hukou* was an inevitable outcome of a central planning system towards heavy industrialization, which required meticulous planning and control of all resources, especially labor flows. The Soviet Union initiated the archetypical internal passport system, “*the propiska*” (1932-1974), to separate the rural population from the urban. *Propiska* quota was used to control the influx of non-native residents into a few major cities. The system was not abolished until the collapse of the Soviet Union. Similar systems existed in other communist societies, such as Vietnam (*ho khau*) and present-day North Korea (*hoju*). These societies share common experiences in resource scarcity, and the influence of the Soviet economic model.

Hukou, China’s No. 1 document and its backbone institution, affected fundamental aspects of life for millions of Chinese, especially during the central planning era. How the “iron curtain” of *hukou* control was institutionalized, and how the *hukou* order retained a lasting grip of *hukou* order on social stratification in the post-socialist era require a re-examination of that history.

Instituting Hereditary Inequality

At the founding of PRC in 1949, China was predominantly an agrarian society. Driven by their ideological zeal to eliminate class differences, communist leaders pushed for violent forms of land reform. The early 1950s witnessed the largest land reforms in world history (Perkins, 1994). Reclassification (*jieji chengfen huafen*) of the people was aimed at elevating the oppressed over the privileged class. Wealth gap was artificially equalized and the old landlord class was wiped out by force. To a large

extent, these political movements helped the communist party gain nationwide allegiance from the large base of peasants.

Reclassification reinforced the social boundaries by wealth and class. More tragically, it legitimized the social classification of inherited status. The children of poor peasantry were considered politically upright, while the descendents from wealthier families had to bear a lasting stigma. This gave rise to a birthright stratification mentality among all Chinese. This inherited feature of class stratification has had lasting impact on how the Chinese view each other in terms of relative social standings during the socialist era. This contributed to how people received the inherited characteristic *hukou* status as an “appropriate” social distinction.

Ascribed status is the social standing an individual is assigned at birth or assumes by tradition or by law. Lower strata of such a status hierarchy are often inseparable from the negative stereotypes that associated with them. All societies display such practices of assigning statuses based on sex, gender, race, family origins, and ethnic differences. The Chinese *hukou* system imposes a unique type of status by parents’ place of residence to individuals, a structural rarity across cultures. Over time, *hukou* has become a deeply ingrained socio-cultural identity people use in constructing stereotypes. Before the late 1980s, a person’s *hukou* membership could only be “transferred” through marriage, military service and entering a college. In some situations, being denied a previously held urban *hukou* status was used as an additional punishment for imprisoned criminals.

Anti-Urbanization Campaigns

Hukou-based identities took shape well before the formal installation of system in 1958. Over the course of the 1950s, influxes of peasants into cities were common, and

efforts to restrict such out-migration prevailed. An article on the *People's Daily* urged provincial governments and party officials to “take measures” to “persuade” peasants:

“The majority of these peasants carried “reference letters” from the township governments of their registration origin, or permits for transferring *hukou*. Some party members among them even carried reference letters for connecting with party organizations. But local governments did not contact with administrative departments in the cities. Currently all construction projects and factories demand very few laborers, so they cannot accommodate so many people. These peasants cannot find jobs in the cities, nor do they have places to live in. This would not only affect themselves negatively, but would also bring difficulties to urban employment. During this time for spring cultivation, such massive out-migration would undoubtedly detriment agricultural production.”²²

An article like this delivered “directives from the top” (*shangji zhiling*). In China, policy-making follows a regular flow: top officials discuss and express their directives in documents, which are formalized into a political document, then it passes through the stages of initiation, drafter selection, and final release through external or internal publications. “Decrees” (*tiaoli*), “notifications” (*tongzhi*), “documents” (*wenjian*), “suggestions” (*jiangyi*), and “measures” (*cuoshi*) publicized through the *People's Daily* have quasi-legal effects. In real implementation, however, conflicts of interests between the state and local governments, or between various bureaucratic agencies, sometimes result in delays or other local rhetoric which obfuscates the original purposes of these policies (Lieberthal and Lampton 1992; O'Brien and Li 1999).

Reading between the lines, this news, in particular, has several implications. First, it shows that after four years of economic rehabilitation and rural collectivization in preparation for central planning, labor allocation remained an unresolved key issue. Initial plans were not successful in keeping peasants inside rural collectives (e.g.

²²*People's Daily*, April 17, 1953, 1. The *People's Daily* is the official mouthpiece of the communist party in China.

mutual aid teams or advanced collective forms). Secondly, peasants' out-migration was not seen as politically incorrect by rural local governments at that point. It was not evidently forbidden by the state either. But this news report also captures a critical moment for impending institutional change. In the same article, more specific "measures" were suggested to solve the problem of peasants' migration:

"... all levels of governments and cadres should correctly propagate (*xuanchuan*) and explain to peasants about the relationship between agricultural production and industrial production, and about the detriments they bring by blindly entering into cities both to themselves and to the state. There must be strengthened guidance on handicraft and sideline industries, in order to incorporate a part of the rural labor surplus. All work units (*danwei*) in factories, mines and infrastructure construction must apply to labor departments in the local governments when they need labor. After these applications are granted by the government, they can start a well-planned and organized mobilization and recruitment. Private recruitment or recruiting through personal connections are strictly prohibited."²³

The goal was to make employment "well-planned and organized." Any movement outside the framework of central planning was considered as "blind". It was also the first time when peasants' out-migration was politically defined as "blind", implying state-regulated labor regimes to be the only rational and efficient way. Howe (1971) documents how the *sanfan* (Three-anti) and *wufan* (Five-anti) campaigns influenced the ebbs and flows of rural-to-urban migration. The 1950s witnessed a series of

²³ A *danwei* is a work unit in China's urban multi-tiered pre-reform infrastructure. They are basic units to implement party commands to workers, offer life-long employment and other services and welfare benefits for urban workers, such as housing, education, pension, schools, clinics, shops, etc. The privatization of many state-owned *danwei* in mid 90s has been an effort to detach these benefits from the urban labor market infrastructure. But the state continued to subsidize the urban population, only not by lowering food prices or in kind food provisions. Take education for example, the state continue to fund urban basic education, while leaving rural basic education for other sources of funding. Rural communes are grassroots units to mobilize peasants' economic activities. There rural households were organized into "production teams" to earn "work points" as their collective wage units.

cyclical policy changes at tightening and loosening controls on migration.

Inconsistency and ambivalence caused great institutional uncertainty.

As early as in 1953, the state implemented a “Unified Purchase and Sale” (*tong gou tong xiao*) policy to eliminate market mechanisms in determining prices. Only the state has the power to purchase and sell grains, and private market activities were prohibited. The state used “price scissors” (*jiandao cha*) to artificially lower the prices of agricultural products and keep industrial goods at higher prices. By doing this, the state was able to transfer resources within a short time.

Another goal of this policy was to restrict food consumption into central plans. Rural and urban collectives were supposed to provide food on a rationed basis. When both food allocation and pricing mechanisms were used as legitimate means to achieve planned goals, a vast chasm was drawn between agricultural production and industrial production. Politically, it was a clear-cut resolution to separate the two classes. A central directive in November of 1955 titled “Criteria for the Demarcation between Urban and Rural Areas” officially imposed a spatial hierarchy.²⁴

Of all public policies, Lipton (1977) argues that the “price-twists” hurt the interests of the rural class most. It tends to result in the overvaluing the currency in the rural economy, and also in the loss of competitiveness of their agricultural products in international markets.²⁵ Similar measures to distort the pricing mechanisms have been used in many other developing countries in 1950s. When nations adopted this ideology of *urban-industrial developmentalism*, unequal exchanges between rural and urban residents led to a social norm of “urban bias” in these societies. Lipton (1977) explains how this happens:

²⁴ See Cheng and Selden (1994), p659.

“The rural sector contains most the poverty, and most of the low cost sources of potential advance; but the urban sector contains most of the articulateness, organization and power. So the urban classes have been able to ‘win’ most of the rounds of the struggle with the countryside; but in doing so they have made the development process slow and unfair.” (Lipton, 1977:1)

Usually, this tendency of urban bias shows most evidently in the provision of education and other public welfare spending decisions (Lipton, 1977). In China, administrative authorities set up urban *danwei* systems and rural communes as units for production. Prices for raw materials and labor were pre-set. From the beginning, these two groups were given different entitlements. Urban residents were seen as contributing directly to industrialization. Their political loyalty was to be secured with stable rewards. In contrast, the needs of rural residents were less urgent.

In their efforts to make the central plan work, communist leaders constantly feared political sabotage. This fear drove them towards a system of identification proving political loyalty whenever mobility is concerned. Even for cadre-party-members who traveled to places other than their *danwei*, they were expected to carry a stack of reference letters with them, including proof for party membership, administrative references, food and oil references (*liangyou guangxi*), etc. A People’s Daily article illustrates the importance of *hukou* identification to “socialist stability”:

“When class conflicts are becoming increasingly sharp these days, we must improve *hukou* management, in order to fill up the cracks that may create opportunities for hidden enemies to use legal identities for sabotage.”²⁶

Rational planning in grain allocation did not stop peasants’ out-migration through personal connections. In coping with the limited food distribution problem, a “grey” labor market emerged in eastern Beijing in 1955 when a group of cooperative cadres

²⁶ *People’s Daily*, September 11, 1955, p6.

and members managed to find work for the Social Welfare Bureau (*People's Daily*, September 3, 6). They traded their own grain with other food items, which “greatly disturbed the food distribution policies.”²⁷ The next day, the State Council reinforced its “Measures for Food Rationing in Cities and Townships” (*People's Daily*, September 4, 1). More contentious forms of resistance persisted. Qin (2005) finds from archival research that peasants’ anti-collectivization movements peaked in 1956, resulting in widespread violence in rural areas.

Political Persuasions and Mobilized Immobility

Official documents show that starting from 1953, the central government issued decrees to “persuade” peasants not to “blindly” flow into cities. They used several techniques to prepare for the total abolition of population movement through *hukou* legislation: “thought work” (*sixiang gongzuo*), role models, and mobilization for send-down (*dongyuan fanxiang*). Persuasive methods were developed by the communists in Yan’an. There they had set up a Stalinist command economy where peasants were ordered around according to their economic plans. The communist propaganda machine played a significant role in their persuasion campaigns. Firstly, it successfully elevated the Soviet-type state socialism to a “modernization” blueprint. Secondly, reports, pictures, and stories were produced in the massive scale to transmit social and political values that fundamentally changed people’s thinking and behaviors.

Ironically, the idea of “worker-peasant alliance” propagated by the communists served to lock peasants into a second-class membership. Schwartz (1961:192-193) claims that the rhetoric was used to “conceal by every device possible the actual severance of the ruling party from its proletarian base.” Despite their realization that the communist party should never distance itself from the peasants, at the same time,

²⁷ *People's Daily*, 1957, Feb 19, 1. This news article pointed out the same persistent phenomenon.

communist leaders also reckoned that the party should not allow “ignorant and backward” peasants to lead the revolution, a similar term to Marx’s “sacks of potatoes.” Kelliher (1994:390, 393) points out the essential tensions built into the party’s assessment of peasants’ “dual nature”: peasants were seen as having revolutionary impulses, but as private property holders, they were also inclined towards wealth hoarding, which is contrary to socialism. That peasants need to be educated and regulated formed an underlying principle for policy making.

A letter appeared on the People’s Daily served a most evident example. The article was titled “I Am Still Determined to Return to the Village.” It was acclaimed to be a letter written by an “enlightened” junior middle school student who wrote to challenge her peasant parents’ “backward political attitudes”.

“Dear father and mother,
I have received your letter. You asked me to secure a city *hukou*, so that I could find a job in the city. But I disagree with you. Our principal and teachers taught us about issues of further education and employment, which helped me immensely in understanding things. I now realize that our motherland has cultivated us to better participate in the labor force, and there is no difference between ‘good’ and ‘bad’ jobs. All jobs are to serve and construct our socialist motherland. So I am prepared to enter into agricultural production after graduation, and surely I would bring back my *hukou* to the village.

...

Your daughter,
YANG Wenhua

Peasants seeking support from urban relatives in various cities were “mobilized” (*dongyuan*) to return. In Taiyuan city, for example, 56.6 percent of the total resident population belonged to the “fostered population” (*bei fuyang renkou*) in August of 1957. The city government determined to “mobilize” ten thousand “nonproductive individuals” (*fei shengchan ren yuan*) to return to rural areas. These people included not only temporarily hired workers, rural migrants from famine areas, and

homemakers and dependents of urban workers. Even some individuals working in service sectors were included. These linguistic terms pictured rural migrants as dependent, nonproductive, and directly made a causal connection between their presence in the city and the deterioration of city infrastructure and worsened food shortage (*People's Daily*, August 16, 1957, p4).

Non-coercive and “voluntary” programs were designed to achieve such reallocation, including persuasion and positive incentives for return.²⁸ There was little resistance because few people foresaw any barriers for them to re-enter the cities in the future. In 1957, *Xinhua News* applauded the return of over eleven thousand spouses of military officials to rural areas after successful thought work:

“During the mobilization of dependents in the military, all levels of officials paid much attention to good thought work, in improving the socialist awareness of military and their dependents, and in helping them willingly and gladly leave for the rural areas. ... All *danwei* had Party Committee meetings to make the plans and design all kinds of measures to ensure the implementation of this work. Many military branches used big-character posters (*dazi bao*), or special meetings (*zuotan hui*), family meetings, and individual meetings (*gebie tanxin*) to *xuanchuan* (propagate) the meaningfulness of returning to rural areas. These all helped to solve their thought problems (*sixiang wenti*).”²⁹

All levels of party organs, including the Ministry of Civil Affairs, the Ministry of Labor, the Ministry of Food, and the Communist Youth League, and the *Women's Union* formed work teams that specialized in “persuading” peasants to return. The goal was to “compress urban population.” This mass mobilization movement not only implied the state’s determination to implement the plan in strict labor allocation, but also that urban employment was in a crisis too deep to accommodate any labor input

²⁸ The state provided each urban-to-rural migrant five to six mu of land, monetary loans, and free transport. Most importantly, few people foresaw any barriers to re-enter the cities in the future.

²⁹ *People's Daily*, December 14, 1957, p4.

from rural areas. Policy makers assumed that labor reallocation to the countryside could work, because rural lands could provide at least basic living necessity at cheaper costs. Urban employment was considered a top priority because urban industries were the engines for China's economic growth.

Lin (2004) recently argues that the central state was faced with a critical decision of whether or not to follow a "comparative advantage strategy" that's prevalent in most western economies, or to choose a more daring "Great Leap Forward" strategy. The two differ in their ideological definitions of what are considered as "socially just". While the comparative advantage strategy admits differential endowments in natural and human resources, the Great Leap Forward strategy is inclined to rush into a target "plan" impatiently through the monopoly of resources. The latter ultimately risked sacrificing personal freedom.

Hayek (1960) explains that because socialist planners do not have feasible clear-cut plans to realize their grand picture of a utopia, they usually "manipulate the economy so that the distribution of incomes will be made to conform to their conception of social justice." As illustrated before, the Soviet central planning offered a strategy for rapid economic growth independent of market economies, which seemed a successfully model for Chinese communist leaders. Unfortunately, few policy-makers were equipped with enough social science knowledge to foresee its disastrous social outcomes in the future.

The Politics of *Hukou* Institutionalization

The pre-1949 regime of Republic China legally promulgated *Hukou* Law in 1931, for the purposes of taxation and economic restructuring. From 1911 to 1949, it created over three dozen laws and regulations governing the *hukou* system (Wang

2005).³⁰ Internal migration was allowed, except in regions where anticommunist campaigns were waged. After the communist take-over, existing *hukou* records were kept and used. An additional category of *hukou* files was created (category C) for individuals who were considered threatening (*zhongdian renkou*, i.e. targeted persons) to the new regime. The need to “weed out hidden enemies” remains a key motivation for police forces to use the *hukou* as a screening tool. In the 1950s, these potential enemies were referred to “antirevolutionary elements,” while today they are likely to be runaway out-laws. This belief motivated the technological upgrading of *hukou* registration in recent years. But the mentality of treating rural migrants as potential criminals is still present.

The first population census of the PRC in 1953 strengthened the urban *hukou* system and created new rural *hukou* files. In 1955, the state commanded local governments to “formally initiate a full-blow *hukou* system on the eve of China’s imposed collectivization” (Cheng and Selden 1994: 655). Shortly later in 1956, the power of implementing was handed down to the state’s police system, the Ministry of Public Security (*gong’anbu*). Ever since then, its local branches (Public Security Bureaus) and grassroots offices (Police Dispatch Office) were given legal rights to administer the registration of *Hukou*. But since the police system were also given legitimacy to arrest or detain anyone who migrate outside of his or her residence origin, this was the beginning of the criminalization of migrating peasants throughout two decades. Peasants were gradually downgraded to a new social category as “potential law-breakers”. This exclusive tendency was so obvious that even some rural migrants who settled in cities before 1958 were persuaded to return to their

³⁰ The Nanjing Government promulgated *Hujifa* (*Hukou* Law) in 1931 (revised in 1934 and 1946), Detailed Regulations on the Implementation of *Hukou* Law in 1934, Regulations of *Hukou* Verifications in 1941, Regulations on Temporary Resident Registration in 1942 and 1943, and Regulations on the Registration of Migrating People in 1943 (revised in 1946).

hometowns of origins and wait for “further notices”. But most of them never saw the cities again.³¹ Also from that time on, the Ministry of Public Security became the primary government body to design guideline policies regarding rural-to-urban migration. Until today, MPS continues to justify the system by emphasizing its “merits” in helping to maintain social order (*shehui zhixu*) and to provide important information on “targeted persons.”

A top decree was passed down from the combined authority of Central Communist Party and the State Council in December 1957 to strictly “forbid the out-migration of rural population.” In this document, it was recognized that many regions were suffering from a famine, but emphasis was laid again on “the detriments of blind out-migration to both the nation and peasants themselves.” Refugees from famine areas (*zaimin*) were asked to organize for self-help production (*shengchan zijiu*), instead of moving elsewhere. Repatriation shelters were set up in all transportation nexuses, staffed with work teams who specialized in conducting “persuasions”. Begging and vagrants were forbidden and must be sent back to their *hukou* origins whenever observed on streets. The rationale of “planning” was repeatedly stressed:

“Forbidding rural population from out-migrating is of primary significance for our nation. On the one hand, this will greatly relieve cities from economic burdens. Once peasants enter into cities and consume food there, it will surely demand increased allocation of food to these cities, and add onto the already shortage and overcrowding issues. When the rural population enters into cities, they come to look for jobs. But urban employment must proceed according to our plans, and in measured steps. So this kind of blind out-migration, which happened outside the plan, is impossible to accommodate. The presence of some backward elements (*luohou fenzi*), especially some landlords, rich peasants and ex-convicts who migrate to the cities, would definitely engage in private money-making, gambling and stealing to make their livings. This greatly damages the social stability of cities. ... It is true that life in rural areas is still difficult, but a better life comes after hard work. With the economic development of our nation and peasants’ hard work, rural life is improving.

³¹ From fieldwork interviews with rural migrants who are in their fifties or sixties.

It is expected that with the fast development of agriculture and lower living costs in rural areas, peasants' income level will soon catch up with that of industrial workers. But when many people leave their villages, this lack of rural labor would certainly harm this prospect."³²

On January 10th of 1958, the state passed the PRC Hukou Registration Regulations, a formal legislation separating rural and urban boundaries (geographical and occupational) was officially established. Until today, it had been the only legislation by China's highest legislative body, the People's Congress. It required that rural peasants need to obtain legal papers before out-migration, and the legalization process was tightly controlled. Articles 15 and 16 stipulated that rural residents need to go through legal procedures if they plan to stay for more than three days in cities:

“PRC citizens who intend to migrate from rural areas to the cities must have several certified documents, including hiring letter from the city labor department, or admission letter from one's academic institution, or a letter of permission from city residence registration offices. With one of the above document, one could apply to the residence registration office at his/her original residence place for out-migration.” (*PRC Household Registration Regulations*, 1958)

Enforcement offices including public security, food bureaus, and public transportation were all assigned different roles to impose strict *hukou* control. Meanwhile, food rationing was strictly enforced in the cities, so anyone with no legal registration cannot obtain such subsistence necessities. The over-arching goal was to deter rural-to-urban migration. Interestingly, a news article on the same day of this legislation provided a justification to the socialist *hukou*:

“These functions of hukou registration system in our country fully reflect the superiority of socialist institutions. It is inherently different from the ancient hukou systems in China's ancient antirevolutionary regimes and other imperialist countries. The old hukou system in ancient Chinese

³² *People's Daily*, 1957, December 19, p1.

regimes served the class interests of landlords and capitalists, and was in nature oppressive devices against the working people. They used hukou to extract labor, to tax, and to suppress patriotic movements and revolutions among the people, in order to maintain their antirevolutionary rules. The hukou systems in other imperialist countries, no matter what type of forms they take on, they all serve the purpose of strengthening antirevolutionary rule by the exploitative class. But our hukou system serves one important measure for socialism and for serving the people. ... As a socialist country, our goal is to build a happy communist society. But in order to make this ideal come true, many matters of livelihood of the people must be entrusted to the state to make proper arrangements. Hukou registration is in accordance with this guideline. ... By limiting these inappropriate actions [out-migration], this does not mean that we deny citizens' freedom to choose residence and to migrate. This is because the freedom of our nation is a disciplined freedom (*you jilv de ziyou*). It does not equal absolute personal freedom. It is not anarchy. But the blind migration of a small number of people acted out a type of absolute individual freedom that refuses to be disciplined."³³

This rationale was repeated again on the same issue by Luo Ruiqing, the then minister of the Ministry of Public Security. Luo quoted a verse from Mao as the “guiding principle” in drafting the *hukou* legislation: “Whenever we make plans, do things and think about issue, we should always think from the starting point of our nation’s 0.6 billion people.” Individuals’ migration without central directives, Luo emphasized again, should be considered as “contradictory to national interests and collective interests.” He admitted that freedom of movement is one part of the Chinese constitution, but this freedom should be interpreted as “freedom under leadership” and “freedom of the people,” rather than anarchy or the freedom of a small number (*People’s Daily*, 1958, January 10, p4).

Following the 1958 legislations, even transfer of *hukou* status from the “agricultural” category to “nonagricultural” was strictly prohibited. The only few legitimate mobility channels are through attending universities, joining the military, and marriage migration. Visitors and temporary migrants were required to register

³³ *People’s Daily*, 1958, January 10, p4.

with the local *hukou* police for permission to stay. In 1964, the *Ministry of Public Security* issued a “decree” (*tiaoli*) forbidding peasants from migrating into townships. In the 1975 constitutional amendment acts, the *People’s National Congress*, China’s then legislation body, historically eliminated the “freedom of residential mobility and migration” from the Chinese Constitution. In the subsequent constitutional amendments (1980, 1982 and 2004), this part has never been restored. Over time, the Household Registration System has increasingly evolved into “an internal *de facto* passport mechanism”, blocking peasants from upward mobility (Knight et al., 1999), creating a pattern of “internal colonization” (Solinger, 1999) within one country.

State-Directed Migrations during the Cultural Revolution

During China’s socialist experiment, the state nationalized key resources such as land, capital and even labor. Economic activities were coordinated by a comprehensive plan toward a collectivist ideal of social justice (Hayek, 1960:256). However, with no civic participation in the decision-making process, political actors manipulated and implemented regulations to their own interests. The downward penetration of bureaucratic structures produced a great mass of loyal local cadres in charge of agricultural production and social surveillance. In other words, the bureaucracy of China’s imperial times, which reached down to the village levels through the lower gentry, after the gentry class had been struck down, had then been inflated to control the grassroots levels. History proved China’s central planning to be a disaster. The rigidity of forced rural collectivization culminated in the greatest famine in human history with a death toll of over 30 million during the years between 1958 and 1961, historically known as the Great Famine. Statistics show that most death tolls were reported by rural areas, where peasants were forced not to move outside their failing communes, even including begging. Fairbank (1986: 282) argues

that “this organization of the countryside was far more complete than anything previously attempted in Chinese history.” He further states,

“It can also be argued that the imposition of the Chinese communist party cadres and government as a new ruling class was hardly anything new in the Chinese experience except for its much deeper penetration and tighter control over everyday life. Experience suggest that regimentation was counterproductive in producing economic development, so all that happened in the Chinese revolution was the getting back to the structure of the late empire with a modernized technology and mass patriotism. ... we are left with the platitude that the Chinese communist revolution was bound to be in the Chinese style. It accomplished tremendous changes but along lines that showed some continuity with the past.” (Fairbank 1986: 284)

Hirschman (1970) theorizes that individuals resort to two behavioral options when responding to dissatisfactory organizational performance: *exit* and *voice*. When they perceive that the organization or nation is declining in its provision of benefits to its members, people can either withdraw from these relationships, or they can attempt to improve the relationships through communication, complaints, or grievance for change. Emigration and protest are two exemplary forms of such responses. However, in socialist China, due to demands for ideological loyalty and stringent restrictions against free out-migration of peasants, “voice” and “exit” were politically incorrect practices. Migration in itself would signal “political disloyalty”. As a result, individuals’ natural initiatives for collective action in any form opposing the totalitarian ideology of communism were completely stifled. In recent discussions on the cause of the Great Famine, Lin (2000) refers to peasants’ lack of “exit right” out of communes, and Qin (2008) directly points out “the right to migrate” as the causal culprit. Li (2008) points out the direct causal relation of absence of freedom of movement due to *hukou* control with the predominant death rates in rural areas. The urban population, in contrast, was doing relatively better because they were entitled to

rationed amounts of food consumption. Sen (1981) argues that such large-scale famines point to a major cause other than just lower food productions due to adverse climate—lack of equal “entitlements” in society.

The subsequent political movements in 1960s and 1970s reinforced the rural-urban closure. In 1961, with urban economic crisis and unemployment becoming more intense, the state directed an anti-urbanization movement, known as the “send-down of urban educated youth” (*shang shan xia xiang*).³⁴ It was also aimed to ease urban unemployment and increase agricultural productivity. But communist propaganda idealized this movement as a collective effort to smooth out “three major differences”, namely the differences between agricultural and industrial production, between rural and urban, and between manual and non-manual work. This movement had lasting social impact on the Chinese society by sharpening the status differences between peasants and urban workers. It continued during the most turbulent years of the Chinese Cultural Revolution, and over 20 million urban secondary school graduates were “exiled” to poor rural areas during these years. Real life experiences show clashes between these sent-down urbanites and villagers, intensifying the relationships between these two groups.

Almost every urban family suffered the trauma of long-term separation. Because a small number of urban elites secured the quota for returning youth, those with weak political connections had to endure years of exile in remote rural areas. An urban *hukou* was considered as a passport out of exile and misery. Many sent-down youth committed suicides after they failed to get urban *hukou* quota. Although the state

³⁴ Although small scale send-down movements started around 1955, it was in 1967 when large scale migration appeared, and in Dec of 1968 when Mao officially stipulated that “it is very necessary for the urban educated youth to go to the countryside to be re-educated by poor peasants.” (*People’s Daily*, Dec 23, 1968) It is estimated that over 16 million urban youth were forced to migrate to rural areas, accounting for one tenth of the total urban population. In the beginning of the Cultural Revolution, these urban youth were named the “Red Guards”.

propaganda promoted this movement as “re-education by peasants,” in reality, it created a large chasm between the rural peasantry and urban citizens.

After the downfall of the Gang of Four in 1976, millions of sent-down youth requested returning to their urban homes. However, over the course of intensive political movements, the state, as a social control machine, has gained considerable power in selectively recruit politically loyal members. They enforced difficult “screening” procedures to check the returning flows. Some made it back to colleges or the military through personal connections. Some returned to join the urban labor force. Special policies were made to allow those needing medical treatment to return. Almost twenty years after the send-down movement, another “returning to the city” (*hui cheng*) appeared, although in much smaller scale. The increased costs of return, to a large extent, reinforced the superiority of an urban residence status. One of my informants, 65-year-old Lin, was originally a Beijing resident. He was sent down to rural Heilongjiang in 1963, but it was not until 1998 when he finally returned to the city after retirement. He recalled the stringent rules “sent-down youth” had to pass before getting the permission to return to the city of their original residence:

“During the ‘back to the city’ wave, you were not allowed to return with just any excuse. You could use some hospital’s proof for a certain serious disease to get the quota. And even if you could return, no job or housing was arranged for you in the city. They would even make you write and sign a promise letter saying that you would not request the government for housing. ... I started a family in Heilongjiang, so I waited until my son reached the age for taking the college entrance exam. Since there was only one Beijing hukou quota for each family, I gave it to him. He did not get into any Beijing university, but worked here ever since. Then I waited till 1998 when the state had a policy allowing old-age dependents to return to Beijing.”

Merit-based college entrance examination resumed by the end of 1977. It offered a relatively “fairer” opportunity for many sent-down youth to return to urban areas.

Getting higher education gained popularity among rural young people too, because it was one way to obtain urban residence after graduation. According to Tang and Parish (2000), the socialist state of China have used four major administrative measures to institutionalize the rural-urban closure: the making and enforcement of the 1958 regulations forbidding free rural-urban migration, removal of revenue from townships and small cities since 1963, sending down of 16 million urban youth to the countryside, and mobilized rural industrialization since late 70s. They claim that the overarching goal of these policies was to secure urban residents' political loyalty by maintaining their entitlements without sharing the gains of industrialization with the rural.

“Continuous revolutions” during the Cultural Revolution allowed urban students' free movements across China, but such mobility was mainly confined to the red guards as a political privilege. Factional politics also produced changes to the *hukou* system. For example, a few years after Liu Shaoqi engineered a peasant-workers (*yinong-yigong*) program to encourage urban enterprises to hire peasant workers on temporary basis and lessen rural dissent, Zhou Enlai and Mao strengthened *hukou* control to alleviate urban economic difficulties. Keeping the system means cutting down on labor costs for the rural majority. Such internal colonization brings economic benefits, to an extent that with the help of state propaganda, this type of “limited access” social order gave rise to a quasi-equilibrium.

The Explosive Age

Rural Decollectivization

In 1978, eighteen peasants in *Xiaogang* village of Anhui province risked signing a secret agreement to re-divide the collectively owned farmland. Agricultural production went up in the area. The *Xiaogang* model, later promoted by the state as the

Household Responsibility System, was replicated by rural collectives nationwide, leading to the dissolution of rural communes. Individual households regained autonomy, and peasants started to sell surplus food at unregulated prices. Free markets for food and crops revived. Productivity increased by 61% from 1978 to 1984 (McMillan et al, 1989). The reemergence of trading markets accumulated momentum for peasants' entry into non-farming jobs. In 1979, some peasants from Hebei swarmed into Beijing selling various agricultural products on the streets. The scale of street vending grew to such a large size that the Industrial and Commerce Bureau and Public Security Bureau of Beijing city decided to set up 10 marketplaces in Beijing's suburbs for them (Xiang, 1998). Street vending was prohibited since.

Far-reaching social changes are often accompanied by ideological shifts (Schatz and Gutierrez-Rexach, 2002). According to Wen (2002), the high-rank communist leader Du Runsheng recollected that, in early 1980s, the Central Party Political Research office did submit a proposal to grant peasants the right to migrate. They did reach a consensus during that meeting. Soon afterwards, many central departments voiced disagreements against this proposal, arguing that the change would stir up "social instability".³⁵

Hukou Trafficking and Illegitimate Migration Flows

Between the onset of economic reform (1978) and the legal relaxation of migration control (1984), peasants' out-migration existed at small scales. Transfers of *hukou* status were made possible only through local governments' application. During this time, some rural cadres engaged in "*hukou* trafficking", as a few articles on the People's Daily exposed:

³⁵ Until today, "securing social stability" is often used as the justification for the state's continued legislation on rural-urban closure.

- Yan'an administrative area, in transferring agricultural into nonagricultural population, abused the *hukou* quota by 16.1 times in 1979. Some cadres and public security police faked documents for their relatives to apply for township *hukou*. (*People's Daily*, 1980, July 16, page 3.)
- LI Fengzhou, the vice party secretary of Linxiang County in Hunan province transferred his 28 relatives from agricultural to township *hukou* status through misappropriating the special *hukou* quota for this area. (Xinhua News Agency, *People's Daily*, 1981, July 18, page 1.)
- Two high-ranking party officials in Xiangtan city of Hunan province misappropriated 11 *hukou* quotas for private revenues. (*People's Daily*, 1981, December 27, page 3.)
- Three party cadres in Wen'an county of Hebei province faked documents for their 69 relatives to migrate out of rural areas in the name of returning young intellectuals (*zhiqing*). (*People's Daily*, 1982, January 11, page 4.)
- Within six months, Anhui province mobilized 102.4 thousand peasant workers to return to their villages. Most of these peasants were relatives of cadres in urban party organs and public institutes who “walked through back doors” (*zouhoumen*). It was estimated that this would save the city 72 million yuan and four million jin grains. (*People's Daily*, 1982, January 31, page 1.)
- Two hundred and seventy-five “*wailaihu*” (people of other *hukou* origins) were repatriated by the public security departments in Wuxi city of Jiangsu province. (*People's Daily*, 1982, July 21, page 3.)
- One thousand five hundred and twenty-five “agricultural-to-nonagricultural” (*nongzhuanfei*) *hukou* documents were considered as “not in accordance with policies” (*buhe zhengce*) in Anxiang county of Hunan

province. Most of these applications were filed by party leaders in the county and cooperatives who had relatives in rural areas. (*People's Daily*, 1983, January 8, page 5.)

- Since 1979, Jianli county of Hubei province had faked hukou transfers for 979 people. 483 party cadres were found responsible for such power abuse. (*People's Daily*, 1983, February 2, page 3.)
- Two high-rank party officials in Chongli county of Hebei province were involved in misappropriating hukou quota. (*People's Daily*, 1983, February 25, page 4.)
- Three officials from the Labor Bureau, Public Security Bureau and a leather factory misappropriated 39 hukou quotas for their relatives through bribing cadres in 22 coordinating units in Fengtai district of Beijing city. (*People's Daily*, 1983, May 10, page 4.)
- From 1975 to 1980, Li Qinghai, former chief of the public security bank office in Fenghe county of Inner Mongolia, colluded with members of a rural cooperative in selling over five hundred township hukous. (*People's Daily*, 1983, July 4, page 3.)

Common peasants also made efforts to escape rural. My fieldwork interviews show that some pioneering rural migrants were vegetable-sellers from Shandong, domestic maids from Anhui, cooks from Sichuan, etc.

To socialist legislators, uncontrolled population mobility represents disorder and a potential threat to regime stability. Lu (2004) argues that this view was so widely held in the 80s and 90s that it almost becomes “a legal culture” which takes any “individual” action as irrational. Even today, “*mangliu*” is still a term often used by

local administrators. A Shanghai street committee staff member, Song, age 38, openly expressed objections to the relaxed regulations on rural migrants:

“How can people run around in such a metropolitan city like Shanghai without their IDs and permits? That’s totally *mangliu*! For a rural migrant without legal papers [in the old times], how could he have come here? But now they can... They act, they come and go, as if there’s no law. Now when you check on him, and even if he does not have a residence permit, you can’t do anything about that!” (Song, male, age 38, Shanghai native)

The five years between 1978 and 1983 have seen streams of “illegitimate” rural out-migration. These collective memories of labeling, channeling, and hiding around still haunt the older age groups of rural migrants nowadays. Unlike the experiences of the educated youth (*zhiqing*), who tasted the banishment of downward *hukou* mobility, migrants in these years faced a consistent form of legal punishment to keep them “disciplined.” Such types of discipline develop a hidden order of social surveillance. When their intention to escape the misery of socialist planning conflicts with the motherland’s “expectation” for them, a sense of disloyalty and guilt was internalized into their self-identity.

Lifting Up the Flood Gate

Six years after the economic reform, with forces in the economy pushing and pulling for its disintegration, the rural-urban closure started to shatter. It was the “internal opening-up” process for China. In 1984, the state formally relaxed *the Household Registration System*, by legally permitting peasants to freely move into townships with self-provided food (*zi li kou liang*).³⁶ These deregulated policies conveyed the old tone of political persuasion: “leave soil without leaving the town” (*li tu bu li xiang*), “enter into factories without going to the cities” (*jin chang bu jin*

³⁶ But by this time, many items other than food provision have been closely tied up to *hukou*.

cheng).³⁷ Nevertheless, it marked the end of Chinese peasants' serf-like ties to land during the Mao period (Fairbank and Goodman 1998). Since migration tends to follow a cumulative process, with a small dent in the dam, it could draw in a flood, especially when the water level became high a long time ago. It is roughly estimated that from 1984 to 1986, 4.5 million peasants moved from the countryside to townships (Zhao, 2004). Jobs, housing and public facilities became increasingly accessible to whoever could afford them.

A few administrative changes improved migrants' life chances. In 1989, the PRC Personal Identification Card (*shenfen zheng*) system took effect, which was created to partially replace the registration functions of the old *hukou* system. This largely dispensed the discriminatory presentation of individuals' status using household *hukou* booklets. Since then, the verification of *hukou* data was greatly simplified. Another reform was to allow children to inherit either the father or the mother's *hukou* status in 1998.

Also in 1984, rural communes were dismantled and restructured into rural industrial units. Peasants were incorporated into non-farming jobs. The years between 1984 and 1994 were the golden time for village and township enterprises (TVEs). The number of employees grew from 28 million in 1978 to 135 million in 1996. When privatization was still frowned upon as "politically incorrect", these TVEs served dual interests, both as private economic initiatives and as political entrepreneurship in the growing product market (Wong, 1988). Fiscal decentralization in 1983 created strong incentives for local political entrepreneurs to promote this model (Oi, 1992). By 1996, these enterprises employed 135 million rural labor (Li, 2006). An interviewee, 43-

³⁷ In Oct of 1984, the State Council publicized "Announcements about Peasants' Entering into Townships." It was stipulated that peasants who take up non-farming jobs in business and services, if they have stable residence in townships or if they are employed as full-time staff at township enterprises, they and their relatives can move to townships with self-provided food.

year-old Hong, who worked as an accountant in a township enterprise, recalls the failure of this “one-hit wonder”:

“I worked as the accountant there for ten years. It was funded by our township government, and our manager was assigned by them. It was a ‘welfare’ workplace, because they had their own hotel, restaurant... but poor management... I think it was because our manager had some plan for himself, and our township government was not happy about it. So they decided to close the restaurant. Then [business] it just got harder and harder later on... We switched to making tea, but later had some huge problem with funding. You see, the funding did not belong to the government, it was bank loan. The day I entered into that factory, I just knew that the money in our account would not cover the debts, even if they’d sell everything, it would still not be enough to cover! The costs were too high! So obviously it wouldn’t last for too long. But what else could I do? I was assigned to that post by township government too, so I just did what I was supposed to do.” (Hong, female, age 43, from rural Jiangsu)

Just like Hong’s township plant, most TVEs operated with massive loans from the state-monopolized banking system, creating a kind of “soft budget constraint” that was similar to China’s money-losing state-owned enterprises. Economic retrenchment around 1995 caused about 30 percent TVEs’ bankruptcies (Saich, 2001). With increased market competition and the growth of private firms, the TVE sector shrank into recession. After her factory went bankrupt, Hong came to Shanghai and found an accounting job in a private company.

State-directed migration of peasants into townships was not a once-for-all solution. With rural recession hitting most TVEs, like Hong, many rural migrants ventured into the cities. At first, most of them were only able to migrate and then return on a short-term basis. Because with the old food ration system was still present in many cities, when these migrants ran out of their own provisions, they had to purchase daily necessities with higher price from native residents. It was not until 1993 when the food ration system was abolished. Jiang (35) came to the city when

food ration was still enforced, and he remembers the difficult time for them to live and work in the city without food coupons:

“It was almost impossible to come out before 1984. So [the first time] I followed others to the city to my uncle’s. He was a director at a state-owned factory in city X. [When I came out] I had to bring my own food, like rice. [At home] we still used food ration coupons with specified amount of food for each family member. [Because I had to bring food] It was hard at the beginning.” (Jiang, male, 35, from rural Anhui)

The years between 1978 to 1994 was a time during which state officials wavered and delayed making public policies concerning rural-urban migration (Zhao, 2004). Although the 1984 regulations did legally relax constraints on labor and residential mobility, the mainstream public attitude towards rural migrants was still criminalizing and exclusive. After all, the 1958 regulations had been enforced for sixteen years, and over time, discrimination against the floating rural poor has become a “sticky informal institution”. Like in Mei’s oral account, when urban residents or administrators met rural migrants in the city, they tend to accuse them of abandoning their “socialist duty” of farming in the countryside. The general public was intolerant of breaking down the rigid social categorization inherited from the planning era.

“Administering” Identities and the Commodification of *Hukou*

After the state made a progressive move to allow rural peasants legally transfer their residence status to the township “non-agricultural” category, local governments’ rent-seeking using “green card systems” appeared.³⁸ Actually in as early as 1986, the local township government of Qinlan in Chuzhou city, Anhui province, set up the first internal “green card system” (Liu 2008). Then Wenzhou city of Zhejiang province

³⁸ See “Announcements on the Policy and Management On Agricultural to Nonagricultural Transfers”, from the State Council to multiple central ministries such as the State Planning Committee, Ministry of Public Security, Ministry of Commerce, 1990.

followed suite in 1992, Shanghai city in 1993, and Shenzhen city of Guangdong province in 1995. These residence regimes shared one thing in common: they selectively incorporated new migrants (both rural and urban) with capital or with technical skills. The emergence of these local residence regimes was rooted in China's fiscal decentralization. Meanwhile, a shadow market for "hukou" also emerged. In many places, a township *hukou* was overpriced from 4000 to 10000 *yuan*.³⁹

Despite the state's continued campaign against these underground activities, some *hukou* markets are still active even until today. According to the *China Newsweek*, a Beijing *hukou* was priced to 150,000 *yuan* for someone with a Master's degree and double major certificates. "Because it's easier to get Beijing *Hukou* for people with science degrees and other urgently-needed majors, but not arts", responded the seller (*China Newsweek*, May 17, 2008).⁴⁰

Since the plight of rural migrants was brought to wider public attention, some conscientious intellectuals and civil rights activists advocated for legislative changes. Whether or not the caste-like residence regime should be completely abolished became widely debated in the late 1990s. Some local governments did respond with "timelines" for abolition, but no implementation.⁴¹ Hopes were stirred up, but then new policies always fell short of the expectations of the majority, because cities tend to welcome the "haves" (the rich and educated) than the "have-nots". Across China, every city-level government has used *hukou* to "handpick" a small number of migrant

³⁹ In 1992, the average annual income for a Chinese peasant was 877 *yuan*, so an urban *hukou* on the black market was equal to 4 to 11 years of a peasant's labor. Black markets for *hukou* still existed even until today. Now a Beijing urban *hukou* costs about 150 thousand *yuan* for a non-Beijing urbanite with a master's degree (*China Newsweek*, May 09, 2008).

⁴⁰ This news reported a finding from a survey on hukou market conducted by *China Youth Newspaper* in 2008. It showed that seventy percent of buyers wanted Beijing hukou for its "access to value added resources", such as health care, housing and education.

⁴¹ From 1993 to 2003, major cities like Beijing and Shanghai witnessed intermittent policy fluctuations to reforming their local *hukou* regimes. The local newspapers occasionally release news about relaxed legislations in the making.

applicants into its system (Wang 2005). To some extent, such selection of new citizens strengthened the bureaucracy. Below is a quotation from an internal handbook (Wang 2005):

“[We should] make it easier for high-quality people to relocate, but harder for low-quality people; easier for professionals to relocate, harder for general laborers; ... [We should] work especially to prevent the blind floating of low-quality people from rural areas.”

Meanwhile, the scale of rural-urban migration soared each year, as statistics shows that the number of rural migrants in Shanghai has been increasing by 31% every year since 1988, and reached 4.98 million in 2003.⁴² Cities and urban residents develop a stereotype of “low quality” rural migrants who “shouldn’t be here”, and thus “a source of danger and pollution” to the host society. Rural migrants’ mobility, rootlessness, displayed “ruralness” and their “craze” for monetary gains appears to an average urban resident as a potential for criminality (Zhang 1998).

It was among such a hostile environment that urban administrators’ rent seeking on low-status rural migrants turned into a combination of arbitrary fees collection and violence. On April 25, 2003, *South Metropolitan News* reported the death of Sun Zhigang, a 27-year-old college graduate Sun Zhigang, who was mistaken for a “peasant-worker” and detained at a deportation center. Sun was detained for carrying no “temporary residence permit” and was beaten to death. This news story caused public outrage on the internet. The Custody and Deportation System, established since 1982, has gradually changed into a rent-seeking and rapacious system for urban administrators to target rural migrants. In May, three independent legal professionals submitted a petition against the Detention and Deportation System. On June 20, 2003, the State Council announced the abolition of this system.

⁴² Shanghai Statistics Bureau, 2004.

This incident and the abolitionist efforts marked the watershed of the government's attitude towards rural migrants. Since 2003, China's media turned to a sympathizing tone towards their plight, from wage arrears, slave labor, to hate crimes committed by rural migrants due to marginalization.⁴³ It was only since recent years when issues of social justice and equal rights for rural migrants entered into public discussions. In early 2005, the Ministry of Labor and Social Security abolished the existing "Interim Stipulations on Interprovincial Rural Migration" (enacted since 1998), the institutional foundation for fee collections from rural migrants. The state has publicly addressed the inadequacies in social services as well as the unfairness of their distribution among the urban and rural. Announcements to provide rural health care, free compulsory education and rural minimum living stipend are yet to be implemented (*Xinhua News*, May 24, 2007).

In 2005, the Ministry of Public Security announced a legal review of the *hukou* system, but later decided that changes be made by local governments. However, it is precisely among local governments that resistance against further reform is strongest, because granting equal rights to rural migrants would mean much more public expenditures and additional funds to provide education, health care and other social services. Under the current system, urbanization becomes another opportunity for local governments to exploit the utility of *hukou* (see Chapter 3).

⁴³ In 2004, public media exposed that wage arrears for rural workers reached an astonishing total of 100 billion yuan in the construction industry alone. The pervasive labor abuse even caused notable cases of "suicidal appeals" by rural migrants in several cities. In May of 2007, two breaking news about human trafficking of rural migrants from Henan TV News made national headlines. 400 migrant children from rural Henan were trafficked to Shangxi coal mines as child laborers. 32 rural migrants were trafficked to forced labor for 20 hours a day in a Shangxi brick kiln. All of them suffered violent physical abuse from beatings and fierce dogs. The issue was first noticed by the central government as early as 1998, but things have not changed much since. Many of these rural migrants were lured by human traffickers while wandering for jobs, and sold for 500 *yuan*. In June of 2007, BBC News reported in June the rescue of 550 "slave workers" and up to 1000 enslaved migrant children in Shanxi.

Institutional Continuity

Examination of the social dilemmas in China's rural-to-urban migration naturally starts with a historical question: why was *hukou* instituted as a legal order in socialist China? What were the sources of its legitimacy and stability? As Cheng and Selden (1994) argue:

“The origins of the *hukou* system lie embedded in the *baojia* system of population registration and mutual surveillance perfected over millennia. But its antecedents also lie in 20th-century techniques of social control that were perfected in areas under Kuomintang and Japanese rules, and in the communist-led revolutionary base areas. Equally important is the direct influence of the Soviet passbook system and the role of Soviet advisers in creating a social order that could be mobilized in the service of socialist developmental priorities. ... It emerged as a critical state response to dilemmas inherent in China's development strategy under conditions of high population density, labor surplus and capital shortage in a predominantly agrarian society.”

Hukou is not an invention by China's communist leaders; nor is it entirely new to socialist China. It had historical roots in ancient Chinese regimes. During central planning, it was formally institutionalized as a major part of the planning apparatus. Both traditional values of state domination and communist ideology facilitated its rigid hold on the social structure from 1958 to 1984, giving rise to an ever-stronger system of state domination. The state had strong capacity to intervene into key resources such as labor, land and capital transfers. Interpersonal connections also depend on the distribution of those resources according to state-designated entitlement system (Tilly 2007:16).

The use of violence was also a theme running through the institutionalization of *hukou* by the powerful yet secretive public security agents. What exactly happened to peasants during the Great Leap Forward and the Cultural Revolution remained largely a mystery, as we can only piece together parcels of the story using available sources.

Deprivation of exit right among peasants is pointed out as being associated with the Great Famine by Chinese scholars (Lin 1990). Tragic movements of send-down and the Cultural Revolution throughout the 1960s and 1970s produced social consequences that again reinforced the institutional power of *hukou* distinction.

During these political processes, an urban elite class formed into an interest alliance. Bureaucrats, politicians and even intellectuals controlled tools for ideological indoctrination and for resource allocation. According to Weber, since resource scarcity and competition are ubiquitous, all societies have the tendency towards constructing such closures. He points out a historical regularity:

“Usually one group of competitors takes some externally identifiable characteristic of another group of competitors—race, language, religion, local or social origin, descent, residence, etc.—as a pretext for attempting their exclusion. It does not matter which characteristic is chosen in the individual case: whatever suggests itself most easily is seized upon.”

After forming an “interest group” towards outsiders, there is a “growing tendency to set up some kind of association with rational regulations ... a legal order that limits competition through formal monopolies”. Then certain public “organs” are institutionalized to protect the monopolistic practices with force. According to Weber, such is the “ever-recurring process” of how institutionalized closure is socially constructed and gains legitimacy. The durability of power in systems of domination is primarily determined by those who were involved in the enforcement of power.

“A system of domination may be so completely protected, on the one hand by the obvious community of interests between the chief and his administrative staff as opposed to the subjects, on the other hand by the helplessness of the latter, that it can afford to drop even the pretence of legitimacy” (Weber 1978:214).

A totalitarian regime can become so strong that the oppressed quit challenging the legitimacy of an imposed institution. Weber claims that the first step to lessen the effect of such closure in the labor market is to “prohibit the dismissal of a worker without the consent of the workers’ representatives.” Knowing that individuals have the tendency to construct closures and to monopolize interests, primary social groups that are organized around their own immediate interests can be seen as key “buffer” devices towards segmentation.

We need to analyze the internal structure of this regime to understand its complexity of centralization. Wu (1995) argues that “centralized government” and “centralized administration” in the pre-reform Chinese bureaucracy caused a highly centralized system of domination.⁴⁴ Tocqueville (2002[1865]: 108-114) also analyzes the mixture of two layers of centralized bureaucracies as a strong “union of power.”

The wish to establish an omnipresent apparatus which controls all the details and movements of individuals’ lives, according to Tocqueville, “exceeds the power of man.” This system of domination subjects spontaneous movements as “defiant”, “rule-breaking” elements that require coercion and even criminalization. Furthermore, such rigid social categorization tends to create “impersonal” and “legitimate” labels for bureaucrats to manipulate. Their activities gave rise to “increasing returns mechanisms” that perpetuate social distinctions.

Marketization inevitably challenges such rigid social distinctions, because it requires more economic autonomy. Economic restructuring in China transformed the authority relations between classes. Inflows of displaced socialist peasants into the cities challenged the old “public goods regime” of the socialist social contract

⁴⁴ Tocqueville (1865: 108) defines the two terms: “when the power which directs the former or general interests is concentrated in one place or in the same persons, it constitutes a centralized government. To concentrate in like manner into one place the direction of the latter or local interests, constitutes what may be termed a centralized administration.”

(Solinger, 1995). *Hukou* as a price mechanism for labor is not complimentary with market mechanisms. However, China's landscape of rural-urban inequality is not getting clearer. Urbanization with partial market reform created both assimilating and segregating mechanisms for rural migrants' integration into the urban society. The social distinction based on *hukou* continued to allocate certain resources (e.g. education, health, housing, etc).

Can China, a former socialist nation, overcome its legacies of differential citizenship and transform into an open system? According to North et al. (2007), this path is difficult because even in such a society, it has a set of mechanisms that sustain an equilibrium: because rule-makers in the political system are the key stakeholders, and they are equipped with power to tap into political, economic and ideological resources, these actors tend to create rents and secure elites' loyalty to the current system. This is why "rent-creation through the assignment of exclusive rights and privileges" lies at the heart of this type of social structure (North et al. 2007). The long tradition of *hukou* stratification has accumulated into a cultural belief that individuals are born with differential entitlements. As Greif (1994) claims, "past cultural beliefs provide focal points and coordinate expectations, thereby influencing equilibrium selection and society's enforcement institution

CHAPTER 3

BEHIND THE CHINA PRICE

Socialist collectivization instituted a bifurcation of countryside and city in China, as members of rural and urban collectives lived and worked in mutually exclusive domains. Marriages between the two categories were rare throughout the collectivist era. As the basic institution for procurement and redistribution of food and necessities, *hukou* gradually became a status hierarchy, a system of social distinction.

Market transition since 1978 in China ended peasants' serf-like ties to Maoist village communes (Fairbank and Goldman 1998: 414). With mass out-migration, the typical rural family has adopted a "one household, two systems model", that is, some family members (usually women, children and the elderly) stay put while a few others venturing into the city for jobs. These rural migrants have powered China's soaring economy—it is estimated that rural migrants have contributed to 21 percent of China's GDP growth since the reform (Cai and Wang, 1999); due to their participation, China's informal sector has grown by 22.2% each year (Wei, 2007). In economic terms, rural migrants generally experience upward mobility compared to their pre-migration living standards.

Breakdown of the Rural-Urban Closure

Market transition brought about multiple venues for peasants' mobility: employment, marriage, and education. As social interactions increased between the rural and the urban, inter-marriages between the two social groups became a less rarity and an admired means of upward mobility. College education offered an even more efficient stepping stone for the better-educated peasants to "jump over the rural-urban

threshold” (*tiao nongmen*). The previously caste-like system strictly separating the peasantry from the working class seems to be breaking down, if not in its entirety. Several forum reports in 2003 show that rural migrants made 57 percent of the manufacturing sector, 80 percent of the construction sector, and over 50 percent of the service sector (CCP Forum, 2004). While the old working class—urban workers—is being unmade in the state sector since the massive layoffs in the mid 1990s, another working class is being born in the booming private economy.

Meanwhile, reality also presents another side of the story—to break with the inherited identity of “peasants” remains a formidable goal, especially under an incremental reform and the continued registration by *hukou*. Formal legislative barriers channeled rural migrants to unskilled jobs in industries such as manufacturing (25.8%), construction (19.6%), trade (13.9%), agriculture (7.3%), delivery services (6.9%), catering services (6.6%), and others (Shanghai Population Census 2000). Only 3.8% were employed as skilled workers.

Despite increased social mobility, the “urban bias” imprinted by collective socialism remained strong. The social prejudice has not been resolved. This stark reality lies behind the China price, as over 200 million rural migrants (or “peasant workers”, *nongmingong*) continue to work as a cheap reserve army of labor who, despite long-term settlements in the cities, are only considered as “transients” unentitled to equal citizenship.

Previous studies on inequality in post-socialist states either probe into the mechanics of stratification (Bian 2008), or offer inconclusive theoretical claims (Walder 1986) by drawing upon large data sets on the gradational distribution of inequality. In this chapter, I use ethnographic fieldwork data to focus on the texture of inequality—What does it really mean to be a rural migrant in post-socialist China?

How do rural migrants actually perceive themselves and their work? How do workplaces become sites for the reproduction of social distinction?

I first bring together two opposing trends experienced by rural migrants in urban China —upward economic mobility, and yet concomitant structural disadvantages. I do not intend to offer any simplified generalizations about whether rural migrants have become losers or winners of China’s partial reform. Rather, by laying out the integrative and segregative processes they encounter as individuals in a post-socialist context, the goal is to present how institutional change shapes the contours of social inequality. By connecting their private orbits to the larger social context, I analyze how institutional dynamics produce these diverse trends of social mobility among this group, and how the system of social distinction based on rural-urban identity differences is remolded during this process.

Market Transition and Peasants’ Upward Mobility

At the age of eighteen, Cheng finished junior middle school in 1993 in rural Anhui. But with seven siblings, Cheng’s family could not afford his education into senior middle school. After the family’s financial situation worsened, Cheng’s two elder brothers followed their father in taking up the carpentry profession in their village. At that time, a village carpenter made 6 *yuan* a day, a much admired job among peasants. But Cheng’s heart never settled on becoming a carpenter like his father and brothers. Later that year, news came that someone from outside the village had gone there to find workers for some factories in Shanghai. Cheng was excited, because it sounded like an opportunity to escape from his aimless life at that point, and to “see the world” for himself. His restlessness turned into fresh hope. But it took a teenager some courage to actually come out of the village that was still bound by the stigma of leaving the farmland:

“Very few people from my village had even seen the city by 1993. When I was in school, I remembered hearing people talking about someone who had gone to Shenzhen or Guangzhou, to ‘*dagong*’ (work informally under a boss). But when they mentioned the word ‘*dagong*’, they said it with much contempt. To the villagers, it almost meant that person was so poor that his family did not even have any food to survive. So ‘*dagong*’ was a shameful thing in our village, almost like... begging. Although there were people who came back from Shenzhen or Guangzhou without a lot of money, the older people in our village still thought of it as ‘loosing face’. At that time, the best job a young man could get, was a formal job though good connections.” (Cheng, male, age 34, from rural Anhui)

To Cheng’s fellow country folks, “leaving the village” meant going on an unknown journey, to an unknown territory—the city, with no one except oneself to rely on. And it was a terrifying idea to many of them who were still holding onto the “security” and stability in socialist communes where everybody was “taken care of” by the collective. In these peasants’ minds, to make a living with just one’s two hands and no connections was simply unthinkable, risky, and very likely to end up in begging.

Cheng did not paint such a picture in his mind. Like many junior middle graduates of his age, Cheng barely had any knowledge about farming, although their parents toiled on the soil all their life. Nor did he have much emotional attachments to the land like his parents. From some homecoming migrants who went into the cities in as early as the late 1970s, Cheng heard about the “exotic” urban way of life, and it appealed to him as a more fulfilling world. So Cheng made a decisive step forward.

He followed the contact person, and entered into a shoe-manufacturing joint venture in Shanghai. It was in the early 1990s. The pay was 60 *yuan* a month, about ten times the wage for a carpenter in his village. His job was mainly to attend the boiler room, and it was entrusted to him as “a very special position that guarantees recognition from the leaders”. It certainly involved some techniques of operation and

potential danger, but most of the time, he just needed to keep an eye on the barometers. He now jokes about that job, “I worked as a meter-watcher for five years, and all I did was watching the boiler thermometers!” In these five years, his wage increased to around 450 a month. Meanwhile, Cheng felt his ambitious heart grow restless again.

Cheng’s good work attitude and agreeable personality won him many local friends. In 1998, his native Shanghai friend introduced him into a computer hardware store, working as a salesperson for 700 a month. The IT industry was just burgeoning in China. This job was an eye-opener for Cheng about the market. Since then, Cheng started his job-hopping journey. After seven months in his first job, he changed to another IT company for a monthly 1200 *yuan* package. There he learned about how to run this business, so six months later, he quit and started his own hardware retail business. However, his first entrepreneurial effort did not last for too long before Cheng found himself in huge risk of losing revenues:

“I thought it was easy to make money by just buying low and selling high. I did make a lot of money for the first two months, mostly from my old clients. But after I used up my contacts, business became very hard. Besides, the market was becoming more and more saturated...” (Cheng, male, age 34, from rural Anhui)

Around 2002, Cheng got married and started to settle for more “practical” life. He had then become an experienced trader, but self-employment posed higher risk than other regular jobs. Eventually he settled with a stable job in a foreign trade company. The pay was only around 1000 *yuan*, but Cheng’s boss was open-minded enough to allow non-natives into the managerial level. Cheng was soon promoted to manager position.

So far, Cheng's experiences show that the opening up of market opportunities did incorporate rural migrants into private businesses. The importance of human capital accumulation and networks is affirmed too. Through hard work and network building, Cheng secured a career for himself. However, Cheng's mobility path came to a major hurdle when his daughter becomes old enough for school in the city. "This is now my biggest headache," says now 34-year-old Cheng. If his previous 16 years of entrepreneurial experiences have brought some possibilities, the education issue for his daughter now only brings to him a hard "ceiling":

"Although [the city government] they've abandoned the 'temporary residence permit system', and allow anyone with a 'residence permit' to send his child to public schools, it worked differently in real life. I do have a 'residence permit' now, which my company applied for me. It is the 'work type', starting with 'cw05' in the serial number, but the education bureau asks for a 'talent type' residence permit (headed with 'cw09'). I called different government departments, but every one of them just kicked the ball around. The policy does not apply to us! Although it is repeated again and again in the news that anyone with a residence permit for over a year could send the child to a public school, it's not true in reality!"
(Cheng, male, age 34, from rural Anhui)

Since June of 2002, Shanghai changed its "temporary residence permit" system into a new "residence permit" system with three main categories: "skilled/talent" (*rencai lei*), "work" (*congye lei*), and "dependent" (*toukao lei*).⁴⁵ It does differ from the old "temporary residence permit" in two ways: it's cheaper and voluntary. But when it is applied to the real life of rural migrants, it's a mere name-change.

⁴⁵ In spring of 2009, Shanghai released a public policy to relax its residency application, but only to the "talent" category of incoming migrants based on education, income and taxes paid in Shanghai. It implies the continuation of the city's long-held strategy in handpicking those who make greater "contributions" to its economy. According to Shanghai's new policy, non-locals need to have held a permanent Shanghai residence permit and lived in the city for seven years before they qualify for a Shanghai *hukou*. In addition, they must also abide by local rules, such as paying social insurance fees and taxes on time, and with no criminal record. The city government openly claimed that this policy aims to give priority to scholars and talents (*Caijing*, 2009).

Compared with the overt forms of *hukou* discrimination before, the current system has become more discrete in categorization—Rural migrants now can obtain a “residence permit” (*juzhu zheng*), but a small serial number makes all the difference.

The creation of official categorization for policy implementation and census purposes are prone to institutionalize discrimination. Once created, these classifications become impersonal labels indicating different entitlements to those who use them. The political institutionalization of race in the United States serves an example of how institutions confer identities that composes a powerful force between different status groups. In the Chinese context, the hereditary nature of this type of identity makes certain disadvantages (e.g. lack of quality education) more structurally imprinted.

Cheng is determined to get a quality education for his daughter. He used personal connections and paid extra fees to get his daughter into an elite school for children in a nearby state-owned enterprise. But there are long-term worries. With the current policies unchanged, there is very slim chance that Cheng’s daughter will get into a good elementary school. A smooth transition into Shanghai’s middle school is even more unlikely. The education system still highly discriminates on the basis of *hukou* registration. This means that the child needs to return to rural Anhui for the key-point exams, a place she never lived in. Cheng sees his family and his career “stuck” with this ceiling:

“Whenever I think about this, I felt trapped. Once she starts primary school here, she’ll someday need to return to our rural hometown, and you could imagine what kind of adjustment that would be to a little girl. I am fine with spending more money to get her into public primary school here, money is not the issue, but in the future, every money cannot buy her a chance to take the exams. ... I felt worried, but there’s nothing I could do. We’ll just wait until things change by that day.” (Cheng, male, age 34, from rural Anhui)

Whenever Cheng conveys a pessimistic attitude about future changes in the urban residence regime, he tends to rationalize it as “understandable.” He expresses an understanding of the difficulties with the system and comments, “if everyone could come to Shanghai and settle down, what would the city become?” This rationale is very in line with the official rhetoric in the Chinese media whenever it comes to the problem of checking immigration. To Cheng and many other migrants, the delayed adjustment of these policies is “understandable” because the rural-urban disparity just seems too large to be mended overnight for a populous country like China. Now Cheng’s future career depends on where his daughter could go to a quality school. “It is possible that I might return to Anhui and do some business there. At least that way our family can stay together. It’s all for our daughter.”

Cheng’s life trajectory is typical among rural migrants who ventured into private entrepreneurship. After the reform, private businesses were no longer penalized as “the tail of capitalism” (*ziben zhuyi weiba*). Millions of rural migrants switched into non-farming jobs, first from villages to small townships, then into small cities, then into large cities. Their job choices also follow an upward trend, from handicrafts or low-skill work like domestic services, to skilled jobs such as trade or factory blue-collar work. Cheng was lucky to be among the few who managed to get into the cutting-edge IT industry and international trade. His wage also “climbed up” year after year. They are witnesses to the gradual openness of China’s economy to include the rural surplus labor. On the other hand, however, their pursuit for equal citizenship has not yet fulfilled.

Towards “City-zenship”: A Grassroots Rebel

In 1982, sixteen-year-old Mei, an early rebel among her peers, was among the first wave of peasant girls who worked as live-in maids for rich urban households. Although there has been a scarcity of statistical research on rural-urban migration between 1978 and 1983, interview data show that spontaneous out-migration was present at small scale. The pioneering rural migrants were vegetable-sellers from Shandong, domestic maids from Anhui, and cooks from Sichuan. Mei recalls her motivation to leave the soil:

“At that time we were just village girls, totally ignorant of what was going on outside, ... I mean... the reform. That year the Household Responsibility System had not yet taken place at our village. We had to earn ‘work points’, and because I was too frail I could only make 3 points per day.⁴⁶ I felt so ashamed and ... I so wanted to go to the city, and ... [I was] willing to take any kind of job as long as I didn’t have to work in the field any more. But back then there was almost no mobility, and peasants were tied to their lands. I did not have any clue about how to leave our village, even to the nearest town. ... Then I heard someone come to our village in looking for housemaids (*baomu*)⁴⁷.” (Mei, female, age 42, from rural Hebei)

In the early 1980s, the official language used “*mangliu*” (blind floaters) to refer to “illegal” peasant migrants like Mei. This term first appeared in the “Communist Party’s Directives on Forbidding Labor Flows from Rural Areas” in 1959,⁴⁸ referring

⁴⁶ Under the commune system, peasants were not paid with wages, but were organized into production teams with each member being assigned certain “work points”. A work point measures the work hours and efficiency of a peasant. But in real calculation, work points were not perfectly related to efforts, because it was not feasible to continually monitor one’s work (McMillan, 1996).

⁴⁷ The early 80s witnessed the appearance of housemaids as a new profession in China. These are young girls, mostly rural, who keep the house and serve as day care for the elderly and children in urban families.

⁴⁸ Official document on Feb 4, 1959, with quotations as “In the past two to three months, peasants’ blindly floating (mainly into cities) has become a serious social phenomenon. ... With spring farming time arriving, if peasants continue to flow out blindly, this will certainly hinder agricultural and industrial production. And it will harm the consolidation of the People’s Commune, and leave loopholes for enemies to become active. On Jan 5, the Party has notified all enterprises and departments to stop

to the outflow of paperless peasants into cities as illegal activities against party policies. From the 80s, the term “*mangliu*” became widely used in public media when referring to rural migrants, with a strong derogatory connotation.⁴⁹ To socialist legislators and administrators, uncontrolled population mobility represents disorder and a potential threat to political stability. Lu (2004) argues that this view was so widely held in the 1980s and 1990s that it became a legal culture which takes any spontaneous individual action as irrational or even criminal in its potential to “disturb social stability”. Actually, even today, “*mangliu*” is still a vocabulary occasionally used by local administrators. Mei recalls the widespread discrimination at her time of arrival in the city:

“You see, nowadays it is very normal and acceptable for rural people to move into cities for jobs. But at the very beginning, in early 80s, you are considered as *mangliu* who should be sent back. Many government departments in the cities were constantly saying ... “Get them back! Let them go back!...” [At that time] you always heard such things. [For migrants themselves] nobody knew how long they could stay, one day, two days... Another things is, [even if you were able to stay] you could not say it was because you did not like staying in the rural villages. That would have been considered a shame on you. You just could not say that, as if that was something “illegal”... They thought rural people should return, sooner or later. Otherwise you would be condemned. ... There is always someone looking at you as suspicious, about what are you doing here...” (Mei, female, age 42, from rural Hebei)

Mei’s job as a live-in maid for a high-rank party official earned her opportunities to learn English. Three years later she earned a diploma from an academic institute, and her employer referred her into a cleaning job for the university press. She befriended a colleague in the same work unit who later became her husband. Mei did

recruiting in-flowing peasants into cities.” (Central Commands on Forbidding Rural Labor Mobility, in 1959)

⁴⁹ The word conveys two layers of negative connotations. Firstly, its meaning “blind floaters” label rural migrants as an aimless, disorganized troupe. Secondly, the sound of this word reminds people of the Chinese term for “sexual delinquents” (*liumang*).

not intentionally look for this type of upward mobility through marriage, instead, she stubbornly refused to be considered as some average village girl who just wanted to marry a city guy. Her future in-laws appreciate this genuine integrity in her, but they showed great concern for their future family in the future, because Mei's child, by law, inherits her rural *hukou* status:

“His parents said, ‘it is not you that we worry about, it is your *hukou*!’ They were simply worried that if we get married, our child would then have to inherit my *Hukou* status as a Hebei rural⁵⁰. I felt so ... helpless at that time, because this was something totally beyond my own efforts—it’s the whole system! Unless you go to get a city *Hukou* [from the black market]... but it was illegal and strictly checked on. If you use personal connections to get one, that was [politically] dangerous too!” (Mei, female, age 42, from rural Hebei)

Before July of 1998, residence status for a newborn child must follow his/her mother's. This in effect has reinforced the birthright disadvantage of the rural category, because even among the small percentage of intermarried couples from both category, women tend to marry up in terms of social status.⁵¹ For Mei, this obstacle presented her with a deeper insight and indignation with the system. Since that time, Mei became an activist in rebelling against the system, as she said, “I felt that I was tired of being treated as a ‘rural’, and I don’t want my child to live like this.”

In 1991, Mei heard that Shenzhen city was about to reform their *hukou* regime to make it available for qualified rural migrants. Excited by the news, she determined to part her fiancé and find a job in Shenzhen. Before she left for Shenzhen, the couple

⁵⁰ For a long time, *hukou* regulations stipulate that children inherit the mother's *Hukou* status. This was only changed in 1998. Now *Hukou* status is still inherited at birth, but one could choose the father's or the mother's *Hukou*.

⁵¹ On July 22 of 1998, the State Council passed a policy decision made by the Ministry of Public Security, “Suggestions on How to Solve the Key Issues in the Current *Hukou* Management”. It announced that parents can choose for the residence registration of newborn children from that day, that is, the child can be legally registered at the local Public Security Office of the either the father's residence of registration or the mother's.

got married. Mei recalled with a glow of happiness, “my husband said that way it would show that he did not marry me because of my *hukou*, hah hah...”

Carrying her Border Pass and 600 *yuan* in her pockets, Mei entered into Shenzhen, the booming special economic zone of China. A born optimist, she thought to herself that this trip won’t be worse than the earliest one she made when she was only sixteen. “I thought the worst job would be to start as a live-in maid again, or selling vegetables on the street. I could do that!”

Mei tried her luck in restaurants, barber shops, and all job advertisements she could find. After twenty days of job search, when Mei was left with the last *yuan* in her pocket, she was offered a cleaning job at a sales company. Mei took this job very seriously and worked very hard for two years. Her efforts and work performance paid off—she was promoted to a sales representative position. Not long afterwards, she earned the largest bill of the year for the company, and as a reward, her boss applied for a Shenzhen *hukou* for her.

The reward came with a price, as Mei recalled, “this Shenzhen *hukou* did cost me dearly.” Because she had to work and travel so intensely that she accidentally aborted her first child. A year later, Mei returned with her new Shenzhen identity to stay with her husband. Two years later, she transferred the Shenzhen urban *hukou* into Beijing urban *hukou*. The early years of her adventures left Mei with bittersweet memories:

“Sometimes my friend would introduce me to others, saying, ‘this is Mei, one of the first rural migrants in 1982, and... she is still alive today!’ But you see, this comment is what life has been like to me... I felt that all these pains [I went through] were just for an urban *hukou*, and for my child. After I gave birth to my daughter, I felt so relieved that my mission was completed. I have brought her to the same starting line with urban kids. I don’t owe her now.” (Mei, female, age 42, from rural Hebei)

To millions of rural Chinese citizens like Mei, “urban citizenship” comes with a high price. For some, it even took a lifetime to pay up this price. Mei sees her own experience as “very lucky indeed”. The struggles and experiences made her more conscious of social injustice, and she remained an activist for rural migrant women in China until today.

Marry for the Better

The eldest of three siblings in a poor Sichuan rural family, Xiang “tasted bitterness” (a Chinese phrase referring to experiencing life’s hardships) much earlier than most of her peers. After second grade of junior middle school, Xiang decided to quit in order to help the family save up money for her youngest brother to go to college in the future. To supplement family income, Xiang’s father became one of the first migrants who left inner Sichuan for the more prosperous east coast. Xiang followed her father. It was 1989.

Xiang’s father had worked at construction sites for over 15 years since then, and she entered into a toy factory. She remembered the language difficulties and her shyness when starting the job. The earliest toy factories in east coast already installed rigid work routines and dormitory disciplines. “I grew used to the rural pace of life, you know, just working on some house chores and play around with other village girls, hehe...” Xiang giggled, “So life at the factory was a big change for me.”

The girl tried to adjust to industrial working environment, but her first job only lasted for six months before she felt hopelessly homesick. Xiang returned home for a year. When her younger sister also finished junior middle school, more and more young people joined the flux. They both worked in a few toy factories for over seven years.

Like in most factories, young rural girls aged from 18 to 20 are highly favored by employers. They have nimble fingers to work on details, and more importantly, they easily comply to the rules. The job required workers to start assembling from six in the morning to ten at night, seven days a week, with one day off per month. Workers are paid by piece rate, and no overwork compensation is offered. Xiang recalls the first toy-making job:

“I was only seventeen that year, too young to feel tired, I guess. The pay was three hundred a month, but it was considered as good at that time. All the workers were migrants. There were different job categories, but all were tiring and long hours.”

The several factories Xiang worked for are adjacent to each other. Many Shanghai people find employment there too. They are suburban Shanghai residents whose village land has been appropriated for industrial usages. Most of these local workers hold rural Shanghai *hukou*. It is considered as a category which is inferior to urban Shanghai *hukou*, but still much better than rural *hukou* from other provinces. Factories in this township of Shanghai are required by the city government to recruit a certain quota of local workers as a re-employment welfare plan.

When Xiang reached twenty-four, a friend introduced her to a Shanghai local young man who later became her husband. In this township, inter-marriages between “*dagong mei*” (migrant girls) and Shanghai local men are not rare. According to the law, it will take four years for Xiang to be issued a Shanghai rural *hukou* after their marriage. “I got it three years ago, just in time for my daughter to be enrolled into a public school.” Xiang adds.

With urban renewal and expansion, more and more arable lands there have been appropriated for non-farming usages. Now most factories only hire local workers, in order to fulfill the directives from the city governments. Rural migrants face greater

difficulty in getting into factory jobs. So a number of informal workshops appeared to hire migrant labor as seamstresses. Large factories out-source some work to these workshops at even lower prices.

Still living among her Sichuan relatives, Xiang now enjoy a complete welfare package besides a regular working schedule from nine to five. Just two years ago, her youngest brother, with whom the family has laid most of their expectations, had enrolled in one of Shanghai's most prestigious universities. Xiang says proudly, "We just hope that after graduation, he can find a good job and become the first city person in our family."

A "Temporary" *Danwei* Man

When I first interviewed Qin (40), he has been working at H district's Engineering Inspection Bureau (EIB), a public *danwei* (workunit), for over eleven years. Despite this high seniority among his colleagues, Qin has been referred to as the "temporary staff." Being one of the two rural-status workers in this *danwei*, Qin belongs to the tiny fraction of rural migrants working in professional career tracks.

Wearing a blue technician uniform in his own office, Qin appears an experienced technician. When asked about how he likes this job, Qin says contently, "Now I have freed myself from manual jobs, so that counts as an improvement." His routine job only requires technical inspections of ongoing construction projects in district H. To Qin, a promotion unto formal status for him sounds untenable—"it is already such a privilege to work here!" Working as a member of this formal *danwei* is already a dream job for him.

Growing up as a country boy, Qin never saw the city until he reached the age of twenty-four. He came with some relatives to work as construction workers in eastern Shanghai. He started the job in 1992, and for over five years Qin worked for twelve

hours a day, seven days a week. His brother Yuan later entered a prestigious university in Shanghai, and Qin supported his tuition expenses. By 1995, Yuan was about to graduate with academic excellence and a college degree in engineering. It was a time college graduates still enjoyed job allocations by the state, and engineers were highly desired by many research institutes. Yuan was assigned to be an engineer at EIB. After a year of work, Yuan turned in a request for a personal assistant, which created a temporary position there for his brother. That was how Qin first got this job. He later turned out a good fit for the tasks assigned to him, so this temporary worker stayed for the next eleven years.

Despite his seniority, Qin's rural *hukou* status made him unqualified to be listed as formal personnel according to the legal regulations. So now Qin enjoys a much lower stipend on top of a minimum wage (840 *yuan* in 2007). With his wife working at a wool factory, the couple now makes around 3000 *yuan* per month, an upper-middle level income among rural migrant families in Shanghai. Qin kept telling me, "It's so much better than when we first came to Shanghai."

A decent job, a stable income and a stay-together family are probably the dream for many rural migrants. Qin seems to have it all, but life still has its frustrations. A major worry is his son's education. To my surprise, the 15-year-old boy is still in Fifth Grade (normally students in this grade are 11 or 12 years old). Qin explains, "As the [migrant] schools he entered either moved or closed down, we transferred him several times. Every time the new school just required him to re-take first grade. So he has taken first-grade classes for three times."

Like most rural migrant families, Qin is also greatly worried about where to send his son for secondary education. "If he has to return for middle school, then my wife probably will go back with him. I'll stay here by myself. But I think I'll return home

sooner or later.” Qin wishes to save around 100 thousand yuan to start up a small business at home, maybe a chicken farm, or a farming machine rental shop.

Qin’s future plans remind me of Cheng. Both entrepreneurial individuals from humble rural backgrounds who later, through their own diligence and luck, “made it” in the city. They both foresaw some type of invisible walls that will at some point bounce them back to their roots. Many migrants like them have returned and started small businesses in the towns near their native villages. Opportunities abound there too, they say. After all, this world is growing more globalized, and so is China.

Migration as Entrepreneurship

Cheng, Mei and Qin are migrant-turned-entrepreneurs who, out of their own endeavor and luck, have circumvented the disadvantages attached to their inherited status as “peasant workers.” China’s booming economy offers plenty of opportunities for many rural migrants like them to carve out a niche in urban survival. As Cheng once remarked, “If one is not lazy or too stupid, this city is big enough to offer many opportunities for him to make some money.” If they enter into an industry that is less rigidly bound by *hukou* legislations, they can be lucky enough for promotion into the managerial stratum. This class of upwardly mobile migrants stands out as exemplar witnesses of the economic boom, attracting millions more peasants to follow their footsteps.

The nature of partial reform determines that China’s economic structures are still bounded by rules and legacies inherited from its old redistributive framework (Nee 1991). This “structural imbalance” explains the conflicting patterns of both upward social mobility and relative deprivation among out-migrating peasants. Like other excluded immigrant groups around the world, they struggle through some institutionalized closures that are hard to penetrate all at once.

Despite these structural difficulties, self-made migrant businesses flourished, gradually forming into some sizable informal economic enclaves. Many self-organized small-scale operations are based on shared native origins, such as in garment-manufacturing (Zhejiang), restaurants (Hunan, Sichuan), renovation (Anhui), recycling (Henan), doorstep delivery (Jiangsu), etc. For almost three decades, the growing “grey zone” of China’s informal economy has offered opportunities for migrant entrepreneurship and buffer for migrants’ survival. But over time, with blocked upward mobility for the younger migrants, they cannot escape the fate of continued marginalization, and vulnerabilities against economic downturns.

The Reality of Just-Getting-By in the City

Dagong in the Informal Economy

Even nowadays, the Chinese still greet first-time acquaintances with the question “where is your *danwei* (work unit)?” which simply means, “where do you work?” Although the socialist *danwei* system is no longer in existence today, to an urban resident, he would still answer this question accordingly. But when I addressed the same question to a rural migrant, the typical answer is, “I don’t have a *danwei*. I came to *dagong* (i.e. work for a boss).”

To them, *dagong* and *danwei* obviously are not interchangeable terms. When rural migrants themselves refer to their work in the city, the word “*dagong*” is used most frequently. It literally means working “informally” or “irregularly” for a boss. It is a state of work which differs from being affiliated with any work unit, entailing irregular work, unregistered status high job mobility, income insecurity, residential instability and, most of the time, hard manual labor.

Rural migrants set up a categorical contrast between “*dagong*” jobs from “doing business” (*zuo shengyi*, meaning private entrepreneurship). The latter is much desired

because it promises “being the boss of one’s own and enjoying more freedom,” as most of my informants explained. 33-year-old Wang, a former rural teacher, took up various “*dagong*” jobs in factories, shops, and restaurants during her ten years of living experiences in Beijing. Even as a migrant school teacher now, she sees the job as another form of “*dagong*”:

“*Dagong* for someone else gives you little respect. I feel I’ve always been ordered around to do this and that. I’ve never gotten used to that... It’s even different from teaching in our rural village. There I worked for the Party’s course. But here, I work for some boss. It just doesn’t feel right...”

In Wang’s case, *dagong* for “some boss” even delivers “capitalist” connotations for a rural Chinese who remain clinging unto a political consciousness in the socialist era. In the pursuit for economic gains in the urban society at large, many rural migrants Wang feel at loss when relationships and careers are often commoditized in pure materialistic terms.

Rural migrants’ desire for economic autonomy through self-employment is driven by not only such ideological nostalgia and network over-reliance, but also by blocked opportunities and lack of cultural identification in the city. Take rural migrants from Henan for example. The widespread social prejudice against Henan migrants who are depicted as lazy and prone-to-theft has contributed to the group’s overrepresentation in the line of recycling. In suburban Beijing, many Henan villages have been turned into “trash villages.” There are clusters of recyclers who came from the same rural locality, such as Gu Shi in Henan province. Many other small businesses (such as street vending, repair, restaurant, and shops) are started up to serve in-group needs in migrant-concentrated neighborhoods. They offer affordable foods or grocery items at cheaper prices than other places. My friends and I always enjoyed spending only 16 yuan on three nice dishes at a small Sichuan diner inside a rural migrant community,

which may be priced to over 60 *yuan* in another main street Sichuan restaurant. These businesses also attracted many students from nearby college campuses and low-income urban workers from adjacent factories.

The opening up of these job opportunities are also closely linked with the public policy changes in the city. Take street vending for example. It was not until 2006 when the Shanghai government issued policies endorsing “informal employment” (*fei zhengui jiuye*) in its economy. Before then, street vendors led a “guerrilla” lifestyle. Conflicts between street vendors and urban administrators (*chengguan*) abound in major cities. After the city government of Shanghai relaxed its “street code” against street vending in 2006, although haphazard confiscations still occasionally happen, street vendors are now more at peace. Some street committees (the urban grassroots-level government organ) even actively rebuild and rent out spaces for migrant businesses in their neighborhoods.



Figure 3-1. Regional Diners Opened by Migrants



Figure 3-2. A Self-made Marketplace

In some other places, small businesses are less protected, and the presence of public authorities is more visible and dominating. There grassroots administrators only “loosely” play into facilitating market activities, so “unlicensed” migrant businesses are still viewed with suspicion. Registration is still used to as the tool for governance. Many small business owners enter into a dilemma like Zeng’s:

“You see, this is something I don’t understand. I wanted to apply for a license. Those people from the *Bureau of Industry and Commerce* (*gongshang ju*) would come to check on us from time to time, whenever they have an order to do so from the top, I guess. I told them that I am just running a very small business here. I am not involved in other things. But they still check on you, this and that, very strict. They required a license, so I went to apply for one. But they turned down my application, because they say my shop is too small and informal. You see, here is the problem: They say my shop is illegal because I don’t have a license, but they wouldn’t give [issue] me a license!” (Shan, male, age 40, grocery shop owner, from rural Anhui)

For some migrant entrepreneurs who are able to venture into more formal markets, they are faced with high rental prices, minimum earnings requirements and wishful collection of fees with all types of names. In some neighborhoods, street committees collude with the Bureau of Industry and Commerce in creating formidable rules for open rent seeking, as recalled by Zeng, the owner of a repair and locksmith shop:

“I paid less than a hundred *yuan* for my first repair stand. In 1994, rent increased to over two hundred, then last year to over six hundred, including “market management fee” and tax. They [administrators] turned this market to a developer after some renovation, so now rent for this six square meters space is 1500 *yuan* per month. Now I have to open from 7am to 7pm, working very long hours to pay the rent and market management fee... They shouldn’t be charging so much... We were asked to reach a minimum income of 3000 *yuan* per month, in order to stay in this market! So life is more intense than before. [In order to stay in this market] now we have to make a minimum of 3000 *yuan* a month. There’s good time and bad time [for business]. Sometimes we cannot even afford the rent. The central government has been saying that rural migrants are an under-privileged group, so we should be given 20% off the management fee. But in reality, they still charge the same. All they did was that they just changed the name [of fee collection], and the amount is growing even higher now.” (Zeng, male, age 53, from rural Jiangsu, locksmith)

In the vocabulary of rural migrants, there is no “unemployment” to speak of. One either finds some casual work to do for today, or none. The latter is not considered as an unusual thing to happen either. This is because, to them, most accessible jobs are already outside the formal employment category. Jobs in certain formal *danwei* are out of their reach, because those spots are reserved for urban residents, according to the long socialist tradition. Although things have changed, they still hold onto a type of undeserving mindset in the way they evaluate career choices. So the most typical jobs held by rural migrants include those shunned by urban residents: construction,

suburban factory jobs, domestic service, security guards, and restaurants. Every sector has its distinctiveness in terms of economic opportunities and structural hurdles.

Builders of the City

A male rural migrant, when he comes to the city, most likely ends up with a construction job. It is considered as the “entry level” job for most male newcomers. Almost all the males I interviewed had taken up construction jobs at some points in their city life, but very few stick to this job for too long. Construction is hard backbreaking work, and most construction workers are required to work seven days a week, over twelve hours a day. The All China Federation of Trade Unions (ACFTU) recently announced that, according to the Fifth PRC Population Census, over 80 percent of workers in the construction sector are rural migrants (*ACFTU News*, Jan 12, 2010).

Liu, a 40-year-old man from rural Anhui, had worked on Shanghai’s arising new Pudong area since 1992, which left him proud memories as a contributor to a page-turning moment for the new Shanghai. He first followed his relatives to the city, and started as a casual laborer at the construction team. The pay was low (6.5 yuan per piece, and each piece took about 8 hours), but Liu enjoyed learning the machine manuals when he was off shift. Liu worked and learned machine operation there for a year, then he decided that his body could not take it any more. Seeing a co-worker badly injured by the machine and then dismissed with some compensation, Liu determined to leave for other safer jobs.

Migrant workers like Liu have experienced and contributed to a world-class project—China’s unrivaled urbanization since the 1990s. From year 1992 to 1994, Shanghai’s new Pudong area, for example, have attracted growing foreign investment growing from \$3.5 billion to \$10 billion in just two years, pumping up the “largest

construction project the planet has ever seen” (*Wall Street Journal*, December 10, 1993). Shanghai government started opening up Pudong New District for investment, so infrastructure projects including subway systems, highway and the international airport were being constructed⁵². The city becomes a gigantic magnet attracting hopeful rural migrants from neighboring provinces, especially Anhui. As a result, the number of migrants employed in the construction industry tripled around 1993⁵³.

Construction workers are a highly homogeneous group, mostly prime-age males, less educated, single or without dependents, living in over-packed and poorly renovated temporary dorms on construction sites. They are often recruited by “migrant contractors” (*bao gongtou*), who have worked in the cities long enough to have accumulated wider personal connections. This industry has become the most notorious industry for abusing rural migrant workers. First, very few rural migrants actually establish protected labor contract with employers.⁵⁴ Secondly, the organizational structure overseeing a construction project is often so complicated that it’s beyond a rural migrant’s knowledge to address the due responsibilities. Over-reliance on native-place networks surrender rural migrants to the willful manipulation of contractors they trust.

Due to these causes, wage arrears have been happening at an amazingly high rate—statistics from the *Ministry of Construction* show that in 2003, the construction industry alone has owed rural migrants 3.2 million Yuan in total (roughly 0.4 million

⁵² From “Pudong Development Plan in 1990”, in which the State Council allowed Shanghai to invest in infrastructure-building in Pudong and granted the city government 10 preferential policies and 6 capital investment plans. But it was in 1992 when Deng’s remarks of “big changes in 3 years” sped up the city planning and expansion of Shanghai (From *Shanghai General History* 2005, p1624-1626)

⁵³ But in 1996, Shanghai government started clearing up rural migrants again because of difficulties in the urban labor market.

⁵⁴ A 2007 survey conducted by the Chinese Academy of Social Sciences and Tsinghua University shows that of the rural migrants working in construction sampled (N=5000) in a few major cities (Tianjin, Shanghai, Lanzhou, Guangzhou, and Chongqing), 53 percent did not sign any kind of labor contract, and only 17 percent of workers with contract understood their content.

USD). Considering the low level of wage these migrants usually get, one could imagine the scale of such labor abuse must be strikingly large.

In the spring of 2003, the public media in China engaged unusual attention in reporting the plight of migrant workers in this sector. Wage delays and arrears peaked in that year, causing widespread discontent and climatic cases of “suicidal appeals” by rural migrants.⁵⁵ Actually the situation became so serious that the new leadership put this issue on top of the agenda in the government report at the Annual Meeting of the People’s Congress in 2004.

The informal nature of construction jobs increased rural migrants’ vulnerability to external changes, making them a readily dismissible troupe in time of political sensitivity. The presence of more than six million rural migrants in Beijing before the Olympics became very sensitive during my fieldwork. On Sept 14 of 2008, the city’s Olympic Legislation and Coordination Committee publicized measures to regulate the rural migrant population by “encouraging” them to return home. Construction companies were urged to lay off migrant workers. Although this was released the next day on the People’s Congress news update, many officials denied the enactment of this policy two weeks later when inquired by foreign reporters. The city’s new policies also require incoming rural migrants to obtain county-level and above certificates for finding jobs in Beijing. Most of the builders of Bird’s Nest stadium and other Olympic venues had to disappear during the clean-up campaign before the Games. My field trips in July and October confirmed the reality of mass return migration due to closed down construction projects and migrant schools within Fifth ring Beijing.

⁵⁵ According to estimates from the state-affiliated All-China Free Trade Union (ACFTU), wage arrears for rural migrants in year 2004 reached a total of 100 billion *yuan*. Legislative costs for claiming back this amount is estimated to be close to 300 billion *yuan* in total. And it usually takes one 15 to 25 days to file one claim of this sort.

With China's real estate market booming, needs for manual labor have been increasing in construction and renovation. Renovation jobs are often taken by experienced migrant workers from contractor positions. Usually six or seven veteran migrant workers can form a renovation team. They sometimes find work through personal networks, or simply wait in the informal renovation marketplace for clients to find them.

Before starting his own renovation team, 35-year-old Sun had worked at a brick factory in Beijing, and then took up a painting job at a hardware factory in Hebei. Then in 2000 he came to Shanghai because his brother-in-law had worked at a construction site. He started as a "*xiaogong*" (minor labor), then became an apprentice for a boss in renovation. He learned to mend the bathroom facilities. A year later, he started his own renovation team.

Trust and network building are two important components for success in this industry. Even among rural migrants in this sector, they have split into smaller locality-based networks with different occupational prestige for trustworthiness. Although the majority of jobs are taken by Anhui natives, they have developed a low trustworthiness among urban clients. Sun, a Sichuan native, easily wins the favor of many, to an extent that he does not need to look for projects. His old clients would infer future contacts for him.

"Some Shanghai people do not trust Anhui workers. They think Anhui people like to steal. ... Sichuan people mostly work in construction. Not many are doing renovation. ... So I don't need to look for work. I have many friends, so they look for me whenever there's work they know. I think it's because I am not like other people [renovators]. Most of them are sly and hard to trust. But I take business for business, for the past ten years. I don't take advantages of others, just rely on my skills." (Sun, male, age 35, from rural Sichuan)

The “market” price for an experienced renovation worker is 100 yuan a day, and the client also provides two meals. Sun says that’s the norm in this line of business. The job has given Sun a very easy and comfortable life, with around 3000 to 4000 *yuan* per month, and no overtime hours.

The fact that trust plays a sensitive role in the social structures of this sector is because since the entry level for renovation work is very low, so a few semi-skilled workers could start an informal “guerrilla renovation company” right away. Some low-quality teams use price competition to weed out others. Even some registered formal renovation companies start sub-contracting projects to “guerrilla renovation teams” in order to cut down on costs. Moreover, cheating on material costs is widespread. Some workers over-report the amount of wood or tiles that are needed, and hoard these extra materials for profits. These “guerrilla” renovation teams have formed into close collaboration with material providers in the marketplace. Often there is the norm to charge certain amount of kickback payments for securing a deal. These processes all contributed to the “chaotic” and trust-sensitive features of renovation industry.

Manufacturing “New Industrial Workers”

China’s official labor union, the All China Federation of Trade Unions (ACFTU), released a report in Jan of 2010 that according to official statistics, the total number of rural migrant workers in industrial and service sectors has reached two thirds of the total labor force. In manufacturing sector, rural migrants take up 68 percent of the total labor force. They now make the main working body supporting the country’s industrialization, the main force of the contemporary Chinese working class.

After seven years of experience as a factory worker, 34-year-old Tang still cannot embrace the concept that she is truly one of the working class now. Tang first came to

Shanghai came with her husband Hui to find work to subsidize their families in rural Anhui. After Hui worked in a construction team for two years, he was diagnosed with liver disease and returned home for treatment. Tang found a factory job, the most common job for single girls or migrant women who work solo in the city. She moved into a crowded factory dorm, and started the typical life of a factory girl, working twelve hours a day, seven days a week.

Tiring as the job is, Tang sometimes think it a privilege to be a “worker” in this modern factory, something her mother would never have imagined. Sometimes she can even see some foreign visitors. The pay was 800 a month, relatively lower than other jobs. But since food and dorm are provided, and there is basically no time for going outside the factory compound, Tang never got to spend much. She saved most of them for her son’s tuition and her husband’s medical expenses. A year later, the factory was gradually running out of business. Tang and other workers started to look for other hourly paid jobs to fill in the workless days. Some hopped to other factories that were doing relatively better.

Factory jobs in the manufacturing industry have attracted millions of female migrants into the cities. Only a decade ago, rural migrants were not allowed to work in state and foreign enterprises. Now these factories have adopted outsourcing or informalized hiring strategies in order to reduce labor costs. They are not legally bound to provide insurance and other benefits to rural migrants. These “advantages” made the “China Price”.

Free meals and dormitories are attractive to many female migrants. Jobs like these seem to provide basic stability and a relatively protected environment from hazardous encounters in the city. But factory dorms are neither cozy havens for individual fulfillment, but rather highly “segregative regimes”, resembling a “mini-paternalistic state” (Lee 2007). The schedules and motions are highly routinized and rigidly

enforced. In South China, over 80 percent of assembly-line workers are female rural migrants who subject to this type of workplace regime. Apart from long working hours, workers are constantly under strict surveillance by video cameras or watchful managers. Their bodily gestures are tamed under specific terms of control. As Tang recalls, it was the factory rule that girls should not talk to one another at all except during lunchtime. Specific rules regarding the time for using the restrooms are also enforced.

Sometimes factory owners and managers deliberately paint an image of “insecure outside world” to migrant workers, bolstering the legitimacy of this manmade segregative regime. Although factory leaders use big slogans with “*Love the Factory as My Home*” (*ai chang ru ai jia*) prints to encourage more loyalty and work commitment from workers.

To my surprise, “working overtime” often is not the cause for complaints among female migrant workers. Some of my informants actually prefer to enter into factories with “overtime work,” because that way they can earn more in a shorter time. When some factories have fewer orders coming in, some workers choose to quit because “there’s no overtime work”.

On their payrolls, rural migrant workers are classified into a different category than urban workers who are “contractual workers” (*hetong gong*), namely “labor workers” (*laowu gong*). These terms are intended to give certain legitimacy to their “equal work, unequal pay” policies.

At the age of thirty-two, Liu is already the father of three. He left the village at the age of fourteen, and worked first as a coal mine laborer, then a recycler, before a friend introduced him into a factory to work in the workers’ dining hall. He has since worked there for seven years, before this state-owned factory went bankrupt. Despite

his seven years of seniority at his job, Liu has stayed in the category of “labor worker” (*laowu gong*):

“For the same type of work, *hetong gong* [contract workers] get 3000 a month, but we only get a bit over 1000 yuan. Besides, local workers can easily be promoted to leader positions. That’ll give them better benefits too. But we can be dismissed at any time without compensation.”

Second-generation rural migrants have grown more sensitive to the status inequalities than their parents’ generation. 22-year-old Lan is a second-generation migrant of rural Henan origin. In the early 1990s, after a big flood wiped out their crops, her parents packed all their belongings onto a tractor and drove a week to suburban Shanghai. Now Lan works in an electronics-manufacturing factory where she works on machines testing the quality of chips. She showed me some pictures in which she was dressed in a blue uniform and operated machines in a high-tech workplace. The job does not involve much skill, according to Lan, “just pressing buttons and watching over some indicators on the screen.”

Lan is well aware of the wage differences between local workers and migrant workers. Although she never lived in rural regions, not a migrant in the real sense, her *hukou* status says otherwise. Lan can operate the machine better than her urban peers, but in a *hukou*-segregated system, she is not entitled to equal benefits and promotional opportunities with others. Her parents were indebted to the factory for taking their daughter in, but to Lan, this payment policy is a stark inequality from the beginning:

“Local workers enjoy three types of insurance. And their wage is twice higher than ours, we are paid 30 a day, they get 60, but we do the same work! It IS unfair. Why are we paid so much lower than them since we are doing the exactly same work? Not fair at all! ... Actually we are the majority. There are only a handful of local workers here. When they have local workers signing a different contract, they kept it as some kind of secret around here. We are not allowed to know. ... The only one rule in

our factory is, ‘You must obey commands from above’! That’s it. This simply left no room for you to negotiate about anything, whether it’s reasonable or not....”

Factories in Shanghai’s suburban districts resemble southern cities such as Guangdong and Shenzhen. Their assembly lines attract thousands of young girls in their late teens and early twenties, mostly newcomers to the city. Those who worked for years form into a pattern of job-hopping from one factory to another, seeking for better pay or better work conditions. Most of them only found out that these factories offer almost the same: arduous long hours, strict restrictions against talking or taking longer breaks in bathrooms, poor meals and overcrowded dorms.

It is not unusual to see graduates from some low-tiered colleges working side by side on the same assemble line jobs with semi-illiterate village girls who just stepped out of mountainous Sichuan. Manufacturing has attracted mostly single men and women who just graduated from secondary or higher education institutes. For young people from many poor rural families, failing the national college entrance exam simply means that they need to leave home to find jobs in the cities. Some better-off rural families rush to enroll their children into fourth-tier or fifth-tier private colleges that charge ridiculous tuitions, some amounting to 200 thousand *yuan* a year. But graduates from these low-quality colleges later proved to be uncompetitive in the labor market.

Urban Housekeepers

Compared with factory jobs for women, life as a live-in domestic helper is considered having less workload. As early as the beginning of 1980s, live-in maids made the first wave of rural-urban migration into cities. Young and nimble girls from rural areas created a niche market and even some brand names (such as *Wuwei baomu*)

for domestic services. Later on, as this market differentiates, female migrants from different regions are labeled different traits and service qualities for middle-class urban families to choose from. These young girls, often in their late teens, cater not only to the daily routines of the families, but also function as a status symbol. So having a live-in maid to take care of household chores became a status necessity for many urban elite families.

The experiences as a live-in maid present paradoxical pictures. A strong status hierarchy sets up an unbridgeable chasm between the maid and her employer. But the maid is closely involved in the most private matters of the household, such as taking care of the children or elderly, and other daily chores. As Sun (2009) analyzes, the “intimate stranger” in the urban family “emerges as a deeply problematic figure, indispensable to the smooth running of the household and yet threatening her employer’s security and privacy.” These subtle social processes within the household are meaningful sites for sociological analysis using observation. My interviews only reflect a peak of such social interactions.

Tan, 32, wanted to escape from *baomu* jobs at her best: “This type of job is just not for me, ... I just don’t know how to please these people...” She only had a brief experience as a live-in maid two years ago. Like factory jobs, maids are also under strict surveillance every day, but it involves more intense emotional stress. Since this type of employment relationships are only secured by verbal agreements, excessive demands from the employer frequently happen. Although many job service centers do function as mediating third parties between domestic workers and their clients, they play no larger role than matching job needs with demands in the searching process. Sometimes compliance to different family members’ different commands also places one in an awkward situation that results in emotional stress. Tang recalls her difficulties:

“That Shanghai family had too many people, three generations living together. The grandpa wants things to be done in his way, but the younger couple want it to be in their way... I did not know whom to listen to... In factories, you just do what’s in front of you, it’s that simple! They would not push you around...”

The only time of relaxation for Tan was when she spent time alone with the 5-year-old boy of that family. He reminded her so much about her own 7-year-old son who is three hundred miles away in rural Anhui. Tan only got to see her son once a year. When she talked to her parents-in-law about the boy over the phone last week, they mentioned that a child from their village was found drowned. That boy’s parents were also off to *dagong* in the city. Tan grew restless at this news, and repeatedly warned the two elderly not to let the boy wander off after school by himself.

When Tan started the job, she was asked to put down a deposit of 2000 yuan. Her employer referred to it as a rule that everyone does things there, a mere formality. But to Tan, she felt that it was a sign of distrust. She paid reluctantly. After three months of excessive demands and stress, Tan was gradually losing her faith in working for this family:

“I told them that I wanted to quit. At the beginning, they wouldn’t let me, and said that way they would not give me back my 2000 yuan of ‘deposit’. That was simply unfair! I was so upset, and that made me more determined to leave. But in the end, they did return the money to me.”

After quitting the *baomu* job, a relative introduced her into an electronics factory owned by a Hongkongese boss. Life goes back to another closed route of factory-dormitory routines.

Survey results show that because of lack of legal protections, the pool of domestic maids in many cities is shrinking. Xinhua News report in early 2007 that in Beijing

alone, the market for domestic helpers have more than 100 thousand posts unfilled. Some urban residential areas start to organize collective searches for domestic maids through personal networks.

Watchmen of Urban Communities

Having worked for seven years as a security guard for *Cultural Garden*, a high-end residential community in central Shanghai, 26-year-old Hong is now promoted to be the “foreman” (*banzhang*) of 60 security guards. They take up three shifts a day in turn around the clock, and the main duties include registering for incoming visitors and checking into every corner of their assigned areas for any potential dangers. Hong says that the turnover is very high, because most young people leave for other jobs after several months. “After all, it’s a job requiring young age (*qingchunfan*), meaning that you cannot work at it forever.”

To rural migrants, this job exposes them to the most manifested “relative deprivation” in the city. In some gated luxury residential communities, they see the most extravagant expressions of urban consumerism and overt discrimination against their “ruralness”. Without any systematic legal protection for their rights, exploitation in the form of suppressed or withheld income tends to lead to eruptions of envy and hatred. Hate crimes between the gated class and the guards increased.

Beijing News reported a murder on Dec 9, 2007 that alerted all city dwellers of the hidden pathologies behind these gated communities. The convict is 23-year-old, 160 cm tall, frail-looking Zheng, who has worked as a security guard for this residential area for a year. For his meager wage of 700 per month, he had to work eight hours a shift, sometimes overtime for another two *yuan* per hour. Like other young guards, Zheng seldom has time or money for sightseeing or recreation. Months of social isolation and discriminatory attitudes from the residents in this community eventually

led to an eruption of emotions when Zheng was humiliated and beaten by a local young man for the eighth time. After this event, all guards in Zheng's team reported similar mistreatments and simultaneously quit their jobs. This incident exposed the life conditions of young migrants who work on these positions, and the prevalence of urban discrimination against these temporary workers.

Telling a less dramatic story of his experiences, 35-year-old Feng summarizes the eight years in a guard-dog security service company as a nightmare. He bitterly jokes that security guards there "were treated no better than the dogs they handle." Feng had very complicated feelings for that job. As someone with a passion for reading, Feng liked it at the beginning because it offered him a place to settle down and a flexible schedule to read books. But he soon found out that the company was closely associated with gang activities. Their profits came not only from offering guard-dog security services, but also from cheating the wages of migrant workers. Every newcomer was asked to pay a 2000 yuan deposit, which always ended unrefunded. Wages are paid only once a year. Withholding workers' personal ID cards, the employer turned the whole working crew into "slave laborers." Some new workers could not bear with it any longer and left without asking for the deposits. Very few stayed long enough to earn back what they deserved to be paid, because company employers picked on everyone's performance and deducted wages as they will. Eight years later, it took Feng four months to file a legal suit against his employer. He only got half of what was promised as his wage payment for these eight years. Fortunately, Feng earned his college degree through self-learning during this time, with which he hoped to find a job to use his talents.

Migrant Recyclers

Rural migrants who work as recyclers are easy to identify—he or she rides an empty tricycle cart with plastic ropes in it, ringing a bell when riding along the street. While doing this, most recyclers invent their own long, rhythmic “tunes” to remind familiar clients of their passing by the urban communities. A recycler often has his or her “territory” to keep, often a gated residential community or compound. He or she parks the cart at the side of the road, adjacent to the gate but not intrusively close to it. Some security guards may come up and inquire about him or her, if this is a new recycler in the neighborhood. But usually that works out all right, if the territory is not already taken. Residents of that community get used to the recycler’s presence everyday, and it takes a week for a client network to take form in that area.

Getting to know what it is like to be working as a recycler, or a “trash collector” in the more demeaning term, is not an easy task. It took me over a year to finally make the Zhangs comfortable talking about what they do every day. They have been recyclers in Shanghai for eight years. The first time I asked about what they do for living, they just shyly shunned it as “nothing to talk about.”

Later I learned more about the couple’s daily routine: after making breakfasts and sending their three children to school around 7:30 every morning, the Zhangs ride their cart along the river bank all the way to a more central district. The ride usually takes two hours one-way, and they collect trash and buy-in used items along the way. This route takes them pass an industrial zone with many gated factories, and then some wealthy residential compounds. They return around 1 or 2pm for lunch, then take a short nap at home. Another ride starts from 4pm in the afternoon, following a different one-hour route. Then they come back around 6pm to wait for the children and make dinner.

The Zhangs did not work as recyclers when they first entered the city. It was in late 1980s and the city was Beijing. Mr. Zhang took up a job selling mushrooms by bike around Beijing's maze of *hutongs* (lanes). He still takes pride in the fact that he used to know all the *hugongs* of Beijing. Later he worked on construction sites for a few more years. Although the pay was only a little above 100 yuan per month, that was already about one fifth of the annual income for an average rural peasant in 1989. In between 1989 and 1994, he returned home every year during harvest and got married. At home, they bore one daughter and two sons, and were heavily fined for violating the one-child policy. The amount of penalty for flouting the policy varies from region to region. But Zhang's hometown charged peasants heavily for this. The incurred 20 thousand debts, about four years of income for a rural household in the early 90s, became the direct cause for the couple to leave for city jobs.

"Many people had no other choice but to leave the village to work in the cities, in order to pay back the debts." Zhang explains to me. In some cases, people left the village with the purpose to escape such penalties from the family planning policy. Such practices became so common since the late 80s, that these families were once named as "out-of-family-plan guerillas" (*chaosheng youjidui*) and satirized by the state-controlled media.⁵⁶ The word "guerrilla" conveys a highly mobile situation, moving from place to place in evasion of family planning officials' inspections.

Like many jobs taken by rural migrants, recyclers provide a necessity service to urban residents, but the nature of their job gives shadow to their self-identity. Mrs. Zhang later explains to me:

⁵⁶ In the most popular TV show on Chinese Spring Festival eve in 1990, in a play "out-of-family-plan Guerrilla", the famous Chinese comedians Huang Hong and Song Dandan played the roles of a "guerilla couple" who kept having more children on their migratory way from place to place, as a mockery of such patterns of family migration and propaganda for the implementation of the one-child policy.

“Recycling...people always say it’s not a good [decent] job, and I feel embarrassed to talk about it. Sometimes I use it to warn my son, ‘if you don’t study hard, you’ll eventually have to take up such a job and let people laugh at you’...”

During one of my last visits to their community one day, I found the Zhangs idling at home. It was the beginning of a recession, and with raw material prices dropping, most mobile recyclers in the cities lost their businesses. Only large-size recycling centers survived. The family’s income dropped to one third of a regular month. Mr. Zhang asked if I know the reasons and how long the downturn will last:

“Before, we saw a few items’ prices dropped, but not like this time, this time it’s everything dropped! I heard it’s because a big listed company went bankrupt in the financial crisis, but I don’t understand why everything is now affected by that?!”

I said I also don’t know how long it will take for prices to go up again. A week later, recycling business has not recovered. I called and ask what their plans might be. Returning home was not an option to them because the three children are still in the middle of their academic semesters. Mrs. Zhang later found a moonlight job, as the cleaning lady for a night bar kitchen, from 7pm to 12pm every night. The time is inconvenient, but the pay is good: 1000 per month. Mr. Zhang makes his usual ride every day, sometimes making 10 to 20 *yuan* a day. Good enough to buy some food for the family. In the end, they had to stay and find whatever job they could, until their oldest son finishes grade seven.

The Disposable Mass

China’s official labor statistics count as unemployed only those who register for unemployment benefits with local governments, and are widely believed to have

understated the true picture, especially when the 200 million rural migrants are left out of most survey or census sampling frames.

Liu was among the refugees who made their trip to Shanghai for survival, after the flood in 1991 made thousands of Anhui peasants homeless. They worked and sometimes begged along the way. The new Pudong district was under construction, so many rural migrants from adjacent provinces swarmed in looking for jobs. With no familiar contacts to introduce them in, Liu and his fellow villagers did not get in. Not knowing where else to go, they decided to wait and plead with the contractor for work there. For a month, they turned the huge cement pipes into shelters and waited outside. Liu recalls it as the most miserable winter in his life.

Joblessness haunts not only new arrivals, but long-term settlers in the city too. During my 10-month fieldwork in Shanghai, two major structural changes affected rural migrants' job situations most acutely. The first was the revision and enactment of the new *Labor and Contract Law* (Jan 1, 2008), which drastically changed employers hiring practices. The new law, from its onset, seeks to protect workers' rights by enforcing real contractual relationships that employers cannot easily break from, and by increasing employers' costs of haphazard dismissal of workers. It is stipulated that, when breaching a contractual relationship on the employer's side, he needs to pay six months of wages to the worker.

However, this legislation was followed by the en masse layoffs before its enactment. Towards the end of 2007, more and more private enterprises reacted to this policy change by innovating ways to avoid the risks: layoffs, relocation, to create a separate category according to the "labor dispatchment" (*laodong paiqian*) policy to outsource.⁵⁷ And lastly, because many factories don't have the management systems

⁵⁷ "Labor Dispatchment" was a term invented for a separate group of temporary workers who sign another set of contracts and can be dismissed at any time.

established to operate in accordance with the new law, some simply chose noncompliance.

“Despite the new Labor and Contract Law, many companies still avoid signing formal contracts with workers. The new law stipulates ‘no-fixed-duration contract’, with the purpose to avoid haphazard lay off, to protect workers, but there’s an unintended consequence. Many companies rushed into cutting their labor force before Jan of 2008, or they would stop recruiting more workers. In the long term, I think this would lead to more unemployment.” (Dan, female, age 26, local NGO volunteer)

“Some companies just responded directly, ‘the new Labor and Contract Law does not work in my factory!’” (Huang, male, age 34, from rural Anhui)

“If we all adhere to the new law, I guess all of us will go bankrupt. As far as I know, most small factories are not conforming to the new law, at least they plan to wait and see. If the government use a stronger hand to enforce it, probably these factories will also close down. If not, they will just run them like before.” (Ma, male, age 45, factory manager)

The new labor law triggered a hidden crisis that has been long fermented by multiple causes in the past few years, such as rising raw material costs and China’s appreciating currency. Large-scale layoffs happened across major manufacturing cities. In Dongguan, the most booming manufacturing zone in Guangdong province, 20 to 30 percent of shoe factories closed down, according to the General Secretary of Asian Shoes Industry Association (ASIA), Peng Li.⁵⁸ ASIA estimated that around 25 percent of shoe manufactures have relocated their factories to countries offering even cheaper labor than China, such as Vietnam, India, Laos.

The second wave of structural shock happened when I was wrapping up my field research in October of 2008. Media reports show an estimate of 600 thousand closedowns of small and medium-sized companies, leaving millions of workers

⁵⁸ News report from *China Central TV*, Dec 11, 2007.

jobless. Then in early December of 2008, report from the Human Resources and Social Security Ministry released a figure of over 4.85 million returned rural migrants in ten major agricultural provinces by end of November⁵⁹. Ma Jiantang, Chief of State Statistical Bureau, admitted that this wave of return migration is an unprecedented historical high, over 100 million, with 20 percent due to factory closedowns.

Public media has started discussions on the precarious situation for over 20 million jobless rural migrants since Feb of 2009, with titles like “Should Jobless Rural Migrants Stay or Return?” (*Caijing*, Feb 09, 2009). With this unprecedented scale of unemployment, “social stability” once again mounts to the state’s biggest worry.⁶⁰ This familiar rhetoric has a long history, as rural migrants have always been considered a threat to public order. With more and more workers increasingly aware of their fights, and also with labor-related lawsuits rose by 95 percent in 2008, it seems likely to the government that this group is likely to claim their rights. However, among rural migrants who have lost their jobs, very few express dissatisfaction against the authorities. The public media has done a good job of attributing unemployment to global economic crisis.

During this time, rural migrants’ access to basic social security (such as unemployment insurance) came to the spotlight. Although the state has promised and designed pension schemes for rural migrants, the real picture falls short of these plans. As job mobility is much higher for rural migrants, it is hard for them to stay in one location for quite a long time. But legal premises require pensioners to pay for 15 years of premium in one location, and the designed pension accounts cannot be

⁵⁹ These ten administrative regions include Sichuan, Hebei, Anhui, Jiangxi, Henan, Hubei, Hunan, Guangxi, Gansu and the municipality of Chongqing. This release was publicized by *Caijing Magazine*, the top Chinese news agency in finance and economics, in its 229th Special Issue, “Rural Migrants’ Unemployment”, on Jan 19 of 2009.

⁶⁰ On Feb 17 of 2009, the vice president of ACFTU, Sun Chunlan, warned state union organizers of “potential sabotage activities into rural migrants by foreign forces.” This was reported firstly by *Eastern Morning Post* on Feb 18, 2009.

transferred either to their new workplace or to their rural hometowns. This means that social insurance benefits are not “portable” when they move. Some workers, fearing they will not be able to recoup their contributions, don’t bother to pay into the scheme. According to state media reports, of the small fraction (about 15 percent of the total migrant labor force) who did pay in, over 95 percent chose to cash in (*tuibao*) their contribution.⁶¹ Their employers’ contributions can only be left with the local governments.⁶² Left out of the formal employment and social insurance system, rural migrants live like undocumented immigrants in their own country, and are more vulnerable during times of illness, unemployment or aging.

Similar public policy failures demonstrate that policymaking in providing social security has not taken rural migrants’ interests into consideration. In Shenzhen, for example, rural migrants are eligible to draw a retirement pension once they’ve made contributions in the city for 15 years and have reached the mandated retirement age (50 for women, 60 for men). But very few rural migrants would meet these conditions. For aging rural migrants, retiring in the city is virtually unimaginable given the rising living costs and slim job opportunities. Most middle-aged informants anticipate returning to their small patches of land.

Nowadays, rural China gradually see its villages “growing grey” with more and more old people. Rural migrants exchange their youthful times for living in the city, but when they grow old and dependent, there is no mechanism to protect their benefits. First generation migrants willingly return to the land with their memories and emotional attachments, but for second generation migrants, going back to the villages is simply “no way out.”

⁶¹ News on *People’s Daily*, Jan 8, 2008.

⁶² Precise ratios of contributions differ by region. In Nanjing, for example, employees contribute 8 percent of their salary to the premium, and employers contribute 14 percent.

Meng, 42, a migrant-turned-NGO-staff, tells me that her biggest wish is to set up a nursing home which receives senior migrants in the city. “It took us two to three generations to make such a prosperous city,” Meng says, “why are migrants not allowed to stay when they get old?” Indeed, Meng’s question points out the core of the problem—rural peasants now are allowed to freely move and work, but the right to stay in the city has yet to be fulfilled for them.

A Point of No Return

Being a rural migrant commuting between one’s home root and the host city is a hybrid experience that challenges one’s sense of self and belonging. The lack of formal rights deprives rural migrants of expectations for material and symbolic equality. Their vulnerable positions at the verges of the urban economy, coupled with widespread exploitation at workplaces, often shatter even the dimmest expectations to pieces.

Many rural migrants had home-return experiences during joblessness, work injuries, or other social traumas in the city. In early 2009, the economic downturn sent millions of rural migrants back to their villages due to job loss (The Washington Post Jan 2, 2009). Months after the massive return, social problems intensified in rural areas including land disputes and crimes. Some young people had enough of the boredom at home and ventured out again for opportunities. An informant told me, “when I idled in the city without a job, I felt so homeless; but when I went back to my home village, the longer I stayed, the more I hated it. I grew restless, so I had to come out again.”

Searching for a sense of “home” between the soil and the city, rural migrants live in a constant state of “transient-ness.” Such is the experience of Kang. Once again, Kang comes back to this oddly familiar neighborhood. He realizes that everything

needs to start all over again: finding a place to live, a job, and a life to get by, as a stranger in this city.

To save some money, this time he decides to share one room with a young man he just acquainted who is also looking for jobs in the nearby food factories and electronics factories. After getting some daily necessities, Kang starts making inquiries into the over 20 informal job centers there. These information letters usually place big black boards outside with job information from these factories. But for most update information, one is required to pay 30 percent of the indicated wage, as a commission fee for the job center to contact the factories. These job centers are opened by migrants themselves who are better connected with local businesses.

A week earlier, Kang went to the old food factory he once worked in, wishing to get back to his old job as a food assembler. In 2006, He worked there for more than a year, before his wife asked him to return home. The factory paid him over 1800 *yuan* a month. Kang liked it because it was good pay and familiar work. He was quite confident about getting the job again. After all, factories prefer returned workers because they are more “experienced” and “know the way of doing things there.”

The food factory mainly produces half-products, such as frozen fried chicken legs, for fast-food stores. Like many other factories, assembly lines jobs are dominated by rural migrants and a few Shanghai natives fill the office staff positions. Kang is content except for one minor complaint. Although meals and dorms are freely provided, the food factory enforces “food code”: workers are only given vegetarian meals, the norm in this factory. I ask why, Kang hesitantly says that because managers had the assumption that most workers are “consuming” their half-made chicken legs when assembling. I then ask if workers do actually “consume” these chicken legs. With some embarrassment, Kang replies, “with such light meals, who does not eat? ... one has to watch out though, because there is a huge penalty on that.”

Of all the random rules made by factories I heard from my interviews, this one sounds funny but yet humiliating at the same time. The factory's food code only induces a norm of stealing by half-hungry assembly line workers.

Young as he is, Kang's 27 years of life had let him tasted lots of despair and frustrations. Kang left rural Jiangsu when he was only 16, a few days before finishing junior middle school. School never appealed to him much. Village teachers were dry and boring. Besides, his family needed more hands helping out with the crops.

Kang's parents divorced early, leaving an erasable impact on him. His father took up recycling as a sideline job apart from farming to support Kang and his younger sister. From an early age, Kang heard people joking about his father's occupation—*jianpolan* (trash-collector). "It does not sound good [decent], but many of our villagers make good money out of it." Kang explains to me. The low prestige is counterbalanced by making quick money out of it.

In 1996, Kang made his first venture into the city of Nanjing. Not able to find other jobs, he used 30 *yuan* as "start-up capital" for his own recycling business. "Since all my folks work in this trade, it is most familiar to me."

However, Kang's first entrepreneurial trial only lasted for 20 days. Then he moved to the Northeast with a few relatives. Some relatives of his had worked as contractors at construction sites there. They allowed him to work as "*xiaogong*" (minor labor). Meals and accommodation were provided on site and for free, although the quality was poor for both. But Kang was content to get a more "decent" and "manly" job. He says he liked "a job requiring physical strength"; it made him feel good about himself.

Like most construction jobs, Kang was paid once a year. The boss did not cheat on them, which made him stay for two years. The only thing he grew dissatisfied was, for over two years, his wage stayed the same. When a few folks learned that

construction workers in Shangdong were being paid 30 *yuan* a day, they left. The following few years were constant job changes from one construction team to another, depending on the length of these construction projects.

In 2002, Kang got to the age of getting married, according to the customs in rural Jiangsu. He returned and got married to a girl from a neighboring village. In rural China, marriage and house-building are life-cycle events for an average migrant returnee, and these celebrated goals help achieve a counter-balance against one's difficult existence in the city.

For over a year, Kang stayed with his new wife, and did recycling with his father. Wanting some changes in his life, he started a more risky business to recycle metal materials. Kang successfully secured a 200 thousand bank loan, and he made over eight thousand *yuan* in just a week. When everything seemed to be going the right direction, and the young man was getting excited about the future, one day he was visited by some cadres from the local industry and commerce bureau. It turned out that for recycling metal materials, one has to apply for a permit.

“I told them that I did not anything illegal. I was not smuggling cables or anything, I was just collecting used bottles and pans. But they said that was already ‘illegal’. I asked, how can this be? People came and trade their used kitchen tools for money. They asked if I have a license for collecting these? I didn't, and most steel and copper recyclers in our village did not have licenses, either. They drove a big truck, and loaded all my stuff on. I said I could apply for a license, if that was what they wanted. But they said a license cost 150 thousand *yuan*! ... So I just watched them taking all my stuff away, worth of 40 thousand *yuan*. And I got fined 20 thousand more.”

This incident threw Kang into a large amount of debt—200 thousand *yuan* bank loan. Since then, Kang's marriage life also started to show signals of crisis. His wife grew increasingly dissatisfied with his business failures. After their daughter was born

in mid 2003, Kang decided to come solo to Shanghai for jobs. Like seven years ago, he came to the city with just two hands.

Kang experienced the lowest of his life in Nanjing. After he spent all the money, he was left to sleep on the streets, without food for several days. Later someone offered him a carwash job with food and dorm. This experience of hopelessness and homelessness left Kang so emotionally distraught that he only worked for ten days, then left for home with the 200 *yuan* wage he earned.

For many rural migrants, vicissitudes of life set their course into the unknown and changeable. They long for the city, but while being there for themselves, they long to return home. Life goes on in a circle. It took only a few months for Kang to feel the impulse to come out for work again. This is how his new search for jobs started at the beginning. Now to pay back the loan is the motivation for his perseverance in the city. He also holds onto another dream that one day he could bring his kindergarten-age daughter to attend Shanghai's schools.

Millions of factory girls and boys live a similar life with Kang. To some, their despair can soon be comforted through spending what they have saved, on themselves and on relatives back home. Consumerism has become a defining characteristic, if not an ideology, of the current Chinese society. As in many other economies that are facing recession, the Chinese state encourages individuals of how important "consumer confidence" is for the national economy. Moreover, with the rise of nationalism, shopping Chinese brand names is associated with a sense of national responsibility or symbol of loyalty. "Chinese people should consume Chinese products" was the catchphrase among the young (Gerth, 2003). These are slowly impacting the consumption behaviors of rural migrants, especially the younger generation. To some extent, the high rise of modern consumerism reinforced urban bias.

Inequality after Bounded Transition

As Nee (1989) and Oi (1989) argue, if emergent market institutions remain bounded by political institutions of the state and by social networks linking state power to economic institutions, this “structural imbalance” tends to result in “conflicting institutional dynamics” (Nee 1991). This chapter continues with this discussion concerning the relationship between institutional changes during China’s partial reform and patterns of social inequality for rural migrants. I argue that it would be asking the wrong question as whether market transition has improved or hurt the economic interests of peasant migrants, because empirical evidence show regional- and time-dependent variations. The complexity of changing social inequality under partial reform requires a closer examination on the social processes, including the incorporating and segregative processes, experienced by rural migrants in the urban economy.

Wage Discrimination and Stagnation

While classical economists argue that rural residents are pulled to urban regions under the incentives of higher industrial wages (Berliner 1977; Spengler and Myers 1977), other scholars claim that rural migrants do not just respond simply to the actual wage differential, but rather to the “expected” differential (Todaro 1977; Rogers and Williamson 1982; Stark 1982). Admittedly, wage differentials are still the primary incentive for Chinese rural migrants. Studies in late 90s show that rural migrants from the relatively poorer countryside generally experience at least a twofold income increase by their move (Wang and Zou, 1997; 1999). But other statistics also show the absence of a “trickle-down effect” for rural migrants since the 2000, compared to the double-digit increase among urban workers.

A four-city survey collected income data of rural migrants in Beijing, Shanghai, Guangzhou and Wuhan in 2004 shows that 67.5 percent earn less than 1000 *yuan* per month, and 21 percent make more than 1001 *yuan*.⁶³ Another survey in 2006 shows that 50 percent of rural migrants make less than 1000 *yuan* per month, and 36.5 percent make more than 1001 *yuan*.⁶⁴ Take Dongguan, the manufacturing magnet site in Shenzhen economic zone, for a regional example. According to the Central Bank of China surveys, the minimum wage level for migrant workers was set at 350 *yuan* per month in 1994, which was adjusted to 770 *yuan* in 2008. This means that if migrant workers are properly and timely paid, their wage levels only increase annually by 5 percent in the past 15 years.⁶⁵ This period was a golden time for Dongguan's manufacturing sector. The fact that over sixty percent of migrant workers spend over 500 *yuan* every month on living expenses brings an even bleaker color to their circumstances.

Labor markets are seldom without barriers. Piore (1979) in his early work on migrant labor in industrial societies posits the existence of primary and secondary labor market: the former representing jobs offering relatively high wages, good working conditions, potentials for advancement, and protective working rules; the latter comprising work situations with few of these advantages⁶⁶. This "dual labor market" thesis explains why discrimination persists in hiring and promotion practices.

⁶³ Four-City Survey on Rural Migrants' Life Quality in 2004, Horizon Research Group.

⁶⁴ New Generation Rural Migrants Survey, Research Center for China's Younger Generation. 2006. http://www.china.com.cn/gonghui/2010-01/12/content_19220422.htm

⁶⁵ "Rural Migrant Workers' Monthly Wage Increased by 9.9 Percent," Ministry of Labor and Social Security, Oct 5, 2007, see http://www.china.com.cn/economic/txt/2007-10/05/content_9001750.htm. "Minimum Wage for Guangzhou and Shenzhen Should be Above 1450 Yuan," *Information Times*, Feb 4, 2010, see http://www.dahe.cn/xwzx/gn/t20100204_1743424.htm

⁶⁶ On the demand side, primary market is created with the growth of corporate capitalism, and later strengthened by increased unionization. According to Piore, another three conditions promote this dualism: (1) uncertainty and instability in the economy; (2) avoidable costs of recruitment and training, and the possibility of hiring transient workers for employers; (3) short-term jobs that match the work aspirations of migrant labor.

With structurally differentiated job tracks, he argues, factors like discrimination, inadequate education, and residential patterns work in combination to confine migrant labor to the secondary sphere.

My field interviews also show that rural migrants have low *expectations* for job placement and wages, given the much lower pre-migration rural income. For substandard wages to be acceptable to these influx workers, there needs to be a substantial gap between rural and urban incomes. China's income ratio between urban and rural increased dramatically, from 2.36: 1 in year 1978, to 3.2: 1 in 2000. By 2005, the real rural income per capita is only 39 percent of real urban income per capita.

For new arrivals, they tend to take any job available to recoup transportation expenses and money spent in applying for various permits in the city. Paying a substantial "deposit" at a new workplace has become a common practice, which obliges the new migrants to bear with even very exploitative work conditions. Some unscrupulous employers even withhold a portion of workers' monthly wage, promising to pay it at the end of the year. Another most effective practice to "retain" rural migrants is for employers to take away their documents, as another form of "security deposit." Without these documents, rural migrants cannot switch jobs even under intolerable situations.

Unable to bargain with the state-sanctioned rules of segmentation, most rural migrants "rationalize" their appropriate places being in the informal economy. Formal rules, social norms, and individual expectations together form an institutional barrier that led to the internalization of status inferiority. I argue that such *internalized status inferiority* discourages rural migrants' economic aspirations, and weakens their power to make fair negotiations with private employers or urban administrators.

Chinese sociologist Sun Liping (2004) points out the relevance of a structural change in China's urban industries since the 1990s—the replacement of intensive labor production by technology and capital. Rural migrants seeking factory jobs came untimely for jobs in labor-intensive sectors, but this type of jobs have been declining. In the 2002 CHIPS survey data, 41 percent of rural migrants changed jobs mainly because of low pay, 15 percent due to job instability and 8 percent poor working conditions.⁶⁷ Other studies show that rural migrants have a much higher job mobility than local urban workers (Knight and Yueh, 2006), partly because they tend to concentrate in the unskilled sector where there's strong competition and higher turnover rate.

Regional Economic Inequality and Spatial Hierarchy

As Kanbur and Zhang (2001) show their study, early 80s actually saw some decline of regional inequality, but it soon rose up after 1984.⁶⁸ It was not a mere coincident when regional inequality peaked at around mid 80s and residence control was officially relaxed around the same time. The two were causally related—the state's strategic turn for prioritizing the development of coastal areas and financial transfers fueled up industries in these regions, demanding more cheap labor. The rise of coastal economies became a key inducing factor for rural-urban migration to rise to a historical high since mid 80s, leading to what was called the “tide of rural migrants” (*min gong chao*) into southeast Chinese cities.

Although the Household Responsibility System was considered a success for the reform in early and mid-1980s, some aspects of this system has hindered long-term rural growth. Primarily, by shifting the production unit from the collective to

⁶⁷ 2002 Chinese Household Income Project, Li Shi, ICPSR21741.

⁶⁸ In their paper, the authors summarize three peaks in China's regional inequality: the Great Famine, the Cultural Revolution, and the opening up in the 1990s.

households, it reduced the scale of farming land, creating a pattern of fragmented lands especially after demographic changes. Census statistics show that the average size of household holding land is 0.67 hectares, compared to 1.55 hectares in India, 1.20 in Japan, and 3.36 in Thailand.⁶⁹ Land fragmentation and declined productivity motivated more rural labor to out-migrate in order to supplement household income through non-farming sources. The unique rural land tenure system made land transfers impossible, so for over a decade, rural migration has taken on a circular nature.

The 1990s were a significant period for China's economic transition and institutional changes. One major institutional change was the state-imposed "dual-track pricing system" (*shuangguizhi*). It was the product of gradualist reform. The purpose was to separate the still plan-directed economic sectors from the marketized ones, and "liberalize prices without eliminating preexisting rents of economic agents" (Lau, Qian and Roland, 1997; 2000). Actually, such "dual-track logic" was inherent in the organizational form of TVEs from the very beginning where plan and market coexisted. This change had wide social impact because people later were gradually taught by out-of-plan market opportunities that for resources one could not obtain from within the old system, there are ways in the more liberalized sector of transactions. It paved the way for "out-of-plan transactions" of citizenship, both in the official realm and shadow economies.

Interplay of Market and Redistributive Institutions

Szelenyi and Manchin (1987) argues that under partial reform, a shift towards market allocation would give rise to a "dual hierarchy" in which inequalities based on market and distribution principles coexisted, with political actors at the apex of both

⁶⁹ From 1997 China Agricultural Census statistics. www.fao.org/es/ess/census/default.asp In 2002, the average household cultivated land per capita was 0.3 hectares (2 *mu*), according to China Statistical Yearbook of 2003, pp.366, and p424.

hierarchies. Nee (1991) agrees that this “cadre-entrepreneur elite” may contribute to local alliance building, resulting in what Merton (1968) describes as the “Matthew Effect”. Partially reformed *hukou* distinction only allowed peasants to move into the city, but when it comes to long-term settlement and economic opportunities, these rural migrants are still bound by redistributive institutions that are segmenting the labor markets into two hierarchies.

Real efforts pushing towards redefining peasants’ citizenship in recent years have resulted in little effect. Admittedly, occupational restrictions on enterprises’ hiring rural migrants were greatly relaxed than before, but the majority of formal professional-track jobs are still inaccessible for rural migrants. The urban labor market, overall, continues to be highly segmented by residence. For the sake of economic development, local governments did make efforts to eliminate some restrictions on hiring rural migrants. But when local unemployment looked worrisome, they would resort to exclusive policies again.

Take Shanghai’s construction industry for example. At around 1990, Shanghai government started opening up Pudong New District for investment. Infrastructure projects including subway systems, highway and the international airport needed more labor.⁷⁰ The city allowed construction companies to hire rural migrants. Consequently, the number of rural migrants in the industry tripled around 1993. But in 1996, because of urban labor market recession after massive layoffs from SOEs, the city government started a clearing up campaign. Another policy backlash was in 2000, when the city government required all hiring enterprises to go through the Job Service Network, a screening system for hiring urban workers only.

⁷⁰ From “Pudong Development Plan in 1990”, in which the State Council allowed Shanghai to invest in infrastructure-building in Pudong and granted the city government 10 preferential policies and 6 capital investment plans. But it was in 1992 when Deng’s remarks of “big changes in 3 years” sped up the city planning and expansion of Shanghai (From *Shanghai General History Gazetteer* 2005, p1624-1626)

Some Chinese scholars challenge this practice by proving that the two groups are not substitutable, because rural migrants can only access the undesirable jobs left by locals (Zhang, 2005). In reality, Shanghai's local-protective measures failed to achieve its goal in allocating urban locals to certain low-prestige jobs as policy-makers intended. Later on, many enterprises turned back to their informal practices in hiring rural migrants.

Commodification of Administrative Privileges

1993 and 1994 were years of transformation for China's cities because of the housing reform. A golden time for China's urban real estate market began. China's cities launched into "the biggest construction project the planet has ever seen" (*The Wall Street Journal*, 1993). However, the pace and directions of urbanization are largely determined by a small number of cadre-entrepreneur elites, who rapidly formed into strong coalition.

With this real estate boom, a new incentive was created for the "commodification of administrative privileges" (Szelenyi 1978), in the form of "green card systems" in different cities. In order to boost the real estate markets, many have allowed non-natives to apply for an urban *hukou* along with their purchase.

Since the plight of rural migrants was brought to wider public attention, some conscientious intellectuals and civil rights activists cry out for legislative changes to fully incorporate rural migrants into urban citizenship. Some local governments did respond with publicized "timelines" for liberal reforms, but no real egalitarian policies have been enacted. In 2005, the Ministry of Public Security announced a legal review of the *hukou* system, but later decided that changes be made by local governments. However, it is precisely among local governments that resistance against further reform is strongest, because granting equal rights to rural migrants would mean much

more public expenditures and additional funds to provide education, health care and other social services. With the public finance system and legal informality unchanged, institutional inertia is likely to continue. I agree with Chan and Buckingham (2008) that these reform efforts have resulted in counterproductive effects. A few structural causes are discussed as follows.

First, there is a “first-mover disadvantage” for local governments. To grant rural migrants exactly the same rights with urbanites require tremendous organizational efforts for a local government, and most importantly, a lot of money. On the other hand, migration flows naturally gravitate towards “basin areas” (more receptive residence regimes). Under these two conditions, no local government is willing to be the first mover. Suppose one city starts while others stay unchanged, rural migrants will flow into that locality, to a point when costs of maintaining welfare for all members deplete its financial resources. Zhengzhou city served as an example. The city lifted residence restrictions in 2003, and within a year, its population increased 150 thousand. In some elementary schools at Zhengzhou, the number of pupils per class rose as high as 90.⁷¹ Overcrowding and competition for public resources forced the government to turn off the reform a year later.

Secondly, interest conflicts between the central government and local governments are hard to resolve. For example, although the central government required urban public schools to “unconditionally accept” migrant children, but without public funding or stricter legal enforcement, only a small number of public schools complied. In many cases local education authorities responded with new discriminatory rules to disqualify migrant children who either return or enter into

⁷¹ In August of 2003, Zhengzhou city opened up its hukou registration, and allowed migrants with relatives and friends in Zhengzhou become Zhengzhou citizens. But this policy stopped on August 20 of 2004 (China Youth News, Sept 15, 2004).

substandard migrant schools. This resulted in an even greater number of “left-behind” children in rural areas.⁷²

Thirdly, in China’s current political system, rural migrants themselves do not have access to any political resources to change the system. Ironically, China’s state council symbolically selected three rural migrants representing a 200-million-plus mass at the *National People’s Congress* in 2008. A small number of civil organizations (NGOs serving migrants) sprung up in recent years, but their efforts have been limited in the political arena.⁷³

Weber claims that the first step to lessen the effect of such closure in the labor market is to “prohibit the dismissal of a worker without the consent of the workers’ representatives.” This requires the society’s recognition and protection of the “*freedom of association*”. But China’s polity does not allow any independent workers’ union to exist outside of its official “All China Federation of Trade Unions”. Unlike in other labor contexts, unionization movement has been absent. When rural migrants’ issues are brought to wider public awareness, the main concerns focus on unpaid wages, unpaid overtime work, or workplace injuries. What galvanized workers’ resistance against systemic exclusion in other countries fails to emerge in the Chinese context.

Conclusion

Changes in the coordinating mechanisms of an economy tend to bring about changes in the structure of social stratification (Nee and Cao, 2002).

Decollectivization of rural communes and the collapse of the urban *danwei* system led to an emergent labor market that relies less on administrative assignment of jobs. The

⁷² The number is estimated to be over 20 million.

⁷³ On Feb 17 of 2009, the vice president of ACFTU, SUN Chunlan, warned state union organizers of “potential sabotage activities into rural migrants by foreign forces” (Eastern Morning Post, Feb 18, 2009).

influx of rural migrants gave birth to the remaking of the Chinese working class, with the participation of an additional 200 million “new industrial workers” (*xin chanye gongren*) into China’s urban economy. Economically, many long-term migrant-turned-industrial-workers have accumulated different forms of capital (e.g. human and social capital) during their years of work in the city. Some even made it up to the stratum of private entrepreneurs in different lines of work. In 2008, three representatives of this new working class were chosen to participate in the National People’s Congress.

On the other hand, China’s export-oriented economic growth after the market transition has provided the structure for a system like *hukou* to exist, because it legitimates the wage structure in the still segmented labor market, despite its incompatibility with free market principles. As a long-term consequence, it installs a ceiling effect on rural migrants’ path towards equal economic opportunities with urban workers. Firstly, the majority only managed to survive in the informal economy. They make a very vulnerable group to exogenous shocks, such as local discriminatory policies and economic downturns. It is hard for many to jump out of the “survival plane”. Secondly, their second-class citizenship makes permanent settlement in the city an unreachable goal due to the lack of education facilities for their second generation. This factor plays an important role in their career choices. Lastly, a least unionized group, rural migrant workers often withdraw from collective bargaining. Just like Lee (2007) writes, migrants’ class-consciousness seems “muted”, as they rarely speak of themselves as “workers” even when some have worked in a factory for years. Labeling themselves “peasants”, migrants unambiguously maintain such residence-bound, ascribed status.

Alexander and Chan (2004) compare the Chinese *hukou* with the pass law system of South Africa. Basically, the system helps reduce labor costs to a minimum, by

legitimizing the second-class citizenship of a social status group. They quote Murray's comment on the obvious contradiction in this type of economic exclusion:

“the central contradiction in this whole system of segregating and regulating the movement of urbanizing Africans arose out of the unattainable objective of trying to secure a suitable supply of labor while minimizing the presence of Africans in the metropolitan areas.” (Murray 1994: 42)

Like the pass laws, *hukou* classification also artificially created a segmented labor market. The costs for employing migrants, including urban living costs, education and health costs for migrants' next generation, were offset by migrants' low wage structure. When additional hours of overtime work are taken into account, wages for rural migrant workers are much lower than anywhere else in Asia (Ross and Chan 2002: 8-13).

Market transition brought only partial reform to this system, leading to both integrating and segregating processes experienced by rural migrants. They unconsciously performed “institutional subversion” such as starting-up unlicensed small businesses, manipulating underground *hukou* market transactions, or faking documents. They acted this way either out of lack of knowledge, inconvenience, or incongruities in official rules. Their employers also engage in illegal techniques to extract more revenue from hiring cheap labor for long work hours. To analyze how the legitimacy and efficacy of these redistributive institutions (formal rules and informal norms) are challenged or maintained, one needs to examine a myriad of economic, social, and political factors (Powell and DiMaggio 1991; Bourdieu and Wacquant 1992).

Compared to the central planning era, the Chinese now certainly enjoy much more economic freedom than before. But forces of institutional continuity are strong and

present. *Hukou*-based identity still acts as a social force that stratifies individuals with inherited inequality, turning the urban labor market into a “market for social distinction” (Hanster 2008). It has cultivated a “structure of entitlement” that is found in official language, in job descriptions, and in more subtle social interactions between rural migrants and their working environment.

CHAPTER 4

IN SEARCH OF A COMMUNITY

What is social life like to rural migrants in China's cities? Is there a typical community of their kind? To write about rural migrants' communal life is no easy task. It would be simplistic to pass from one distorted view that these communities are places of despair, disease and distrust, to the opposite picture that people living in these densely-networked neighborhoods are bounded together to look out for each other.

Rural migrants in China, like immigrants elsewhere, cherish a "land-of-honey-and-milk" illusion before migration. Many of them have had urban relatives visiting their countryside hometowns every summer during school breaks, telling them how different and great city life is. Early adventurers brought back pieces of modern electronics, and other symbols of urban comfort. TV programs are filled with well-dressed people speaking standardized mandarin in shiny high-rises or shopping malls, setting in stark contrast with the slow and drab lifestyle in the countryside. Once in the city, however, life presents a chasm between the earlier fantasy and the later arduousness of daily survival, and between smiley faces on TV programs and the impenetrable apathy from people around them.

Furthermore, migration offers an experience of uprootedness and loss of social connections with one's past. The rebuilding of social familiarity to one's surrounding environment and to the less tangible social norms requires confidence, patience and techniques. Migratory experiences expose individuals to vulnerable situations of more uncertainty about established rules or implicit "codes of the street", making self-protection a primary concern in social actions.

In this chapter, I examine the concrete experiences of rural migrants' social integration in their neighborhoods. I attempt to get as close as possible to their everyday experiences by drawing on accounts or interpretations of what people actually lived, such as the history and dynamics of their communities, their interactions and identity politics with local residents and authorities, and their efforts in organizing self-help efforts. Drawing on these empirical evidences, I explore the social and political context behind their urban socialization.

Invisible Walls and Identity Politics

A city of immigrants throughout its modern history, Shanghai has been associated with regional prejudice against *waidiren* (i.e. strangers). The economy's opening up to the outside world has not ended the closedness nature of its socioeconomic system. Yatsko found recurrent scenes in Shanghai during the 1990s that were disturbingly reminiscent of the "old society" of the 1930s.

"The city, like others in China, only allows migrants to do certain low-status jobs, barring them from better jobs and kicking them out of the city if they cannot prove they are employed. Migrants mix little with the Shanghainese, who hold their country cousins in contempt and automatically blame them first when a crime is committed in the city. The majority of migrant workers are men who find work on the city's omnipresent construction sites. They sleep at night in makeshift barracks on the site, rent cheap accommodation on the city's outskirts, or grab a slab of pavement if they have not yet found a job. Migrant women sometimes work as maids for Shanghai families or in decrepit barbershops in bad parts of town, washing hair for 10 *yuan* (US\$1.20) a head and, in some cases, providing sexual services for a bit more. Smudge-faced migrant waifs in rags, with or without their mothers, regularly beg for spare change outside popular watering holes, particularly those frequented by foreigners." – Yatsko, *New Shanghai*, pp.120-21.

In its economy, the city always creates two categories of jobs for Shanghai natives and *waidiren* (strangers). The image of the non-native poor, living in shanty

neighborhoods and taking up menial jobs, has locked them deeper into structural poverty. When standing in comparison with urban Shanghainese, rural migrants are subject to the double inferiority of being a “non-urban” and also a “non-Shanghainese.”

Treating local origins as “ethnic” identities in sociological analysis is rarely adopted, partly due to the overwhelmingly majority of Han in the population (Honig, 1992). Since mass migration, ample images in newspapers or TV news present rural migrants as “others”, with different looks, wear, habits, and dialects. The public discourse has been creating a stereotypical rural migrant who is assumed to walk outside of the law.



Figure 4-1. Warning Sign in an Urban Residential Area
“Police Notice: Migrants Increased in Number before New Year, so please be Aware of Thefts of Properties such as External Parts of Air-Conditioners. Please report to the Police when you notice anyone

However, inter-group prejudice may go both ways. While rural migrants feel excluded from the mainstream life in Shanghai, they also tend to reinforce a stereotypical view of an average Shanghai native, which is characterized by, according to some rural migrants' views, their lack of interests in "connecting personally":

"To me, Shanghainese people only take money seriously. If you have money, they'll talk to you. Of course there are good people among them, but very few. So nothing else, no personal feelings. Not like we '*waidiren*', we take personal sentiments as very important, like our neighbors between each other. But Shanghainese are not like that. They take personal relationships very lightly, in this way we are very different." (Zhou, male, age 40, grocery shop owner)

Depending on their occupation and social experiences with Shanghai natives, rural migrants living in Pond have a variety of experiences with Shanghai natives. For first generation rural migrants who came from poor rural backgrounds, the city offers so much "work" opportunities to make them into firmly believing a good work ethic of diligence and honesty will surely turn out to be rewarding. As the maxim goes, "as long as you work hard, there's money, and that is something good about city life."

Younger generation migrants with a different reference group than their parents, migrant workers who work in more competitive yet segregated workplaces or migrants who happen to have been exposed to more native place prejudices, are more prone to react with similar prejudices. Many younger migrants expressed more indignant feelings towards "unequal pay for equal work" and other managerial superiorities for Shanghai natives at their workplaces.

"Shanghainese in general look down upon *waidiren*. It's obvious from the wages. Our factory has a sign, saying 'Be A Lovable Shanghainese', and we would laugh at it. ... I have friends who are Shanghainese. But I still feel many of them are holding something back from you, as if we cannot get too close. If you treat him, he would think that you are kissing his ass. If you don't, he will say 'You *waidiren*!'. I think *waidiren* are smarter than

Shanghainese. We used to have a few Shanghainese workers, and they couldn't even write well. They haven't got much education. But you see, they earn three times our wage. It's so unfair!" (Jing, female, age 19, factory worker)

Trivial social encounters that randomly occur to rural migrants may heighten or ease such inter-group prejudices. Most rural migrants have limited chance to know Shanghai natives, so the social-psychological effects of these positive or negative incidents are usually can be critical.

"Here I made friends with people from Hubei, Jiangsu, everywhere. We are the same, not much difference, except for dialects and some habits in what kind of food we cook, etc. But Shanghai people always think we '*waidiren*' are bad in general. Whenever I hear this kind of comment, I will argue with them: not every *waidiren* is bad." (Juan, age 31, female, live-in maid)

"Some Shanghainese do not trust *waidiren*. They have a bad image of us, of Anhui people especially. They think that Anhui people like to steal. If you are looking for a job and say that you are from Anhui, some would not want to hire you. But that's not true." (Sun, male, age 31, renovation worker)

The distinctive Shanghai dialect serves another impenetrable barrier for a *waidiren* to assimilate into daily understandings in the city. It takes a long time for a *waidiren* to acquire this dialect (a formidable task to a *waidiren* myself during my one-year fieldwork in Shanghai), which gradually builds up its value of cultural capital, and then the choice of language becomes a symbol of local familiarity, thus superiority. According to Parkin (1979:5), the "language of closure" can be translated into the "language of power".

Shanghai natives prefer to use their local dialect to get a good bargain, because both parties felt at ease and share emotional closeness when using it. An awareness of "otherness" brings about certain awkwardness to the bewildered *waidiren* in a conversation like this, reinforcing the boundaries of social categorization. As Honig

(1992) contends, “Shanghai identity can be understood only in contradiction to ‘the other’ against which it defined itself”, and in many ways, migrants represent that ‘other’. For a non-native who diligently learns the language but grasps the nuances inadequately, he remains marked as an “*other*”. Here, the language itself functions as a powerful device to categorize.

Some point out the ironic and complex feelings of Shanghai natives, because they both “need” and “unwelcome” rural migrants. Some quote evidence that things have changed and model migrant entrepreneurs have earned “face” by their overachievements in the city.

“Now even the Shanghainese have come to realize and admire that waidiren are hard-working, worthy people. We come and work for our own living. Some companies are no longer treating us differently than Shanghainese. Some waidiren are even making higher incomes. But for locals, they have housing from the state. Like local people here who have a few sets of housing, they could sit there and get rich from collecting rents. But we don’t have that.” (Hu, male, age 36, trade company manager)

“Shanghainese are definitely not working as hard as waidiren. The difference is, he is already Shanghainese, and has a world here. We *waidiren* came here with nothing. We make a living here, and need to worry about how our children will turn out in the future, whether we can have some estate here, but it’s very difficult. How do we settle down for long term? We have to rely on ourselves to get a foothold in the city.” (Du, male, age 33, factory owner)

An interesting change in 2008 took place when the government started to promote naming new migrants to the city, a large proportion being rural migrants, as “New Shanghainese” (*xin Shanghai ren*). It was an attempt to alleviate the discriminatory label of “*nongmingong*” (peasant-workers). This re-naming had little effect in improving the status of rural migrants than changing “temporary permit” into “resident permit.” Rural migrants’ identity as a distinctive status group is constructed through status-laden socioeconomic processes.

Boundaries of Distinction Sharpened by Urbanization

The Rise of the Concrete Dragon

China's urbanization began only "a while ago," according to Friedmann (2006), who termed it as a process "hyperurbanization". A comparison with other Western countries shows that, in China, this process lagged 150 to 200 years behind the growth of urban population in Europe and North America (Friedmann 2006). Weber (1958 [1920]) also mentioned that traditional China was an empire without "true cities" that are governed by local citizens. The growth of cities had more to do with administrative decisions. After 1984, spontaneous migration flows set both top-down regulations and bottom-up movements in motion. Rural-to-urban migration has been the main source of urban growth (Lu and Wang 2006).⁷⁴ Within just one generation's time, China's cities have experienced a process of urban transformation that took a century to occur in the US.

China's urban expansion partially steadied the country's economic growth, with the heavy investments into infrastructure development, and rapid inflation of housing asset prices in major cities. The physical scale of China's urbanization is remarkable if we put it into a comparative perspective. Reconstruction projects in Shanghai in the 90s alone displaced more people than 30 years in the United States (Campanella, 2008:1, 281). The four years after 1998 saw 162 million square feet of old neighborhoods cleared—20 percent of the city's total residential area; and by mid 2000s, urban renewal has covered an area equal in size to Venice (Campanella, 2008:146). Since 2000, China alone has taken in nearly half the world's cement supplies. More than a hundred cities now have more than one-million population, an unparalleled scale in the world.

⁷⁴ It was estimated that rural-urban migration accounted for 79 percent of urban growth from 1979 to 2003 (Lu and Wang 2006).

In Shanghai, the “great build” since 1992 launched over 21000 construction sites into full force operation twenty-four hours a day (Yatsko 2001). The city government invested seven times more in the next five years than the whole duration of 1980s. Huge sums of foreign financing were sucked into the economy. This gigantic “face-lift” also created a dense network connecting politicians and developers. Public land ownership and venture capital entered into a honeymoon—Shanghai raised roughly 100 billion *yuan* (US\$12 billion) through selling land-use rights of old residential neighborhoods and factories (Yatsko 2001). A strong coalition of government officials, developers and even intellectuals was born, actively producing public policies benefiting their interests. Since early 2000s, this coalition pushed towards a “cleaner” inner city with full force. In my fieldwork, the top nuisance complained by rural migrants is being forced to move around due to demolitions. They had to normalize it as “the way of life” in a fast-developing city like Shanghai.

Demolitions have not deterred the inflow of rural migrants into Shanghai. Statistics show that the rural population reached 4.98 million in 2003 and is estimated to be over 6 million in 2008.⁷⁵ Suburbanization has become the trend for rural migrants’ relocation. Suburbs offer lower living costs and easier adjustment than in city center, although jobs are fewer. Most informal migrant schools have relocated in suburban districts.

The expansion of urban space took place after the disintegration of the urban *danwei* system. Compared to western cities where residents self-govern, the cities in socialist China were turned into sites of industrial production that were austere divided into small grids called the *danwei* system. Now, the only organizational infrastructure that is left is the “street committees” (*juweihui*). They are vigilant coordinators in the system of social control and the basic organizational form of party

⁷⁵ Shanghai Statistical Bureau, 2003, 2008.

influence in the cities. By 1990, China had 5099 such units in 447 cities, each filled by a dozen full-time employees and half-time retirees (Li, 1994). These street committees function in enforcing family-planning policies, hygiene inspection, mediating conflicts, ect. Since the 1990s, as state budgets for street committees dropped, they were left on their own to generate additional funds through various self-initiated economic activities. This background information will be useful in later analysis.

Citizenship, Space and Poverty in Shanghai

Shanghai has a long history of spatial segregation. Patches of low-rise “*penghu qu*” (shanty neighborhoods) inhabited by immigrants and the urban poor were spawned along two sides of the Suzhou River, and behind the back alleys in the commercial districts. These “poverty belts” surrounded Shanghai’s foreign concessions and urban communities since the 1940s. In 1949, there were still 1109 square meters of “*penghu qu*” in the city accommodating a migrant population of around 1.15 million (Chen, 2006). There space and poverty reinforced each other, producing a type of chronic poverty for *penghu qu* residents. They made the bulk of Shanghai’s urban poor, with a unique lifestyle which formed an invisible wall against urban integration.

Some old inhabitants of *penghu qu* descended from *subei* migrants (people from northern Jiangsu) since the 1920s. Their ancestors were refugees from floods, famine or wars in neighboring provinces. Dwelling these damp valleys and taking up menial jobs that were least desired and respected by Shanghai natives, they remained at the bottom of the social strata for over a century (Honig, 1992). Until today, the term “*subei* people” is a metaphor for people of low birth and poor manners, just like the term “*mingong*” for rural migrants. Zhaibei district, the most concentrated area by Subei migrants, was given a derogatory name *xia zhi jiao* (“lower quarters”). These

expressions are more common in casual conversations than in interviews or surveys. Everyday life in these neighborhoods was captured in a famous movie *The House of 72 Tenants* (1973): Usually the whole family had to squeeze into one room, and the hallway is then turned into a common space for cooking shared by a few families. People living upstairs could always tell what food is being prepared for dinner by the smell from downstairs. In the summer, benches and stools are lined up on both sides of the tiny walking lanes, dotted by men and women in their simplest tops and shorts.



Figure 4-2. An Old *Penghu* Area in Shanghai

Since the 1980s, Shanghai's *penghu* areas became destinations to rural migrants from Shanghai's neighboring provinces, at first solo circular migrants, then long-term-stay families. Some existing *penghu qu* became dominated by them, with only a handful of senior locals who are reluctant to move, breeding a unique mixing of locals and migrants. *Subei* people in these areas generally live in good terms with their tenants, who came primarily from Anhui, and Jiangxi. In the community where I conducted participant observation, some *subei* Shanghainese offered generous help in referring us to people they know. They tend to form some sentimental connection with rural migrant families, because the latter live in a way that is reminiscent of what life was like for *Subei* migrants several decades ago. At different historical conjunctures, both groups suffered from institutionalized inferiority and were pushed to the margins of the urban economy.

The Pond: Ethnography of a Rural Migrant Neighborhood

Behind the façades of Shanghai's glamorous Millennium Shopping Center, an area of one-story buildings lies in sharp contrast with its surroundings. A completely different world is concealed there, separated by just a thin brick wall. I name this rural migrant community "the Pond," because its Chinese name contains a character "*tang*", meaning "pond". The name is fitting with the self-contained nature of lifestyle in this neighborhood, with a different ecology from the rest of Shanghai.

The Pond is not an area one could locate on the map, but with over two thousand households packed into a small area, it is not easy to miss either. It is located at the crossroads of Pond Street, a major road that cuts through a few districts, and a more narrow and unimpressive Northrain Street in M district. This area is well known as an "industrial zone" set up by the district government since the 1990s. So Pond is actually surrounded by a few factories manufacturing food and electronics.



Figure 4-3. The Pond Community on Google Earth

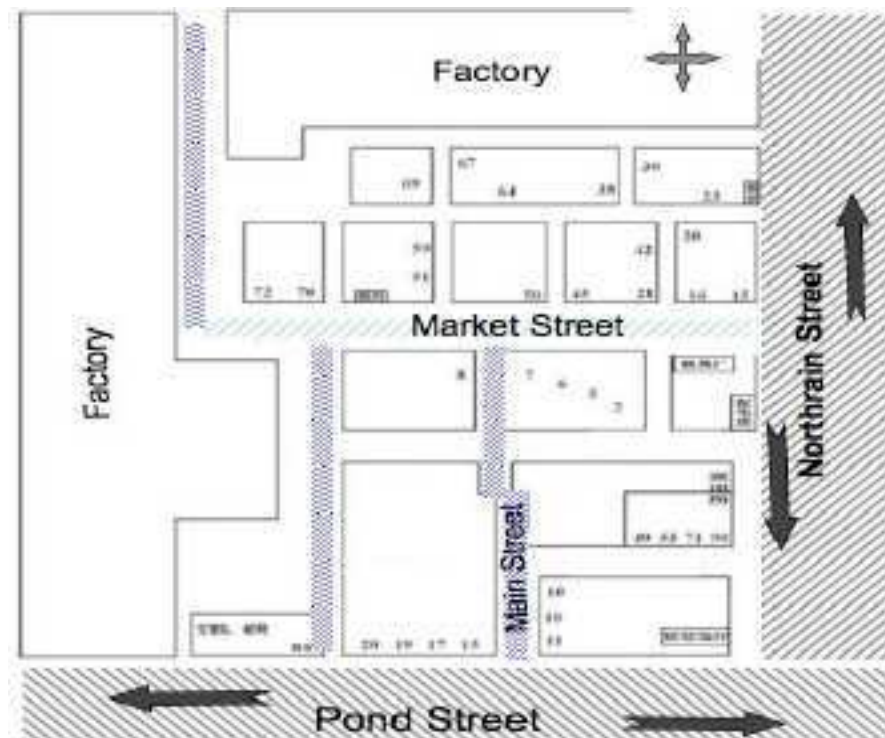


Figure 4-4. Layout of The Pond Neighborhood

The entrance to the Pond is a small gate in the wall that only allows pedestrians to enter. Inside the Pond, one will soon detect a web of half-hidden lanes intersecting with each other and dividing the area into ten living blocks. The total number of inhabitants, estimated by Zeng, the director of Pond street committee, has exceeded one third of the total migrant population in M district.

In collaboration with the research team of the local NGO ROOT, I conducted a household survey (N=52) in November of 2007. The fifty-two households were selected out of ten administrative teams (“blocks”) classified by the street committee. Questions concerning their basic demographic information (i.e. gender, education, *hukou* origin, jobs, income), family make-up, duration of stay in the city, number of children, parental involvement with children, presence of relatives in the neighborhood, etc. The purpose was to gain a broader picture of the neighborhood composition and family sizes. It was also a critical stage when I gained the trust of many families through this formal presentation supported by the street committee. I had the opportunity to go back and do in-depth interviews with over a dozen families covered by this survey.

The survey certainly had several constraints. First is the sampling method. Because the questionnaires were administered only during weekends, the sampling failed to include many rural migrants who work during that time. Since we only interviewed whoever is at home during the weekend in one household, unemployment rate is likely to be over-reported (11 percent). So is the percentage of female respondents (60%). Secondly, due to time constraints, I excluded some variables on their work and neighborhood effects. With these limitations, however, the dataset serves its purpose in setting the broader demographic framework of this group of rural migrants I study.

Where their *hukou* origins are asked, Anhui (45 %) and Fujian (23 %) migrants are the predominant two sub-groups.⁷⁶ There are also migrants from Jiangsu (8%), Jiangsi (6%), Sichuan (6%), Henan (4%), Hunan (2%), and Guangdong (2%). I learned from the street committee and education officials that in Shanghai, over sixty percent of the rural migrants come from rural Anhui, and they tend to dominate a few lines of informal jobs: recycling, street vending, and interior renovation. The presence of business-making Fujian rural migrants made the Pond distinct from other neighborhoods that are predominantly inhabited by Anhui migrants.

In terms of how long they have lived in the city of Shanghai, 15.7 percent answered “more than ten years,” and 54.9 percent “six to ten years.” Less than ten percent of respondents belong to the short-term seasonal migrants. This trend of long-term settlement of rural migrants in the city, a recent development since the late 1990s, is confirmed in the Pond.

When asked about the size of their nuclear families, over half of the respondents reported having more than two children, and even 11.5 percent had three children. Compared to the average Shanghai urban family with one child, rural migrant families present the city with a baby boom. Survey results also show that 87.8 percent of families with children have brought their first-borns to attend schools in Shanghai. From casual conversations, I notice that families with more than two children generally face economic difficulties due to both education investment and the huge economic penalties for violating the one-child policy. In some areas of rural Anhui, such a violation may amount to 100 thousand *yuan*, roughly two to three years of household income for that family.

⁷⁶ Anhui province is one of the poorest provinces. Anhui migrants who move to Shanghai, the wealthiest municipalities in China, travel an overwhelming socioeconomic gap.

Over fifty percent of rural migrants in the Pond received education equal or less than junior middle school. Compared to the average Shanghai resident who is more likely to enter into senior middle school and above institutions, the figure for Pond migrants is zero.

Table 4-1. Comparison of Education Levels at the Pond and Shanghai⁷⁷

Variable		The Pond (%)	Shanghai (%)
Education	Illiterate	9.6	5.4
	Primary school	28.9	31.1
	Junior middle	53.9	38.2
	Senior middle	0	23.9
	College and above	0	11.4

The gap in income levels between rural migrants at the Pond and Shanghai residents is seen from an indirect comparison. As we only asked respondents the range of their monthly household incomes, it is hard to compute an average figure that can be compared to the annual per capita income of an average Shanghai resident, which reached 26675 *yuan* in 2008. Based on this, an average Shanghai family of three individuals make a monthly income of around 7000 to 8000 *yuan*.

Table 4-2. Monthly Household Income at the Pond

Variable	Range	%
Household income (<i>yuan</i>)	~2000	25
	2001~3500	38.5
	3501~5000	15.4
	5001~	3.8

Comparatively and based on survey results in Table 4.2., the majority of rural migrants (63.5%) with an average family size of three to four individuals in a household make less than 3500 *yuan* per month. Only 3.8 percent of Pond families

⁷⁷ 2000 PRC National Census, National Statistics Bureau, 2001.

make more than 5001 *yuan* a month. This small proportion of relatively well-to-do rural migrant families may number over 200 households in the Pond.

Spatial Ecology

A wall apart from the shopping center, the Pond surprises every newcomer by its sudden compression of space and yet the dynamism of its market activities. On walking into its 10-foot-wide “main street”, a newcomer may find himself busy not bumping into the eye-catching signs on both sides. The neighborhood bustles with activity from dawn to dusk, with two major “market streets” attracting a constant flow of people. There are constantly traders passing by on bicycles or tricycles carrying loads of vegetables, bottled water, or other goods for delivery, and there are customers waiting on food stands for their meals, women chatting with house chores in their hands, unattended schoolchildren playing at sideway walks, and a few jobless adolescents strolling around to pass time.

The small lanes are filled with a mixture of smells from restaurants, barber shops, snack stores, pancake stands, seafood stands, and public restrooms. There are over 200 shops, grocery stores and small diners at the Pond. They cover almost every need and necessity. Some signs indicate regional food, such as Shandong Dumplings, Sichuan Stir fries, and Henan Noodles. All shops here belong to the grey sector of “unlicensed” businesses.

Shops are flung open for the curious eyes of an occasional visitor. Here, the limited space does not allow the luxury of personal “privacy”. So one may notice that these business people actually live inside their shops. On top of each shop space, there is a cupboard compartment, a “box-shaped bed” hanging down the ceiling for the shop owners to sleep in at night. During the daytime, they climb down and lay out their items or dishes. At night, the shop is turned into the living room and bedroom. Private

bath facilities are impossible to find. People use a public bathhouse nearby, which sell tickets for eight *yuan* per person.



Figure 4-5. Main Entrance to the Pond

My fieldwork observations in Shanghai, Beijing and Wuhan show that concentration by *hukou* origin and occupational clustering are noticeable characteristics of rural migrant communities. Some villages in suburban Beijing are literally the “spatial transplantation” of some rural Hebei or Henan villages. One can detect few trace of urban integration except that each family hangs up a picture taken at the Tian’anmen Square, an indication of their current location and a sense of national pride for living in the capital city. In Shanghai, rural migrants populate both inner city and suburban areas, but recent years have seen a trend of suburbanization of this population. In inner city neighborhoods, sometimes two or three families share a roof. Rooms for rent come in all sizes, because local landlords separate old housing units into compartments of all sizes. Some are terribly small that only one person can sleep in. I once saw a newcomer bargaining with a local landlord over a “room” that looked like a cell with one bed but no window. The landlord lady insisted on 300 yuan a month.⁷⁸ The new arrival just frowned and stood in silent negotiation⁷⁹. I took a deep breath when imagining myself sleeping with eyes wide open in this box-like cement cell.

A typical migrant family often uses a bunk bed, with children sleeping on the top, and parents on lower level. A used TV set is the must-have amenity in every family. Cupboards outside of the living space are for cooking. Due to the centrality of Pond community, rent is much higher than other places. But “For Rent” signs are seldom seen. In this “popular” area, information is quickly circulated through well-connected landlords.

⁷⁸ For this amount, one can rent a room that is three times larger in suburban Shanghai. According to the China Household Income Project survey results in 2002, over 55 percent of rural migrant workers had a living area of less than 10 square meters.⁷⁸ Housing costs are a big financial burden for them due to rising rents and stagnation in wage growth. According to the CHIP survey, rent accounted for almost half of rural migrants’ total household expenditure.

⁷⁹ If it’s in migrant-concentrated Songjiang district, with 300 yuan, one could rent a room three times larger than this.

History and Development

Pond is an “urban village” in central Shanghai, with rural migrants from Anhui (45%), Fujian (23%), Jiangsu (8%), Jiangxi (6%) and other provinces.⁸⁰ Its demographic composition was predominantly made up of Fujian rural migrants before 1992. There is a history behind the change.

As early as the 1970s, Shanghai’s M district was a manufacturing center for control panel instruments used in communication. An industrial zone was set up in this area, including many state-owned electronics factories. Around late 1980s, the instrument-making industry went through a restructuring, and many production units were turned into research centers. With this change, a large number of front line workers were laid off. Factory-provided housings were taken back from the workers. But one area was kept to accommodate retired workers, which later became the area Pond residents lived in. Although the factory wanted to claim it back, but because of the high compensation demanded by these retirees, they delayed demolition for years. Conflicts over this patch of land arose from time to time. Rumors of demolition were on and off. The area was kept “in peace” by this stalemate. Jian, an elder staff who has worked in this area for more than two decades, recounts the initial creation of this migrant community:

“The panel instrument factory wanted this piece of land back in the 80s, but only agreed to give each worker 70 to 80 thousand as compensation. Some took the money and went elsewhere. But there were many ‘*dingzi hu*’ who would not cooperate and refused to leave.⁸¹ They knew that the factory meant to use this land to gain more. The reality was, at that time, the policies of demolition, compensation, and future reallocation were not

⁸⁰ From 2008 Pond Community Survey, conducted by the local NGO (ROOT) volunteers, including myself. We randomly selected 51 rural migrants, with the assistance of the local street committee, and conducted the survey within a month. ROOT has conducted a similar survey in 2003. Compositions of rural migrants’ origin of residence from two surveys are found in Appendix.

⁸¹ During China’s urbanization, the term “*dingzi hu*” (literally means “nail households”) is coined to refer to the person or household who refuses to move and bargains for reasonably higher compensation.

clearly publicized. [which made people discontent] so they rent out their places while waiting for higher compensation.” (Jian, age 48, male, staff of Pond Street Committee)

In early 1990s, a large flow of Fujian migrants arrived in this neighborhood. Faced with slim chance of entering into the formal labor market—which was still dominated by state and collective owned firms at that time—this group developed strong entrepreneurial skills in trading regional specialties into Shanghai market. Within just a few years, Pond was built into a sizeable informal market for “*nanbei huo*” (northern-southern regional produce).⁸² Fujian migrants’ market-making process in Pond was very similar to Beijing’s “Zhejiang village” around that time: at the beginning, with increasing flows of rural migrants, grassroots administrators (street committees) considered informal businesses a good way to “create job opportunities” for them to avoid instability. They even collaborated with rural migrants in maintaining market order. For a time, the Pond market was very prosperous to have attracted substantial media attention:

“The government was not involved with the Pond Market at the beginning. It was those Fujian migrants themselves who brought in regional produce (*tuchan*) to sell, then it evolved into a big market. In the 90s, we [Pond Street Committee] also joined in helping them managing the market. It was easier to manage back then. We allocated space, and discussed about putting up signs for each seller... even CCTV and other TV channels even reported this market when it was doing the best. It was even broadcasted abroad... Our district governor even visited this market.” (Wei, age 45, male, director of Pond Street Committee)

The prosperity of Pond market did not last for long. The chaotic land ownership issues and short-term orientation of market building by Fujian migrants eventually

⁸² Fujian people’s merchant activities can be traced back to an early period. Fujian has always been known as the hometown for millions of “overseas Chinese” (*huaqiao*) who spread their commercial networks to all over the world as early as the Ming dynasty.

resulted in deteriorating infrastructure. In 2002, authorities listed “overcrowding” and the “failure to pass inspection of fire preventative infrastructure” as reasons for relocation. “Our top officials were just afraid that it would become too ‘luan’ (chaotic) here,” recalled a staff at the street committee.

After 2003, the composition of Pond residents changed dramatically, from the more entrepreneurial Fujian migrants to a much poorer group of Anhui migrants.⁸³ Poverty and family migration characterizes rural migrants from Anhui. These new tenants of Pond used to inhabit a slum area near a deserted railway intersection. The image of inflowing “vagrants” terrified the local administrators at Pond. Together with the local Public Security Bureau, they spent a week in checking migrants’ permits. Similar surveillance was carried out on a weekly basis afterwards.

A background information here is necessary. Detention and deportation were part of the collective memory to rural migrants in China’s big cities from 1996 to 2003.⁸⁴ Regulations on rural migrants brought a lucrative business to police stations, so rural migrants became frequent targets of forced bribery, repatriation and physical violence.⁸⁵ For each detainee, fines and bribes could add up to several hundred *yuan*. In Shanghai, 40000 detentions and deportations were reported in 1993; the number doubled in 1996, then rose to 100000 in 1997 (Unger 2002:119; Zhao 2000:102).

To staff of the Pond Street Committee, the rural migrants from Anhui were a totally very different group. If the demolition of the Pond market once left them with

⁸³ Anhui is known as one of China’s largest agricultural province, sometimes a euphemism for very poor areas. In history, poverty of the peasants were especially acute also because of the flooding of the Huai River. The most recent one was around 1991. The region’s GDP per capita only amounts to one third of the level of two neighboring provinces, Zhejiang and Jiangsu. According to a survey conducted by Anhui government, on average one out of six Anhui residents out-migrated in 2004, and the number kept increasing each year. Around 24.5 percent of these out-migrating peasants come to Shanghai. In 2003, over 570 thousand children from age 5 to 14 followed their parents to other cities, taking up to 6 percent of the total out-migrating population from Anhui.

⁸⁴ In 2003, the Custody and Deportation System was abolished.

⁸⁵ “A Report on Administrative Detention under the Custody and Repatriation Law,” Sept 1999. Also see Nicolas Becquelin (2002).

lingering frustration, they felt equally reluctant to welcome such a change. It is clear that from the beginning, the Pond Street Committee has associated “criminality” with the new rural migrants, and adopted a suspicious and exclusive attitude toward them. A social fabric of mutual trust and reciprocity is absent from the onset of their relationship. Furthermore, as Pan (2007) observes, high mobility and turnover bring about anonymity that breaks its collective identity into pieces, turning it into “a laboratory of social despair.” After the initial chaos, life in Pond settled into routines. Some rural migrants found work as temporary workers, cleaning ladies, or security guards. Others wander around as recyclers, street vendors and other irregular traders.

Since 2005, urban street committees underwent a reform, which left them on their initiatives to “generate revenues” to cover staff wages. They came up with the idea of market reconstruction. Wei, the director of Pond street committee, went to the Bureau of Commerce and Business inquiring about the possibility of allowing informal businesses for rural migrants in their administrative community. Wei recalls, “...they allowed us to charge management fees and organize the market here. Their only concern was about food security. So we required people who open restaurants and diners here to have health permits.” From talking with Wei, I sense that it was much to the local street committee’s own interests to allow informal businesses here, because their staff’s salaries depend mainly on collecting management fees from the over 200 rental spaces here. The relationship between local administrators and rural migrants in Pond has been characterized by a mixed feeling of dependency and domination.



Figure 4-6. A Vegetable Shop in the Pond



Figure 4-7. A Video Rental Shop in the Pond

Maintaining Social Distinction

Categorization is an ongoing process of Pond's local governance. Since June of 2002, Shanghai changed its "temporary residence permit" system into a new "residence permit" system with three main categories: "skilled/talent" (*rencai lei*), "work" (*congye lei*), and "dependent" (*toukao lei*). Despite superficial differences, when it concerns real life situations, it is a mere name-change.

As Bourdieu (1991:236) argues, the process of social categorization, of "making things explicit and classifying them", is a key mechanism of "identity-making of social control". The action of "registration" symbolizes a certain power relationship among social status groups.

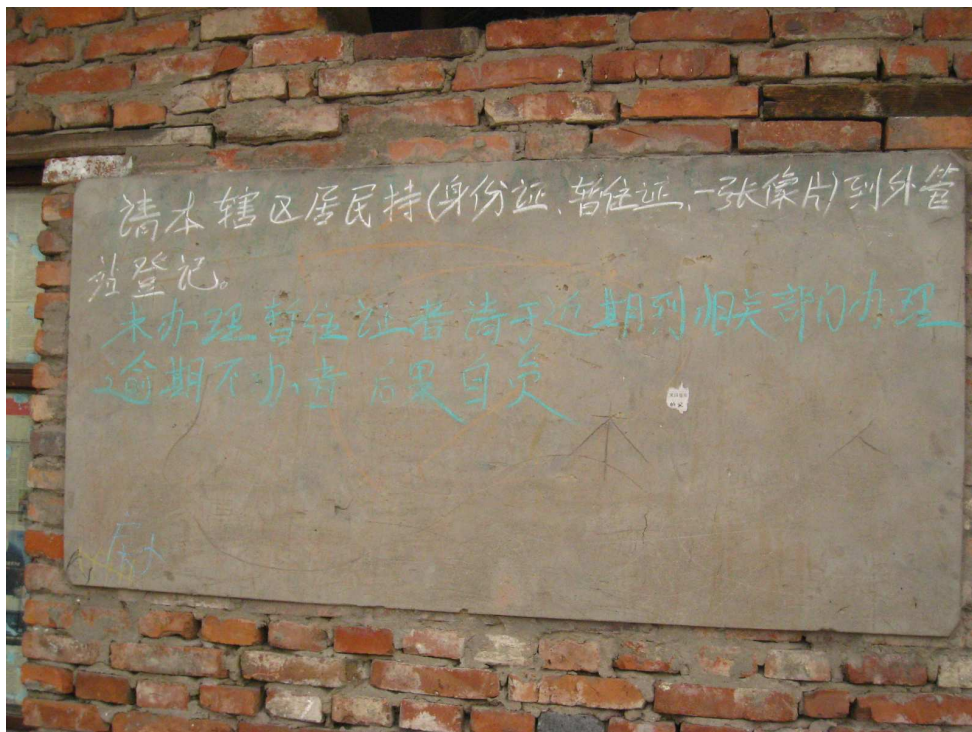


Figure 4-8. Street Committee's Announcement Board
"Please register for residence permits before the deadline."

Public administrators can freely levy charges or release governance measures that entail different attitudes towards members and nonmembers of this system, and such practices forcefully reproduce the distinct social identity of the rural class. Though such social control devices are considered as indispensable by local administrators, many rural migrants see them as “no use” and a “hassle”. As a way of defiance against authority, they simply would not show up at registration windows. They also turned a loof to the one-child policy which used to be the toughest social control mechanism. A staff at Pond street committee expresses frustration in his job:

“Our job is mainly to release information. Like... if you bring a migrant marriage certificate to Shanghai, you can have free check-ups in the hospitals. But they don't care about such information. There are many free services, but you got to give us your legal papers. Most of them don't... Only one tenth has registered for the residence permit. You see, our office downstairs is mainly for registration with the Public Security Bureau's criminal system. If someone commits a crime at home then runs to live here, we could then find out. We just caught a ex-convict through this system, who has been hidden here for 5 or 6 years. But most of these people would not come to register. ... These people are of poor *suzhi* (of lesser quality), I tell you. We don't really want work for them. You see the government has been concerned and caring for them, but they themselves would not cooperate. Some have lived here for 7 or 8 years, but still haven't registered for their permits! And they don't come and report their information to us... Anyway, this place is going to be torn down sooner or later, maybe in a year, so it really doesn't matter to us anymore...”

Administrative categorization has turned rural migrants more suspicious to outsiders, including NGO volunteers who present good will to help them. Most of my NGO friends at ROOT tell me that it is very difficult to build up trust with families there. After three years of regular involvement with members of this community, the ties between this NGO and its beneficiaries are loose. To most rural migrants, the fact this NGO is trying to help them at their organization's own costs is simply beyond their comprehension. There have rarely been any free services they can access in the

city, and they are suspicious to the idea of “charity”. Indifference and social distrust inside a community has their structural causes. As Hardin (2004) states, distrust is not merely a rational and moral assessment, it also “protects against harms.” When a certain social status group has been treated inequitably for a long time, they tend to develop low trust in public institutions. Social disorganization and withdrawal are intensified after rigid patterns of social exclusion are formed.

Families in the Pond

Given the predominant presence of migrant families with children at Pond (over two thirds), routines and accidents related to children make the story lines at Pond. Education is also a non-threatening topic that most rural migrants like to talk about, which often dispels the distrust and brings conversers in closer touch with life’s concerns. I select four families to present in more detail how their life chances were limited by the interlocking effects of informal employment, negative neighborhood effects, and inherited inequality across generations.

The Zhangs live in a room of around 15 square meters with their three children. A double-bunk bed takes up half of the space. Zhang’s older daughter Jing, sleeps on the top bunk, side by side to her younger brother. The couple and their youngest son sleep at the bottom level. Beside the bed, there is a lower writing table loaded with used books and paper boxes. In the summer when it gets too hot and humid in the room, the boys would make this writing table into their bed. Like other families here, they set up an extended area outside the window for cooking using recycled cupboard. All the furniture in the room are pushed against the walls in order to make more space.

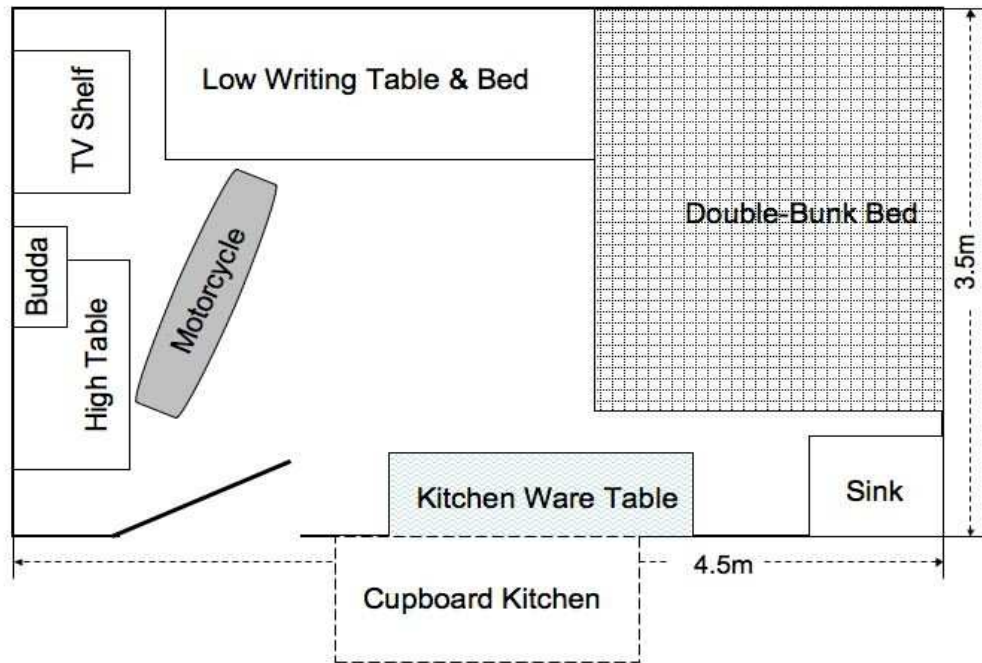


Figure 4-9. Room Arrangements of the Zhang's

Zhang appears a heavily built northern man, with high hope for his three children. The heavy penalty for having three children left them in debt, the main reason why they left for the city. The couple first worked at a few construction sites. Then after a few years, their economic conditions improved, so they decided to bring the children with them.

“I never went to school,” says Zhang’s wife, “but after all, a good education for the children is most important.” So the whole family moved to *Pond* in 2000, because Zhang’s relatives lived here. They chose to do recycling because this job allows them to freely allocate time to take care of the three children.

At that time, there was a migrant school inside Pond community, with over 900 migrant children enrolled. It only offered courses from grade one to the second year of

junior middle (equivalent to grade seven). Afterwards most students will need to return to their *hukou* origin for the final year of junior middle, which will prepare them for the entrance exam to senior middle school. Although they were not happy about the quality of teaching in this migrant school, since no other schools in the proximity received migrant children, the Zhangs enrolled their three children in this school.

“At that time, every class had over 50 students, so it was very crowded. And teachers were too busy to attend to every single student. Plus, their main purpose was to make money, so teachers were not as responsible as in our hometown schools. ... Tuition was even higher than our village schools. They were, un-regulated [formal] schools. ... Teachers would come and go, and few were truly responsible for the students. They knew that most parents like us did not have much education, so they gave out very high scores for the kids’ exams, to please some parents who could not even read. But many of us later found this out. They were simply irresponsible.” (Zhang, male, age 38, from rural Anhui)

Zhang’s account captures what situations were like around 2003, when local governments delayed providence of free education facilities led to the mushrooming of informal “hut schools” accommodating rural migrant children. Chapter five is devoted to a detailed analysis of this process.

Just like the fate of the Pond market, the Pond migrant school launched into operation with some informal head-nods from the street committee. Its closedown was foretold by its illegitimacy. In 2003, M district government decided that there should not be any migrant schools inside its administrative region. This was another turbulent event for Pond people. Eligible transfers into public schools needed to go through the district Education Bureau, with several required documents (proof of employment and vaccination certificate) from the parents. But since most families in Pond took up informal jobs such as domestic cleaning, delivery, recycling, street vending, many do not possess any type of work permit. Only a few managed to get proofs of work status

through personal connections. No statistics were available to see how many children were not transferred smoothly that year. But according to Pond street committee staff, only four hundred migrant families came for vaccination certificate.



Figure 4-10. The Pond Migrant School before Closedown (2003)

The two months after the school's abolition were the most difficult time for the Zhang family. As recyclers, Zhang never possessed any "work permit" to prove his working status. The couple asked around anxiously, and used all their connections to get a fake paper for Zhang as a temporary worker at some factory. Then Zhang's wife lined up in front of the education bureau office for a whole month, hoping to get three registration forms for her children. When it was announced that there were no longer any quota left, she turned in distress and found her motorcycle stolen. Mrs. Zhang broke down. Her condition was noticed by an official in the education bureau. Out of sympathy, that official secured three quotas for her.

Since the re-allocation of students was completely arbitrary and slots were randomly drawn, Zhang's three children went into three different public primary schools in that area. Although Zhang now needs to spend more time sending each to school by motorcycle, he is very content.

Since 2007, even tuition for primary school pupils were waived, so the children are enjoying a much better learning environment with much lower costs. The two boys, 11-year-old Ming and 8-year-old Jun have nurtured increasing interests in playing some musical instruments at school, so the parents are paying more attention to collect old drums and flutes for the kids during their work.

Between Streets and Schools

Not all Pond families went through such a smooth adjustment after the school closedown like the Zhangs. Jet's story is another case. The boy was said to be such a slow learner at the public school that his teachers hesitate to allow him move onto third grade. Jet's mother is illiterate herself, and the father has been too busy to care for his homework, so Jet's grade continued to drop.

One Saturday morning, I met 10-year-old Jet for the first time in my English class for ROOT. Since then, Jet became my “tour guide” in the webs of small alleys inside *Pond*, and he seemed to enjoy it. Familiar with every small hidden turn, here and there, he is proud of his “local knowledge” that I have not acquired. Jet and his parents moved to this area seven years ago, when he was only a toddler. The mud and chaos, to an intruder from outside like me, has always been his familiar playground.

Jet is not a clean boy. A closer look at him show that his parents were raising the boy carelessly: his hair has grown into long strands, without being washed probably for a long time; his school uniform sky blue uniform is turning grey with dots of mud and ink. Most strikingly, as he stretches out his forearms, long bruises and scars jumped into my eyes.

“My dad beat me up again.” He explains to me.

“Why did he do that?” I asked, while suppressing my angry surprise.

Then Jet bowed down his head and murmured, “because I went to play video game again...”

I knew the boy was not doing well in his schoolwork, but I was not informed of the domestic violence happened in his family. So I decided to visit Jet’s parents the next day.

Jet’s father, Liang, 40, opened a snack shop in Pond, selling soft drinks, snacks, and bubble tea. It is a tiny space of only 4 to 5 square meters. From seven to ten in the morning, Liang’s shop also sells fried pancakes (*jianbing*), a type of northern regional breakfast. I visited him when he was working at the pancake stand. I asked how many he usually sells per day. “Usually over a hundred”, he said, “two *yuan* each”. When business gets less busy for him after 10am, he sat down and talked to me. He continued with the rising living costs. Now he has to pay 450 *yuan* for this teashop, a rent doubled than last year. Another 300 *yuan* goes for the living room they rent down

at the back, where the family spend the nights in. The teashop is too small to hold a bed, as in other rental spaces.

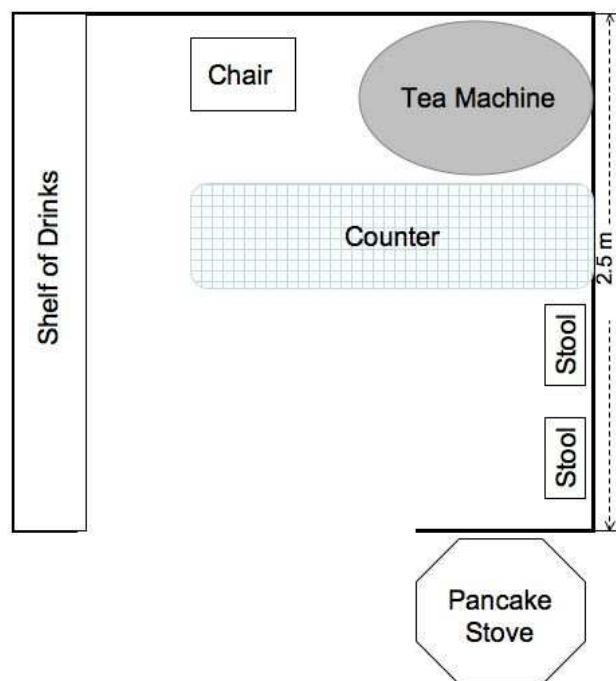


Figure 4-11. Liang's Teashop Business Layout

Liang appeared to have a mild temperament when talking to me. I almost hesitated to associate this mild-tempered father with the scars on Jet's forearms. Trying to change the subject of our conversation from business to his son, I ask, "you know Jet came to my English class on Saturday. He did well, just a little bit distracted from time to time. Do you find it difficult to discipline him?"

Liang seemed to know that I was referring to, and he replied, "the boy is too hard to discipline, always spending money and time in video game rooms... Sometimes we could not find him anywhere, and we get anxious. Then every time I would find him

playing video game again!! He simply wouldn't listen. So I spanked him hard."

Pausing for a few seconds, Liang continued, "I know I shouldn't beat him... You see, we had my son when I was in my late-thirties. People say it is a blessing for an older man to have his first son. I did not want to treat him like that, but it is the only way that works for him!"

Liang has a long, tough journey to the city. He left northern Jiangsu (*subei*) at the age of twenty after his mother passed away. With no close relatives to rely on, Liang came to Shanghai, and became a modern *subei* migrant. He did all kinds of work, such as construction, renovation, factory worker, etc. He sometimes liked drinking and hanging out with friends, so he never had much savings, which made it difficult for him to date any women. Liang later met his wife, who is ten years younger than him. "Because she also came from a poor family and did not go to school, she did not look down upon me," Liang told me with a shy smile. So the couple had their son when Liang was 38 years old. Since then, they picked up street vending, because it allows more freedom to care for the child. Both of them value education very much.

Jet's first grade was also spent in the migrant school at Pond. After its demolition, the boy was admitted into a public school, under the condition that the boy should re-take Grade One courses. Like the Zhang family, Liang also had to stop the business, and return to his *hukou* origin for necessary papers, which cost him several thousand *yuan*. When Jet continued to Grade Two, his school performance started to drop. Both Jet's parents and the teachers knew the direct cause to be the boy's addiction to video games.

Migrant-concentrated neighborhoods do not offer a positive learning environment for migrants' second generation. With overcrowding and lack of spaces, the community offers exposure to many undesirable resources, such as video game rooms,

“internet bars” and small gambling casinos.⁸⁶ These amenities flourished in the hidden lanes of Pond. Some businesses are located inside some families. With no external signs or advertisements, they are verbally broadcasted among dropout kids and jobless adults. Insufficient parental involvement in their coursework is actually the deeper root cause for children’s engagement into these activities. According to the community survey, parents are generally less educated (with 9.6 percent of illiteracy, and the most educated 48 percent with junior middle school education). Burdened with the daily pressure to make more money, most parents seldom spend much time and engage in helping their children’s homework. Most children in Pond wear keys around their necks. Some commute to schools by themselves, and come home to cook for themselves. Their parents work in nearby factories, often arriving home after 10pm. These “latch-key kids” are susceptible to becoming addicted to video games.⁸⁷ Pond offers no playground or recreational sites other than narrow street corners for the children here. That created a “market” for video game businesses and internet bars. These places function as the socialization arena for children at Pond.

⁸⁶ In China, it is illegal for internet bars and video game shop owners to open for children below 18. But migrant communities are plagued with these, and also small gambling card rooms or “casinos” for adults.

⁸⁷ It was because of this social problem that ROOT was formed. They initiated after-school programs for children to engage in reading and interest classes. The goal was to compensate for lack of parental involvement. Every afternoon, the activity room and library are open to children in this community. On weekends, volunteers (mostly college students) come to give personal tutoring. However, the lack of parental involvement also curtails the effect of NGO programs.



Figure 4-12. Limited Social Space for Children in the Pond

The next time I went to tutor Jet's English, his mother, Wang, shyly asks me if I could do them a favor by accompanying her to Jet's school some day. It turned out that the school demanded Jet's parents to transfer him immediately. Not wanting her son to experience too much interruption, Wang wanted to talk with the public school for one last time, and she wanted me to go along with her.

Wang usually takes care of the teashop from early 6am to 4pm in the afternoon, then goes to pick up Jet from school. We went to the school around the usual time. Standing at the door of Jet's classroom, I noticed the boy sitting at the last row, turning his head around while other students were writing. The math teacher immediately noticed Wang, and frowned with obvious contempt. She angrily reproached her loudly while pointing at Jet, "your child could not answer any quiz

questions today! He even makes noises when others are studying. Look at his quiz yourself!!” Jet’s quiz paper was thrown at Wang’s face. She picked it up, and her face was all red.

Soon we were brought to see the director of Jet’s class, his Chinese teacher Lu. Lu frowned too at the sight of Wang, and with impatience in her tone, she said, “I am telling you again, this boy should not stay in class if he does not do any homework and cannot catch up.”

She remained in her seated position when Wang and I stood in front of her desk, with sorry looks on our faces, like two students who are caught in wrongdoings. All the teachers in the office looked at us, and when Wang apologized for her son’s misbehavior and her voice sounded almost like crying.

“And who are you?” Teacher Lu asked, spotting me as a stranger. I introduced myself as a volunteer mentor for Jet in Pond. With some confusion, she looked at me. Then I explained that we are a group of social workers who are trying to help children like Jet to catch up in coursework.

“That’s no use,” she uttered abruptly. “This boy is hopeless! Just look at him! He does not even wash his hair and his clothes.”

She then turns to Wang and scolded her. “What type of parents are you? And now you bring a college student to support you? That’s no use!!” Wang continued to apologize for a few more seconds, and then we were told to leave.

After this trip, ROOT volunteers, including myself, tried harder to help Jet’s schoolwork. For about a month, Jet seems to be learning well, and even stopped going to video games. His father was grateful for our help, and agreed to stop spanking him. Things went peacefully for two months, until one day, after my English class, Jet showed me the new bruises on his arms. “Again?!...” I thought to myself.

The same month, Jet's school insisted on his immediate transfer, and that Jet should not take part in the final exams.

"What do you plan to do?" I asked Liang. He said the only option would be to transfer Jet to the migrant school five miles away from Pond. Liang also decided to let Jet re-take Grade Two, since the boy did not learn much in the past year. Again? I thought to myself. This would make Jet the oldest student in his second grade class.

"A good thing is, I think he will be happy in that [migrant] school. At least the teachers would not look at them differently." Liang says to me.

About one third of primary-school-age children at Pond go to attend this migrant school, because it's the only migrant school in the adjacent area. The enrolled number once reached a record high of 1300 students. Since adjacent public schools only take in first-born children from families with appropriate documents. So most families with two or more children had to send their younger children to this migrant school. Many share similar experiences like Jet entering and dropping out of public schools.

Accidents as Focal Points

A poor community as Pond is, most families here value children's education. Drop out school-age children are rare. But when a child is identified as "being on the street" rather than properly schooled, a type of social stigma is labeled to the family.

8-year-old Qiang is probably the youngest dropout. His parents moved into Pond about 7 years ago. The family came from Henan province. Qiang's father had a hard time finding jobs, and ended up addicted to gambling with a jobless group at Pond. This soon sent the family into dire poverty. For years, Qiang's mother strived to find irregular jobs to sustain their livelihood. When Qiang reached the age of five, his father was into gambling, so his mother walked out of the home and never came back.

This change pulled Qiang's father out of gambling but into deep depression. After he was able to pull himself to find some work, Qiang has been unschooled for a year.

Many families would sympathetically send the boy some food when his father was drunk or out for work. But most of them would not let their children play with Qiang. The family only had a bed, a TV set, a lamp, and a rice cooker in the room. When his father goes out for work, Qiang cooks some rice for himself. This explains why the boy always looked pale and undernourished.

Qiang's father did find a job, as a night janitor for a hospital nearby. He started to ride his bike to work every evening, and came back the next morning. During the day, Qiang had to find something to do by himself while his father slept at home. The boy was very alone. He occasionally visits the video game rooms but has not money to play. He is looking forward to a new semester, because his father promised to send him to school again in September. We were all glad about how things were working out for the boy, and he showed more interest in learning in our after-school programs.

However, life is often disturbed by unexpected tragedies. As ROOT volunteers always discussed about safety issues for children here, for the two intersecting roads surrounding are often busy with traffic. Everyone sensed the potential risks with children running around in that area, but nobody took measures to prevent things from happening.

I was not in Shanghai when my friends at ROOT sent me the news report describing an accident in the Pond area, with two unschooled boys run over by a bus. It was confirmed that the two boys were Jet and Qiang. With his arm and leg muscles severely injured, Jet has been in coma for three days. Qiang was killed at the moment of the accident.

Jet's accident changed the family's trajectory in the city completely. The couple closed down their teashop, so that they could take shifts in caring for Jet, who still

needed to go through a few surgeries. They still kept their living space in Pond. Everyday Jet's father cooks and brings the meals over to the hospital, where his wife stays overnight. Liang told me that when he heard of the accident, he cried because he thought he was going to lose his son. Regrets overwhelmed him, as he recollected. "I would never force him to study or beat him. I feel so content that he is alive and well now."

In this tragic incident, the bus driver was at fault by running over pedestrian walks during red light, so the two families were guaranteed to get compensations. The tragedy, lawsuits, and compensations became the number one conversation topic at Pond. Qiang and his family became the focus. The boy's father was devastated and guilty for his negligence. Qiang's mother, who had been gone for over three years, reappeared at Qiang's funeral, also devastated.

Mixed feelings of criticisms and sympathies stirred up people's conversations. Every family started to warn their kids from running outdoors. ROOT volunteers held meetings to discuss how to reduce potential dangers in the community, and help the two families to get timely compensations. A communal response emerged, but such heightened atmosphere lasted for about a month before Pond returned to its old way of life.

Finding Ling

Wan's family is much admired in Pond. The couple now make about twice the income of an average migrant family. Both of them have quite decent jobs—Wan has been a *baomu* (domestic maid) for an American family for the past two years. Working for foreigners not only adds to the prestige of her job; Wan is also seen as lucky to have met a kind-hearted foreigner who later offered a job to her husband. They are probably economically better off than many local Shanghainese. For the past three

years, the family lived contently, with their youngest son slowly discovered his talent in music and art, and two older daughters growing into city teenage lifestyles. A crisis will approached when Wan's oldest daughter Ling returns home for middle school.

One out of five families at Pond is incomplete, not by divorce, but due to family members living apart. Either the couple left their children home with their grandparents, or one of them left to accompany their post-primary-school-age children for further education at home. Making this decision was not easy. Wan had reasons to worry that such a drastic change would seem almost like an "exile" to the young girl, who barely understands the difficulties facing her parents.

"She has grown in the city, and gotten so used to urban pop culture and lifestyles. Can you imagine her going back to live in our backward, deserted village in rural Anhui? I can't. It will be hard for the girl, I know. ... Maybe in the future, she will blame us for sending her back, but you see, we simply had no other choice."

Wan's husband accompanied their two teenage girls back to rural Anhui. With her worries and pains after their separation, Wan pulled herself together because life has to move on. The couple started to invest even more into the youngest boy. Two years later, the time came when their son was not allowed to move up to middle school. Wan went back to find an elite boarding middle school in the nearest township. "Tuition and living expenses cost a total of 6000 yuan a term," says Wan, "but it's the best middle school in our township."

The three children went through their ups and downs in different degrees. Wan's worries were confirmed when her oldest daughter suddenly decided to quit school. "She has been into pop music and boys," Wan told me, and started to blame herself for the decision to leave her at home. "My daughter always says to me, 'don't blame me, mama, if I could not make it to what you expected'. I said I would not, you just try

your best, and I would not blame you on whatever turns out. ... We were not able to provide them good opportunities. Now I really regret bringing them to Shanghai at the beginning. It would have been much better if we let them stay in the countryside. ... So it's not their fault."

I hear similar comments from a few families at Pond, "we regret bringing our children along to Shanghai... they could have done better in school at home." Actually, most families are unprepared about which school their children can attend in Shanghai. Many had rosy expectations about their children's chances of getting into formal schools. But their social networks and information channels are so limited that it is impossible for them to do any research or locate schools. Many parents ended up sending children to the closest migrant schools they could find.

An intense crisis disrupted the couple's work when Ling was found gone, after leaving a note of goodbye. The direct cause was that the Ling and another teenage boy in her class, because of their romantic involvement, became the blame targets of parents and teachers. For the next two days, Wan and her husband rounded up every familiar corner of the nearby streets, parks, and the railway station where Ling could possibly have been. They spent several sleepless nights before Ling finally called back from a Suzhou factory where she found a temporary job.

Social Organization and Co-optation

Are there self-help organizations among rural migrants? The NGO revolution since the mid-1990s in developing countries certainly has spread the concept of self-help social organization to China. With relatively declining state intervention into people's social life, compared with pre-reform years, this bottom-up process is happening within the state's pre-set frameworks.

The small number of nongovernmental organizations I got in touch with includes *ROOT*, and the Read For Yourself club (RFY). Both were established by urban elites. *ROOT* existed to serve children's education issues within a migrant community, while RFY functioned to connect migrant workers in one industrial zone using a community school venue. Here I use RFY as a case study.

RFY started as a government-supported NGO, also quipped as “GNGO”, a paradoxical entity in China. The founder, 55-year-old Pan, who is a retired physician, is a local Shanghainese who had never come into contact with any rural migrants before 1997. An amateur calligrapher and local elite, Pan was informally affiliated with the Cultural Bureau of K District. In 1997, this region was home to many factories attracting cheap labor from other provinces. Responding to the rising influx of rural migrants and potential chaos as they saw it, the district government came up with a creative proposal—opening art classes for these “other-landers”—with the intent to lower crime rates in this area.

Pan volunteered for teaching a calligraphy class, and he taught for the next five years. A non-prejudicial Shanghainese, he enjoyed sharing this hobby with people. Pan gained much popularity among a group of young migrants with rural origins. Catching the talent of a few in reading, Pan later expanded his teaching to a reading club. The primitive form of SRC came into being, until one day Pan received a phone call from the Bureau of Civil Affairs (*min zheng ju*).

“It was in 2002, and the BCA called me up, saying that this reading club was unregistered and thus illegal. I said to him, ok, we will register. But what he said afterwards puzzled me: ‘on the one hand, we do not allow registration for your organization; on the other hand, you are illegal if you do not register.’ That simply meant, RFY should end either way.”

In China, formal registration of organizations with the government as civil associations that are independent of the government is not legally allowed. Due to this constraint, many NGOs either choose to find an umbrella government body, or to remain in informal operation. Pan is not the kind of person to quit easily, especially on something that he likes doing. He thought of a tactic which silenced the Bureau of Civil Affairs: by using his personal connections, he invited some city-level party leaders to a reading club event. The success of this event sent out a signal to the district government that even the city officials approved of Pan's "charity effort."

"I invited cadres from the city's Civil Affairs, Public Security Department, and the city [Communist] Party Committee. It was a big event. Then the district officials said, 'we have never registered an organization like yours. This is the first, and it will be the last one. We hope you can do well with it.' I guessed they thought these activities for *waidiren* were just nuisances (*mafan*), because after all, these migrants will not stay for long here."

At the end of 2004, RFY was registered as a legal NGO under the district government. It never occurred to Pan what RFY's legalization would later bring about. Upon its establishment, the goal of RFY was to help rural migrant workers speaking out their concerns through reading and public speaking. Members liked coming, even for an hour after a day of work, because it offered a site for articulation of their frustrations, concerns, worries and hopes. Pan also envisioned it to be a place where through the practice of public speaking, RFY members can be somewhat empowered for self-expression. At its peak time, they once had over eighty people in a meeting. As senior member 36-year-old Yu, a self-taught writer now, remembered:

"RFY gave us the opportunity to improve our *suzhi* (quality), to speak in public, and to think about some issues. I did not know how to talk before. Whenever I meet a lot of people, I just blush and turn speechless. But SRC gave us a sense of belonging, some idealism too, not like the rest of this world."

In my fieldwork, I found most rural migrants feel inhibited to speak. Part of it was because of the “official” tune delivered by “being interviewed”—people are supposed to say something “good” and presentable in your life. In the Chinese culture, people identify “*hui jianghua*” (knowing how to speak well) as a marker between rural and urban residents (Jacka 2006: 275). For rural migrants, “*neng jianghua*” is actually a survival strategy in the city. Many RFY members mention it as a gain. They also see this informal support group as one made of elite migrants with literary interests and relatively higher levels of education. Some people formed into strong friendships that lasted very long. A few couples were matched up and formed into families.

After its “formalization,” RFY members became a model project which the district government refers to in its annual report. With the frequent visits of government officials to its reading seminars and public speaking sessions, RFY underwent a subtle transition over the next years. Words like “equality” and “rights” disappeared. Sometimes “showcase speeches” espousing public policies in permitted frames are needed. All end on a sanguine and hopeful tone in line with the state’s discourse.

The influx of the post-80 generation rural migrants and the SARS epidemic in 2003, according to Pan, directly caused the decline of RFY membership. Now only two or three people show up at their weekly meetings. Sometimes five to six may come when there are journalists who want to get stories. Yu was among the few old members who showed up occasionally, although he has already moved away to another district. Reminiscing in the past “glory” of RFY, Yu sighed, “Now the *balinghou* (post-80) generation) are different. They grew up surfing the internet. Very few make time to read now. The club is less attracting to them...”

Conclusion

Jacobs (1961) criticizes the “urban renewal” policies by rationalist urban planners in the US as violently disrupting communities characterized by layered complexity and seeming chaos. Similar urban renewal projects are pushed forward in Chinese cities during the past decade. Most local governments considered migrant-concentrated areas evident civic shames and used demolition as the only resort. Recent years have seen new paternalistic approaches in dealing with the cities’ “undesirables”, like building low-income dormitories for rural migrants in order to maintain visual order.

Li Zhang’s ethnographic study of the life, death and the rebirth of the Zhejiang village in Beijing in the 1990s stands out as an exceptional case where rural migrants (of the same Wenzhou origin) actively mobilized themselves into seizing spatial power and legitimacy for long-term settlement and development (Zhang 2001). However, the Zhejiang village is far from the typical migrant community. Nor is the Pond, the rural migrant community in this chapter, a typical community among urban-dwelling rural migrants. Whether or not rural migrants’ city life presents patterns of communal life with the capacity for collective action is a difficult question to start with. From her field studies, sociologist Ching Kwan Lee (2007) writes that migrants’ class-consciousness seems “muted”, as they rarely speak of themselves as “workers” even when some have worked in a factory for years. Labeling themselves “peasants”, migrants unambiguously maintain such residence-bound, ascribed status. Even organizations that emerged to directly respond to the needs of this disadvantaged group tend to assimilate themselves into the dominant official discourse.

But it would be equally biased to generalize that rural migrants are incapable of self-organization and collective actions. The number of protests in factories and construction projects has been on the rise in recent years, leading the central

government's repeated warning over migrants' wage issues (Asia News, Feb 8, 2010). Rural migrants' initiatives in business start-ups, market-building and school-building have been active efforts.

In a residential neighborhood setting, the formation of trust and solidarity reciprocity does require an "active" social network. Bayat (1997) develops a model to distinguish "passive" from "active" social networks within a residential community.⁸⁸ By his definition, a passive social network has "low potential for collective action for common interests", and it's not a "consciously organized" and "mobilized" community.

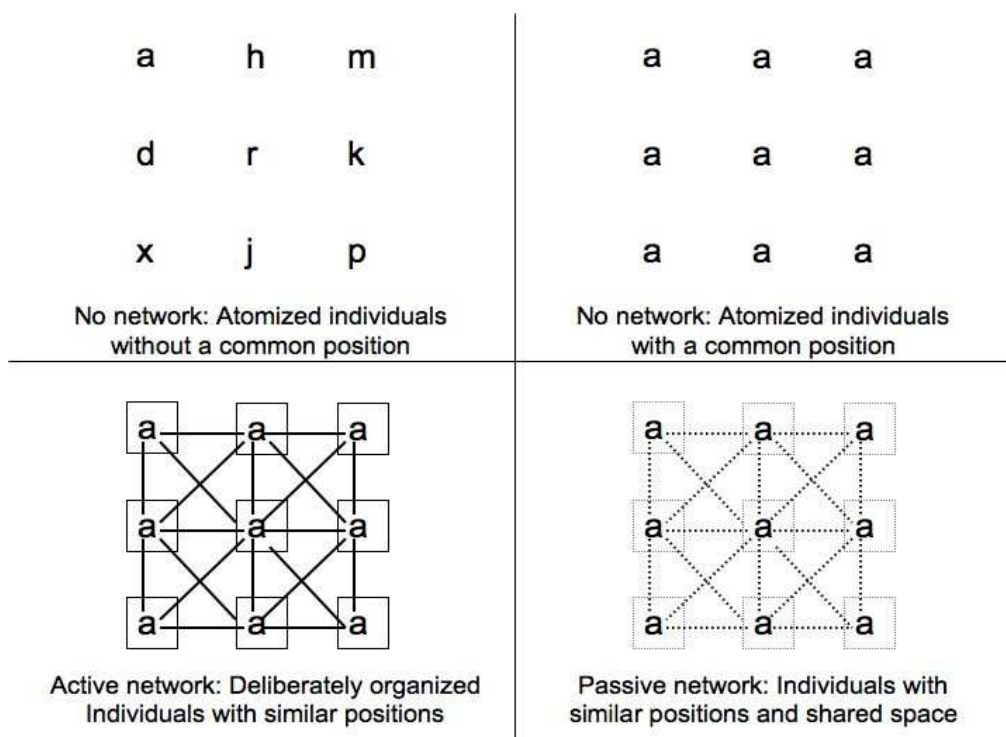


Figure 4-14. Model of Community Networks Mobilization

⁸⁸ Adapted from figures on page 18 of *Street Politics: Poor People's Movements in Iran*, by Asef Bayat, Columbia University Press. 1997.

From observing the living dynamics of over twenty rural migrant concentrated neighborhoods, I notice some common features: high turnover rate of tenants, closely-knit kinship ties but fragmented social networks. Rural migrants are a coordinated group only on some small scales, such as a closely-knit network of native origin people, an informal migrant labor marketplace, ect. Just like Pan (2007) describes, “Rural migrants often could not form into a community of trust in where they settled down. High mobility and anonymity break the community identity into pieces and turn it into a laboratory of social despair.”⁸⁹ For NGOs that are rooted in these neighborhoods, trust building and mobilization have always been difficult. In southern provinces of China, where millions of teenage migrant labor concentrate in factories, migrant neighborhoods are plagued with youth gang activities.

In many countries, the church provides a base for collective action among the structurally disadvantaged. For example, the black churches assumed a leadership role in the US Civil Rights Movement, which also provided the moral authority for non-violent techniques. Churches in other countries also fulfill a role in organizing social life and providing informal support. However, in China’s cities, traces of religious organizations in these migrant communities are hardly visible. The combination of spatial separation and concentrated poverty lock them into “cultural and structural effects” of poverty (Massey and Denton 1993).

⁸⁹ Pan, Zequan, *Society, Subjectivity and Order: Spatial Turn of Rural Migrant Research*. Social Science Archives Press. 2007

CHAPTER 5

INHERITING THE DISTINCTION

“China has declared its free ‘Compulsory Education’ policy to the world, but if other countries know the true reality, it would be a shame on us. It is said to be an emerging social problem, but ... it has been ‘new’ for many years now ...”

--An “unlicensed” migrant school principal (founder) in Shanghai, Nov 2007.

Zhang Qidong, 37, Shanghai’s first rural migrant to receive the Model Citizen award, became a celebrity after another honorable advancement into communist party membership. Having worked as a blue-collar technician for twenty-one years, he is now promoted to a well-paid senior position. But even for Zhang, equality of education opportunity for his daughter is still a far-reaching dream. Without permanent resident status in the city, Zhang faces the difficult decision of sending the child back to his rural hometown for schooling.

By September of 2007, according to Shanghai Education Bureau, over 80 thousand migrant students who are enrolled in junior middle schools are faced with the prospect of returning to their rural high schools for qualifying exams and further education. Many have actually grown up in the city, but with no opportunities of entry into any local high schools, they are faced with family separation and difficult adjustments back to rural life. Discontinuation of education increases. According to a survey conducted by the China Youth Development Foundation in 2005, over 60 percent of rural teenagers enter into the labor market after junior middle school.⁹⁰

Institutionalized social closure, unlike other types of covert social prejudice, forcefully shapes the life chances of the structurally excluded. When it is combined

⁹⁰ A report from the Ministry of Education in the same year confirms a close estimate of over 35 million rural youth (2005 China Education Development Statistics Report). Cases of over-reported age are often observed among younger rural migrants in factories.

with hereditary status, the disadvantages will be perpetuated among later generations.⁹¹ In China's predominantly state-funded education system, the sharp boundary between the urban and the rural class is redrawn.

Migrant Children Falling Through the Cracks

By 2005, around 20 million school-aged children had relocated with their parents to the cities (*Xinhua News*, Jan 14, 2005). But the Chinese *hukou* system determines that children from rural families inherit their parents' legal status in the "agricultural" category, even when they have lived in the city for many years. These children fell through the cracks of China's education system characterized by rural-urban distinction (*UNESCO Courier*, 2000). When migrant children came to the cities in the early 1990s, urban public schools in large cities like Beijing and Shanghai received children who could afford the "temporary study fee" (Cao 1997).⁹²

In public schools that received migrant children, informal discrimination persisted. With some urban residents preferring to transfer their children, an "urban flight" lowered the ranking of these migrant-receiving schools to the bottom tier of the public school system. It also created pressures for the school to limit the admission of migrant children or to arrange them into separated classes that are explicitly labeled as "*mingong ban*" (rural-migrant-only class).⁹³ Teachers for these classes refrain from

⁹¹ My definition of second-generation rural migrants is to contrast their experience with those of the later generation of majority urban residents. I broaden this classification to include all migrant children from 5 to 16 years old, within the age range for compulsory basic education.

⁹² Results from the 1997 Beijing Floating Population Census show that among rural migrants whose children were not enrolled in school, 43 percent replied that it was because the fees requested by schools were too high, and 7.4 percent replied schools' rejection (BFPC, 1998, P.174). Beijing Floating Population Census Office. 1998. The 1997 Beijing Floating Population Census. Beijing: China Commerce Publishing House. Shanghai integrated migrant children in a more active manner. By 2002, Shanghai's public schools have taken in 43 percent of the total population of migrant children (Shanghai Education Committee 2003).

⁹³ The term "urban flight" was coined after "white flight", a trend in US history (after 1954) when white people moved away from urban neighborhoods that were becoming more racially desegregated.

devoting their full efforts as in other classes, because they know that these students have to return to rural areas for key-point exams.

Amidst such systematic exclusion, some unlicensed “migrant-only” schools emerged and multiplied, founded by rural migrant entrepreneurs.⁹⁴ The illegality of this “informal education sector” and their substandard quality made them easy targets of urban renewal campaigns and official rent seeking.

As a result, segregated schooling and family separation characterize rural migrants’ educational experiences in the city. Education inequality has aggravated for the second generation of rural migrants over the years.⁹⁵ School attendance and retention rates have been much lower among migrant children than local children.⁹⁶ A more recent study shows that increased educational costs and poor career prospects for second-generation rural migrants deter investments in higher levels of education (De Brauw and Giles 2008). Since China’s exam system requires students to take key-point exams only in their *hukou* registration location, most urban-dwelling migrant children (some were urban-born) have to return to rural areas if they wish to continue middle school. Disadvantages in educational attainment perpetuate patterns of labor market segmentation along the *hukou* line.⁹⁷

With the issue of migrant children’s education becoming one focal point in public discussion, why hasn’t China fixed the cracks in its education system? In this chapter, I unravel the multi-faceted nature of this problem. Reforms in the education system display strong inertia because it is embedded in the politicized discourses and

⁹⁴ A news report shows that the majority of migrant children (76 percent) either entered migrant schools or joined the army of left-behind children in rural villages (*China Daily*, Nov 4, 2004).

⁹⁵ A report (UNDP 2009) shows that 14 to 20 million school-aged migrant children lack access to quality education.

⁹⁶ 6.9 percent never attended school and 2.4 percent dropped out before completing the mandated school years in 2004 (*Xinhua News*, June 11, 2004).

⁹⁷ A survey in 2004 shows that 60 percent of dropout students from rural migrant families (aged 12 to 14) took up informal jobs in the city. The survey was conducted by the China Children Center.

structural conflicts of interests between the state and local governments with the partially reformed *hukou* system in place.

Market Transition and China's Education System

Politicized Education

In China's history, the state has always dominated the decision making of education policies. In the socialist era, a radical and artificially egalitarian education agenda completely disrupted and even overthrew the normal social mobility patterns, by casting the educated to the bottom social stratum and elevating the uneducated (Hannum, 1999).⁹⁸ After the reform, the need for economic development was a top priority, and education served a slightly different goal. But the education system remained largely "socialist", characterized by state-dominated institutions.

China's public funding for education has been far below the levels of other developing countries in the 1980s and most of the 1990s.⁹⁹ There's a temporal gap too: the nine-year compulsory education policy was enforced in underdeveloped regions almost a decade later than in cities and developed regions. Consequently, individuals in richer regions enjoyed more and higher quality education, while those in poor regions (especially rural areas) had little improved education facilities. Before rural-to-urban migration was legalized, there were already vast disparities in educational funding and policy implementation. For example, when the state mandated the nine-year compulsory education policy in 1986, it was first implemented in more developed

⁹⁸ Hannum also quotes from Robert (1984). Hannum also points out that the former Soviet Union also had vacillations between socialist experiments and traditionalist backlashes, which culminated a short-lived cultural revolution from 1928 to 1931.

⁹⁹ The state also fell short of its goals set in the Education Law (1986), which promised 4 percent of GDP by 2000. It only devoted 2.4 percent of its GDP to education, far lower than the average 4.1 percent in other developing countries.

areas, and then extended to underdeveloped regions (mostly rural) almost a decade later.¹⁰⁰

Like the labor market structures, urban and rural education systems have been deliberately separated from each other, eliminating any transfers between these two systems. Education reforms around 1985 decentralized education administration and finance to mobilize non-government resources. Since then, state budgetary funds dropped each year. Rural basic education in particular, was delegated to the township and county levels, which directly burdened peasants. Local governments prioritized economic programs as their primary resource allocation, and public expenditures on education and other public goods continued to decline. In fact, legal enforcements in the area of education have been so feeble that all types of illegal activities, such as embezzlement of education funds, delay and arrears of teachers' wages became prevalent in basic education enterprises.

Spatial Mismatch of Education Financing after Mass Migration

Mass migration brought challenges to policy-making in education. Decentralized and insufficient education financing has produced a “spatial mismatch effect” on the already unequal and separated urban and rural education systems. In 1998, when millions of rural migrant families had relocated to cities, the state legislation still stipulated that local governments at “sending regions” (*liuchudi guanli*) should take full responsibility for financing the education of out-migrating students. It was not until 2003 that the state education legislation made it clear that “hosting governments” should be perform the duty for financing and managing the schooling of students with rural background (*liurudi guanli*). Even after 2003, no “legally binding institutions”

¹⁰⁰ In 2004, Shanghai government subsidized each primary school pupil with 6700 yuan, and nearly 6000 yuan of it was from budgetary appropriations. In comparison, the poorest province of Guizhou only spent 745 yuan per pupil, of which 670 yuan was from the budget (Wong, 2008).

were in place to enforce city governments' responsibilities. According to the system, when school-aged children relocate with the parents from rural to urban areas, the city government is not responsible to provide education opportunities. This acute social problem has not been addressed adequately in many cities. Zhu Fang, the vice director of Jiading District Education Bureau and representative of Shanghai People's Congress, explains this fiscal difficulty:

“As an educator, I really wished this could come true sooner. But the reality is, lack of government resources made it impossible. You see education finance has been linked to one's registered residence. So if a student from rural Anhui wishes to continue schooling in Shanghai, this money still goes to Anhui. ... many cities are not keeping in pace with each other in terms of reform, so Shanghai cannot be the first to experiment. Otherwise, what if everybody else swarm into this city for high school education?”¹⁰¹

City government's rationale encouraged public schools to levy user charges at non-local families. The earliest public schools that opened up requested large sums of “temporary study fees” with the justification that these families do not possess the legal documents. A public school principal commented on this “conditional” reception as fair, saying that “if her parents can meet our requirements [to possess the documents], then the student can be treated as other local students here, no charge of fees.”¹⁰²

For over a decade, it had become a commonality for non-local families (both rural and urban) to pay extra fees in order to enroll in Shanghai's public schools. Many rural migrant families made school choices mainly based on economic concerns. Tuition at an informal migrant school (around 900 *yuan* per semester in Shanghai) is

¹⁰¹ These comments were drawn from *Xihuan News* report on Feb 18, 2008. Jiading district is in Shanghai's suburbs, with 500 thousand local residents and 700 thousand rural migrants.

¹⁰² Interview in Shanghai, December 2007.

on average much lower than paying the temporary study fees at a public school (ranging from 800 to a few thousand yuan). It was only after 2006 when the first four migrant schools in Pudong district were legalized as “private” schools that schools became free. After all rural primary schools were waived of tuition from 2007, an increasing number of families choose to transfer their children back to rural schools. Apart from economic concerns, they think it better that their children’s education is not interrupted by school relocation and exam transfers. Empirical evidence shows that from 1985 to 2000, about 150 million rural youths nation-wide did not receive nine years of education due to overcharges by schools (Zhang 2003).

Information discrepancy between policy slogans and the harsh reality failed to inform newcomers of the existence of these “cracks” in the urban education system. Many rural migrant families had high expectations about getting their children into urban public schools. They heard about positive changes and promises such as “Let urban schools in the host city take the primary responsibility of receiving migrant children, and migrant schools can function as an assisting role” from the state media.¹⁰³ Most of the earliest migrating families are uninformed about which school their children can attend in the cities. Their social networks and information channels are so limited that it is impossible for them to do any research about which school their children can go. A parent recalls the discrepancy between policy and reality:

“Before coming to Shanghai, I always thought that city schools are certainly better than our village school. But now looking back, I almost regret letting my son transfer here. We had to transfer him several times from school to school. Now I realize that education here is worse than our village school. Back home our teachers are qualified state-hired teachers. But teachers here never had any experience before, and even the principal does not care.”¹⁰⁴

¹⁰³ “Suggestions on How to Better Improve Compulsory Education for Children of Migrant Peasants in Cities”, State Council, 2003.

¹⁰⁴ Interview in Shanghai, March 2008.

The system's inability to catch up with the needs of rural migrants has to do with its characteristic of being a predominantly state-funded system. The Chinese state, unlike governments in other countries, only carved out a limited scope for private schools. The state has been the main provider of basic education, so it is the state's dominant role in specifying school administration and curriculum within the public system. Granting "legitimacy" to non-public education has been a highly political one.

The Life and Death of Migrant Schools

Since 1949, most privately funded educational institutions in China were abolished, leaving the communist state as the sole monopoly. Education policy-making, curriculum design, school finance and personnel management were all centrally controlled.¹⁰⁵ Although the state promised to legalize private education as early as in 1993, its legislations phrased ambiguous permission to "schools run by social forces". Until today, no clearly defined laws have been made for private education.¹⁰⁶ Limited support from financial institutions, restricted growth of non-profit organizations, and rationed college recruitments have discouraged private education to grow.

It is within this social context that migrant schools emerged in the extra-legal sphere. Born with resource deficiency and lack of legitimacy, these informal schools

¹⁰⁵ Recent years saw some loosening of private education legislations, and by 2006, around 8 percent of the 197 million children aged 5 to 14 years are enrolled in 77,000 non-state schools, still half the share of India's privately funded schools. See (Mukherjee 2007).

¹⁰⁶ As some theorize, communist governments often promote mass education as an instrument of political socialization. So they may suppress private education for possible ideological dilution. In Sept 2003, China promulgated a new law, allowing non-state schools to collect "reasonable economic returns from net income after deducting costs, development funds, and other items stipulate by the government."

became contested interface between state monopoly of education resources and spontaneous social organization by migrants.

Rural migrants' engagement in collective action is most evident in their school-building efforts. The first informal migrant school was founded in Beijing in 1992.¹⁰⁷ Although family migration became the predominant trend in the late 1990s, the state maintained its legislative code for governments of sending regions to take up the responsibility to provide education.¹⁰⁸ It reflected the long-held anti-urbanization ideology of political elites against peasants' migration into the cities. It was only after 2003 when the state changed governance by sending governments to "hosting governments" (*liurudi guanli*), and released a guideline for migrant children's education: "let urban schools in the host city take the primary responsibility of receiving migrant children, and migrant schools can function as an assisting role".¹⁰⁹ This "top decree" was no more than a slogan because no incentives or legal penalties were designed for its enforcement. Some public schools only selectively receive children from migrant families who are willing to pay large sums of "temporary study fees".¹¹⁰

During my fieldwork in 2008, Shanghai had over 200 migrant schools with over 200,000 migrant children enrolled. I visited over 15 of them, most pushed to the

¹⁰⁷ *Xingzhi* Migration School in Beijing was first set up in a vegetable field. The founder, Sumei Li and her husband were former rural teachers. Li was pleaded by her own hometown folks to teach their children, so they started a "hut" school with just nine pupils. In the next seven years, the school size rose to a few hundred, then to over two thousand in 2003. When interviewed by state media reporters, Sumei tells stories of numerous school dislocations. Sometimes they had to move to a larger facility because of overcrowding, and other times they were forced to relocate because of illegitimacy.

¹⁰⁸ The law in 1998 stipulated that responsibilities fall upon local governments at "sending regions" (*liuchudi guanli*).

¹⁰⁹ "Suggestions on How to Better Improve Compulsory Education for Children of Migrant Peasants in Cities", State Council, 2003.

¹¹⁰ Decisions to cancel "temporary study fees" were decentralized to local governments followed the State Council's Suggestions in 2003. In Beijing, for example, it was only since September of 2004 that the city government demanded all public schools to exempt migrant children from "temporary study fees". But in reality, many schools continued to overcharge migrant families in the names of other miscellaneous fees, ranging from a few thousand to higher amounts.

suburban areas of Pudong, Minhang, and Baoshan districts. Among the principals I interviewed, many came from the group of “rural-teacher-turned-entrepreneurs” in the late 90s. 60-year-old Sun had taught as a rural teacher for 29 years before she retired. In 1996, Sun came to live with her relatives, and met a few Anhui “*laoxiang*” (people from the same native place). “They were all glad to know that I had retired, and pleaded me to teach their children,” Sun recalls, “then I realize that many of these children did not schools to go to.” Sun agreed to teach but only promised a few months. To her surprise, the school expanded to a thriving site in the neighborhood with over 400 students.

Education as a Market for Migrant Entrepreneurship

Around the late 1990s, migrant children’s needs for education facilities became so visible that migrant schools were seen as a market model for migrant entrepreneurship in the cities. Migrant schools replicated into for-profit, moneymaking “private ventures”. Investments in their facilities were cut down to the minimum. When interviewed, most founders express such similar concerns: “the school has to make a profit, otherwise it cannot survive. We ourselves do not have the money to run a charity,” says Zhao, the founder and principal of a school with 1300 students in Shanghai. His business partner, the vice principal Gu, explains:

“Our school cannot be compared with Shanghai’s public schools, no matter the facilities, teachers’ salaries or curriculum. You see, Shanghai’s primary school pupils receive 5000 to 7000 yuan subsidy per pupil every year. We have no subsidies from the state. We can only rely on ourselves to raise money to cover the rent, teachers’ salaries. Even when security departments came to inspect our school, and when they demanded us to renovate or fix the security facilities, we need to raise the money by ourselves. ... These families are making the lowest income in the city, but we have no other choice but to charge them. I always think, if the state is willing to subsidize them, even partially, then we could waive tuition for

these families, and it could help them a lot.” (Gu, male, age 36, vice principal at Y migrant school)

Many rural migrants like Zhao and Gu proclaim goodwill for providing “education for the disadvantaged children”. In reality, very few promised quality or responsibility. Facilities and utilities are kept at the lowest expense possible, and teachers are often underpaid.

In Shanghai, founders of these informal schools mostly come from Shouxian, Huoqiu and Liuan counties of Anhui province. In 2001, only one fourth of the 519 informal schools have complied with regulations requiring both permission from their government of origin and registration with Shanghai education authorities (*Liberation Daily*, Sept 10, 2001). Since government departments in various parts of Anhui had different organizational structures overseeing this issue, some of these founders obtained papers from the physical education department, some from the office for managing social forces. A few even purchased some temporary permit for education investment from the black market for “permits”. Born without legitimacy and public funding, similar major problems such as low qualification and high turnover of teachers, poor teaching facilities, willful management, and instability of students plague most migrant schools. As a migrant teacher explains,

“By 2000, Shanghai had many migrant schools. Most of them were founded by Anhui people, and some were run like ‘family enterprises’. Many founders did not have much education or teaching experiences themselves. So the situation was quite chaotic. I felt many schools at that time were just irresponsible.” (Deng, age 37, former migrant school teacher)

Compared with the overwhelming charge of “temporary study fees” in the city’s public schools, rural migrants willingly pay in several hundred for their children to

enter these informal schools.¹¹¹ For migrant families who can only send their children into unsubsidized migrant schools, they are not only disadvantaged in terms of economic spending, but also in the quality of education their children can get, which is sometimes even worse than rural villages because of the high turnover rate of migrant teachers in these schools.

Illegality and Closedown Campaigns

Until today, most migrant schools are still struggling on the verge of “illegality”. Most migrant schools convert old factories and warehouse into classrooms. A few upgraded schools use old public school facilities. Due to the substandard facilities and illegal status, many became targets of evictions and clear up campaigns. In the summer of 2006, 39 unlicensed migrant schools in Beijing were ordered by F district government to close down (*Newsweek*, Oct 10, 2006).¹¹² In Shanghai, the closedown of *Jianying School* in 2007 after its ten years of “illegal operation” even led to a violent crackdown of protesting parents by armed police (*Xinhua News*, Jan 10, 2007; *New York Times*, Jan 25, 2007). During this incident, a high-ranking education official justified their decision to close it down, “when migrant children’s rights for survival and health come into conflicts with their rights for education, we should first consider the former—their basic safety and health.” This mentality prevails among education officials who use safety concerns as the excuse to close down migrant schools.

¹¹¹ In Shanghai, migrant schools charge a unified tuition for all pupils. It’s usually around 800 or 900 yuan per semester, an amount relatively higher than Beijing’s migrant schools where families only pay around 500. It was only after 2006 when the first four migrant schools in Pudong district were legalized as “private” schools that students in these schools were exempted from tuition.

¹¹² Officials from Beijing Education Committee explained to reporters from *Newsweek*, an official news agency under CCTV, that these decisions were made because of “disturbing” findings from their large scale research about most schools’ “unsafe” facilities.

Accidents in school sometimes invite penalties from the education bureau, sometimes climaxed with a closedown order. Several traffic accidents involved “informal” school buses overloaded with students from a migrant school invited banning of all school buses in M district by the education bureau. Other risks such as food poisoning also invite similar pressures from the education authorities. Informal migrant schools all have dining rooms and snack shops that cater students. During an interview, a 62-year-old migrant schoolteacher who has worked in at least three migrant schools told me that the snack shop is the second profitable source for the school founder other than tuition.

In 2003, the state passed the PRC Law on Promoting Private Education, allowing migrant schools to apply for legal status, provided that they meet certain criteria. In Shanghai, legalization did not start until 2006. My fieldwork interviews with migrant school principals, directors and teachers reveal that the “legitimation” process has been a “black box”. Whether migrant schools with comparable hardware and teaching facilities can be legalized depends a lot on personal connections and even the amount of bribes paid to local education authorities.

“Of course we wish to be legalized, but there’s no way we can.” Such is a common frustration among migrant school founders. Rent-seeking from government education administrators often happen under the name of inspection and “management”. In Beijing and Shanghai, even the few schools that have obtained official permits are constantly faced with continued uncertainty. *Xingzhi* migrant school, being the earliest one to obtain a license in 2003, also experienced closedown in 2006.

Reforming the current education system is difficult because it requires an overhaul of a range of institutions, including *hukou* and the fiscal system. The

financial system has not been restructured to accommodate the needs of migrant families for more flexible school enrollment.

“Our school obtained permission from the district education bureau just this year [11 years after founding]. In 2000, they set up two administrative departments for migrant schools, and we registered with them. But I always felt the policies have been lagging behind. You see, we have run our school for over 11 years now, but there have been no specific policies as what we should do next. ... When we attend meetings at the education bureau, they would hand us some survey forms. They’ve done such surveys for the past eleven years, what else have they not known about us? The policies are not clear, so we cannot expect what would happen in the future. ... I may also because the officials in charge are always changing, no continuity. ... Although we registered in 2000, but we have never been given any ‘legal permit’. The policies are not clear on top [state level], so how dare district officials give us any kind of permit?” (Zhao, male, age 38, migrant school principal, founded in 1997)

In 2008, Shanghai government has released a timeline that by 2010, “all migrant schools must be included into the private education system”, and “no new migrant schools will be allowed” (*Liberation Daily*, Jan 22, 2008). When I visited Sun in 2008, her 500-student school has been ordered to close down. It still came as a shock to Sun, for she had already obtained a permit in 2003 and even received wide media attention that year. Eventually, these could not shield her and her school from the bulldozers of urban reconstruction.

Discrimination in Urban Public Schools

Forest Primary School, a public school in close proximity to the Pond, now has 388 students enrolled. 40 percent of students come from rural migrant families. Meng, the young headmaster, told me that it was in the 2003 demolition movement when the school was demanded by education authorities to receive displaced migrant children from migrant schools that were closed down in that area.

“Around ten public primary schools, including our school, were demanded to receive migrant children. We were asked to take in pupils who are old enough for first grade without any other requirements. If the child was older, like a second grader, then he or she will need to be reallocated through the education bureau to a school that has open slots for that particular grade. So for our school, we opened two more classes for migrant children only in our third and fourth grades that year. We also took in all the first graders who come to enroll.” (Meng, female, age 32, Forest Public Primary School principal)

Meng also recalls that the district education bureau required seven “permits” for rural migrant families in 2003. These included parents’ temporary residence permits (before 2003), the One Child Certificate, the Comprehensive Insurance Certificate, a out-for-work certificate issued by home county authority, and a document proving that there were no one who could take custody of the child at home. From year 2004 onwards, the school only took in first-grader from rural migrant families.

She confirmed something I heard from rural migrants living in the Pond: since one-child birth certificates were required upon migrant children’s enrollment, usually only the first-born child of the family can qualify. For families with more than one child, they had to find another migrant school for their older children. With migrant schools in M district demolished, the only option is a migrant school that is located ten miles away.

A very small proportion of migrant children are lucky enough to make smooth transfers into Shanghai’s public schools. Many parents regarded this mobility as “disaster brings about good bliss” (*yin huo de fu*) after the demolition of their neighborhood. In fact, Shanghai’s over 600 primary public schools are stratified into several tiers in terms of ranking based on quality and competitiveness. Only schools at the bottom stratum are open to receive migrant children. Scanty statistics are available on this issue, but a trend is widely observed that with the increasing inflow of children

from poor rural migrant families, the demographics in some schools tends to see a simultaneous “urban flight”—urban parents tend to transfer their children into top-tiered public schools.

Outside of the gate of an elite public school, I made a few casual conversations with parents who were waiting for their children. One native Shanghai lady told me that she just transferred her 10-year-old daughter from a K school that was closer to her home. “That school started to have more migrant students last year. I don’t think that’s good for my daughter, to be in the same class with those kids of rural migrants.” She says to me. I asked her why she would feel uncomfortable with that, she simply replied, “They are just another lower-quality group (*sushi di*) You see, there are more crimes and thefts in Shanghai now. I am sure, all those were done by the rural migrants.”

I asked why she was so sure that all such crimes were committed by *waidiren*. She said, “I simply know that, because we Shanghainese would never do that.” Although her comment cannot be taken as representative of what all natives tend to hold, this ongoing trend is confirmed by principal Meng, who has dealt with many complaining urban parents who grumble about the school’s taking in too many rural students.

Public schools that partially integrate migrant children organize the classes and curriculum differently. Forest Primary Public School enroll migrant children into mixed classes, and sets up a unified standard for all pupils. But there are some public schools where migrant children are enrolled into separate, or “migrant only classes” (*mingong ban*). Some schools even enforce strict “codes” against social mixing. 41-year-old Shen, a self-made migrant entrepreneur in renovation business, tells the story in another public school where his son entered.

Before coming to Shanghai, Shen had taught as a rural teacher in his village for three years. Classified as an extra-quota “surrogate teacher” (*daike jiaoshi*) unfunded

by public sources, his wage was on 60 yuan a month in the 1990s. When rural surrogate teachers were dismissed, he came to Shanghai to *dagong*. Shen worked as construction workers, security guards, and later started his own renovation business.

After gaining steadier foothold, Shen decided to bring his son to Shanghai for better education. He later found the school search to be more difficult than he thought: the three migrant schools in the proximity appeared to lack good quality. Neither were they in stable existence. He finally decided on one school, but it was demolished within a year. After several transfers, Shen finally managed to enroll his son into a public school through personal connections.

Most of Shen's relatives congratulated him. After all, only a small number of migrant families could afford to send their children into public schools. Surprisingly, Shen now regrets about the decision. He goes on to tell me that this public school sets up a separate class for all migrants' children. Teachers for this class are not required to follow any curriculum schedule like other classes. The rationale for this "special treatment", according to the school, is because that since migrant students in this class will not take the key-point exam in Shanghai, their grades "don't matter" for the school's ranking. Furthermore, the school even strictly prohibits students of the "migrant class" from talking to students from other classes.

One day, Shen got a call from the class advisor, who reminded him to ask his son not to make friends with a student from another class. Shen got very angry and had an argument with the teacher over the phone. He even brought up this issue of discrimination to the headmaster, together with a few other parents. To their disappointment, class rules remained the same.

Some schools have been illicitly reaping economic gains through such categorizing, by overcharging migrant families in the name of "temporary study fees", which may range from a few hundred to a few thousand per semester. Usually when

education inspections tighten up, such practices are less common, but they never die out.

One day one of my informant Zhou, a father of three, asked me over the phone if it is still legal for public schools to charge migrant children “temporary study fees” (*jiedu fei*). I told her that to my knowledge, “temporary study fees” have long been forbidden. Zhou said to me with a worrisome voice, “I thought so, because my two other children have not paid it, but my son’s school asked us to turn in 800 *yuan* by this week, as ‘temporary study fee’.” There are only five migrant children in Jun’s class, and three families have conceded to pay, even when knowing that such practices are inappropriate. Since the teachers have repeatedly asked Jun to pay, now Zhou is concerned that the boy is under a lot of stress. The boy comes back every day to plead his parents to pay this 800 *yuan*, saying that the teacher asked him again that day.

I promised Zhou that I would call in to the education bureau and ask about this for him. The next day I dialed the hotline of Shanghai education bureau. To my surprise, the staff who answered the phone told me that schools can charge “temporary study fees” if the parents cannot provide formal proof of their occupations. Being recyclers, Zhou never had any formal work permit. I asked again if this applies to rural migrants doing informal work, the staff said “yes” and abruptly hang up. I tried to look into the official website of Shanghai education bureau, only to find a news on that day: “Rural Migrant Families Are Exempted from All Fees”. If I were an average reader, I would take this announcement as what it literally means. But the reality is certainly the opposite.

A few days later, I visited the Zhou family, and told about what I was told after consulting the education bureau. I also told him my own understanding of the situation, and suggested him to wait until the last minute on this matter. One week

later, Zhou told me that he eventually paid the 800 *yuan* “temporary study fee”. But he said it with much regrets:

“I shouldn’t have paid it in such a haste, because later I found out, in another class of Grade 6, all migrant parents decided not to pay. Strangely, the school did not do anything about it! So they never got to pay that 800 *yuan*. ... So we shouldn’t have paid it either! ... But how can we know? I had been too concerned about the consequences to my son, if I hadn’t paid it. ...”

I said to him, “next time this happens, you could try to organize other parents to ‘boycott’ such practices.” Zhou waved away my suggestion with a timid shake of head. “Getting organized” (*zuzhi qilai*) does not sound “politically right” to him, even for a last resort.

Migrant Children’s Academic Performance

Existing sociological research (Coleman et al 1966; Peaker 1971) points out that family background plays a more important role than school factors in determining children’s educational achievements in developed countries. In the context of developing countries, however, Heyneman and Loxley (1983) find that “the poorer the country, the greater the impact of school and teacher quality on achievement.” In the case of rural migrants’ children’s education, the relationship between family background and school factors is more complicated because the two may be simultaneous and interactive processes.

In Chapter Four, I try to offer a contextualized analysis of rural migrants’ communal life. Low and unstable income, high residential mobility, lack of role models in segregated neighborhoods, low aspirations from parents, teacher and children themselves all pose as constraints on migrant children’s education performance.

During his 11 years as a migrant school principal, Zhao shares with me an overall observation of how migrant children's family backgrounds may affect their chances of academic excellence.

“... [parents] they came to the city to *dagong*, and *dagong* is all about making money through hard labor work. Some enter into factories, so do small businesses like selling vegetables. It's hard life, we know that. Time for them is money. ... These families share similar economic background, generally very poor and many kids, earning 800 or 900 yuan a month. They came to *dagong* because they don't have any skills. But think about it, if you don't have skills, what kind of job can you find in a city like Shanghai? ... They certainly want their kids to have better education, but unfortunately many have too many kids and were fined heavily for breaking the one-child policy. These monetary penalties pushed them further into poverty.” (Zhao, male, age 43, Y migrant school principal)

In public schools, parents' meetings are regular events, and teachers have regular family visits. But such parental-teacher connections are absent in most migrant schools. For parents, irregular working time and long hours have made it impossible for them to take care of their children, not to say attending school meetings:

“Most parents do not have time to care for their children. We used to have parents' meetings, but only a small number of parents show up. Sometimes our teachers would call them. But we understand. Most of them are doing jobs that other people wouldn't take. They are out before dawn and back after dark. Many of our students live by themselves, with keys on their necks.” (Zhao, male, age 43, Y migrant school principal)

In most migrant schools I visited, most of these eight- or nine-year-old each had a key and a name tag around the neck. These “latchkey kids” get up by themselves, cook meals, go to school, finish homework and go to bed by themselves.

Evidence from a Four-School Survey

In collaboration with the Survey Data Center at the Institute for Advanced Studies, Shanghai University of Finance and Economics, I conducted a Four-School Survey of Migrant Children Education in Shanghai towards the end of my fieldwork.¹¹³ We sampled 281 fourth grader in our different types of schools: a public school with predominantly urban students, a public school with a small fraction of urban students, a migrant-turned-private school, and an informal “unlicensed” migrant school.¹¹⁴ In this sense, the survey is not designed to offer a representative picture, but rather to show how students’ perform within different school organizational settings (Table 5.1).

The survey was designed to address two questions: (1) to what extent are differences due to socioeconomic and family factors affect students’ academic performance? (2) what determines migrant children’s academic achievements across different school organizational settings? We use four sets of survey instruments: (1) a student questionnaire, (2) a teacher questionnaire, (3) a parent questionnaire, and (4) a standardized math test (see Appendices).

Table 5.1 shows that over-sized classes, low teacher-pupil ratio, teachers’ low qualifications, and segregation by residence characterize school A and school B. There is a huge difference in average math test scores across four schools, with students in A and B doing significantly worse.

¹¹³ The research project was funded by a research grant from the China National Natural Science Foundation. The pilot survey was conducted in November 2008, sampling 281 fourth graders in four schools in Shanghai’s two administrative districts, Yangpu and Minhang. It was designed to be part of a longitudinal study of 50 schools in Shanghai in a sequence of three years.

¹¹⁴ They are labeled as schools D, C, A, B respectively in Table 1.

Table 5-1. Four-school Survey in 2008: Descriptive Statistics (N=281)

School	A	B	C	D
Founding year	2002	1999	1993	1991
School type	Private	Migrant	Public	Public
Tuition (<i>yuan</i> /year)	900	850	0	0
Number of pupils	720	477	534	676
Average class size	48	47.4	25.4	28.2
Teacher-pupil ratio	1 : 24	1 : 26.7	1 : 12.4	1 : 11.9
Teachers' qualifications				
- Senior	40.0 %	50.0 %	11.6 %	8.8%
middle/vocational	53.3 %	37.5 %	60.5 %	49.1 %
- College diploma	6.7 %	12.5 %	27.9 %	42.1 %
- College degree & abv				
Non-agri (urban) <i>hukou</i>	3.26 %	7.69 %	32.14 %	100 %
Math test score (mean)	39.7	45.4	55.5	73.8
	(17.080)	(14.974)	(18.893)	(9.955)
Sample size	92	78	56	55

Outcome Measures and Control Covariates *Math score* is obtained through a 30-minutes standardized test administered across four schools. *Age*, *gender* and *hukou* are kept in every model as individual-level control variables.

Family resources are measured by parents' respective *education* levels, *incomes*, *time* devoted to spend with their children, and their *aspiration*. These may not exhaust all areas of family factors (such as cultural capital or social capital), but they are three key indicators of the family environment.

Neighborhood effects are much more difficult to capture. We only included the *length of stay* at the local community, and *time for commuting* to school everyday as proxies.

Individual agency factors such as *time spent on homework*, being a *group leader* in class, and students' *self aspirations* are also included into the analysis.

Table 5-2. Descriptive Statistics of Individual, Family, and Neighborhood Variables

	A	B	C	D
Math score	39.7 (17.080)	45.4 (14.974)	55.5 (18.893)	73.8 (9.955)
Age	9.8 (0.936)	9.89 (0.802)	9.90 (0.902)	9.87 (0.432)
Gender	66.3 : 33.7	53.8 : 46.2	58.9 : 41.1	45.5 : 54.5
Group leader	25.0 %	17.9 %	39.3 %	49.1 %
Residential length	4.8 (3.725)	4.1 (3.627)	5.1 (4.695)	7.9 (3.971)
Time for commuting	25.9 (21.296)	22.6 (22.054)	16.3 (12.430)	12.3 (8.245)
Father's education				
- Below junior middle	83.1 %	81.3 %	64.2 %	5.7 %
- Senior/technical	15.7 %	17.3 %	30.2 %	49.1 %
- College diploma	1.1 %	0 %	1.9 %	20.8 %
- College degree & abv	0 %	1.3 %	3.8 %	24.5 %
Mother's education				
- Below junior middle	90.2 %	89.2 %	79.2 %	15.4 %
- Senior/technical	8.7 %	9.5 %	14.6 %	42.3 %
- College diploma	1.1 %	1.4 %	2.1 %	28.8 %
- College degree & abv	0 %	0 %	4.2 %	13.5 %
Father's income				
- Below 1000	36.3 %	21.9 %	30.0 %	9.4 %
- 1001 ~ 3000	51.6 %	64.4 %	50.0 %	37.7 %
- 3001 ~ 5000	8.8 %	9.6 %	14.0 %	30.2 %
- 5001 ~ 10000	0 %	1.4 %	4.0 %	15.1 %
- Above 10001	3.3 %	2.7 %	2.0 %	7.5 %
Mother's income				
- Below 1000	78.7 %	50.0 %	48.1 %	12.5 %
- 1001 ~ 3000	15.7 %	47.9 %	44.4 %	50.0 %
- 3001 ~ 5000	5.6 %	2.1 %	7.4 %	29.2 %
- 5001 ~ 10000	0 %	0 %	0 %	6.3 %
- Above 10001	0 %	0 %	0 %	2.1 %
Self aspiration				
- Junior middle	5.5 %	9.2 %	8.9 %	1.8 %
- Senior middle	11.0 %	10.5 %	21.4 %	10.9 %
- College	83.5 %	80.3 %	69.6 %	87.3 %
Parent's aspiration				
- Junior middle	5.5 %	2.6 %	3.6 %	0 %
- Senior middle	9.9 %	25.0 %	10.9 %	0 %
- College diploma	18.7 %	17.1 %	21.8 %	1.8 %
- College and abov	65.9 %	55.3 %	63.6%	98.2 %
N (total=281)	92	78	56	55

I use a multi-level model (Generalized Linear Mixed Model, GLMM) for estimating separately the variance between pupils within the same school, and the variance between schools. This technique helps to include the school context in which

other processes occur, and better address the questions: What proportion of variation in math achievement occurs between schools and what proportion occurs between pupils? The GLMM equation can be written as,

$$\text{Level 1: } y_{ij} = \pi_{0i} + \pi_{1i}(\text{school}_i) + e_{ij}$$

$$\text{Level 2: } \pi_{0i} = \beta_{00} + \beta_{01}(\text{age}_i) + \beta_{02}(\text{gender}_i) + \beta_{03}(\text{urbanhukou}_i) + \dots + r_{0i}$$

$$\pi_{1i} = \beta_{10} + \beta_{11}(\text{age}_i) + \beta_{12}(\text{gender}_i) + \beta_{13}(\text{urbanhukou}_i) + \dots + r_{1i}$$

Table 5-3. GLM Model Coefficients for Math Score Determinants (N=281)

Variables	Model 1		Model 2		Model 3		Model 4		Model 5	
	Estimate	df	Estimate	df	Estimate	df	Estimate	Df	Estimate	df
Intercept	52.074***	146.82	22.870	151.99	51.142***	157.55	33.390**	175.64	12.361	154.93
Age	- 0.586	271.03	0.821	187.64	- 0.562	266.14	- 0.336	267.20	0.975	183.00
Gender (female)	2.648	271.04	2.790	187.18	2.395	266.15	1.523	267.42	1.678	182.63
Hukou (urban)	16.950***	140.20	15.386***	102.16	15.718***	138.48	15.591***	148.57	14.512***	114.51
Father's edu			2.721*	189.65					2.653*	184.71
Mother's edu			- 2.831	188.81					- 2.487	184.10
Father's income			- 0.160	188.57					0.435	183.79
Mother's income			2.048	187.99					1.893	183.13
Parental time			1.173	187.70						
Parental aspiration			3.212**	187.40					2.367**	182.16
Length of stay					0.417*	266.54			0.393*	184.06
Commuting time					-0.053	266.44				
Homework time							2.358*	269.01	2.387	184.02
Group leader							4.417*	267.44	3.885*	183.19
Self aspiration							4.433*	267.40	2.335	182.77
Model fit (-2 restricted log likelihood)	2295.18		1608.39		2270.37		2261.77		1578.29	
Intra-school corr.	0.190		0.173		0.174		0.196		0.180	

Notes: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

Model 1 to 4 respectively includes baseline, family-level, neighborhood, and individual agency variables. Model 5 builds on the previous models and excluded two low-coefficient and insignificant variables (parental time, and commuting time). Results show that even taking intra-school variation into consideration, students' math achievement is significantly determined by their *hukou status*, *parental aspirations*, and *group leadership*.

Urban *hukou* status is tested invariably as a significant determinant across all five models, even when intra-school correlations are considered. This is evidence that the effect of *hukou* remains strong on students' academic achievement, controlling for school type.

The fact that parents' aspiration has a significant positive relationship with a student's math achievement makes it another key mechanism. For rural migrant families, lower expected education returns is directly resulted from distortions in the segmented urban labor market, the dominance of materialistic culture and popular consumerism. Given persistent labor market segmentation along *hukou* lines, most migrant youth repeat their parents' trajectory by entering into the unprotected informal sector.

Exam Closure, Return Migration, and Left-Behind Children

Sociologists of education differentiate between the primary and secondary effects of social background on education attainments (Boudon, 1974). The former refers to the effects of minority status on attainment tests during compulsory education, and the latter refers to the continuation rates afterwards. In China, migrant children are disadvantaged both in terms of primary effects of their social status, and also in terms of the secondary effects. With exam closures in the current education system, their educational trajectory after compulsory education is more rugged than that of their urban counterparts. Institutionalized closure in the current exam system is a major barrier.

China's most public schools only allow "registered students" to take the key-point exams (to high school and to college) at each locality, and such student registrations (*xueji*) are often directly related to one's residence status (*hukou*). Non-native students are required by law to return to their native residence for these key-point exams.

Unable to pay surcharges or to secure strong connections, the majority of rural migrant families need to send their children back to their native residence place to take the exams. Sometimes one of the parents chooses to quit the job and leave for their rural hometown, in order to better take care of the child. Every year, this causes great disruption for millions of migrant families. Wang, the principal of a 500-student migrant school in Shanghai tells me that around 60 percent of six graders leave for their rural hometowns every year. “If they want to stay, they can only enter into the very few private vocational school in Shanghai, and it’s usually expensive. So most of them choose to return for high schools.”

Zhu moved to Shanghai with his whole family in early 1990s, now works as a van driver outside a wholesale market. When his old daughter Hong finished junior middle school in Shanghai, they were faced with the dilemma of whether to send her home for the high school entrance exam. But since they no longer have any relatives in their rural hometown, Hong would have been left on her own if she goes back. Seeing it important for a family to stay together, the couple later decided to enter her into a private vocational school in Shanghai. It was the only post-secondary school that takes in migrant youth, and Hong studied accounting there. She did not like the experience and quit after a year. Her parents managed to find her a job at an electronics factory since last year. Now the family is faced with the same dilemma again, with their second daughter about to finish junior middle school.

“I don’t understand, why can’t they give our child a chance to take the exam? Even just a chance to try? Why is it that Shanghai could be so different? We migrants came here and devoted our lifetime to the city’s construction, but why cannot our children get equal opportunity to schools here? Who wouldn’t want their children by their side when they work here? This is really the biggest issue for us. You see, of all these children of migrants, how many of them could eventually go to high school or college? Very few.”

For children of rural migrants to bypass such regulations and become eligible to take key-point exams in Shanghai, there are only two ways: getting a “talent-type” permanent residence permit, or marrying a native Shanghainese. Out of my pool of 140 informants, only two have successfully traveled these paths—Du and Xu. The limited publicity concerning cases of upward mobility actually sustains a strong belief in the difficulty of boundary crossing (Lipset and Bendix 1962: 260).

Du transferred her daughter from rural Jiangsu to a public primary school in Shanghai in 1996, with the help of a native Shanghai friend. She paid 2000 yuan in the name of “supporting fee” (*zanzhu fei*) and another 150 yuan of “temporary study fee” each year. In 2000, her daughter enrolled into a public junior middle school, which was the *duikou* (paired-up) school of her primary school. It demanded 8000 yuan of “supporting fee” every year. Du and her husband had no other choice but paid for two consecutive years. The school did not charge them for the third year, because that was the time the city government enforced anti-corruption rules more strictly. However, it did not sound like a good news to Du, who was more willing to pay bribery than to have her daughter’s education path discontinued after junior middle school. She started actively search for possible loopholes.

“There are only two ways to get the quota for my daughter to enter high schools here, one is through ‘buying’ a permanent residence permit, another is through buying a blue stamp *hukou*. But by that time, blue stamp *hukou* policy has been stopped. ... Then a native friend told me that he could help me to buy a permanent residence permit.”

Obtaining the permanent residence permit changed Du’s life. It was a recently invented system in Shanghai after the abolition of the notorious “temporary residence

permit” (*zanzhuzheng*) since 2003.¹¹⁵ I asked Du what she thinks about this policy change, she said:

“It doesn’t make sense. Why can only children of the ‘talent’ type take the exam here, not our children? I even thought about writing a petition to the government, but what’s the use of it? This city only wants ‘talents’, but who covers the costs of education? ... Sometimes I thought I am lucky [to have being able to buy a residence permit], because I don’t need to worry about my daughter’s future now. ... But for most [rural migrant] families, it’s a big headache...”

36-year-old Xu also worries little about her daughter’s schooling now. In 1997, Xu married a Shanghai native. According to the law, she had to wait for four years to obtain a new Shanghai rural *hukou*. While most of her relatives are struggling with whether or not to return to rural Sichuan with their children, Xu’s daughter is free to choose from a list of public schools in their district. Xu says with relief, “We have helped with what we can. It’s up to her own efforts now.”

For students who have no other choice but to transfer back to middle schools in their hometown, adjusting to the rural teaching setting and curricula differences is major barrier. In large cities like Shanghai, primary schools are using “elite curricula” that differ from the rest of the country. For students who need to take exams in another region, this means that they will be tested by a different curriculum when they go back. Faced with such a “curriculum mismatch”, some teachers tend to encourage early transfers, such as in grade two of junior middle school, so that there can be more buffer time for students to adapt to a different curriculum and testing requirements before exams. School transfers tend to result in academic disruptions, and such

¹¹⁵ It registers all individuals into three codified categories: “domestic talents” (code starting with cr100), “overseas talents” (code starting with L), and “workers.” The first two categories apply to urban migrants and overseas returnees with certain levels of education and qualifications. Children of these two groups are eligible for receiving up to higher education in Shanghai. The third category applies to migrants without a college degree.

negative effects are strengthened if the two learning environments are socially and culturally different, just as urban schools in contrast with rural village schools.

16-year-old Zeng had to return for senior middle school after several years of schooling in Shanghai. It's very difficult for a teenager like Zeng who has been brought up in a culture imbued with modern consumerism to adapt to rural life. Without his parents around, Zeng has been emotionally distraught by the sudden "transplantation" of life. To his juvenile sensitivity, his parents' absence and the sudden "exile" experience was proof of parental negligence and indifference. His schoolwork dropped, and his relationship with parents became strained. He ganged up with a similar group of left-behind teenagers and dropped out of school.

This story line happens to millions of migrant families. A survey shows that 16 percent of school-age migrant children are not in school, and 87 percent of pre-school-age are not attending kindergarten, and 67 percent of migrant children pay higher school fees than local children (Han 2001). Many migrant youth lingered in the city after finishing primary or junior middle. Zhao, the principal of Y migrant school, shows concern for the increasingly visible problem of unschooled migrant youth in the city.

"Most of our six graders leave for home after they graduate. But every year we have two to three teenagers, graduated from sixth grade, but they often wandered about in front of our gate. Then the teachers would go to ask them. Many have been on the streets and would not go home. It's becoming a serious issue. Some of these youth cannot go back to their rural hometowns for middle school, because they have no one to take care of them. Some want to continue middle school in Shanghai, but could not."
(Zhao, male, age 38, migrant school principal, founded in 1997)

Every child of rural migrant family background, at some point in life, has to experience being left behind. Some poorer migrants have never accumulated enough

money or connections to bring their children to go to city schools. These children are left with their grandparents or close relatives. Parental involvement in their academic and social life is too much a luxury, as their parents only return home briefly during spring festivals. Those who are transferred into migrant schools in the cities do not necessarily enjoy much parental involvement either because of the nature and instability of jobs. After these children finish primary school or second grade of junior middle school, almost all of them have to return to the village for key-point exams. The other option is to drop out and take up informal jobs. In some areas, left-behind children far outnumber those who out-migrate with their parents.¹¹⁶

I often heard similar comments from my informants on the potential problems in leaving children to be taken care of by the grandparents, a normative practice in many rural areas. In reality, the elderly can only care for the grandchildren's meals and living, but not their schoolwork and other aspects of socialization in rural communities. Often times these children grow up totally spoiled and undisciplined in the presence of their grandparents.

“Why did we bring him along? You see, there are many problems with leaving him to his grandparents. They only spoil the kid, and he had grown into many bad habits when we went back within a year. Another thing is, the child grew cold to parents when they are away. Like my son, when we first brought him to live with us in Shanghai, he had a difficult time adjusting to us being around him. He would rather stay with some of relatives than with us.” (Fang, male, age 38, from rural Anhui)

¹¹⁶ A survey of 619 rural migrant families in Beijing shows that 65 percent of school-age children of these families were left behind in rural villages. The survey was conducted in June of 2000 by the Center for Rural Economy Research at the Ministry of Agriculture, funded by the Ford Foundation. Beijing Normal University also conducted a survey in 2003, showing that with the number of rural-to-urban migration exceeding 130 million that year, there were over 10 million children below the age of 16 who were left behind in rural areas (*China Education News*, June 5th, 2004). Another study by Meishan city government in Sichuan province in 2004 surveyed 11651 students in 21 rural schools, and results show that over 51 percent of these rural students' parents have migrated to cities for work, with the percentage for primary-school-age students ever higher to 67 percent.

For most children who have attended public schools in Shanghai for a number of years, and later had to return for high school education in their rural hometowns, they are challenged by the near-to-exile experience of adjusting to a less exciting rural life. Besides, the attitudes of village youth sometimes reflect social rejection. From my informants' narratives, I sometimes can only vaguely imagine what this type of experience brings about: a lost sense of belonging, feelings of confusion and being forsaken by urban civilization, and discontinued friendships. Migrants' narratives reveal similar "identity crisis" like what happens to second generation immigrant groups in other contexts.

"My friend's son grew up here but had to go back for high school. He was teased as 'Shanghainese' in school, but when he was going to school here, he was called '*xiangxia ren*' (countryside people). So the kid was caught in between these. He does not know where he belongs. It's the same for us adults. When we work here, nobody accepts us. But one day when we return, nobody sees us as locals either. I have lived in Shanghai for so long that my country folks all tease me as 'Shanghainese'. But I don't feel good about that." (Huang, male, age 36, from rural Anhui)

Since the beginning of 2008, Shanghai city government has been releasing news about opening up its technical or vocational schools to migrant youth, as a response to the increasing demand for secondary education resources from rural migrant families.¹¹⁷ But they have delayed in implementations. But even if they had actively open up this channel for migrant youth, the system would still have been made into one similar to what Turner (1960) termed "sponsored mobility": early tracking of

¹¹⁷ Yin Houqing, vice director of Shanghai Education Committee, said in an interview by *Xinhuan News* Agency on Feb 19, 2008, that education authorities have been discussing and making public policies about opening up secondary vocational schools to include children of rural migrant families. However the implementation of these policies are very slow, and only a very small number of private vocational schools opened up by early 2009 when I finished my fieldwork in Shanghai.

teenagers of rural origin into working-class while their urban counterparts have a higher chance entering into higher education and thus high-prestige jobs.

Second Generation in the Labor Market

For many rural migrants, investments in their children's education could do little to stop the perpetuation of social and economic disadvantage. Some families even sunk into debts and poverty due to education investments. Rural social status, education inequality, and difficulties in seeking urban employment concertededly led to intergenerational transmission of poverty and status disadvantage. Just like Qian and Liu (2008) writes:

“Poor families who piled up huge debts by investing into their children's education used to be considered ‘heroes’ in these poor areas. But there are two brutal facts. First, as the costs for higher education kept rising, the distribution of education resources, however, turned towards unfairness. Second, it is now more difficult for college graduates from poor rural families to settle down in the cities with a job. Many well-educated young people wandered between villages and townships. They are better educated, and urban-biased values motivated them to ‘leave soil’; but on the other hand, they are rejected by the cities. So education has not improved the lot of Chinese peasants, but it turned out to be a deadly burden. ‘Unemployment after college graduation’ becomes an acute social problem for the rural class.”

Research on second generation immigrants' economic integration shows that minorities experience “ethnic penalties” in the labor market, compared with their urban peers (Heath and McMahon, 1997), represented by higher risks of unemployment, etc. I argue that China is likely to see a similar pattern.

First, exclusion of urban public school system and the urban-biased exam system deprive their chances of higher human capital investments. Second, second-generation rural migrants continue to be locked into the informal economy by institutionalized

exclusion in the Chinese labor market. Such employment inequality (the inability to enter into formal professional tracks with promotional ladders) is likely to perpetuate. These two dimensions (employment and education) operate simultaneously to form a system of social distinction.

After primary-school age, children of migrant families face two choices. They could either stay or take up similar jobs like their parents, or they could return to pursue junior and senior middle school education. In both cases, these children or youth normally go through a social-psychological stage called “identity crisis”, which has been widely discussed in migration studies. Such a tension emerges when a stranger is attracted to the city with the hope to become one of the city-dwellers, but later caught by a social force turning the opposite direction towards marginalization. The crisis emerges from being culturally assimilated but economically excluded from formal labor markets.

For a long time, China’s rural migrant workers have been depicted as a docile, diligent and nameless group who are willing to work under any conditions at great lengths for little pay. But things began to change as more and more second generation migrants, some born in the 1980s and 1990s arrived on factory floors with more legal awareness. Unlike their parents, many second-generation migrants have grown up in the cities, and their reference group is no longer the old rural way of life. Returning to the rural hometown appeals the least to them. But like their parents, they are no better accepted by the urban society when *Hukou*-based discrimination still persists in various forms in the job market. A handful of interviews with second-generation rural migrants during my fieldwork show that they tend to have a stronger reaction against injustice in the workplace. Are they becoming a more resistant group of the migrant working class? New empirical research is needed in this direction.

Education and the Perpetuation of Social Distinction

For Chinese rural migrants, closure-induced disadvantages are perpetuated to their second generation through the semi-exclusive, state-dominated education system. On a macro-level, structural changes in the economy, labor market, and the education system concertedly determine individuals' chances of education achievements their later positions in social stratification. Negative effects of school, family, and neighborhood dimensions mutually reinforce each other to discourage expectations from parents, teachers and students themselves, and consequently influence their investments. Second, persistent institutionalized closure in the labor market also dampens expectation for future employment of the second generation.

A meso-level analysis in this chapter involves explaining the complicated relationships between migrant schools, public schools and education authorities over a period of two decades. Although it was the fundamental institutionalized closure in the dualistic educational system that has led to the creation of a separate “informal” educational sector, the issue of legitimacy again constrained the survival of migrant schools. According to Suchman (1995), legitimacy is a ‘perception that actions of an entity are desirable or appropriate within some socially constructed system of norms, values, beliefs, and definitions.’ Although intangible in most cases, legitimacy, like labor and capital, is a necessary resource for socially organized entities.

In many cases, what is the legitimate way to organize education resources is controlled by those outside of the disadvantaged groups, by groups with legitimacy-determining power (Pfeffer and Salancik, 1978). Migrant schools appeal to education authorities and urban administrators with a different type of “legitimacy”. In closedown campaigns, migrant school founders often resort to a kind of “moral legitimacy” in defense of their schools' existence—“We are doing a good thing for the migrants here!” But to urban administrators, just like the way they deal with rural

migrants in the informal economy, they see migrant schools, a relatively new organizational form, as extra-legal entities against the old rules and norms of the socialist education system.

Although the public school system has gradually opened up for migrant children, the prospect of their getting equal opportunities in primary and post-secondary education is bleak. With school registration linked with household registration, migrant children do not have the right to take key-point exams outside their *hukou* origin. This “exam closure” caused the increasing tide of returning migrant youth to rural areas, and simultaneously dropouts in the cities. Such a systematic disruption have produced thousands of second generation rural migrants, who, with much lower stock of human capital, have no other choice but to repeat their parents’ trajectories in the still segmented urban labor market.

CHAPTER 6

CONCLUSION

With a grandiose acknowledgement of rural migrants' contribution to China's economic growth, a recently released state policy report unambiguously refers to this group as "the contemporary Chinese working class."¹¹⁸ This statement is followed by a realistic depiction of how over 200 million rural migrant workers are still bound by the peasant *hukou* identity. This symbolizes a dramatic change in the official vocabulary referring to rural migrants, first as "blind floaters" (*mangliu*) deviated from their socialist duties, then as "peasant-workers (*nongmingong*), and now "industrial workers" (*chanye gongren*). On the other hand, the state defers granting equal legal status to rural migrant workers, and free labor is not a term for them either, despite three decades of market reform. This paradox is telling of a critical conjuncture of China's transition nowadays regarding class formation and institutional change.

Gradualist Market Transition

China's market transition involves a redefinition of the social contract the state maintains with its people (Tang and Parish, 2000). Before 1978, the division of labor between agricultural production and industry was accepted as part of the blueprint for realizing an earthly utopia. Under particular historical conjunctures, the household registration (*hukou*) system was considered part of the Soviet planning formula and instituted as a major part of the socialist social contract (Chapter 1). While promising an ideal, egalitarian society, the state in turn demanded sacrifices of personal gratification in consumption and aspirations, and made the goal of "the collective

¹¹⁸ "An Inevitable Path: From *Nongmingong* to Industrial Workers," in *People's Political Consultative Conference News*, Sept 22, 2009.

good” the highest ideological priority. The historical processes of how peasants were collectivized into rigid divisions, as we learned later, were more draconian and violent. As Hayek (1944:56) claims, socialism as a “species of collectivism” involves the “deliberate organization of labor for a definite social goal”, and such a social order inevitably turns out to be “totalitarian”.

The pragmatic transition from socialism to market capitalism entails a sharp turn, and the Chinese government chose to follow a gradualist approach that maintained its political legitimacy. China’s gradualist reform (economic liberalization without political reform) has been extolled as a miracle to world spectators, and a puzzle to economists. However, recent years have seen more and more of its pitfalls. Over three decades after the market reform, with China claiming to have turned its economy into a free market economy, the state still controls many key institutions such as land, banking, and labor market arrangements. Labor flows, as research on rural migrants shows, are far from being “free.”

Fuzzy Land Ownership

Research on China’s rural-to-urban migration is incomplete without understanding the land system, because different forms of land tenure exert different constraints on out-migration and urban poverty. China’s dual land tenure system comprises state-owned and collectively owned land, only allowing individuals to have “use rights” but not the ultimate ownership of land. During the explosive age of mass rural out-migration, such institutional arrangements greatly harmed the interests of rural migrants. With no right to lease or transfer their land-use rights into real capital, rural migrants can only work as wage labor in the city. They do not have the autonomy to sell the land and reinvest in small businesses in the cities. It also leaves much room

for malfeasance and corruption among local officials who profit from land seizures and under-compensations.

In comparing Mexico-US immigrants with China's rural migrants, Roberts (2007) argues that in both cases, land arrangements are similar mechanisms in socially stratifying (im)migrants. In both contexts, out-migrating peasants are seasonal flows who periodically return to their home villages where cultivation of farmland offers a reservation wage. Circular migration patterns are also highly dependent on the oscillations of border control policies. The fact that the land system, together with the remnants of the *hukou* system, lock rural migrants into a class of permanent transients in their own country makes China an even more peculiar case.

Debates on land privatization have been going on in China for a long time. Many officials and intellectuals take pride in the current land institution as a type of “social insurance” or “buffer mechanism” for rural migrants. The rationale is that those who cannot make it in the city always have an option to return to the countryside, and this may help lessen social tension and instability. In reality, this argument overlooks a series of problems in the long run. Apart from rampant illegal land seizure by local officials, commuting costs for short-term rural migrants are huge. This arrangement also lowers rural migrants' chances to stay and be fully incorporated into the urban society.

In rural areas, migrants tend to leave their small plots of land to relatives who stay behind, adding another layer of ambiguity to ownership. During the economic downturn of 2008, many migrants returned to their home villages, and land disputes increased among villagers. This institutional arrangement, to some extent, is causally related to the dissolution of many rural families—many migrants leave their children and elderly behind to work on subsistence farming, and social connections between generations have weakened.

Fiscal Decentralization

According to Young (2000), partial removal of state-mandated controls in some sectors but not all of the economy lead to systematic distortions in the post-socialist economy. With more opportunities for rent seeking being created, these distortions in turn “beget more distortions”. Localism and fragmentation of the domestic market will occur because continued reform and interregional competition threaten the profitability of high margin industries in each location. He summarizes it as a trend towards a fragmented internal market with “fiefdoms” controlled by local officials. I agree with his argument to a large extent. The logic of gradualism in *hukou* reform has led to strong local residence barriers, best represented by the various “green card” systems in major cities.

Wong (2007) points out that the reform of the public finance system is at the core of transition in all former Soviet-type economies. In China, the overdue fiscal reform in the mid 1990s has been charting its voyage “with neither a clear strategy nor a consensus for redrawing the public-private divide in the new market economy that China would become” (Wong, 2008). Reform measures were enacted without cutting down on government personnel. Consequently, with state budgetary transfers declining, local governments transferred the costs of retrenchment to individuals by levying user charges of all sorts.

Even when the state determinedly allocates funding to support local public services, these monetary transfers need to cut paths through layers of the bureaucratic system before reaching the needy. Leakages are beyond the state’s leverage to hold local officials accountable. The inter-governmental system was not only “broken” but also rife with “distrust and mutual blame” (Wong 2008). Local officials often complained about higher level governments “grabbing” revenues while “pushing down” expenditures.

Table 6-1. Fiscal Trends for Government, by Level

I. Revenues	1993	1998	2004
Central government	22%	49.5%	54.9%
Provinces	13%	10.5%	11.2%
Municipalities	34%	19.7%	16.6%
Counties	19%	11.5%	12%
Townships	13%	8.8%	5.2%
II. Expenditures			
Central government	34%	28.9%	27.7%
Provinces	11%	18.8%	18.7%
Municipalities	29%	24.1%	22.2%
Counties	16%	19.9%	25.2%
Townships	11%	8.3%	6.1%

*Data compiled by Wong (2008), from sources of Wong (1997). World Bank (2002), Ministry of Finance, Compendium of Local Fiscal Statistics, various years.

A 2005 World Bank study shows that China's public sector has become increasingly "commercialized", referring to its increasing orientation towards revenue seeking. Examples abound in everyday life. Hospitals adopt a "performance-based" remuneration system for doctors. Civil servants receive a basic paycheck plus a range of bonuses and subsidies financed by the revenues at their work units. Museums rent out space for advertisements. Libraries set up photocopy rooms and other fee-charging services.

This produced counterproductive consequences for social welfare, because public services, such as low-income housing, health and education, received insufficient investments. Regional inequality in public goods provision also enlarged. Without check-and-balance mechanisms for local regimes, fiscal decentralization in China increased the autonomy of local governments to dispense resources prioritizing

economic programs over social programs. To a large extent, China’s problematic fiscal decentralization has been a structural cause for rural migrants’ delayed and segmented integration into the urban society. Education is the best example.

Fiscal decentralization induced a “multiplier effect” for the worsening of education inequality. In 1985, the state government demanded provincial governments to coordinate county-level governments in local education financing. Since then, county and township governments have directly relied on peasants themselves to provide for local basic education.

Table 6-2. Distribution of Budgetary Expenditures, by Level (2004)

	Budgetary Expenditures	Education	Health	Social Welfare and Relief
Central	28%	7%	3%	0.7%
Province	19%	15%	22%	9.5%
Municipalities	22%	18%	31%	26.6%
County+Township	31%	61%	44%	64%

* Source: Wong (2008)

This has worsened education facilities in poor regions. Richer cities and regions have better education resources, which set up entry thresholds for incoming migrants (both urban and rural) to enjoy these privileges. In 2003, urban regions spend three times more on education than rural regions in terms of per capita recurrent expenditure (UNDP 2005). From my interviews with local administrators, the state-local government relationship has deteriorated into a system lacking certainty and transparency. Education officials often say, “Policies from above are not clear, so we just do what seems least risky for now.” This “downward accountability” is a disincentive for local governments to provide adequate services. The fragmentation of

authority and loose accountability reinforce the importance of “*guanxi*” clientelism, opportunism and corruption.

Localism and Rent Seeking

Many scholars maintain that the transition from socialist planning to a decentralized but partially marketized economy is highly likely to be accompanied by rising rent seeking (Lee, 1990; Sands, 1990; Liew, 1993). Manion (2004) offers a game-theoretic analysis of rent seeking (or a type of “corruption by design” in her vocabulary) in transitional economies, where the “institutional design” includes changes in both formal structures and informal expectations which pose as inductive conditions for rent seeking, such as “information asymmetry, monopoly power, high expected costs of citizen appeals” (Manion, 2004).¹¹⁹ Some government regulations result in a “snowballing effect” in the scale of administrative power: government interference into economic activities creates room for rent seeking, and this consequence later causes the government to further interfere.

In China, each process is intensified by highly decentralized administrative power. Consequently, public goods are “hijacked” and priced higher (even made unavailable) to certain groups, which makes a type of rent. “Symptoms of a trapped transition” gradually emerged with increasingly “decentralized administrative predation” (Pei, 2006). The mixture of “centralized government” and “centralized administration” make a powerful political apparatus, an extreme form of domination by the

¹¹⁹ Take residence control or *hukou* licensing for example. Information about how to transfer one’s *hukou* status through inter-marriage is held by the Public Security Bureau as “internal” and inappropriate to distribute. Procedures are obscure, and it’s extremely costly for rural migrants to make any appeals if they encounter injustice during the *hukou* transfer process. Liu (2008) mentions that for rural migrants who purchased real estate in Shanghai to get a BSH, they still need to wait for a few years to finally obtain one. During this time, any violation of existing “laws” (such as the one-child policy) could result in loss of such eligibility.

bureaucracy (Wu 1995).¹²⁰ Tocqueville notes a similar observation of the French government before the revolution:

“... a centralized government acquires immense power when united to centralized administration. Thus combined, it accustoms men to set their own will habitually and completely aside; to submit, not only for once, or upon one point, but in every respect, and at all times. Not only, therefore, does this union of power subdue them compulsorily, but it affects their ordinary habits; it isolates them, and then influences each separately. ... Although such an administration can bring together at a given moment, on a given point, all the disposable resources of a people, it injures the renewal of those resources. It may insure a victory in the hour of strife, but it gradually relaxes the sinews of strength. It may help admirably the transient greatness of a man, but not the durable prosperity of a nation. ... But whenever a central administration affects completely to supersede the persons most interested, I believe that it is either misled, or desirous to mislead. However enlightened and skillful a central power may be, it cannot of itself embrace all the details of the life of a great nation. Such vigilance exceeds the power of man.” (Tocqueville 2002[1865]: 108-114)

This “union of power”, according to Tocqueville, produces social psychological changes both among political actors and the governed. Commoners, who were subjects of these formal structures, had little influence over the process of policy formulation. The overstuffed administrative bureaucracy in China has appeals as “lucrative” and “leisurely” positions for the better educated, giving rise to the “civil servant exam fever” (Reuters, Jan 19, 2009).¹²¹ Even the state media is unambivalent about what is behind the rush into the “power ladder”: although basic salaries are kept low, civil servants receive lump sums of “grey income” (cash subsidies and allowances) and social security packages (Southern Daily, Oct 31, 2005; China Youth News, Nov 28,

¹²⁰ Tocqueville (1865: 108) defines the two terms of “centralized government” and “centralized administration”—“when the power which directs the former or general interests is concentrated in one place or in the same persons, it constitutes a centralized government. To concentrate in like manner into one place the direction of the latter or local interests, constitutes what may be termed a centralized administration.”

¹²¹ In 2009, the exams attracted over 775 thousand candidates competing for 13500 national posts.

2006). Tens of thousands of street committee administrators and *hukou* police (*huji jing*) in China's cities, who directly extract via user charges, make up the grassroots positions of this ladder.

Much Ado about Law-Making

Local governments' low commitment to provide public services persisted also because of the absence of enforceable legal penalties. Many newly made laws were not "legally binding" for local governments. Take the Education Law for example. Although the state mandates nine years of compulsory education for all children, empirical evidence shows that from 1985 to 2000, about 150 million rural youths did not receive nine years of education due to overcharges by schools (Zhang 2003). In fact, legal enforcements in the area of education have been so feeble that all types of illegal activities, such as embezzlement of education funds and delay and arrears of teachers' wages, are prevalent in basic education enterprises.

Constitutional rights in China do not provide legal safeguards that keep the channels of mobility open. Between 1954 and 2004, the Chinese constitution has gone through five times of revision. In real life, however, informal law-like decrees and regulations are used as frequently as in the socialist era. State and local governments often improvise legislatures targeting the "floating population." Many migrant school founders express similar frustrations over the verbal commitment they hear on state media—one has to know the difference between what is on paper and what is actually going on. Education officials are equally confused about the codes, despite frequent meetings where they ritually study the "guidelines" given by higher-ranking leaders. These verbal "decrees" are often packaged into catchy slogans rather than specifying the legal responsibilities and costs of penalty for malfeasance.

Hukou legislation, for example, has always been a secretive process as I found out at the beginning of my fieldwork. I used personal connections to approach the Public Security bureau but was warned by close friends who work inside the *hukou* police system that any questions relating to *hukou* legislation are “highly sensitive.” In this context, local government bureaus manipulate *hukou* policies to their best interests.

Take the new Shanghai Residence Permit (*juzhuzheng*) system as another example. In 2004 the city government announced this system to take effect, stating clearly that rural migrants *can* apply for Shanghai Residence Permit. Public media lauded it as a liberal progress. But when rural migrants go to apply, the office staff tell them that this permit has two types—a six-month permit, and a long-term permit. Individuals who wish to obtain the long-term permit need to submit proofs of stable jobs and housing. Many of my informants found out at the government’s office that the new permit system is no different than the notorious “temporary permit system” before 2003. This second type of long-term residence permit is a basic criterion for one’s child to enter local public schools.

This example shows that vaguely defined guidelines for *hukou* reform from the state were exploited by local administrators to their own interests. OECD report on the governance of China’s public sector summarizes a few major defects of the changing system, including lack of co-ordination, incoherence of public action, fragmentation of decision-making responsibilities, and co-existence of institutions with conflicting working rationale (OECD, 2005: 23).

Politicized Urbanization: From Central Planning to Urban Planning

Many public policy failures in China are rooted in the belief of the “omnipotence and omniscience of state planning” (Saunders, 2001:50). Post-socialist urban planning strategies followed central planning in committing the same mistake. Since the mid

1980s, the state has experimented strategies to “develop small towns” in order to divert migration flows from entering into large cities. Preferential policies were made to develop coastal regions since 1992, a state-manipulated urbanization plan. In the same time, the state strictly prohibited the transfer of residence status (*hukou*), creating a peculiar pattern of “staged urbanization without integration” as I term it. It was not until 1998 when the State Council approved transfer of *hukou* status under its guidelines.¹²²

In post-socialist urbanizing China, top-down directives and bottom-up processes often run into conflicts. Political actors with redistributive power continue to favor “totality” and “gigantism” in their ways of organizing the space and urban planning (Kostinskiy, 2001:451). But these “rationalist planning” policies, similar to what was criticized by Jacobs (1961) in the United States, violently disrupt communities characterized by layered complexity and what appears to be chaos. Saunders (2001:50) seconds with Jacobs in noticing the counterproductive spatial engineering:

“... there is an inherited ‘wisdom’ in evolved urban forms which, although it lacks ‘purpose’ and is opaque to our conscious understanding, nevertheless helps structure and order the environments in which we live. There is often a spontaneous order in the apparent chaos of the largely unplanned city just as, conversely, there is a profound absence of social organization and cohesion in many post-war planned urban environments. ... If this is correct, then attempts to re-engineer social cohesion by forcing spatial proximity upon socially distant groups have failed because they have run against the grain of our genetic inheritance. ... that unplanned urban environments often ‘work’ because they (unconsciously) incorporate an evolved spatial ‘syntax’ which is lacking in consciously designed urban blueprints.”

This planning ideology is even stronger in an urbanizing nation with a central planning legacy. Most local governments in China’s cities considered rural-migrant-

¹²² These guidelines specified that children of migrant families could choose to inherit residence status from either the father or the mother; while previously children can only inherit the mother’s status.

concentrated areas as “face-loosing” sites with potential of social unrest. A prevailing state rhetoric in China nowadays is “To Construct A Harmonious Society” which was invented in 2006 by the Hu-Wen administration as a socio-economic vision.

Ironically, “harmonization” has become a euphemism for eradicating socio-economic elements that are seen as “politically incorrect.” In the official rationale, the emergence of rural migrant neighborhoods signals illegality and chaos, instead of needs for public goods provision. In times of international showcases, such as the 2008 Olympics in Beijing and the 2010 International Exposition in Shanghai, “beautification of the city” becomes another justification for demolition campaigns.

With the land system still in public ownership, many Chinese cities are seeing demolition and reconstruction campaigns directed by the coalition between local officials and private developers to wipe out slum-like dwellings (Wu 2002).¹²³ The real estate market has become a battlefield for companies to compete for political resources. In cities, gated commercial housing communities are encroaching on low-rise old town neighborhoods. The urban poor are gradually pushed to the invisible verges of the suburbs.¹²⁴ In sum, China’s urbanization took on the institutional inertia of the society’s unfinished opening up—redistributive institutions in land and public service are still based on differential citizenship, which continue to function as carriers of institutionalized discrimination.

Citizenship and Informalization

Clark (2003) argues that underlying the legal order is the informal conceptualizations of “rights” and “citizenship”, or the consensus of what is “just”

¹²³ Recent surveys show that over 60% of rural migrants live in slum-like dwellings, with another 29% living in factory dorms or workshed, also substandard conditions (Wu 2002).

¹²⁴ From 1991 to 1997, SH city has effectively relocated more than 1.5 million people to the outskirts. These efforts continued throughout the past decade.

among members of that society. In paternalistic states, as Anagnost (1997) and Ong (1999) argue, individuals construct a version of “passive citizenship rights,” which view individual rights as conferred by benevolent authorities. From my interviews with rural migrants and urban administrators in Shanghai, I find these normative beliefs to be as binding as the formal system itself.

Institutionalized closures perpetuate themselves because few members of that society feel uncomfortable with such systematic exclusion, including the discriminated group themselves. Even now, rural migrants tend to normalize or internalize such status discrimination. Sometimes my informants compared their current life with the socialist memory, an age of immobility and starvation, and commented that life as a recycler or a peddler in the segregated neighborhood offers at least some economic “freedom,” if not a lot. But even in situations when they encounter extreme mistreatments (e.g. wage arrears, physical abused, or infringements of other labor rights), “getting organized” would sound like a high-risk and “subversive” method. The silent suppression by the official rhetoric “building-a-harmonious-society” is strong to turn off these reactions. Many rural migrants hesitate to vent out their dissatisfaction and verbally pledge loyalty to the ruling party, but I often sensed fear between their lines.

In explaining why “bounded and exclusive citizenries” persist in a time when the world is increasingly bridged by modern transportation and communication, Brubaker (1992:9) also stresses that due to “ideological” and conceptual continuity, “citizenship” continues to be a powerful instrument of social closure within or between states:

“Every state establishes a conceptual, legal, and ideological boundary between citizens and foreigners. ... discriminates between citizens and resident foreigners, reserving certain rights and benefits, as well as certain obligations, for citizens. ... Its legitimacy depends on its furthering, or

seeming to further, the interests of a particular, bounded citizenry.”
(Brubaker, 1992: 10)

China’s quasi-feudal system of *hukou* and the differential citizenship (Wu, forthcoming) for the rural class persist because they generate a social order that is “compatible with the incentives and constraints of those in power” (North et al. 2007). Without fundamental changes made to the political system, China is not likely to effectively curtail the perpetuation of exclusion and poverty of the rural migrant class. Recent years have seen many oscillations of state policies towards this issue.¹²⁵ But political officials have just come to the realization that many public policies in the past have institutionalized discrimination against rural migrants. However, programs to eliminate exclusion and discrimination on rural migrants’ second generation have not been effectively enacted.

¹²⁵ An editorial by China’s thirteen newspaper urged for genuine *hukou* reform again in March of 2010, but this editorial was soon removed from the website on the second day. A week later, the chief editor of one newspaper was removed from office. See “Chinese Editorials Assail a Government System,” *New York Times*, Mar 1, 2010. “Chinese Editor Punished for Bold Editorial,” in the *Associated Press*, Mar 10, 2010. Earlier exposures of *hukou* reform include: “China Reviews ‘Apartheid’ for 900m Peasants,” in *The Independent*, Jun 10, 2001. “China Rethinks Peasant ‘Apartheid’”, in *BBC News*, Nov 10, 2005.

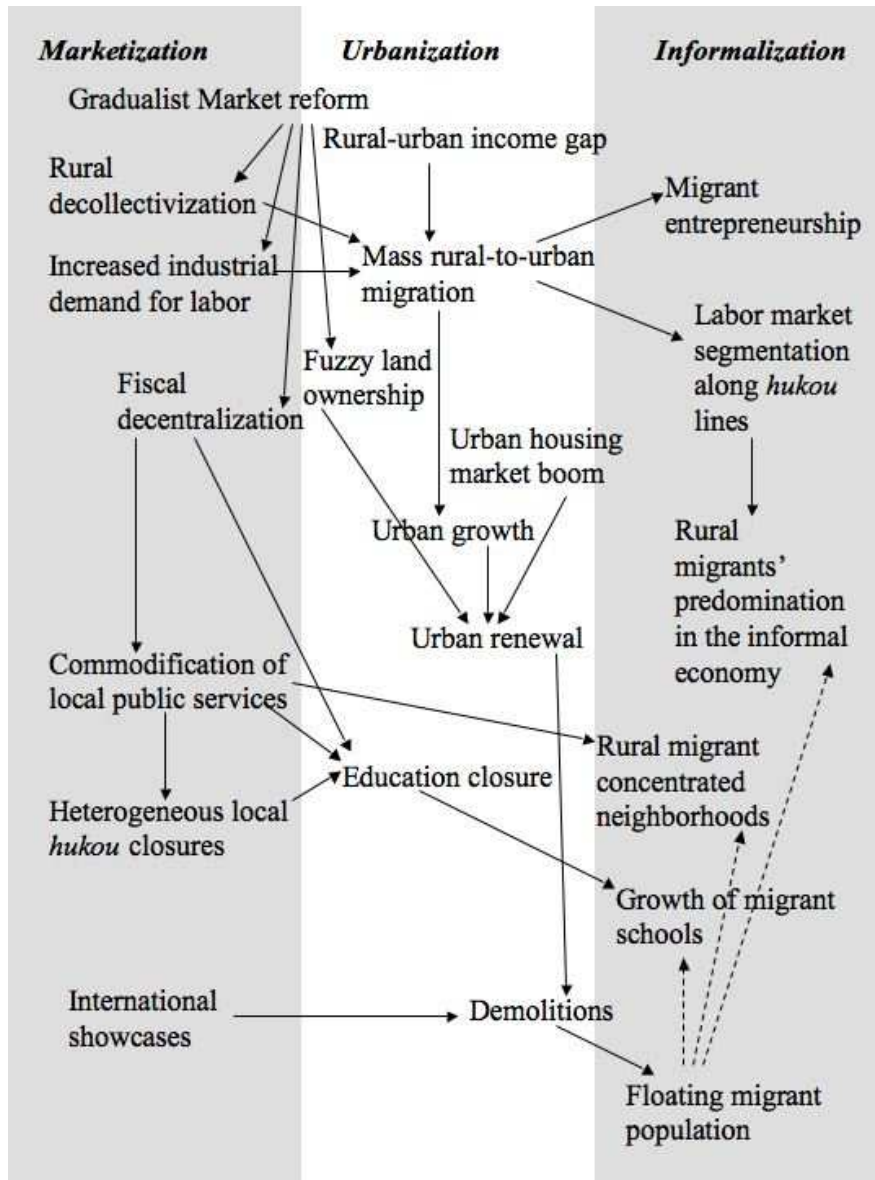


Figure 6-1. Interplay of Marketization, Urbanization and Informalization Processes and The Perpetuation of Inequality among Rural Migrants

Deinstitutionalization: A Comparison

I compare China's *hukou* abolition efforts, a slowly emerging social movement, with two similar processes of deinstitutionalization: the Civil Rights movement against the Jim Crow laws in the United States and the Anti-Apartheid movement in South Africa. I argue that these three systems of differential citizenship and separation are comparable. Firstly, they all had historical roots in closed social systems (slavery, colonialism, and Soviet-type central planning). Secondly, each system resulted in an imposed domination of one status group over another distinguished by a certain ascribed trait (race and the quasi-ethnic native-place identity).

Societies awaiting positive social change towards a more open order usually see social movements emerge as potential agents that contribute to “the creation of a public space ... in which consequential deliberation over public affairs takes place” (Tilly 1993). McAdam's political process model of social movements argues that for movements to emerge there needs to be a ‘structural potential’ following “expanding political opportunities” and “indigenous organizations of the minority community” (McAdam 1999[1982]). This potential is then transformed into actual insurgency after a process of “cognitive liberation” or “ideological shift.”

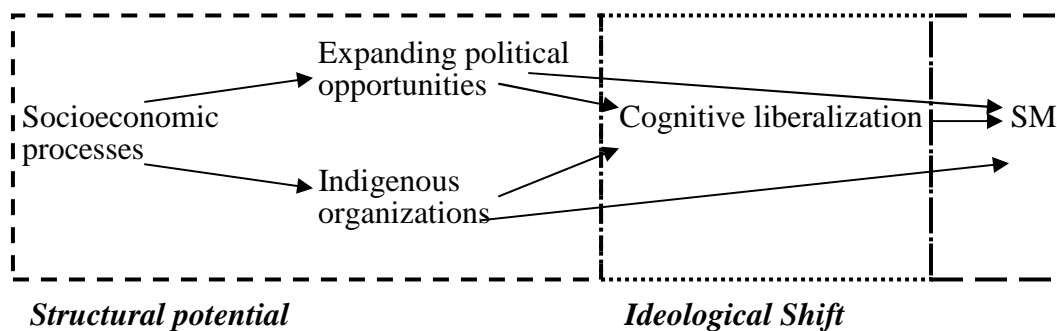


Figure 6-2. McAdam's Political Process Model (1982)

Socioeconomic processes, ideological changes, expansion of political opportunities, and the mobilization of civil society organizations helped the two systems in the United States and South Africa to disintegrate. In the United States, even when every individual is treated equally by the state, institutionalized discrimination still existed. The combination of laws, public and private acts of discrimination, marginal economic opportunity, and violence directed toward African Americans in the southern states became known as Jim Crow laws (1876-1965).¹²⁶ Gradualist approaches towards racial desegregation became one source of frustration among common citizens. By the late 1950s, evidence of changing attitudes were observed around the country. Due to African Americans' service in the World War II, many advocated for equal citizenship. Some veterans became active mobilizers in the movement. A combination strategy of direct action with nonviolent resistance, known as civil disobedience, left a legendary imprint in the US history. In South Africa, the British colonialists established the programme of Apartheid which led to constant internal resistance and violence. The imprisoning of anti-apartheid leaders stirred up a series of uprisings and protests. Reforms in the 1980s failed to quell this mounting opposition. Peaceful negotiations began in 1990 and culminated in multi-racial democratic elections in 1994. In these two cases, a series of historically and institutionally embedded factors concerted pushed for desinstitutionalization.

¹²⁶ The Jim Crow laws mandated *de jure* racial segregation in all public facilities with the slogan of "separate but equal."

Table 6-1. Deinstitutionalization of Systems of Differential Citizenship

	US Civil Rights (1941-1964)	South Africa Anti-Apartheid Campaigns (1948-1994)	China Post-reform <i>hukou</i> Abolition (1984-)
Political regime	Liberal democracy	Hybrid (white rule, democracy)	Authoritarian communist party-state
Historical legacy	Slavery	Colonialism (e.g. 1913 Land Act)	Ancient state domination, Soviet-type central-planning
Legal apparatus	Jim Crow Laws (1876-1965); <i>Brown v. Board of Education</i> (1954)	Political partition policy (1948), Prohibition of Mixed Marriages Act (1949), Population Registration Act (1950), Group Areas Act (1950), Bantu Authorities Act (1951), Bantu Education Act (1953)	PRC Hukou Registration Regulations (1958); Prohibition of Peasants' Migration into Townships (1964); Abolition of Freedom of Movement from PRC Constitution (1975); Tighten Control of Rural Labor Into Cities (1981); Detention and Deportation System (1982)
Socioeconomic processes	The Great Migration of southern poor black Americans	During downturn, maintenance of segregation proved uneconomic; blacks (70% of the population) lacked purchasing power due to poverty; growing trend of decolonialization	Market transition, rural decollectivization, endogenous economic growth; regional inequality induces the rise of rural-to-urban migration
Political opportunities	Expanded	Expanded	Limited; legislative offices are staffed by urban elites
State Actions	Supreme court rulings	Negotiations from 1990 to 1993; universal suffrage in 1994	Abolition of Detention and Deportation System (2003), New Labor Law (2009)
Organizational strength	Civil society organizations, especially church groups, formed and successfully mobilized civil disobedience.	Creation of organizations using peaceful or armed strategies; often oppressed brutally by the state; church groups played a pivotal role.	Suppressed civil society; lack of peaceful bargaining strategies; church groups or faith-based organizations are banned.
Ideological shift	Direct, peaceful acts of civil disobedience in the 1950s and 1960s led to changes in attitudes around the country.	International scrutiny and ban since 1960; Influence from US anti-apartheid movements.	In the process of change since 2003; emerging liberal discussions in state media; strong social prejudice due to localism; little change in mainstream attitudes towards equal rights.

In contemporary China, so far only socioeconomic processes (that is, market transition) are functioning as endogenous forces for the system's partial disintegration. Without political liberalization, the structural potential is limited. Political liberalization and civil society organizations are in even weaker forms. An ideological shift has just taken place in the early 2000s, symbolized by the participatory abolition efforts after the Sun Zhigang event. In the years that followed, however, China failed to produce similar effective participatory processes in the civil society regarding the system. Based on this model, the deinstitutionalization of China's *hukou* system still faces many institutional barriers, both formal and informal.

Institutional Mechanisms: A NIES Model

Under China's partial reform, the institutional matrix of political, fiscal, and economic constraints comprises the deeper causes that determine rural migrants' purposive actions and networks advancing segregative more often than integrative processes (Greif 2006; Nee and Ingram 1998). Firstly, gradualism preserved major pieces of the political bureaucracy, of which *hukou* being an important device of governance and social control. Secondly, the heterogeneity in local institutions, due to fiscal decentralization, resulted in a fragmented localism with "fiefdoms" controlled by local officials who prioritize economic growth over equal rights (Young 2006). Lack of participatory processes in law making and policy-making led to oscillations of *hukou* reform, creating greater uncertainty in the institutional environment. Behind formal restructuring, ideological changes became more fundamental. The legacies of traditional state governance and central planning imprinted a belief in the inferiority of the rural class, which still dominates the minds of most Chinese. McAdam highlights the importance of this process of cognitive realization among individuals of the disadvantaged group:

“While important, expanding political opportunities and indigenous organizations ... only offer insurgents a certain objective ‘structural potential’ for collective political action. Mediating between opportunity and action are people and the subjective meanings they attach to their situations... this process must occur if an organized protest campaign is to take place” (McAdam, 1982:48).

An ideological shift, I argue, has just begun since 2003 symbolized by the abolition of the Detention and Deportation System after the Sun Zhigang event. In that year, the central state became aware of the necessity to acknowledge rural migrants’ economic contribution and to protect their legal rights (Froissart 2005). However, for the mainstream beliefs to align with a conceptualization of “equal rights” and “equal citizenship,” this process is still in its primitive stage. The legacies of traditional governance and central planning imprinted a differential citizenship viewing “ruralness” as an inferior status. The rule of *jus sanguinis* embodied in the Chinese *hukou* is still received as legitimate. A shift in mainstream attitudes and opinions regarding the equality of rights is yet to occur.

In a post-socialist economy where such institutionalized discrimination persists and a rule of law has not yet established, at an organizational level, private enterprise employers, urban administrators, and urban public schools gain from practicing discrimination. Lack of coercive isomorphism in these organizational fields led to persistence of prejudice and exclusive policies (DiMaggio and Powell 1983). Take the urban economy for example. Without equal employment laws, employers gain, rather than are penalized, when they discriminate. The central contradiction, but also a self-reinforcing mechanism of the whole system’s persistence, arose out of the need to secure a cheap and disposable supply of labor while minimizing the costs of their presence in the city. China’s export-oriented economic growth generated the momentum for hiring cheap labor, thus the structure for a system like *hukou* to exist.

Without increasing the costs of discrimination, economic incentives only legitimize the wage structure as something “natural” in a segmented labor market. Such private discrimination largely exists in every economy. But state-endorsed or state-sponsored discrimination have far-reaching social ramifications.

Rural migrants’ presence in the urban society, including their participation in the informal economy, their concentration in poor neighborhoods, and their institutional subversion in various forms (including the creation of an informal education sector), all signal “illegality” and “chaos.” These activities produced unintended consequences and invited order-seeking regulations. The prime time of urban renewals legitimize coercive regulations such as demolitions and evictions for the visual order of the city. These actions by local authorities reinforce the distinction between urban residents and migrants.

This dissertation project focuses on how rural migrants emerged as an underprivileged working class after China’s gradualist reform out of state socialism. Three years of empirical fieldwork, archival research and writing up on this topic gradually unraveled to me the significance and complexity of this issue. With the efforts to document the multi-faceted processes of rural migrants’ assimilation into the urban society, a much broader theme emerges: what makes it so difficult for a society to transform from a closed system to an open order?

Economic history shows that economic growth, in the long run, contributes to more opportunities and freedom for individuals, pluralistic tolerance, more social mobility, more social equity, and democratization (Friedman, 2007). These processes have happened in China but only to a limited extent. As Sen (1999) claims, overcoming social “closedness” represented by deprivation, destitution and oppression is “a central part of the exercise of development”. This “development as freedom”

concept is yet to be grasped by the Chinese who have been over-preoccupied with GDP growth of the economy, termed by Sen as “narrower views of development”:

“Development consists of the removal of various types of unfreedoms that leave people with little choice and little opportunity of exercising their reasoned agency. ... The intrinsic importance of human freedom, in general, as the preeminent objective of development is strongly supplemented by the instrumental effectiveness of freedoms of particular kinds to promote freedoms of other kinds. The linkages between different types of freedoms are empirical and causal, rather than constitutive and compositional.” (Sen 1999:xii)

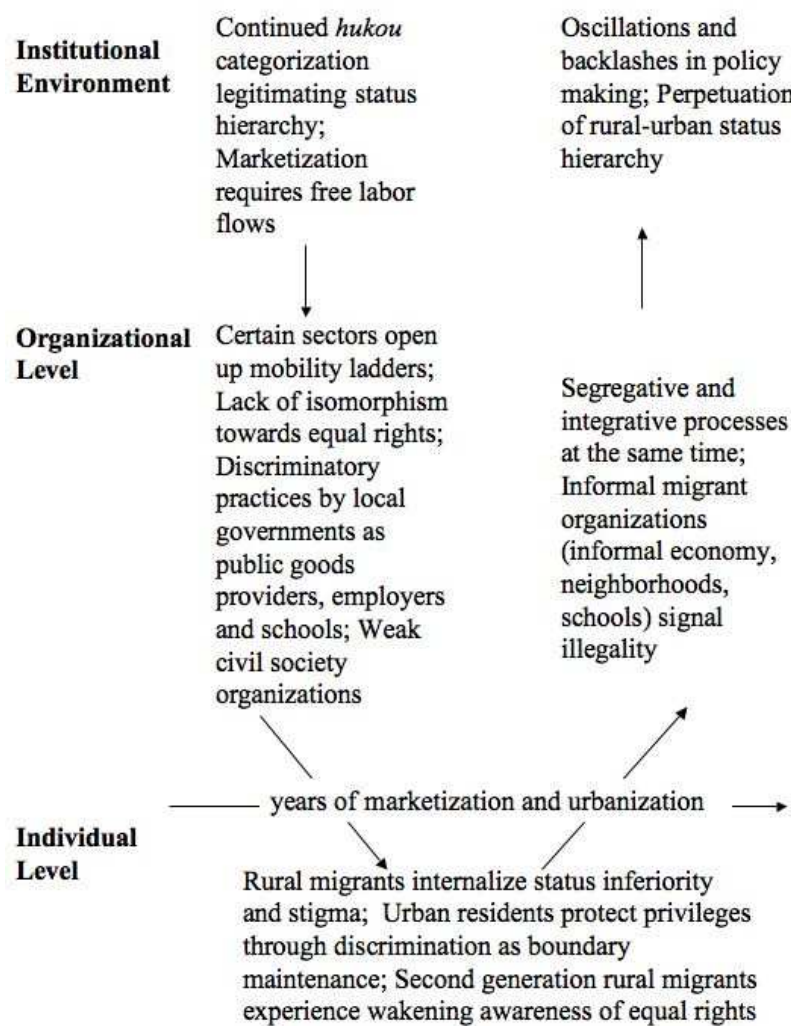


Figure 6-3. NIES Model: the Perpetuation of Rural-Urban Distinction after Market Reform in China

The change from a closed social system to an open social order is a difficult one because “rent-creation through the assignment of exclusive rights and privileges” produces a unique type of self-reinforcing equilibrium. China’s two-tiered *hukou* system has been staffed by urban elites, who inevitably form a common interest group to enforce the borderlines of entitlements to privileges. Through technological tools in the modern state, this type of social domination has taken on more subtle forms.

Limitations and Future Research

In the summer of 2007, I spent two months in Beijing and Shanghai doing a pilot study on rural migrant workers. A rural migrant neighborhood in Zhijingshan district of Beijing caught my interest because of its gigantic size: over 40 thousand “floating population” in this urban-rural periphery (*chengxiang jiehe bu*) of less than one square kilometers. Businesses, markets and migrant schools thrived in this area. Over 30 thousand adult rural migrants labor in Beijing’s manufacturing, construction, and service sectors. They also made up the construction crew for the Olympics facilities. By July of 2008 when I revisited, this neighborhood was completely bulldozed. Standing on the relics of what used to be the market street, my NGO friend Ying said, “Twenty years from now on, who will ever know that there used to be people, thousands of working people who labored and lived here?” She seemed to be murmuring to herself, “Their stories are never recorded, and they are gone in a minute, just like these brick houses.”

The initial motivation for this study is to record rural migrants’ untold stories. I see the scholarly efforts in excavating the class of rural migrant workers in its formative years from the mid 1980s to the present lacking among both Chinese and western sociologists. Like what E. P. Thompson (1980:12) set out to do in “seeking to rescue the poor stockinger, the Luddite copper, the ‘obsolete’ hand-loom weaver, the

‘utopian’ artisan, and even the deluded follower of Joanna Southcott, from the enormous condescension of posterity”, I desired to do similar things with the historical and contemporary phases of this topic. But after extensive research and rethinking through writing-up, the understanding of the historical torrents as well as social forces that shape rural migrants’ life trajectories made me rethink more generalizable themes such as institutional change, ideological shift, social mobility and class formation.

As Lipset and Bendix (1962) argue, industrializing societies tend to expand to allow higher internal social mobility, and hereditary aristocracy is bound to make way for mobility from the lower strata. Market-driven industrialization much later in the Chinese society, leaving these complex symptoms entangled together. The attempt here is not to project rural migrant workers as the victim of history. Nor am I seeking to depict government or political actors as rapacious oppressors. The social problem here is a true dilemma when China’s transition towards a free market economy is only half way through. Residue beliefs, norms, status hierarchies and institutions have strong hold on the Chinese. As social actors, their choices and behaviors are also “intendedly rational, but only limitedly so” (Simon 1957). Through the one-year ethnographic research, I can only present parts of these processes with the data I collected. Although I point out the two meso-level institutions that determine the basic redistributive system in China, i.e. the fiscal system and the administrative bureaucracy of urban governance, I only had access to secondary literature on these two aspects. In-depth qualitative research can be done to shed light on these political processes. This line of research is important, not just because they offer interesting intellectual exercise on societies change, but often they reflect the dilemmas of social reality.

In the future, more work can be done through both carefully designed longitudinal surveys and longer periods of qualitative fieldwork. The intergenerational mobility, in particular, deserves more scholarly attention because second generation rural migrants make up a potential force for social change in both the Chinese economy and society. The ideological and institutional processes are only beginning to attract sociologists' interests.

APPENDICES

Appendix A. In-Depth Fieldwork Interview Outline

[Migration History]

For what reasons did you first decide to migrate to the city? What was your living condition like when you were in your hometown?

Where have you been? What kind of jobs have you taken? Do you have to obtain any permit for these jobs? Have you received any trainings for these jobs?

Is life getting better for you over the years?

Did you receive help from relatives or friends for all your past jobs?

[Current Job]

How did you get this job? (Or How did you start this business?)

Can you describe what you do on a regular day for your current job?

What skills does your job require? Have you developed some expertise?

How do you get along with people you meet at work everyday?

How do you get along with government officials here? What do you think of them?

What is the usual difficulty you encounter during work?

[Rural-Urban Ties]

How often do you go back to visit your family?

How is the economic situation in your family in your hometown now? How dependent are they upon your contribution by working in the city? How has it changed over the years?

How often do you send remittance back home now? Over the years, how much have you contributed to your family income?

[Community and Neighborhood]

In your personal network, whom do you often socialize with? (Who are your best friends?) How do you spend time together?

When and why did you choose to live in this neighborhood? And how do you find life living here? Do you feel belonging here?

How has this neighborhood changed over the years?

How do you get along with people in this community?

How do you see people from *** region as different from you?

Do you associate with those in the same business as you in this neighborhood?

[Second Generation Education]

How is your child's schooling situation? Does he/she go to a public school?

How much do you invest in your child's education?

What do you expect of him/her in the long term?

Appendix B. Coding Frame of Qualitative Interview Data

Theme		Topic		Sub-topic	
H	Hukou system	H1000	Constraints	H1001 H1002 H1003 H1004	On job opportunities On work conditions On social security On education
		H2000	Loosening		
Q	Detention and Deportation system	Q1000	Abuse	Q1001 Q1002 Q1003	Experiences of detention Experiences of deportation Violence
C	City management	C1000	system	C1001 C1002	regulations Personnel
G	Bureaucratic system	G1000	Rural bureaucrats	G1001 G1002	Morale Social impacts
		G2000	Urban bureaucrats	G2001 G2002	Incentives Regulations
E	Children's education	E1000	Parents	E1001	Value education
				E1002	Parents' responsibilities
				E1003	Family education methods
				E1004	Decision to transfer
				E1005	Separation from children
		E2000	Rural education	E2001	Schools
				E2002	Teachers
				E2003	Overall conditions
		E3000	Migrant schools	E3001	Experiences of transfer
				E3002	Facilities
E3003	Teachers				
E3004	Pedagogy				
E3005	Continued education				
E4000	Urban education	E4001	Policies by authorities		
		E4002	Entry thresholds		
		E4003	Discrimination		
		E4004	Reception to migrant children		

CX	Urban-rural gap	E4005	Overall evaluation of children's education	E4005	Teachers		
		E5000	Expenses	E5001 E5002	Needs Current conditions		
		E6000	Expenses	E6001	Tuitions Future career prospects		
		E7000	Career	E7001	Future prospects		
		E8000	Prospects	E8001	Future prospects		
		E9000	Transfer back to rural schools	E9001	Impacts		
		CX100	Subjective understandings	CX101 CX102	Before migration After migration		
				CX103 CX104	Returning experiences On the city		
		CX200	Return to rural	CX201	Plans to return		
		CX300	Family planning	CX301 CX302	Family size Penalty due to one-child policy		
S	Social identity	CX400	Work in rural hometowns	CX401	Job opportunities		
		S1000	Subjective identification	S1001 S1002 S1003	Different from urbanites Feel the inequality Double identities		
				S1004	Hope to change in the future		
		S2000	Social labeling	S2001 S2002 S2003	By urban residents By urban administrators By urban school educators		
		J	Urban employment	J1000	Initial job search	J1001 J1002	Hard to enter formal jobs No insurance
						J1003	Economic improvement
				J2000	Jobless	J2001	Experiencing joblessness
				J3000	Informal employment	J3001 J3002	Street vending Factory work
				J4000	Labor market	J4001	Segmentation
				J500	Wages	J501	Wage deductions or suppressions

U	Inequality	U1000	Jobs	J502	Low wage		
				U1001	Unequal pays for equal work		
				U1002 U1003	Workplace discrimination Work time		
		U2000	Welfare	U2001	Insurance and welfare s		
				U2002	Work conditions		
		U3000	Children's education	U3001	Right to school		
				U3002	Right to compulsory education		
				U3003	Right to continue education		
		U4000	Discrimination	U4001	Experiences Subjective feelings of being discriminated against		
				U4002	Tendencies		
CR101	Subjective evaluations of migrants' criminality						
CR102	History and composition						
CM	Community	CM100 CM200	Observation Communal life	CM101	Incidents		
				CM201 CM202 CM203	Relationships Community setting		
		CM300	Demolitions	CM301	Reasons		
				CM302	Impacts		
				D1001 D1002 D1003	Define the term Feelings Future plans		
D	<i>Dagong</i>	I1000	Old illnesses	I1001	Impacts on jobs		
				I1002	Expenses		
I	Illnesses	I2000	Illnesses contracted in workplaces	I2001	Incidents		
				I3000	Medical services	I3001	Formal hospitals
						I3002	Informal clinics
M	Migrant schools	M100	Students	M101	Turnover rates and reasons		
				M102	Academic performance		
				M103	Chances for further education		
		M200	Teachers	M201	Mobility and turnover		
				M202	Wages		

		M300	Facilities	M203 M301 M302	Stress and workload Classrooms Other facilities
		M400 M500	Parents External aids	M401 M501 M502 M503	Relationship between schools and parents Donations External assistance Relationship with education authorities

Appendix C. Neighborhood Survey Questionnaire in the Pond

I 甄别问题 Screening Questions

请问您的户口是哪里的？具体是什么地址？

a) _____省_____市/县_____镇_____村

b) 上海本地户口 → 简单寒暄，感谢并终止访问

请问你成家没？有没有孩子？孩子在上小学吗？

还未成家……1 → 简单寒暄，感谢并终止访问

成家了，但没有子女……2 → 简单寒暄，感谢并终止访问

成家了，孩子在上小学……3 → 继续

成家了，孩子目前不在上小学……4 → 简单寒暄，感谢并终止访问

A. 子女入学和选校 Number of Children and School Choice

请问你家（指直系亲属，包括在家乡的）有几个正在上学的孩子？最大的多大？是男孩女孩？现在城市还是在农村？

在上学（或幼儿园）吗？上几年级？目前在读的学校是公立的私立的？平时给他买课外书或补课的费用大概多少？老二呢？…… [按年龄顺序逐个询问]

孩子	性别	年龄	现在居住地	是否就学	年级
第一个	男…1 女…2	__岁	城…1 乡…2	是…1 否…2	__
第二个	男…1 女…2	__岁	城…1 乡…2	是…1 否…2	__
第三个	男…1 女…2	__岁	城…1 乡…2	是…1 否…2	__
学校名称	学校性质	课外书/补课			
_____	公…1 私…2	_____元/年			
_____	公…1 私…2	_____元/年			
_____	公…1 私…2	_____元/年			

[针对目前或未来把孩子接到城市读书的]

我们想知道你在为孩子选学校的时候最看重什么。这里有5个方面，请选出你认为重要的。Reasons for Enrolling Children for Schooling in the City（最多选3个）

离家不远……1

伙食好……2

教学质量好……3

道德教育……4

特色教育（比如开设美术，音乐，体育，外语等特色课）……5

5. 您觉得您的孩子在学校接受的教育是否能够满足您的需求 Overall Satisfaction with Children's Education

a) 能……1 b) 不能……2

└ 5a. 如果不能，为什么？ If dissatisfied, why?

a) 课程设置单一……1 b) 教学进度太快……2

- c) 学校的环境不利于孩子身心健康成长.....3
- d) 课外活动少, 对孩子的动手能力重视不足.....4
- e) 其他_____

B. 家长与学校的联系 Parental Contacts with Schools

6.

我们也了解下您和学校的联系怎样。请问最大的孩子所在的学校是否定期举办家长会？你们家长是否固定参加？老师有没有过家访？这学期您是否和老师联系过（通过电话）？你是否希望老师来做家访呢？老二的学校呢？**[按年龄顺序逐个询问]**

填写本表时，注意与第1, 2题的表格对应。

孩子	学校是否定期有家长会？	你是否固定参加？	老师是否家访过？
第一个	有...1 没有...2	有...1 没有...2	有...1 没有...2
第二个	有...1 没有...2	有...1 没有...2	有...1 没有...2
第三个	有...1 没有...2	有...1 没有...2	有...1 没有...2
你是否希望老师家访？		和老师联系过？	
有...1 没有...2		有...1 没有...2	
有...1 没有...2		有...1 没有...2	
有...1 没有...2		有...1 没有...2	

7. 您都知道平时孩子在学校里上哪些课吗？
 a) 知道.....1 b) 不知道...2
8. 对于学校里所开的课程，您是否满意？
 a) 很满意...1 b) 基本满意...2 c) 一般...3 d) 不满意...4 e) 很不满意...5
9. 对于学校的硬件设施是否满意（包括教室的大小光线、操场、卫生状况等）
 a) 很满意...1 b) 基本满意...2 c) 一般...3 d) 不满意...4 e) 很不满意...5
10. 您认为现在的民工子弟学校和上海当地的学校有什么差距？（可多选）
 a) 教学质量不高...1 b) 办学的资金不够...2 c) 教师的责任心不强...3
 d) 学校的设施太差...4 e) 课程设置不合理...5 f) 政府政策不支持...6
 g) 其他_____

C. 教育期望 Educational Expectations

11. 请问就您现在的收入情况和对将来收入的预期，你希望自己的孩子能读到什么学历？
 a) 小学.....1 b) 初中.....2 c) 高中.....3 d) 专科.....4 e) 大学及以上...5
12. 请问您希望你的孩子将来从事什么职业？_____

D. 家庭教育 Parental Involvement in Children's Education

13. 请问你家孩子放学回家每天平均花多少时间写作业？_____小时
14. 您是否看过孩子学校的教材？ a) 有.....1 b) 没有.....2
15. 您是否为过孩子买课外书、辅导书或给他报名上任何辅导班？ a) 有.....1 b) 没有.....2
16. 您平时有没有花时间给孩子辅导功课？ a) 有.....1 b) 没有.....2
17. 请问你每天与子女相处交谈的时间有多少？
 a) 每天一小时及以上.....1 b) 每周一小时及以上.....2 c) 每月一小时及以上.....3 d) 每月不足一小时.....4

E. ROOT项目 Knowledge and Satisfaction with the NGO Programs

18. 您是否知道社区里有ROOT这个助学项目来帮助这里的孩子们开展一些课外活动？
 a) 知道并且打过交道...1 b) 听说过, 但并不了解...2 c) 不知道...3
19. 您对ROOT项目的活动形式 a) 非常了解...1 b) 了解...2 c) 不了解...3
20. 在您看来, ROOT的活动对孩子的孩子有帮助吗？
 a) 有很大帮助...1 b) 有帮助...2 c) 一般...3 d) 没什么帮助...4 e) 不清楚...5
 20a. 如果有帮助的话, 你觉得主要体现在哪些方面？
 a) 学习成绩提高...1 b) 学习主动性增强...2 c) 对知识的兴趣...3 d) 更能理解别人...4 e) 其他_____
21. 总的来说, 您对ROOT项目提供的服务满意吗？

- a) 很满意 b) 比较满意 c) 一般 d) 不太满意 e) 很不满意 (追问原因) _____
22. 您最希望ROOT给孩子提供那些帮助? (追问具体内容)
- a) 功课辅导 (哪门功课) _____
- b) 兴趣特长班 _____
- c) 户外活动 _____
- d) 课外知识拓展 _____
- e) 其他 _____

为了分析的需要, 我们还需要了解你几个“个人及家庭情况”的问题, 请不要介意。

背景资料 Demographic Information

请你在上海居住多久了? _____ 年

您在这个社区居住了几年了? _____ 年

您家在这个社区里有亲戚吗? 都有谁? _____

请问您的学历? _____

请问你现在具体做些什么? 工作: _____

请问你配偶具体做些什么? 工作: _____

请问你的个人月收入是? 家庭月收入是?

	个人	家庭
1000元及以下	1	1
1001-2000元	2	2
2001-3500元	3	3
3501-5000元	4	4
5001-10000元	5	5
10000元以上	6	6

姓名: _____ 性别: _____ 年龄: _____ 联系电话: _____

Appendix D. Four-School Survey Instruments

1. School Questionnaire (filled out by interviewing the principal of each school)

School type, founding year, initial sources of funding, current number of enrollment, class sizes, facilities, students' hukou, number of teachers, teachers' turnover rate, teachers' qualifications, teachers' wages, required permits/certification upon enrollment, tuition.

1. 学校名称: _____ 地址: _____ 区/县 _____
2. 学校性质: 1) 公立学校 2) 民办学校 3) 非正规学校 4) 其他, 请注明 _____
3. 最初办学时间 _____ 年
4. 学校预算情况: 自筹款项占 _____ % (含学生收费等项目); 政府拨款占 _____ %
5. 目前在校学生人数: 1) 学前部: _____ 班 _____ 人; 2) 小学部: _____ 班 _____ 人;
3) 中学部: _____ 班 _____ 人; 4) 其他, 请注明: (_____)
6. 本学期小学部人数情况:

	班级数	男生人数	女生人数	上海户籍学生	非上海户籍学生	转入学生	转出学生
一年级							
二年级							
三年级							
四年级							
五年级							

六年级						
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7. 学校是否配备以下设施？

学生用电脑房：1) 有； 2) 无； 图书室：1) 有； 2) 无；

操场： 1) 有； 2) 无。

以下问题只针对小学部

8. 学校教师人数情况（只包括本学期在学校上课的老师）：

教师总人数：_____人；其中：

具高级职称教师：_____人；具教师资格证的教师：_____人；师范类学校毕业教师：_____人

9. 以上教师的教龄分布情况

	1年以下	1-2年	3-5年	6-9年	10年及以上
教师人数					

10. 以上教师的学历分布情况:

	初中及以下	高中（中专/中师/职业技术学校）	大学专科	大学本科及以上
教师人数				

11. 以上教师的全年月平均工资收入（含奖金、津贴等）分布情况：

	1000元以下	1000-2000元	2000-3000元	3000-4000元
教师人数				
	4000-5000元	5000元以上		

12. 目前本校教师中，本学期转入教师人数：_____人；转出教师人数：_____人

（“转入教师”为：上学期不在本校，这本学期在本校教课的教师（包括新聘）；“转出教师”为：上学期在本校，本学期不在本校教课的教师（包括退休）。

13. 非上海户籍学生入学的要求（主要指进城就业务工人员子弟）

	需要	不需要
1) 流出地政府（乡/镇派出所）开具的“适龄子女户籍所在地无法定监护人”的证明	1	2
2) 父母双方在本市务工就业一年以上，并已参加上海市外来人员综合保险（持上海市外来人员综合保险卡）	1	2
3) 在本区有固定住所（持合法租房合同）并已连续居住满一年以上	1	2
4) 父、母及适龄子女的农业户口本，父、母身份证	1	2
5) 适龄子女预防接种卡	1	2
6) 在本区就读幼儿园（持相关证明）	1	2
7) 独生子女证	1	2
8) 其他要求，请详细注明	1	2

14. 上学期对学生的总共收费（含学费、书本费、伙食费、其他杂费等学生必交费用）：

上海籍学生：_____元/人；非上海籍学生：_____元/人

2. Class Questionnaire (filled out by interviewing the main-course teacher of each class)
Courses offered, class size, students' hukou, attendance, frequency of class disorders, qualifications of the teachers for this class, course hours

1. 学校名称：_____ 班级：_____ 年级_____ 班

2. 受访教师姓名：_____

3. 您是这个班级的：1) 班主任 2) 语文老师 3) 数学老师 4) 其他：_____

4. 您所带的这个班学生总人数为：_____人；其中：

5.本班任课老师情况：（包括被访者本人。若班主任不是语文、数学、英语老师，请在表格最后空行中列出。）

	班主任	性别	学历	教龄	在本校工作时间（年）	在本班工作时间（学期）	是否有教师证
语文老师							
数学老师							
英语老师							

学历说明：1) 初中及以下；2) 高中（中专/中师/职业技术学校）；3) 大学专科；4) 大学本科及以上；

7. 根据上周的课时情况来回答以下问题（如果上周不是一个正常周，请选择另外一周作为参考）

上一个正常周的课程安排为：总课时：_____；其中：

语文：_____；数学：_____；英语：_____；

其他课程：课程名称：_____；课时：_____；

3. Family Questionnaire (filled out by parents)

Relationship with the student, home address, duration of stay in the neighborhood, rent, reasons for choosing the neighborhood, hukou, income, job, education, expectation for children's education attainment, involvement in children's home education, duration of time spent with children, reasons for choosing the current school for the child, number of children

1. 您的姓名：_____

2. 您和孩子的关系：1) 父亲 2) 母亲 3) 其他，请注明：_____

3. 您目前居住的家庭地址：_____；您的联系电话：_____

4. 您是从何时开始居住此地的？_____年；

5. 您目前居住的地方是：1) 自有住宅； 2) 租房，房租每月是：_____元；

6. 您在选择目前居住地的时候，主要考虑的因素是什么？（可多选）

1) 房租或房价低； 2) 离工作点方便； 3) 小孩教育； 4) 周边环境及配套设施；

5) 其他因素，请注明：_____

7. 父母基本信息：

	父亲	母亲
姓名：		
出生年份：	_____年	_____年
户口所在地：	____省____市/县	____省____市/县
户口状态：	1) 城市户口 ----- 2) 农村户口 ----- 3) 其他：（ ）	1) 城市户口 ----- 2) 农村户口 ----- 3) 其他：（ ）
[此题针对非上海户口] 首次来上海工作时间	_____年____月	_____年____月
学历：	1) 初中及以下 ----- 2) 高中/中专/职校 ----- 3) 大专 ----- 4) 大学本科及以上	1) 初中及以下 ----- 2) 高中/中专/职校 ----- 3) 大专 ----- 4) 大学本科及以上
目前从事的工作：		
目前工作开始时间：	_____年____月	_____年____月

目前平均每月收入：	1) 1,000元及以下	1) 1,000元及以下
	2) 1,000—3,000元	2) 1,000—3,000元
	3) 3,000—5,000元	3) 3,000—5,000元
	4) 5,000—10,000元	4) 5,000—10,000元
	5) 10,000元及以上	5) 10,000元及以上

8. 该孩子出生时的体重是_____斤；
9. 您觉得孩子现在的学习对他的未来会有多大影响？
 1) 非常大的影响； 2) 有一些影响； 3) 基本没有影响；
10. 您选择让孩子在目前的学校就读，主要考虑的因素是什么？（可多选）
 1) 学校教学质量好； 2) 老师教学认真负责； 3) 离家近； 4) 收费便宜；
 5) 没有其他学校可供选择 6) 其他因素，请注明：_____
11. 您希望孩子未来的教育程度至少能达到：1) 初中； 2) 高中； 3) 大专； 4) 大学本科及以上；
12. 您平均每天和孩子在一起的时间大约是__小时，其中辅导作业的时间大约是__小时；
13. 该孩子家里是否有不满18周岁的兄弟姐妹？若有，请填写下列情况：

孩子姓名	性别	年龄	现在居住地	是否就学
1.	1)男 2)女	()岁	1)上海 2)外地	1)是 2)否
2.	1)男 2)女	()岁	1)上海 2)外地	1)是 2)否
3.	1)男 2)女	()岁	1)上海 2)外地	1)是 2)否
4.	1)男 2)女	()岁	1)上海 2)外地	1)是 2)否

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