BORDERS WITHIN THE BORDER: ECONOMIC DEVELOPMENT AND MOBILITY IN TWO SUB-REGIONS OF THE PEARL RIVER DELTA, SOUTH CHINA

by

JUNRONG DU

L.L.B., Sun Yat-sen University, 2003
L.L.M., Sun Yat-sen University, 2005

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF

DOCTOR OF PHILOSOPHY

in

THE FACULTY OF GRADUATE AND POSTDOCTORAL STUDIES
(Sociology)

THE UNIVERSITY OF BRITISH COLUMBIA

(Vancouver)

November 2014

© Junrong Du, 2014
ABSTRACT

This dissertation explores how local labour markets and labour migration are constructed within in the Pearl River delta region in Guangdong province, south China. The Pearl River delta region has become one of the most industrialized and prosperous regions in China since economic reform began in 1979. Industrial growth has occurred in areas that were primarily agricultural, yet the trajectory of growth has been uneven. Uneven development has generated two distinct economic structures and economic activities within the delta region. The core area is highly industrialized, and partially urbanized, while the periphery is less industrialized and by Pearl River delta standards marginally developed.

The data for this study were derived primarily from a survey conducted in five formerly rural communities in the Pearl River delta. Over 400 labour migrants were interviewed. Ethnographic observation and secondary documentary analysis complemented the survey data. I argue, firstly, that rural industrialization created large scale labour migration in and around village settlements rather than urban areas. Labour market formation in Chinese rural contexts offers a sharp contrast to current migration studies and labour market formation. Secondly, the hukou system and other policies of residence management have major consequences for labour migration in China. Labour migration occurs in a domestic context and despite some distinctions occurs within a single cultural system. Chinese labour migrants cross administrative boundaries and face cultural adjustment such as language and industrial work. They can be seen as analogous to foreign workers as described in international migration studies. Yet institutional arrangements create unequal access to the benefits of citizenship and distinctive living arrangements. They generate contested identities in the places where migrants seek employment. The social networks of migrants have become facilitating factors in obtaining jobs and initial settlement, yet they may also hinder social integration into highly solidary host communities. This study has implications beyond labour market formation and identity change. Given the large population of labour migrants in China and the patterns of labour
migration under specific institutional context and local social characteristics, it casts light on the profound social transformation in China as a whole.
PREFACE

This dissertation is an original intellectual product of the author, Junrong Du. The fieldwork reported in Chapter 5-7 has been approved by the Behavioural Research Ethics Board at the University of British Columbia. The Ethics Certificate number is H08-02543.
TABLE OF CONTENTS

ABSTRACT .................................................................................................................................................. ii
PREFACE ................................................................................................................................................... iv
TABLE OF CONTENTS ................................................................................................................................. v
LIST OF TABLES .............................................................................................................................................. vii
LIST OF FIGURES .......................................................................................................................................... viii
ACKNOWLEDGEMENTS ............................................................................................................................... ix
DEDICATION ................................................................................................................................................... xi

1. INTRODUCTION ........................................................................................................................................ 1
  1.1 Social Contexts: Labour Markets and Migration in Transitional China .................................................. 2
  1.2 Puzzles and Preliminary Claims ............................................................................................................. 5
  1.3 Sociological Viewpoints on Labour Migration on China ........................................................................ 8
  1.4 Methodology .......................................................................................................................................... 11
  1.5 Chapter Arrangement .......................................................................................................................... 14

2. LITERATURE REVIEW ................................................................................................................................. 17
  2.1 Social Conception of the Labour Migrant ............................................................................................. 18
  2.2 Institutional Analysis ............................................................................................................................ 24
  2.3 Social Networks ...................................................................................................................................... 29
  2.4 Labour Migration as a Cultural Consequence ..................................................................................... 34
  2.5 Summary .............................................................................................................................................. 38

3. DEVELOPMENT OF THE PEARL RIVER DELTA REGION: THE PAST AND TODAY ......................... 41
  3.1 An Overview .......................................................................................................................................... 41
  3.2 Historical Development of the PRD Region in the Pre-Reform Era ................................................... 44
  3.3 The PRD Region under Reform and Openness: 1979-present .............................................................. 51
  3.4 Economic Success and Disparities within the PRD Region .................................................................... 60
  3.5 Urbanization, Shequ and Migration ..................................................................................................... 65
  3.6 The Economic Development in the PRD: From a Historical Perspective ............................................ 70

4. THE INSTITUTIONAL CONTEXTS OF LABOUR MIGRATION ................................................................. 73
  4.1 The Hukou System and Its Implementation ......................................................................................... 74
  4.2 Institutional Change in the Reform Era ................................................................................................. 83
  4.3 Institutional Change and Labour Migration in the PRD Region .......................................................... 92
  4.4 The Hukou System: Dual Localized Citizenship ............................................................................... 99

5. VILLAGE AND SHEQU: THE TRANSFORMATION OF RURAL COMMUNITY ........................................... 104
  5.1 The Core Area: Xiangang and Wentang ............................................................................................... 106
  5.2 The Peripheral Area: Nanshui, Yahu, and Jianglian ........................................................................... 117
  5.3 Demographic and Socioeconomic Description ................................................................................ 131
  5.4 Summary ............................................................................................................................................ 135

6. LABOUR MARKETS FOR LABOUR MIGRANTS IN THE PEARL RIVER DELTA REGION .................... 139
  6.1 The Transformation of Labour Markets in the PRD Region ............................................................... 140
  6.2 Variable Description ........................................................................................................................... 146
  6.3 The Structuring of Labour Markets ................................................................................................... 149
  6.4 Discussion .......................................................................................................................................... 164
7. CONTESTED IDENTITY, CULTURAL INTEGRATION AND TRANSLOCAL TIES .......................................................... 171
  7.1 Labour Migration and Identity Change ........................................................................................................... 172
  7.2 Variables Description ..................................................................................................................................... 176
  7.3 Data Analysis .................................................................................................................................................. 179
  7.4 Discussion ...................................................................................................................................................... 192

8. CONCLUSION ......................................................................................................................................................... 198
  8.1 Dynamics of Change: From Historical and Institutional Perspectives ........................................................... 199
  8.2 Regional Disparity: A Diverse Socioeconomic Characteristic ................................................................. 204
  8.3 Labour Markets and Identity Change ........................................................................................................... 206
  8.4 Contributions and Limitations ...................................................................................................................... 212
  8.5 Labour Migrants and Social Transformation ............................................................................................ 215

BIBLIOGRAPHY ...................................................................................................................................................... 217

APPENDICES .......................................................................................................................................................... 227
  Appendix A: Survey Methods .............................................................................................................................. 227
  Appendix B: Questionnaire (Selected Questions) ............................................................................................. 230
LIST OF TABLES

Table 1.1 Population Change in Guangdong Province, 1978-2008 ............................................. 4
Table 3.1 Gross Regional Product and Provincial Ranking 1980-2008 ....................................... 56
Table 4.1 Comparison of Eligibility and Migration Control ....................................................... 82
Table 4.2 Institutional Change and Labour Migration in the PRD Region ................................. 96
Table 4.3 Classifications of Labour Migrants and the Eligibility for Social in the PRD ........... 99
Table 5.1 Distribution of Respondents in the Survey ............................................................... 131
Table 5.3 Comparison of Regional Development between Two Areas in the PRD Region .. 135
Table 5.2 Demographic and Socioeconomic Characteristics of Research Sites ................ 138
Table 6.1: Variables .................................................................................................................. 147
Table 6.5 Comparison of the Structuring of Local Labour Markets ........................................ 166
Table 6.4 Multinominal Logistic Regression Models for the Comparison in Job Positions within the PRD Region ....................................................................................................... 170
Table 7.1: The Distribution of Province of Origin of Labour Migrants .................................. 174
Table 7.2: Variables .................................................................................................................. 177
Table 7.3: Migrant Identity, Cultural Integration and Translocal Ties between the Core and Peripheral PRD region ....................................................................................................... 195
Table 7.4: Cultural Integration and Translocal Ties in Identity Change of Labour Migrants 195
Table 7.5: Parameter Estimates for Multinominal Logistic Regression Models of Identity Change for Labour Migrants ........................................................................................................ 196
Table 7.6: Multinominal Logistic Regression for Identity Change for Labour Migrants between Two Areas ................................................................................................................................. 197
LIST OF FIGURES

Figure 3.1 Maps of Guangdong Province and the Pearl River Delta Region .......................... 43
Figure 3.2: The Distribution of Industries in Rural Guangdong, 1978-1997 ............................ 58
Figure 3.3: Growth Rates of the GDP of Guangdong Province and China, 1978-2009 ...... 61
Figure 3.4: Contribution of Guangdong Province to China’s GDP per Capita, 1978-2009 ..... 62
Figure 3.5: GDP between the PRD and Non-PRD Region, 1995-2008 ................................ 63
Figure 3.6: The GDP of Guangzhou, Foshan, Dongguan, and Jiangmen, 1978-2008 ......... 64
Figure 3.7: Comparison of Non-Agricultural and Agricultural Population of Guangdong Province, 1978-2008 ......................................................................................... 67
Figure 3.8: Number of Villages and Communities (Shequ) in Dongguan, 1978-2009 .......... 68
Figure 3.9 Population of Four Cities in the PRD Region in 2008........................................ 70
Figure 5.1 Research Sites in the Pearl River Delta Region ......................................................... 104
Figure 5.2 Xiangang Shequ: Buildings for Local Residents and Dormitory for Migrants ..... 110
Figure 5.3 Wentang Shequ (1) – Village Landscapes and Government Building ................... 113
Figure 5.4 Wentang Shequ (2): Land Transformation................................................................. 115
Figure 5.5 Wentang Shequ (3): Rental Housing and Factoryo................................................. 116
Figure 5.6 Nanshui Village (1): Pond Fishing Economy......................................................... 121
Figure 5.7 Nanshui Village (2): New and Old Village Landscape............................................ 122
Figure 5.8 Yahu Village (1): Village landscapes .......................................................... 124
Figure 5.9 Yahu Village (2): Grocery Stores and Housing Rental Advertisements .......... 126
Figure 5.10 Jianglian Village (1): Village Houses................................................................. 128
Figure 5.11 Jianglian Village (2): Fishing Economy ............................................................... 130
ACKNOWLEDGEMENTS

This dissertation has taken a long time to its completion. It could not be done without support from my teachers, colleagues, friends, and family members. I would like to express my deepest appreciation to Prof. Graham E. Johnson who has treated me more than a graduate student should expect. His passion for sociological research and his profound knowledge of China, especially the Guangdong region, have become a role model for junior scholars to learn in doing fieldwork in China, which always inspired me to overcome difficulties during my program. I would like to thank my supervisor, Dr. Amy Hanser for her continual support, encouragement, and guidance throughout my program. Also, I would like to thank my thesis committee member, Dr. Sylvia Fuller who provided insightful suggestions and pertinent comments throughout the dissertation; Dr. Rima Wilkes who helped me build statistical models. I would like to thank Dr. Sean Lauer and Ms. Eleanor Yuen for unconditional and timely support at various stages of my program. I could not have done this far without their unreserved support.

Conducting fieldwork in China is very challenging. Fortunately, I received a support from colleagues in China. I thank Dr. Haixiong Qiu and Xiangdong Wan at Sun Yat-sen University in Guangzhou, and Dr. Guoxiong Zhang at Wuyi University in Jiangmen. My colleagues Chaohai Li helped provide logistics for trip preparation. I thank the following research assistants: Hao Wan, Zixin Pan, Wei Li, Qiming Li, Luoyi Feng, Yanhong Ou, and Shujun Zou from Sun Yat-sen University, Yanghao Tan, Pinci Wan, Caiwei Tang, Enen Yu, Yuyuan Tan, and Hongbo Liang from Wuyi University all of whom helped interview labour migrants and indigenous residents. Our driver and later good friend, Weishun Zeng, who drove us throughout the Pearl River delta region, made our fieldtrip more enjoyable. Without their help, our survey could not be completed on time or with satisfactory results. Also, I would like to thank all of our friends in research sites and Guangdong, who went out of their way to help.

I would like to thank my friends who showed their kind support at various stages of my program, especially during the last three years when I encountered difficulty during my
writing period. Mina Liu and Junmin Wu provided unreserved advices on the analytical chapters with their knowledge of field research in China. Besides the help given to me to complete the dissertation, I acknowledge my appreciation for support from my friends: Dr. Elizabeth Johnson, Feng Zhang and his family, Cuiwei Qiu, Zhifeng He, and Ziting Tan.

Last, I show my deepest appreciation to my parents for their timeless and generous support for my long journey. Steven shared his lovely smile when he saw the manuscript that encouraged me to move forward. They are the most important part in my life. It is to them that I dedicate this dissertation.
To my Parents, and Steven
1. INTRODUCTION

The dramatic social transformation of China in the last three decades is closely associated with its internal labour migration. The Pearl River delta (PRD) region, adjacent to Hong Kong and Macau, has become one of the most important areas of rapid economic development and massive social change. The construction of labour markets and labour migration is a process affected by economic, social, institutional, cultural, and historical elements. This dissertation attempts to explore how local communities across the PRD region have been transformed through industrialization and the arrival of large numbers of migrant workers.

I first met Xiao Liu on a summer day. He was renovating a wall at my home. Xiao Liu was hired with his fellow workers by my father on a street near my home. He worked very hard, following the direction of his boss, a middle-aged man, who looked like his master directing his work in their local dialect. When we talked during a very short break, I learned some of his experience. He had arrived in Guangzhou with his uncle when he was 17 years old. He had to stop attending school since his family in rural Sichuan was too poor to afford school fees for him. He worked for his uncle as an apprentice in a construction team. I asked why he had come to Guangzhou. His answer struck me: “I am very happy working and living in such a big city. My home area is so poor that staying there provides no hope at all. Working here can open my eyes. I can see that my life is different from other young people who still stay at my home area. Here, I can earn a lot of money and my parents are proud of me, since I don’t participate in agricultural work.” What I was impressed by that afternoon was that my mother cooked a lot of spicy food for these young workers, which I had rarely seen in Cantonese cuisine but was their favorite food.

Xiao Liu had become a contractor in another construction team when I met him once again a few years later. He was driving a motorcycle, dressed in a dark-blue suit with black leather shoes. His looks indicated a great change on his life. He was very happy when he saw me: “I don’t need to do that hard work anymore. There are a lot of construction
opportunities in this city. After two years of working for my uncle, he let me take jobs on my own. I am a small boss (laoban) now. I recruit workers, most of whom come from our village. I earn much more than during the first two years of my migration. I have renovated my ancestral house in my home village. I will try to settle in Guangzhou. If that is not possible, I will return to my home region to run small business, after I earn enough money here.” I knew he was quite satisfied with his life. His economic success can be viewed as a great personal achievement.

I have not seen Xiao Liu since. Perhaps he has settled down in the city, as he planned, or has returned home eventually along with his urban life experience, as well as his savings from working in the city. Xiao Liu’s two possible trajectories can be found among many other labour migrants in the PRD region. In the past 35 years, market-driven labour migration has become one of the most significant elements in China’s social landscape. The social implications of labour migrants on China’s economic development cannot be ignored.

The interrelation between labour markets, labour migration, and social transition in China’s case will be explored in this dissertation. I will try to explain how rapid industrialization in the rural PRD region generates different local labour markets for labour migrants, how labour migration in the PRD region shapes and reshapes local labour markets, and how the different life experiences of labour migrants have generated a distinct identity change among them. My research aims to demonstrate a broad social picture of how labour migrants are closely related to a great social transformation in one of the most prosperous regions of China.

1.1 Social Contexts: Labour Markets and Migration in Transitional China

The Pearl River delta region, adjacent to Hong Kong and Macau, has become one of the most important regions behind China’s economic growth and massive social change. One important goal of this dissertation is to understand how local communities in the region have been transformed through industrialization and the arrival of large numbers of migrant workers. By drawing a broad social picture of labour migration in villages of the
Pearl River delta, this dissertation specifically seeks to understand how patterns of labour migration shape local labour markets, and how labour markets tap into particular streams of labour migration. To this end, theoretical perspectives from economic sociology and the sociology of migration will be utilized.

China’s economy as a whole has become incorporated into the global economic system. The regional economies in the Pearl River delta, one of the most powerful economic areas in China, have also been integrated into global economic contexts. Since 1979, rural industrialization, a consequence of both external investments and the development of rural enterprises by local households, has dramatically changed the social landscape of the Pearl River delta (Johnson and Woon 1997a, 1997b, Vogel 1989). At the same time, economic developments are diverse within the delta, and different development strategies have been formulated under specific regional environments. Some regions have created dramatic new economic structures in the last 30 years, but others remain at the initial stages of their transformation.

The dramatic development in the Pearl River delta region is similar to other parts of eastern coastal regions in China, which have also experienced economic and social change since the 1980s. These regions have absorbed a large amount of labour migrants from rural, largely non-industrial, and underdeveloped areas in China’s interior. The development of low-end, labour intensive industries demands a large number of unskilled and semi-skilled and, above all, cheap labour, which is abundant in other parts of rural China. Large-scale labour migration to the Pearl River delta emerged in the late 1980s, and yet labour migration began at the onset of the reform period. This became “possible due to a simultaneous loosening of control over place of residence, the ending of the system of rationing of food grain and other subsistence commodities, and changes in the system of agricultural production.” (Johnson and Zhang 2010). The migrating population is officially described as the “floating population” (liudong renkou). The “floating population” in

---

1 The term “floating population” describes individuals who are (temporarily) resident in places (normally for work related reasons) other than those in which they have a permanent (and official) registration in a household (hukou). This term does not include visitors such as tourists, government officials, petty
Guangdong province has increased from 20,000 in 1980 to 12.8 million in 2008, constituting 13.4% of the total population over a 30 year period (Figure 1.1). The inflows of labour migrants in this region have greatly changed the social landscape of the delta region.

Table 1.1 Population Change in Guangdong Province, 1978-2008

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Population (million)</td>
<td>52.28</td>
<td>56.56</td>
<td>62.46</td>
<td>67.89</td>
<td>74.99</td>
<td>79.00</td>
<td>82.67</td>
</tr>
<tr>
<td>Floating Population</td>
<td>0.02</td>
<td>0.15</td>
<td>1.00</td>
<td>5.99</td>
<td>11.51</td>
<td>12.94</td>
<td>12.77</td>
</tr>
<tr>
<td>Total Population</td>
<td>52.30</td>
<td>56.71</td>
<td>63.46</td>
<td>73.87</td>
<td>86.50</td>
<td>91.94</td>
<td>95.44</td>
</tr>
<tr>
<td>% of Floating Population</td>
<td>0.40</td>
<td>0.30</td>
<td>1.60</td>
<td>8.10</td>
<td>13.3</td>
<td>14.1</td>
<td>13.4</td>
</tr>
</tbody>
</table>

Source: Guangdong Statistical Yearbook, 1981-2009

Importantly, labour migration, to the Pearl River delta, and to several other regions in China that have experienced rapid growth over the past 35 years, is different from patterns described by conventional migration studies. Such studies, reflecting the industrial transformation in Europe and North America, argue for rural to urban migration, stressing a singular rural to urban migration pattern generated by industrialization and urbanization. The rural-to-urban pattern, however, is not directly reproduced in the PRD case. Most labour migrants in the Pearl River delta are recruited by formerly rural communities, some of which have experienced rapid industrialization. In conventional perspectives, industrialization and urbanization area viewed as a simultaneous process. Yet under the institutional and social structures in the PRD region, these communities still maintained rural characteristics even after having experienced industrialization. They are viewed as industrialized or semi-industrialized but far from urbanized communities.

In addition, economic development within the Pearl River delta varies from region to region. Some regions are completely industrialized. A large number of industrial enterprises have been developed in formerly agricultural contexts and the life of local residents has been “urbanized”. Other regions, however, are still undergoing industrialization. In these areas, agriculture continues to play an important role in the regional economy, and agrarian traders, and business people who come to the delta region for a few days. In migration studies, particularly in the study of labour migration on China, floating population refers to those who relocate their residence for the reasons of work or study, living in host communities for at least six months without permanent registration status.
social structures are still dominant. These differences result in distinctive patterns and strategies of labour migration. The result, in other words, is a complex mosaic of patterns of economic development, drawing upon distinct streams of labour that fill the needs of distinct local labour markets.

Labour migration is significant in the overall process of China’s social transition. The PRD region may be distinctive in comparison with other parts of China, or even other countries. Dramatic industrialization in formerly agricultural regions suggests that labour migration has not followed the conventional rural-to-urban pattern. The inflows of labour migrants to rural communities facilitate not only rural industrialization but also some distinctive form of settlement formation (“urbanization”). This dissertation attempts to explain how different factors contribute to labour migration, as well as to explore current social landscapes and their transformation.

1.2 Puzzles and Preliminary Claims

Regional development, particularly represented by economic growth, is different between regions in the Pearl River delta (PRD). The process of labour migration and the construction of labour markets are also distinctive. By interpreting the different characteristics in development and economic performance in the PRD, this dissertation attempts to explain how various mechanisms produce different structuring of labour markets, and how different social consequences are reflected in the way in which labour migrants to respond to external pressures. Specifically, this dissertation attempts to address the following questions:

i. How are labour migration and local labour markets shaped and reshaped by historical patterns, institutional change, and cultural legacies in localized contexts? What are the consequences of regional disparities in regional economies within the PRD region?

ii. How local labour markets are distinctively constructed, resulting from different paces of development, for labour migrants? What social factors affect economic
performances of labour migrants in local labour markets? How do these factors influence socioeconomic status in workplaces?

iii. How does life experience generate identity change in labour migrants? How are different outcomes of identity change formed in terms of regional disparity, translocal ties, and cultural integration within the PRD region? What do these consequences of local labour markets and identity change imply for the dramatic social transition of contemporary China?

The first research question above takes up the broader question of how labour markets and market structures are shaped by a variety of forces—not only economic imperatives, but also social, cultural and other influences. The different development processes within the PRD regions reflect the fact that the transformation of labour markets follows distinctive patterns in terms of localized institutions, developmental history, and cultural legacies. The dynamics that drive the formation of labour markets vary from one part of the delta region to another. For example, the formation of social networks, the implementation of policies by local governments, and the acculturation and adaptation between labour migrants and local residents all vary. All of these factors combine to shape different labour markets. Exploring why and how labour markets are shaped and reshaped between regions can allow us to develop a better understanding of how labour migration is generated in different paces of development.

Different constructions of local labour markets are closely associated with patterns of labour migration, which is also generated by economic, social, and cultural mechanisms. The primary dynamics of labour migration, according to conventional viewpoints in migration studies, are driven by economic incentives (Zolberg 1989). Yet, purely economic approaches to labour migration are unable to explain the complexity of the PRD’s case. Although economic factors are important in the Chinese case, there are additional issues both political and institutional in nature. Institutions, such as the hukou system, that is, the system of permanent legal household registration, mean that labour migrants lead very different lives in their places of work in comparison to their places of origin. At the same
time, though the hukou system is a general institution regulating the movement of citizens, the effects of this system have undergone substantial change in the last three decades. This dissertation focuses primarily on how local labour markets, which are generated by regional distinctions in economic development, give rise to the different patterns, processes, and consequences of labour migration.

Second, not only do labour markets have a great impact on labour migration, but labour migration also influences the structure and operation of labour markets. Labour migration is a composite process with synthetic driving forces, which includes migratory decision-making, spatial mobility, and patterns of settlement along with cultural assimilation and cultural conflicts. In the PRD’s case, labour migration is closely related with the structuring of labour markets along with social and cultural dynamics. The interrelationship between labour migration and labour markets will be explored to create a better understanding of how the social transition in China is driven, in part at least, by labour migrants.

Third, labour migration, viewed as a strategy employed for survival in regions where migrants work, is not only an economic and social construction, but also a cultural and institutional outcome. By exploring the dynamics affecting identity change in labour migrants, I attempt to demonstrate how social transition in the PRD region has generated different patterns of identity change in labour migrants. The picture of social transition can be fully illustrated. The mutual effects between labour migration and labour markets have become the dramatic driving forces for the social transition of the PRD region. Through a comparison of five formerly rural communities in the PRD region, which are categorized into two areas in terms of the development of regional economies, this dissertation, though limited, tries to explain how labour migration has social implications for the transition in contemporary China.
1.3 Sociological Viewpoints on Labour Migration on China

Social scientists have conducted rich empirical studies to explore the history of internal migration of China. Social scientists in their studies are likely to connect labour migration with economic and social transition of China (Nee 1989, Wu and Treiman 2004). Some social scientists, at the same time, summarize the characteristics and patterns of labour migration (Fan 1999b, Guang 2005, Solinger 1999, Woon 1993), suggesting how institutions and social ties affect labour migration (Woon 1993, Wu and Treiman 2004). Some scholars emphasize the life experiences of labour migrants in places of work (Chang 2008, Guang 2005, Lee 1998, Yan 2008), exploring social and cultural mechanisms underlying in daily social practice. From macro to micro levels, migration studies focusing on labour migration in China, at a large scale, focus on institutional change, transmigration ties, and migrant life in urban areas.

Both social networks and translocal ties are employed in the analysis of labour migration and labour markets in China. Social networks facilitate the information flows among labour migrants, providing social supports in their job search, on one hand. Social ties linking places of origin and host communities assist labour migrants in building up ethnic communities, on the other hand (Liu 2001). Meanwhile, translocal ties, whereby migrants retain social ties with their places of origin, are most commonly discussed in studying patterns of labour migration in contemporary China. Circulatory mobility is one significant pattern of labour migration because of translocal ties (Woon 1993). Though viewed as economic behavior, migrants’ seasonal mobility, in Woon’s view, is closely associated with family responsibility. At the same time, social networks, in forms not only of translocal ties but also of social ties in new communities, play important roles in urban life of labour migrants. Labour migrants who self-employed or employed in informal work (Guang 2005) lack institutional protection, with the result that they tend to employ localized social networks as the primary strategy for job mobility (Lee 1998, Solinger 1999). Thus, in this research, the controversial effects of social networks in labour markets and labour migration will be explored.
In addition, some scholars explore life experiences of labour migrants in urban China. Chang (2008) describes the life experiences of female migrant workers seeking economic opportunities in Guangzhou and Dongguan. By analyzing the job mobility of construction workers in Beijing, Guang (2005) suggests the daily practices of migrant workers in the informal economy in urban China, social ties are employed as the bargain strategy for labour migrants to attain survival in labour markets. Yan (2008) explains the social and cultural mechanisms at work in the formation of new labour relations in the service sectors. By revealing life experiences and social practices of labour migrants in urban China, these scholars have given various explanations to how social and cultural factors have impacts on social actions in labour markets and labour migration in the great transformation of China.

Internal labour migration in China is a complex process affected by economic, social, institutional, and cultural factors. Though economic incentives are the original dynamics of labour migration, social, institutional, and cultural factors have dominated the patterns of migration. Because of regional distinctions within the country, Chinese internal labour migrants indicate the construction of identity on basis not only of economic gaps but also of social and cultural disparities. From various theoretical and empirical perspectives, social scientists draw a comprehensive social picture of labour migration and social transformation. Thus, exploring the patterns of labour migration and the construction of labour markets in local communities is able to help us build up a comprehensive understanding of social transition in contemporary China.

Labour migration in the PRD region has attracted much attention by social scientists. Most empirical research, focusing primarily on the patterns of labour migration (Fan 1999b), are related to social and economic mechanisms in market transition (Johnson 1999, Johnson and Zhang 2010). The large scale of labour flows, particularly interprovincial labour mobility (Fan 1999b), provides rich empirical information for theoretical exploration. Different from labour studies in other parts of China emphasizing migrant workers in urban China, the study of labour migration in the PRD region focuses primarily on work areas (Chang 2008, Lee 1998, Pun 2005) and industrialized rural communities (Johnson and Zhang 2010) rather
than urban areas. At the same time, social scientists find that labour migrants are concentrated in some communities with cheap rental fees, resulting in the emergence of migrant communities located in suburban communities or urban villages (Liu 2001, Liu and Wan 2007).

By observing a factory in the PRD region, Pun (2005) reveals the politics of identity and difference constructed among female labour migrants. Female migrant workers, under the integration of global economic system, establish one type of migrant identity – *dagongmei* – in a heterogeneous, incoherent, fluid, and conflict-laden process. Yan (2008) suggests that quality (*suzhi*) as an important factor to construct migrant identity in service sectors are widely recognized by labour migrants in urban China. More importantly, the entitlements of labour migrants, such as directionless population movement (*mangliu*) [lit. blindly flowing], rural worker (*nongmingong*) and migrant worker (*wailaigong*), reflects a historical and institutional change in China. By analyzing life experience of labour migrants in rural communities of the delta region, we are able to have a better understanding of how the formation and transformation of migrant identity affected by local citzenships are related with labour migration in transitional China.

Labour migration in the PRD region is closely associated with market transition (Chan, Madsen and Unger 2009, Unger 2002, Vogel 1989). Labour migration in the PRD region has social and cultural implications. The disparity of economic development in two corridors within the PRD region has resulted from different development strategies (Johnson 1993, Johnson and Woon 1997a). By interpreting the social transition in Chen Village, Chan and her colleagues (2009) suggest that with the establishment of market economy in the PRD region, comprehensive rural transformation has given rise to a new social landscape. The life experience of labour migrants in the village represents an important part of this transformation. By exploring economic, social, and cultural aspects in five localities of the delta region, Johnson and Zhang (2010) suggest that labour migrants are identified as partners, economically; as neighbors, geographically; and as outsiders,
socially and culturally, in the PRD region. Integration and assimilation of labour migrants into host societies have great impacts on labour migration.

On the basis of its regional disparity, the PRD region has generated two generally distinct social environments and institutional settings that have greatly affected labour migration. By reviewing the regional development of the PRD region, this dissertation explores how two close factors, regional economies and institutional change, have shaped different labour markets and identity change. The rural PRD region is a region in China that has experienced the most dramatic social transition and economic growth in the last three decades. The explorations of the relationships between labour migration and social transition is the goal in this dissertation.

I attempt to utilize theoretical perspectives from economic sociology and migration studies. I will examine social networks, institutional factors and the nature of social transition in an analysis of the case of the Pearl River delta. It will contrast with conventional viewpoints of the nature of labour migration and its links to both industrialization and urbanization. The industrial revolution in Europe and North America saw the concentration of rural migrants in newly established urban settlements built around industrial activities close to energy supplies and other resources. The case in the Pearl River delta and in other newly industrialized regions in China may follow a different process. Labour migration responds to the creation of labour markets which focus on the demand for industrial labour power. The locus of industrial growth is, however, formerly often highly productive agricultural regions. Labour migrants are further embedded in distinctive institutional arrangements. The outcomes contrast with conventional expectations, which my study will attempt to suggest.

1.4 Methodology

This dissertation aims to draw upon different theoretical perspective, such as social networks and institutional analysis, to better understand the social transition in the Pearl River delta region, South China. Both quantitative and qualitative methods were employed
at different stages. Survey data, collected in late 2008, is the primary basis for quantitative analysis. Qualitative methods, such as documentary analysis and field notes of ethnographic observations, will also be employed as complementary sources of data. The methodological combinations allow me to develop a broad perspective on social transition in contemporary China.

1.4.1 Research Sites

The research is based in five localities in the Pearl River delta region. These research sites - Wentang in Dongguan, Xiangang and Yahu in Guangzhou, Nanshui in Foshan, and Jianglian in Jiangmen - are located in different parts of the PRD region. These sites, which were agricultural before the reform period, have all experienced major social change along with varying paces of economic development in the past 30 years. Wentang (in Dongguan) and Xiangang (in eastern Guangzhou) have undergone dramatic industrialization and urbanization. Yahu (in northern Guangzhou) has experienced rapid economic development over the last ten years and is adjacent to the new Guangzhou International Airport. Nanshui (in Shunde) retains many of its traditional characteristics as an agricultural economy, in contrast to much of Shunde which has become highly industrialized. Jianglian (in Taishan), a village at the centre of historical Overseas Chinese migration, is still largely agricultural and is struggling to establish its industrial capacity. All these research sites have had different development trajectories over the last three decades, resulting in distinct labour markets and patterns of labour migration across these communities.

1.4.2 Documentary Analysis

Documentary analysis and field notes of ethnographic observations will be used as complementary materials. Statistical Yearbooks are one important source to provide a general idea of developmental trends in the region. In the analysis, the statistical yearbooks published at national, provincial, and local levels from 1981 to 2009 will be used. Most economic and social indexes, such as GDP rates, population growth rates, and other

---

2 see Methodological Appendix 1.
economic indexes, will be used to provide a picture of general development of Guangdong, particularly in the PRD region. In addition, official documents recording local policies on labour market and migrant management are additional information sources. County annuals, local newspapers, and local event records in the reform era are employed to attain detailed information of local development. By reviewing these documents, I try to contextualize the transformation of labour markets and labour migration.

1.4.3 Survey Research

The quantitative data are based on a survey conducted in 2008. Labour migrants who live or work in the research site for at least six months are qualified as interviewees. We interviewed 453 labour migrants in those five localities. Labour migrants were interviewed in factories, dormitories, and public areas within the communities. Different interview strategies in these localities also represented varied regional development. For example, large numbers of migrant workers in Xiangang live in factory dormitories. It was therefore easy to recruit interviewees in these dormitory settings. By contrast, labour migrants in Nanshui were either construction workers or worked in nearby villages. Most interviews were completed in migrant workers’ rental quarters in the villages rather than in factory dormitories. It was particularly difficult to recruit migrant workers interviewers in Jianglian because of the small population of labour migration due to the show industrialization.

1.4.4 Field notes of Ethnographic Observation

Field notes of ethnographic observation are another important source of information. Site visits were made several times before the survey. During the visits, we interviewed local residents and government officials. The field notes were kept and audio recordings were made. A photographic record of the changes in the localities has been

---

3 The survey was sponsored by the Social Science and Humanity Research Council entitled *The Continued Social Transformation in the Pearl River Delta Region of Guangdong Province, South China: 2007-2010*. I participated in the whole process of fieldwork research and data collection, supervised by the principal investigator, Dr. Graham E. Johnson.
made. Graphic materials such as financial records and comments on community life, both official and unofficial, which are posted on walls, have been noted.

1.5 Chapter Arrangement

The following portions of the dissertation proceed as follows: Chapter 2 establishes a theoretical framework for the dissertation. By reviewing various theoretical perspectives and research on labour markets and labour migration, Chapter 2 focuses primarily on social network theory, institutional analysis, and cultural analysis, to explore the relationships between labour markets, labour migration, and social transition of China. The applicability of conventional theories in the PRD’s case is also discussed.

Chapter 3 provides a regional, historical context for the study, demonstrating how regional characteristics, such as commercial traditions and rich overseas connections, brought economic success to the region. Rapid rural industrialization and urbanization in the PRD region have facilitated free labour inflows. This chapter provides a historical focus for labour markets and labour migration in the period of social transformation. From a historical perspective, I will try to explain that the development of the PRD region in the Reform era can be viewed as a reactivation of traditional, localized economic activities that formed in history, shaping a unique social context in local labour markets and labour migration.

Chapter 4 will focus on how labour markets and labour migration are affected by very specific institutional contexts in China. The institutional contexts, notably the hukou system and the rationing system, will be discussed to explain how institutional change has generated free labour mobility in the reform period in China. Institutional change has also shaped localized, bifurcated citizenship in the PRD region. Labour migration should be viewed as a complex institutional process affecting not only migratory dynamics and patterns, but also other social aspects of the lives of labour migrants.

Chapter 5 describes the development of the five research sites and explores the diversity of the development within the PRD region. In terms of the disparity of regional
development, the PRD region is divided into core and periphery areas. Xiangang in eastern Guangzhou and Wentang in Dongguan are categorized as in the core area, while Jianglian in Taishan (Jiangmen), Yahu in suburban Guangzhou and Nanshui in Shunde (Foshan) are categorized as in the periphery. I argue that, from agricultural economy to industrial economy, the patterns of labour migration are reinforced by these patterns of regional development. Different local economic structures, which are affected not only by social and institutional elements but also by cultural and historical contexts, have experienced deconstruction and reconstruction in a short period. The patterns of development in the PRD region, divided into core-periphery areas, have generated different impacts on the structure of local labour markets, as well as the formation of migrant identity.

Chapter 6 will describe how labour markets are structured and explore various economic dynamics and social mechanisms in the Pearl River delta region, to account for how local labour markets are diversely shaped by regional economic structures, strategies in job search and migratory dynamics. Local labour markets for labour migrants are diversely shaped under different economic, institutional, and social contexts. Migration dynamics have great impacts on the construction of labour markets. The complex economic structures in the rural Pearl River delta region have formed labour markets segmented specifically for labour migrants. Dual segmented labour markets in the Pearl River delta region have shaped.

Chapter 7 aims to explore how cultural integration and translocal ties, under specific institutional environments, affect the patterns of identity change in labour migrants in China. The applicability of social and cultural elements to the studies of Chinese labour migration will be examined. Identity change of labour migrants in the PRD region, Guangdong province, also represents an important migratory stage in transitional China. The synthetic effects of both cultural integration and translocal ties have impacts on identity change. In this chapter, I argue that the formation of migrant identity follows not a singular rural-urban pattern. In particular, in local communities in the PRD region, industrialized shequ and rural villages have engendered different patterns in identity change.
Contested identity, defined as a migrant identity out of peasant and non-peasant identity, is based primarily not only on life experience but also on institutional settings, translocal ties, and cultural integration in local communities.

Overall, labour migration in the PRD region is a complex process affected not only by economic and institutional factors but also by historical, cultural, and social mechanisms. The mutual effects of these factors have shaped the complexity of local labour markets and labour migration. Cantonese characteristics provide a historical background for the development of the PRD region. Institutional contexts impose a structural dynamics for the new change in this region. The disparity between the core and peripheral areas within the PRD region indicates that social transition in China are diverse even in a rapidly developing region, shaping different local labour markets and contested identity among labour migrants.
2. LITERATURE REVIEW

The task of this chapter is to establish a theoretical framework accounting for the synthetic efforts in two primary fields of scholarship related to labour migration: labour markets and identity change. Labour migration has been viewed as a process constructed not only by economic and institutional dynamics but also by social, historical, and cultural elements. By combining literatures in economic sociology and migration studies, this chapter attempts to demonstrate a comprehensive social landscape in labour migration in the Pearl River delta’s case. Theories in economic sociology and migration studies will be applied to labour migration in the PRD region to close the gap between these two fields. I argue that a synthetic analysis of labour migration in China enables us to have a comprehensive understanding of this great movement.

This chapter reviews four distinct bodies of literature: migration studies that conceptualize the labour migrant, and three areas of economic sociology that provide tools for understanding the organization of labour markets: social networks, institutional analysis, and the cultural-political approach to establish a better understanding of labour migration in the Pearl River delta. The labour migrant is a core concept in this research. The labour migrant is defined by economic and institutional characteristics, and also cultural and social features (Massey 1999). In terms of China’s institutional arrangements and historical legacies, various labels have been applied to labour migrants that reflect different social meanings in different periods. These different categories of “labour migrant” indicate changes in labour migrants’ status in labour markets and their social integration into the home community.

The theories widely employed in studies of labour markets are social network theory (Granovetter 1995), institutional analysis (Brinton and Kariya 1998, Nee 2005), and the cultural-political approach (Fligstein 2001). These theories suggest that labour markets, which are conventionally believed to be shaped by pure economic behavior, are in fact socially embedded and socially constructed. From different paradigms, social theories
suggest that labour markets are constructed on the basis of efficiency and stability. Social networks explain how efficiency can be achieved through social mechanisms. Institutional analysis explores how labour markets attain stability under specific institutional environments and institutional transitions. The cultural-political approach, following other paradigms, stresses how labour markets are shaped and reshaped by culture, history, and power relations. In reviewing these three primary theories in the explanation of labour markets, I will argue that the analysis of labour markets and labour migration in China’s case should be combined to establish a better understanding of how labour markets and labour migration are mutually affected, and to draw upon a comprehensive social landscape for labour markets, labour migration, and social transition in China.

Identity change can also be analyzed as an essential process of labour migration on the basis of these paradigms. Scholars studying labour migration in China have developed rich studies on identity changes in labour migrants (Pun 1999, Wang 2001, Wang 2006). A significant body of sociological literature examines the relationship between identity and migration on the basis of a dual social system that shapes bifurcated rural-urban citizenship. In this chapter, I will focus primarily on how institutional, cultural, and social elements generate identity change in labour migrants within China. I then argue, first, that Western literature overlooks the pattern of identity change that occurs in the PRD’s case; second, and more importantly, that this literature overemphasizes the effects of institutional factors while paying less attention to cultural and social factors in the process of identity change; and, finally, that this literature stresses that labour migrants change their identities following a single rural-urban pattern but ignores the existence of contested identity, which should be viewed as the outcome of synthetic effects in institutional change and cultural legacies in the PRD region.

2.1 Social Conception of the Labour Migrant

The conception of labour migrants is closely related to the formation of migrant identity. There are two primary characteristics in the studies of migrant identity in China. On the one hand, these studies were conducted in urban China, largely because urban areas
have been viewed as the destination for rural-origin labour migrants (Cai, Liu and Wan 2009, Liu and Wan 2007). On the other hand, they demonstrate that identity change follows the dual rural-urban division, which is institutionally constructed on the basis of the hukou system (Wang 2006, White, Wu and Chen 2008). However, since a large number of labour migrants work in industrialized but not yet urbanized areas, while some still work in agricultural communities in the PRD region, these previous analyses are insufficient to draw a complete social landscape of labour migration in transitional China.

2.1.1 Definition of Labour Migrant

Labour migrants are defined as those pursuing better economic and social interests by relocating their residence for job seeking. The process of relocating the workplace and residence is called labour migration. On the one hand, labour migrants are viewed as participants in labour markets who take advantage of their physical labour, knowledge, and skills in exchange for the necessities for social reproduction. On the other hand, they are viewed as social actors who seek a better life through spatial relocation across borders (Greenwood 1985). It has been recognized that this spatial relocation is consistent with the movement of social relationships and cultural legacies (Ong 1999, Tan 2004). In this research, I will employ the term “labour migrant” (laodongli yimin) to highlight their socioeconomic characteristics.

In China, since 1949, labour migrants, on the basis of economic and social dimensions, have been given various labels in different periods. In the pre-reform era, labour migrants were described as a floating population (liudong renkou) or a blind population (mangling) (Fan 1999a, Fan 1999b, Solinger 1999). The term “floating population” indicates that labour migrants were not living in the places where they were registered (Fan 2008). They were viewed as temporary residents in non-agricultural areas because they lacked officially registered residence status in cities (Solinger 1999). The term “blind wanderers” (Solinger 1999) was used to indicate those people who had illegally relocated to urban areas. Labour migrants of rural origin, on the basis of the dual rural-urban system, were still viewed as one segment of rural peasants. The term “floating population” is still.
employed to describe labour migrants in demographic studies (Fan 2002), while the use of “blind population” has decreased with the relaxation of the hukou system and the instigation of free labour mobility since the 1980s.

In popular speech, labour migrants have been given various labels, from peasant workers (nongmin gong) and migrant workers (wailai gong) to working boys (dagong zai) and working girls (dagong mei). The term “peasant worker” (nongmin gong) indicates a double meaning: the nongmin represents an agricultural registered residence status under the hukou system, while the gong means worker. The term “migrant worker” reflects that the labour migrant works in the industrial or tertiary sectors and lives as a temporary resident in a host community. Dagong means working for wages, indicating that labour migrants participate in the non-agricultural sectors as workers rather than farmers. Working boys (dagong zai) and working girls (dagong mei) represent gendered labour relations (Pun 1999). These labels reflect a placement of controversial citizenship and labour relations, stressing that labour migrants are employed as workers in non-agricultural areas, while their official registered citizenship remains rural or agricultural.

In particular, the existence of the dual social system has generated bifurcated rural-urban identities. Labour migrants released from the agricultural economy by their participation in industrial or service sectors in industrialized regions have been transformed into non-agricultural labourers within the labour market. However, the hukou system in China still retains their agricultural registration and their temporary residence status in the host community. These social and institutional settings have resulted in the formation of segmented labour markets and bifurcated identities.

2.1.2 Dual Social System and Bifurcated Rural-Urban Identities

Identity is defined as the perception of belonging in one or more specific social statuses that have social and cultural meanings. It is an inevitable process in migration that people’s identities change along with changes in their socioeconomic status or living environment. In Chinese society, there exists a long historical formation of the dual rural-
urban social structure. Chinese citizens are institutionally categorized into either an agricultural (nongye) or non-agricultural (fei nongye) residence status, and, as a result, social identity follows this rural-urban division. Most studies on identity change of labour migrants in China are based on the dual rural-urban social system (Li 2004, Solinger 1999, Wang 2001, Wang 2005).

In practical terms, Chinese society can be divided into two segmented social systems that map onto rural and urban areas. The rural social system entails not only an agricultural economic structure, but also a traditional social structure. Rural peasant life (nongmin shenghuo) has been a dominant social structure in Chinese society for a long time. The Chinese character “nong” has economic and institutional, but also social and cultural meanings. The nongmin is an economic subject and a social and cultural subjectivity embedded in a traditionally differential pattern (chaxu geju) (Fei 1992).

Fei (1992) notes that, in rural China, there exists a differential mode of association (chaxu geju), which is a core concept that reveals the patterning of Chinese society through nonequivalent, ranked categories of social relationships. Thus, nongmin in Chinese means not only an occupation in the agricultural economy, but also a social identity consistent with a rural social status following traditional Chinese rural social structure. Social relationships in rural China are consistent with Durkheim’s core sociological concept of mechanical solidarity. With rapid industrialization, the value of the agricultural economy has been replaced by industry and commerce, and household revenue from agricultural means is much lower than that gained from non-agricultural means (Wang 2006). Chinese peasants who stay on agricultural lands are viewed as having no future. In Liu’s (2007) research, the lack of a future in agricultural home villages has become an important factor for young rural residents to leave for industrialized areas. As China has transferred the focus of its nation-state development to industrialization and urbanization, urban China has come to represent a superior social life for Chinese citizens. The last three decades have seen unparalleled migration from rural to urban China, and the increasing economic disparity between rural and urban areas has meant that rural-urban migration is often viewed as upward mobility.
The implementation of the hukou system established an institutional difference in citizenship between non-agricultural and agricultural status that adds an administrative layer to distinct cultural identities. For both rural peasants (nongmin) with agricultural residence status and urban residents (jumin) with non-agricultural residence status, the hukou system established not only legal identity through official citizenship, but also institutional reinforcement for a social and cultural division within the dual rural-urban system (Wang 2006). On the urban side, urban residents (chengliren) who participate in the non-agricultural sector are viewed as having higher social status (Wang, Wang 2005). As urbanized and industrialized areas have modernized in the last three decades, the lifestyle in urbanized areas has become viewed as modern and upwardly mobile. Being an urban resident means that a citizen is institutionally eligible to settle in cities. They are also eligible for schooling, healthcare, and other social welfare available to urban residents exclusively (Lu 2010).

Thus, in terms of the dual rural-urban system, Chinese citizens are perceived to be grouped under two distinct identities: rural and urban. The change between rural and urban identity is affected not only by institutional and historical factors but also by social and cultural dynamics. More importantly, since urban life is viewed as a better living environment and being an urban resident is economically and institutionally superior to being a rural peasant, these two identities are stratified. For labour migrants, identity change normally takes place within the context of the bifurcated rural-urban pattern.

2.1.3 Industrial Migration and Reconfigured Identities

The literature on labour migration in China flourished in the mid-1990s when strong labour inflows emerged in eastern coastal regions (Fan 1997). Market-driven interprovincial labour migration largely emerged during that time (Murphy 2009). Most studies of that period focus primarily on the migratory dynamics of labour migrants (Li 2004, Woon 1993, 1999). However, labour migrants in these studies were still viewed as a homogeneous part of rural labour rather than “recognized as heterogeneous individuals who participate in various social relationships” (Murphy 2009:1). At the same time, the social status of labour
migrants in urban China was stressed. These studies point out the pattern of identity change in social status after labour migrant movement into non-rural areas (Li 2004, Zhang 2008), and suggest that the identity construction of labour migrants is associated with their marginalized social status in urban areas.

The identity formation of labour migrants is shaped by the mutual effects of China’s rural-urban social space and its collective social memory of the second generation of the rural floating population (Wang 2001:65). By discussing age, education level, and agricultural experience, Wang (2001) suggests that one kind of migrant identity has been shaped in a group of rural origin that recognizes neither urban nor rural societies, suggesting that the formation of migrant identity is more strongly shaped by social placement than the institutional recognition of rural citizenship. Moreover, he develops the concept of semi-urbanized identity for labour migrants. He notes that labour migrants’ identity formation is derived from their semi-urbanized status and argues that they cannot completely integrate into urban social, institutional, and cultural systems. Semi-urban identity, which is a transitional state of identity, became standard in identity studies of Chinese labour migrants.

Pun Ngai’s research developed the concept of a specific “migrant identity” to highlight this stratified identity formation from the perspective of political economy and the sociology of labour (Pun 1999, 2005). By describing the construction of the identity of the working girls (dagong mei) from the perspectives of power and subject, Pun (2005) points out that labour migrants have established a migrant identity that depends on “a complex web of regulations, and on class, rural-urban differences, kin and ethnic networks, and sexual relations” (Pun 2005:110). Labour migrants have shaped a migrant identity that is different from either peasant identity or urban identity. Also, Wang (2005) suggests that labour migrants are a rising new working class because they work in non-agricultural sectors and live a non-peasant life. Also, he stresses that the semi-urbanized status of the rural floating population is reflected not only in social practice and social identity but also, more
importantly, in barriers excluding this population from institutionally integrating into the host community (Wang 2006).

I investigate what identities labour migrants adopt under specific spatial and institutional environments. I argue that identity change in labour migrants does not follow a simple rural-urban pattern, and that it is therefore inappropriate to characterize labour migrant identity change as a simple shift from rural peasant to urban resident. On the basis of the legal and social identity of most labour migrants of rural origin, the change of migrant identity begins with rural identity; however, the identity that they shift to retains some aspect of that rural identity. Thus, I suggest that labour migrant identity shifts from peasant to non-peasant identity, and that labour migrants, due in part to institutional, social and cultural impacts, create a contested identity in the PRD region. A contested identity is defined as a transitional status of identity change. The formation of labour migrants’ contested identity results from a change in economic activities that is incompatible with institutional belonging.

2.2 Institutional Analysis

China’s dramatic social transition in the last three decades is viewed as an institutional change (Coase and Wang 2012, Nee 1989, Oi 1999). The relaxation of the *hukou* system to meet labour demand for industrialization has generated large scales of labour migration (White, Wu and Chen 2008), not only shaping local labour markets for labour migrants in rural China (Oi 1999), but also facilitating urbanization (Friedmann 2005). From these perspectives, the structuring of local labour markets for labour migrants is viewed as an instituted process (Brinton and Kariya 1998, DiMaggio and Powell 1983, Nee and Ingram 1998). Thus, institutional analysis enables us to draw upon how local labour markets are constructed by localized institutions, and how regional disparities have resulted from different institutional arrangements and generated distinct patterns in identity change for labour migrants. From my perspective, the structuring of labour markets and the process of labour migration can both be viewed as an institutional processes.
2.2.1 Institutions and Labour Markets

Institutional analysis in studying economic phenomena shifts the focus from efficiency mechanisms to market stability. DiMaggio and Powell (DiMaggio and Powell) suggest that economic organizations are likely to employ coercive, mimetic, and normative strategies to attain legitimacy in market competition. Institutional isomorphism is viewed as an effective strategy to retain structural stability. Institutional isomorphism explains how economic organizations employ similar strategies to attain legitimacy for survival. Also, institutional scholars employ a historical perspective in analyzing how institutions have impacts on the centralization of labour markets (Western 1998). Institutional change is not only a structural transformation but also a process of historical change.

Above all, economic sociologists view markets as an instituted process (Polanyi 2001). Markets are regulated by institutions with appropriate operations for survival. In order to survive, economic organizations engaged in market competition have to adapt isomorphic organizational strategies (DiMaggio and Powell 1983) and achieve legitimacy in markets. Institutional isomorphism is widely employed to solve the problems of market uncertainty, opportunism, and organizational survival (DiMaggio and Powell 1983). Institutions, in this respect, have been used as strategies to solve the problems of stability in whole industries or economic systems.

Institutional analysis, generally, is used to interpret the institutional change in the process of market transformation (Nee 2005, Polanyi 2001, Porter 1998, Western 1998). Polanyi (2001) stresses that the economy can in fact be viewed as an institutional process, so the transformation of markets involves not only economic but also institutional constructions. Porter (1998) stresses that industrial transformation is closely related to the change of industrial policies. By analyzing the dramatic social transition and economic reform in post-Mao China, Nee (2005) examines institutional transformation in an economy undergoing a rapid shift from central planning to reliance on market. Structural inertia, the emergence of oppositional networks, and norms are the endogenous desire of the organizational change (Nee 2005). Oi (1999) argues that local state corporatism has become
the institutional foundation of economic development in rural China. In this perspective, institutional change in China vastly facilitates economic development within a short-term period.

The study of labour markets can also be embedded into institutional analysis (Brinton and Kariya 1998, Western 1998). In studying Japanese labour markets, Brinton and Kariya (1998) note that labour markets are not only network embedded but also institutionally embedded. They review the effects of social networks and institutions in Japanese markets and point out that institutional embeddedness is the third mechanism in labour markets, complementing atomistic and social embeddedness as job-search patterns. Brinton and Kariya (1998) suggest that institutional embeddedness has to be reviewed in specific cultural and historical environments since it is not appropriate to separate labour markets from the overall social structure. Institutional transformation in labour markets can be viewed as a historically contextualized process (Fligstein 2001, Western 1998). Labour markets should be viewed as institutional processes determined by specific historical contexts.

Institutional change has greatly affected the transformation of labour markets in China in the last 30 years. By implementing new economic and social policies, the Chinese government strived not only to develop the state economy but also to maintain political stability. Institutional change in China, in this aspect, can be viewed as a strategy to attain organizational survival. In particular, under similar patterns of institutional change, labour markets in the PRD have primarily formed two different structures consistent with the historical patterns of local economic activities. In labour markets, institutions still play important roles in differentiating positions between employers and workers, regulating the distribution and redistribution of economic resources, and institutionalizing collective actions among workers (Western 1998). Labour migrants employ different strategies in job seeking in terms of distinct institutional arrangements (Bian and Gerber 2008). In this respect institutional analysis has become an important paradigm alongside network analysis. In applying institutional analysis to China’s labour markets, we should also consider cultural
and historical factors that affect the structuring of labour markets. Also, institutional analysis has been widely applied to the analysis of identity change in labour migrants in China (Pun 1999, Wang 2001).

2.2.2 Identity Change as Instituted Process

Identity change in labour migrants can also be viewed as an outcome of instituted processes in the context of China. Most theoretical perspectives on identity change in migration studies are derived from cases of international immigration, which are associated with nation-state building (Bloemraad 2006, Bloemraad, Korteweg and Yurdakul 2008), race, and ethnicity (Espiritu 2004, Nagel 1994). The identity of international immigrants changes along with their change in citizenship. Citizenship as an institutional arrangement, therefore, has a significant impact on changes in migrant identity. It can be assumed that a change in citizenship precedes the immigrant’s change in identity. For instance, it is unlikely that a Chinese citizen, even when a permanent immigrant to Canada, could self-identify as Canadian without holding Canadian citizenship.

Similarly, in China, identity change in labour migrants is closely related to institutional arrangements. The operation of the hukou system has formed a bifurcated social structure in Chinese society (Fan 2008, Liang 2001, Solinger 1999), which generates two types of Chinese citizens. The hukou system has generated a system of internal citizenship in which Chinese citizens within the regime are divided into rural and urban categories of citizenship. Labour migrants find it difficult to integrate into urban life because of institutional barriers that make it almost impossible for labour migrants to change their registered hukou residence status from rural to urban (Pun 2005).

Solinger (1999) notes that the existence of only these two kinds of registered residence statuses has created the conditions for contested citizenship in urban China. By reviewing the historical development of state policy in China, Solinger finds that state policies have had decisive impacts on internal labour migration in China. As she suggests, urban institutions have implemented all sorts of policies to regulate not only rural-urban
migration, but also urban-urban migration, while also relaxing control over peasant migrants or shifting to market dynamics. However, peasant migrants in cities have to employ other strategies for survival, which engenders an alternative citizenship in urban China, a kind of informal citizenship without institutional protection. The legitimacy of this citizenship derives from migrants’ self-identity but is contested by urban registered residents, who continue to view migrants as outsiders.

The institutional barriers to formally changing to urban citizenship have implications for migrants individually and for patterns of migration. Liu and Wan (2007) note that the labour shortage in the PRD region has resulted from the lack of institutional support to enable labour migrants to integrate into host communities. In examining the social identity of young labour migrants in the PRD region, Li (2004) points out that the lack of appropriate institutional arrangements to allow permanent settlement in urban China leads labour migrants to develop a marginalized social identity. Also, he stresses that the reform of the hukou system in urban China would enable labour migrants to better integrate into urban life (Li 2004), suggesting that labour migrants, most of whom find it impossible to change their registered residence status even if they live in urban areas, have a marginalized social status in urban China. Even after living and working in urban areas for many years, labour migrants are hardly recognized, institutionally, as an integrated part of the city. He further stresses that labour migrants change their identity to reflect their marginalized social status.

Thus identity change in China can also be viewed as an instituted process. The hukou system, through which Chinese citizens are classified as rural peasants or urban residents, is rarely changed even when rural peasants work in non-agricultural sectors. The access of Chinese peasants to appropriate identity is significantly affected not only by socioeconomic status, but also by the institutional construction of citizenship. The identity change of labour migrants from peasants (nongmin) to urban residents (chengliren) is closely related to a shift in citizenship. Yet, unlike in conventional migration theory, particularly in international migration studies, identity construction of labour migration in China is based on social status rather than ethnicity and race. Opportunities to attain institutional “non-agricultural
household status” for rural peasants are limited (Wang 2006). Moreover, the process of identity change in labour migrants is not singularly a rural-urban pattern.

The overemphasis on urban China in the studies of identity change results in the social landscape of labour migrant life in industrialized rural communities being overlooked. Rural industrialization since the early 1980s has become one of the most dynamic economic driving forces in the PRD regional economies, and some rural areas are as successful as the urban PRD region (Chan, Madsen and Unger 2009). For instance, despite slow economic development, the peripheral areas in the PRD region also provide considerable job opportunities for labour migrants. It is common to see labour migrants working in small workshops in rural communities in the PRD. Life experience in industrialized rural areas rather than urbanized communities fosters an identity other than an urban identity.

Therefore, in order to gain a more complete understanding of migrant experience, the identity change of labour migrants in different cultural and institutional settings in China should be considered. Moreover, institutional change in China has generated dramatic social transformation that is reflected in the change of social relationship. Labour migration can be viewed as a movement of social relationships. In this aspect, the effects of social networks in labour markets and identity change cannot be overlooked.

2.3 Social Networks

Social networks play controversial roles at different stages of labour migration. Social networks are widely employed as an effective strategy in the process of job attainment (Bian 1997, Granovetter 1983, Lin 2006, Liu 2001). Due to institutional arrangements in host community, however, social networks in the form of social connections bridging home and host communities hinder integration into the host community (Woon 1993), with the result that the patterns of identity change in labour migration are affected by the existence of translocal ties.
2.3.1 Social Networks in Labour Markets

Social network theory stresses how various social ties construct labour markets on the basis of efficiency and effectiveness. Social networks suggest that successful economic behaviors rely not only on pure economic calculations but also on various social ties. In analyzing the effects of social capital, Lin (2006) stresses that social actors compete for social resources through social networks. Granovetter (1985, 1995) suggests that social networks are able to provide efficient information flows in job markets. His weak ties hypothesis notes that weak ties have greater effects on information flow and reliability (Granovetter 1983). Markets as a whole can be viewed as the network construction (Powell 1990, Uzzi 1996), which is an important factor in achieving market success (Burt 1992).

Also, social networks play a facilitating role in the process of obtaining jobs (Granovetter 1983, Lin 2006). In analyzing job searches in Japanese labour markets, Western and Kariya (1998) note that social networks increase the reliability and efficiency of information flows. By comparing two factories in Hong Kong and Shenzhen owned by the same enterprise, Lee (1998) suggests that localistic networks, which are based on clans, lineage, and local connections, play important roles in retaining stable labour relations in factories and in facilitating reliable and effective labour mobility.

Social networks can also be applied to the transformation of labour markets. To a large degree, social networks facilitate the deconstruction and reconstruction of labour markets. Collins (2003) stresses that social networks can be reshaped or deconstructed by industrial transformation. In her research, the relocation of the apparel industry from the U.S. to Mexico facilitates the deconstruction of local social networks in the U.S. Deterritorialization, which refers to the spatial transformation of industries across geographical boundaries, however, weakens the power of social networks in new locations.

Furthermore, not only does the transformation in traditional industries result in the deconstruction and reconstruction of local social networks, but also social networks play important roles in the spatial relocation of industries. Saxenian (2006) notes that labour
mobility in the high-tech industry is likely to employ social networks. By comparing different patterns of mobility from Silicon Valley to Asian regions, she suggests that social networks, along with local institutions, are determinant factors for industrial advancement.

Also, social networks as an efficient strategy in job markets are widely used in China. In studying the ways that urban residents sought jobs in the period of social transformation, Bian (1997) stresses that job seekers in China rely primarily on “strong ties” rather than “weak ties” in the process of seeking work. He found that job seekers obtain job information from their family members, relatives, and friends. Strong social ties are able to provide more reliable job information. His research both verifies the effects of social networks in labour markets and complements arguments about the strength of social networks in affecting job attainment.

Thus, social network theory focuses primarily on explaining how markets are shaped and reshaped along with the change of social relations between social actors. By shaping network structures, social relations are able to facilitate market success. At the same time, social network approaches explore how social resources are distributed by social networks in economic competition (Burt 1992). Social resources can be obtained not only through market competition but also through social networks. Networks play important roles in facilitating and coordinating the redistribution of social resources (Lin 2006). The power of social networks in labour markets has been proven (Brinton and Kariya 1998, Granovetter 1995, Lin 2006). However, social networks operate in specific institutional environments. In China’s case, social networks are employed not only as a strategy in job-seeking, but also as translocal ties to maintain connections with home community that affect the patterns of identity change.

2.3.2 Identity Change as a Social Process

In addition to the institutional forces shaping migrant identities, identity change in labour migrants can also be viewed as a networked social process. For example, translocal ties play an important role in the process not only of labour migration, but also of identity
change. In terms of migratory patterns, migrants can be categorized as temporary migrants, trans-regional migrants, or permanent immigrants (Schiller 1999). Labour migrants in China, institutionally speaking, are viewed as temporary migrants or trans-regional migrants. Because of their characteristics as temporary migrants, labour migrants are rarely able to settle permanently in cities. Instead, in various ways, most labour migrants maintain strong social and economic ties with their home communities.

A translocal tie is a type of social tie that bridges social relationships between home and host communities. Translocal ties facilitate migrants maintaining their original, pre-migration identity. Some sociologists (Portes and Zhou 1993, Zhou 2009) suggest that Chinese Americans, for instance, are likely to maintain translocal ties during their initial settlement and continuing into their upward mobility. At the same time, translocal ties are employed as a migratory strategy and a protocol for maintaining original ethnic characteristics (Zhou 2009). By researching migration strategies of Chinese emigrants between Fujian province and the United States, Liang and his colleagues (2001) found that translocal ties play crucial roles in providing reliable information for migratory initialization and for a certain degree of relational guarantee for migrants’ initial settlement in the new society. Schiller (1999) suggests that the maintenance of translocal ties for new immigrants in the United States, which represents loyalty to their homeland, is viewed as an efficient way to retain original identity. Translocal ties, both economic and social, are the primary ties that maintain their home connections.

Chinese internal labour migrants employ translocal ties to maintain connections with their home communities. In studying a migrant community in Shenzhen, Liu (2001) suggests that social networks allow rural workers to retain their connections with home communities and to enhance their opportunities for upward mobility. Liu and Wan (2007) suggest that most rural workers prefer employing social connections with home communities to gather job information. Most labour migrants’ initial impetus for leaving home to work was to improve the livelihood of their home communities through remittances (SRGNC 2012).
Also, Woon (1993) notes that labour migrants in China are mobilized in a circulatory fashion. In interviewing labour migrants who worked in factories in the western PRD region, Woon (1993) found that they returned home to participate in agricultural activities at harvest time. Circulatory mobility among labour migrants in China for economic reasons thus enables connections between migrants and home communities (Woon 1993). For instance, there is a well-known social phenomenon wherein Chinese labour migrants place great importance on family unification for Chinese New Year. In this period every year, the flow of migrant labour traveling home, called New Year’s Flow (chunyun), has become one of the most significant examples of periodic labour mobility in the world. In 2008, it was estimated that the number of labour migrants returning home for family reunification during the Spring Festival holidays all over China was over 100 million people (SRGNC 2012).

Most sociological studies have focused on how translocal ties facilitate migration and initial integration into a new society (Xu and Qian 2009, Zhou 2009). In the PRD region, the presence of a large population of labour migrants facilitates the strengthening of translocal ties. Labour migrants from similar geographic origins are more likely to live and work together. It is then easier for them to share work information with their home communities and to maintain a similar lifestyle (Pun 2005). Thus, labour migrants employ translocal ties for better settlement. To attain survival in the host community, labour migrants rely primarily on translocal ties as the springboard for upward mobility (Liang, Chen and Gu 2002, Liang, Zhang and Ye 2008).

In particular, translocal ties help labour migrants maintain various social connections with home communities, which results in a complex process of identity reconstruction. Labour migrants, as temporary residents in industrialized or urbanized communities, maintain strong connections with home communities, with the result that translocal ties becomes a hindering factor from changing identity. Moreover, in the analysis of labour migration in a specific case of the PRD, labour migration is embedded into local culture. The structuring of labour markets is localized following its long-standing history in economic
activities consistent with its local culture and regional characteristics. Thus, labour migration can also be viewed as a cultural consequence.

2.4 Labour Migration as a Cultural Consequence

As interpreted above, labour migration is viewed as socially and institutionally constructed. Institutional analysis and social network theory stress the importance of efficiency and stability in labour markets, respectively. However, cultural legacies and historical contexts have significant impacts on labour migration. Institutional analysis often overlooks how cultural or political mechanisms affect institutional change, and social network theory frequently overemphasizes the efforts of efficiency in resource attainment while overlooking the underlying cultural mechanisms. The cultural-political approach, which put cultural elements into consideration in analyzing labour markets and labour migration, show how the patterns of labour migration are generated and stabilized in fields that are directed by historical and cultural legacies.

2.4.1 Cultural-Political Approach

Scholars have invoked the idea of institutional entrepreneurs as agents of change, yet there has been little concern about what kind of specific social processes and skills help these actors to get what they want or successfully resist other actors’ power (Fligstein and McAdam 2012). Fligstein (2001) offers a cultural-political approach to the whole economic system. He suggests that market structures and their change should be embedded into cultural and political perspectives. Market transformation is a process determined by property rights, rules of exchange, governance structures, and conceptions of control (Fligstein 2001). Such a cultural-political approach to the transformation of economic systems suggests that cultures and power have great impacts on market processes, which are also historically contextualized. The transformation of labour markets in China, from my perspective, is based on localized cultural legacies in which labour migrants follow socialized and institutionalized patterns of job attainment. The transformation of labour markets is also a cultural and historical construction (Fligstein 2001, Fourcade 2007, Western 1998).
The evolution of labour markets is a process involving economic, social, institutional, and cultural factors. The complexity of market systems requires a comprehensive perspective. Social network theory and institutional analysis give us an idea that markets are networked and institutionally constructed. The cultural-political approach employs the conception of control to explain that economic actors in market systems are constrained by power (Fligstein 2001). Local labour markets, at a micro level, can be viewed as one kind of social structure in which employers and workers have different economic and social behaviors directed by their power that are produced and reproduced in terms of network effects and institutional dynamics. Thus, the cultural-political approach stresses that cultural and historical factors should be considered when analyzing market transformation. In this study I attempt to apply a cultural-political approach to analyze the construction of labour markets in the PRD. I argue that what I term “Cantonese characteristics” — a proclivity for commercial behaviour — were formed during a long history of regional economic activity have had a major cultural impact on the creation of labour markets. Indigenous residents and labour migrants have differential power in labour markets. The place of origin of both indigenous residents and labour migrants reflects not only institutional factors but also cultural understandings. Labour migrants from regions within Guangdong, such as Chaozhou or Meizhou, neither of which are Cantonese-speaking, are more favoured by enterprises than those from the provinces. Enterprises in the PRD region are more likely to use landsmann (laoxiang) to recruit and manage workers in factories (Lee 1998, Pun 2005), which has become a key and effective strategy in workplace management.

2.4.2 Identity Change as a Cultural Consequence

In addition to labour markets, identity changes are an important process of labour migration and are consistent with culturally and historically constructed patterns. Social scientists have found that change to ethnic identity in the course of migration is greatly affected by cultural legacies (Ong 1999). In studies of international immigration, the process of social integration into new societies is often viewed as one of acculturation or assimilation, whereby new immigrants gradually come to adopt the cultural perspectives
and practices of the receiving society. Tan (2004) notes that Chinese overseas in Southeastern Asian countries try to maintain Chinese ethnicity by maintaining traditional Chinese worship practices. At the same time, Chinese overseas integrate local cultural factors into their worship practices to fulfill acculturation expectations from local communities. Mitchell (2004) notes that conflicts between local residents and new residents may be generated by cultural differences. In her research, new Chinese immigrants in Vancouver encountered various cultural conflicts with local residents when they built “monster” houses or removed trees in accordance with *fengshui* principles, which were incompatible with the conventional culture of many local residents.

Language and intermarriage are other aspects where immigrants may maintain a distinct cultural ethnicity. Maintaining mother languages can be viewed as a strategy to retain original identity and to maintain ethnic networks. Asian Americans are more likely than other ethnic groups to send their offspring to off-campus tutorial classes to learn Chinese, which is viewed as an effective way to maintain Chinese ethnic identity in their children (Zhou 2009). Learning ethnic mother languages is considered an essential way for immigrants to maintain their original identity. Also, intermarriage among Asian Americans is prevalent in Asian immigrant families. Intermarriage within similar ethnic groups is more acceptable to local families because the ethnic individuals share common experiences in their daily life and worldview that gradually form a common consciousness that distinguishes “us” from “others” (Espiritu 2004, Kibria 1997). In arguing the “dichotomous conceptions” of out-marriage, Kibria (1997) notes that the construction of Asian-American identity is a multifaceted process and, therefore, choosing out- or within-ethnic marriage would indicate the degree of ethnogenesis. Moreover, Asian Americans place more importance on family education than other ethnic groups (Kao 1995). The pursuit of better academic performance is perceived not only as an effective pathway for upward mobility, but also as a cultural strategy to retain Confucian traditions, a core social value in traditional Chinese culture. In addition, by practicing traditional Chinese cultural activities, such as martial arts and calligraphy, Chinese American families try to instill Chinese ethnicity in their
children, who would otherwise become more fully assimilated into mainstream society (Zhou 2009).

Cultural factors in the impact of identity change for labour migrants in China have different effects in terms of the characteristics of labour migration. In addition, identity formation in China is based primarily on social status and place of origin rather than on ethnic or racial distinctions. Lee (1998) notes that localistic networks in factories are reinforced by managerial supervisors, who consider it an efficient way to control or organize migrant workers. In Pun’s research, Chaozhou or Kejia girls have superior status in factories compared to other northern girls working in the same factory. This is largely because, on the basis of similar life experiences and language as local residents, they are thought to be smart and hardworking (Pun 1999, 2005).

An enclave economy, which builds on migrants’ recognition of cultural similarities, has been an effective way for migrants to survive in a new society (Portes and Zhou 1993, Zhou 2009). Zhou (2009) has found that enclave economy has been widely employed by Chinese immigrants in the Chinatowns in North America. Some sociologists (Chan, Madsen and Unger 2009, Liu 2001) found that labour migrants also operate within enclave economies. Liu (2001) points out that labour migrants from Pingjiang, a small township in Hunan province, are concentrated in one urban village in Shenzhen, so that enclave economy businesses, such as Hunanese food restaurants, hair salons, and long-distance call centers operated by Hunanese, are common. Chan and her colleagues (2009) also indicate that labour migrants operate small grocery stores to sell specific commodities from the migrants’ hometowns. Recognition of similar life experiences and language skills have become important factors that allow labour migrants to develop enclave economies, and the enclave economy itself has been an effective way for immigrants become more settled in host communities. However, although sociologists have noted the importance of enclave economy in the process of social integration into host communities, they have failed to note that while enclave economies are springboards that help international immigrants integrate
into mainstream society, by contrast in China they tend to hinder Chinese labour migrants from integrating culturally into local communities.

In my view, there is no singular pattern of identity change. For example, due to the prosperous regional economy in the PRD, proficiency of the Cantonese language, the dominant language of the PRD region, may be viewed as a springboard aiding acculturation into the local culture and achieving superior social recognition (Sun and Fan 2011). As a significant way for labour migrants to communicate with local residents, the importance of the Cantonese language as a significant cultural factor in changing the identity of labour migrants will be analyzed in Chapter 7.

2.5 Summary

In reviewing social theories on two primary aspects of labour migration, I found that economic sociologists and migration studies scholars have focused differently on labour markets and labour migration but often with similar theoretical assumptions. Social network theory demonstrates that social networks facilitate job attainments in labour markets and provide connections for labour migrants not only to achieve social resources but also to proceed with identity change. Institutional analysis stresses that labour migration in China has been driven by institutional change. The reform in new economic policies has allowed rural labour to flow into industrialized areas, while host communities have not yet been able to provide sufficient social support for labour migrants to further integration. In terms of these institutional settings, labour migrants have been alienated as labourers homogeneous in production, rather than as social individuals (Lee 1998, Murphy 2009).

Labour markets are determined by economic, social, institutional, and cultural factors in fields constructed in specific historical contexts. Network analysis, institutional analysis, and the cultural-political approach have focused on different points in an attempt to demonstrate how labour markets are produced and reproduced. Labour migration toward the PRD region has generated large labour markets, particularly for labour migrants.
Labour markets in the PRD region can be viewed as an instituted social process. Social networks have become a primary mechanism for labour migrants to obtain jobs. Various social ties have been used in this process. In this research, a synthetic analysis should be employed to compare how these mechanisms play a more important role than others in terms of the regional disparities within the PRD region.

Also, the conventional perspective, which is that migrant identity changes from rural peasant to urban resident, must be reconsidered. In the PRD region, there is a substantial population of labour migrants working in industrialized rural areas. The identity of these labour migrants cannot be considered urbanized. More importantly, the rural-urban dual social system in China has resulted in a stratified system of citizenship between rural peasants and urban residents. Labour migrants, most of whom have rural origins, live in a culturally and socially industrialized environment, but their registered citizenship status remains agricultural or rural. The dramatic regional disparities in rural-urban and preindustrial-industrialized areas have resulted in labour migrants following different patterns in job seeking and identity change during their migration. Not only does this set up a citizenship that is contested between urban residents and labour migrants (Solinger 1999), but it also creates a contested in-between identity for labour migrants who identify simultaneously as both rural peasants and urban residents.

Sociologists have also provided various perspectives on how factors affect the identity of labour migrants in transitional China. Labour migrants’ process of identity change differs from processes discussed in conventional theories of migration, especially in the field of international migration. Under different institutional and social environments, labour migrants in China, particularly in the PRD region, follow a different pattern that is not a simple shift from rural to urban identity but mostly shapes a contested identity. In considering localized socioeconomic structures in the Chinese context, cultural integration and translocal ties play important roles in shaping this contested identity.

Therefore, the term “contested identity” is meant to capture an ambiguous sense of self-recognition shaped in response to the process of labour migration. The formation of
this contested identity largely reflects a dilemma that exists among labour migrants during the process of social integration and labour migration. There is a third social identity shaped in the process of identity change that is beyond the dual and simplistic division between urban resident ([chengliren]) and rural peasant (nongmin). Labour migrants are unable to perceive themselves as either rural peasants or urban residents. Though living in industrialized or urban communities and participating in non-agricultural work, labour migrants encounter not only institutional but also social and cultural barriers that hinder them from shifting smoothly to an urban identity and encourage them to form a contested identity.

In general, a synthetic analysis of labour migration and labour markets should be suggested. From my perspective, labour migration is viewed as a process affected not only by economic and institutional but also by social and cultural factors. The process of labour migration in the PRD region can be divided into two primary stages: job attainment and identity change. The regional disparities of the PRD region have constructed two labour markets for labour migrants, and as a result the patterns of identity change in these two areas are different. Labour migration helps build a comprehensive understanding of the structuring of local labour markets in this transitional society. In analyzing local labour markets in the PRD region, we should not overlook the factors that provoke labour migration.

In this research, the dynamics of labour migration will be employed to analyze the structuring of local labour markets in the PRD, in order to establish a broader picture of how labour markets are diversely constructed in different areas within the delta region. By reviewing the historical development of the PRD region, I will suggest core-peripheral PRD divisions. Different factors play leading roles in the various stages of labour migration within the delta region. By employing synthetic analysis we are able to have a comprehensive social landscape of labour migration in the PRD region. Comparing the two areas during the migration process facilitates understanding of how labour migration has a dramatic impact on social transformation in China.
3. DEVELOPMENT OF THE PEARL RIVER DELTA REGION: THE PAST AND TODAY

By reviewing the historical development of Guangdong province, this chapter will build up a better understanding of how Cantonese characteristics in the Pearl River Delta (PRD) region have become one of the most important factors in economic success in Guangdong province. The PRD region is recognized worldwide for the speed of its economic development in the past three decades. As one of the earliest provinces implementing the Open Door policy, Guangdong province has achieved great economic success. Within Guangdong, the municipalities of Guangzhou, Dongguan, Foshan and Shenzhen are well known for their industrial productivity. In this chapter, I will suggest that the regional development in the PRD region follows a larger historical pattern that can be attributed to Cantonese characteristics. Similarly, the rapid development of the PRD region is based not only on government-oriented resource allocation and privileged policies, but also on its historical and cultural legacies.

Cantonese characteristics, formed through a long commercial history between Guangdong and the world, has laid the groundwork for an enormous economic and social change in the openness era. In this chapter, I will describe the historical development of Guangdong province, showing that the region has a long-standing history of international trade and commercial activity, even at times when the rest of China was effectively closed off from the outside world. Due to this regional characteristic, this delta region received distinct treatment in a long periods in terms of different regimes. More importantly, the regional history of the PRD left institutional and cultural legacies that made the region experience dramatic rural industrialization and urbanization in the Reform era, showing a historical scope for labour markets and labour migration in the great social transformation period.

3.1 An Overview

Guangdong, located on the south coast of China’s mainland, is China’s most populous province and has generated substantial economic success in the last three
decades. The PRD region, located in the central part of the province, is the powerhouse of the province’s economic development. At the same time, the PRD region is the origin of Cantonese culture, which has spread all over the world through the large-scale international emigration of Cantonese people. The historical formation of Cantonese characteristics and the dramatic social transition in this region in contemporary China are closely related to Chinese populations overseas. More importantly, labour migration toward the PRD region, as one of most prominent social phenomena in transitional China, has been a constant feature in the historical patterns of Guangdong province.

Guangdong is the southernmost province of the People’s Republic of China on the mainland (Figure 3.1). In Chinese, Guangdong is also referred to as “Yue” or part of “Lingnan” for its location south of the Five Ridge Mountain (Wuling) area. Since the Wuling area blocks most cold winds from northern China, most of Guangdong is located in a subtropical climate with year-round warm and humid weather averaging temperatures no lower than 20 degrees centigrade. Over half of the province is mountainous and hilly lands (Johnson and Peterson 1999) located in northwestern, northern, and northeastern territories adjacent with Guangxi, Guizhou, Hunan, Jiangxi, and Fujian provinces. Two main water systems, West River and East River, run through the delta region in the south (Johnson and Peterson 1999).

A subtropical climate and rich water resources in the PRD region provide a unique natural advantage for agricultural production. Benefiting from this subtropical climate, double-cropping rice and cash crops are well developed in the PRD region. The region has been one of the most productive agricultural areas in Guangdong province. In 2008, agricultural production in the PRD region was 36.3% of the agricultural production of Guangdong province, reaching 71.1 billion yuan (GDSY 2009). At the same time, the fishery is an important aspect of production in some regions close to the coast, as fish-ponding is in the delta. The formation of Cantonese characteristics is based in part on agricultural characteristics.
There are three mainstream ethnic cultures in Guangdong province, which are distinguished by languages. Cantonese, Hakka (Kejia) and Teochew (Chaozhou) languages represent regional distinctions within Guangdong province. The Cantonese language is a dominant language in the PRD region. Hakka language is spoken by Hakka people, who live in eastern mountainous areas or sporadically live in diaspora communities in other regions in Guangdong. Teochew language is dominant in eastern Guangdong, especially the Chaozhou and Shantou areas. Regional identities within Guangdong province are distinguished and strengthened by languages among these ethnic cultures (Pun 2005).

Figure 3.1 Maps of Guangdong Province and the Pearl River Delta Region

Left: Guangdong province in China (The area highlighted red is Guangdong province). Right: The cities in the PRD territory.

The PRD region, which includes Guangzhou and nine other cities, is the economic and political centre of Guangdong province (Figure 3.1). It is the region with the largest population in Guangdong province because of its rapid industrialization and urbanization in the past three decades. By 2008, the permanent population in the PRD region had reached 47 million, with an additional 12.8 million temporary residents (Statistics 2009). In particular, a large number of labour migrants concentrate in industrialized areas such as Guangzhou, Shenzhen and Dongguan because of the rapid development of labour-intensive industry.

---

4 The dialect in Leizhou Peninsula and North Hainan Island is similar to Teochew language.
5 Hong Kong and Macau are located geographically in the PRD region, but because they are administratively distinct and represent distinct political systems, they are normally not included.
Historically, Guangdong province, as a region far from China’s political centre, made the Chinese governors more likely to consider state security rather than regional economic development. However, the agricultural economy was not privileged in this region as a dominant economic form in imperial China (Johnson and Peterson 1999). Rather, foreign trade has prospered since the 18th century and has shaped a commercialized comparative advantage in the PRD region. The region’s distinctive historical processes and political environment have produced distinct economic, social, and cultural characteristics. Below, by reviewing the historical development of Guangdong province, and in particular the PRD, I provide a better understanding of historical consistency in the development of the PRD region.

3.2 Historical Development of the PRD Region in the Pre-Reform Era

3.2.1 The Early Development in Pre-Modern China

The development of Guangdong province stayed marginal from the central political system in pre-modern China. It was during the Han Dynasty (206 BC-220 AD) that Guangdong region was first officially administered by the Chinese centralized political system. Until the 7th century, the central government control over Guangdong was looser than other regions in mainland China. Due to the lagging transportation tools, Guangdong was viewed as a remote region to which only criminals and exile officials were sent from the political centre (Fairbank 1953).

As historically recorded, Guangdong province had large-scale economic development as early as the Tang Dynasty between 618 and 917 (Vogel 1972). Guangzhou, the capital of Guangdong, attained its great development through the opportunity of foreign trade. The proximity to the South China Sea provided Cantonese more opportunities to make fishing a way of living. The early overseas navigation facilitated early trade between

---

6 As early as the pre-Qin period, it had been recorded that the Yue ethnicity lived in this area. In the early Qin Dynasty (221-207), Zhao Tuo, a lord from North China, established the Nanyue Kingdom in South China, which was recorded the first kingdom in the Guangdong region. The capital of Nanyue Kingdom was Panyu. Decades later, the emperor of the Han dynasty, one of the most powerful centralized regimes in ancient China, conquered this region, and it was incorporated into the Han Dynasty.

7 Before the hanyu pingyin, Guangzhou was widely recognized by western countries as Canton.
China’s mainland and Southeast Asia. In the Southern Song dynasty (1127-1279), Guangzhou was one of the two largest ports in China opened to foreigners for trading. More importantly, the arrival of large numbers of immigrants from northern China in this period, who were escaping from war, brought to the PRD region not only a large labour force but also advanced skills in agricultural production (Liu 2002b).

Later, both the Ming (1368-1644) and the Qing (1644-1911) governments implemented sea prohibitions to resist Japanese invasion and pirate harassment. Under this prohibition policy, individual offshore mobility was strictly prohibited and any who disobeyed were cruelly punished. Guangzhou was the only port that remained open to foreign trade (Liu 2002a). According to the Matheson system enacted by the Qing government in 1686 and later the Canton system in 1760, the Thirteen Factories in Guangzhou, as the only officially authorized agencies for trade between China and Western countries, had the monopoly on foreign trade in China (Liu 2004).

At the same time, Guangzhou served as the key node for foreign-Chinese contact within China. Cantonese people emigrated abroad to make a living and established a widespread diaspora in places like modern-day Malaysia, Thailand, and Indonesia (Tan 2004). The spread of Chinese overseas from Guangdong reinforced the economic connections between the PRD region and other countries in the form of foreign trade (Vogel 1972).

In pre-modern China, Guangdong was a political hinterland of the Empire. For reasons of security, the Guangdong region was never considered the focus of state development, and the incorporation of Guangdong into the larger Chinese polity and cultural nation was a longstanding concern of the centralized imperial power. Yet, Guangzhou was the earliest area forced by British military power to be open to the world.

---

8 Another port was Quanzhou in Fujian province, southeastern China.
9 The sea prohibition was required to be abolished after the defeat of the Qing government in the First Opium War.
10 Factories were “foreigner’s quarters” outside the city walls in Guangzhou. These were business markets, not actual factories where goods were manufactured.
As the British government asked for more interest from foreign trade with the Qing Empire in the early 19th century, Guangdong, and particularly the PRD region, had to be involved. After the two Opium Wars\footnote{The First Opium War was from 1839 to 1842, the Second Opium War was from 1856 to 1860.} the PRD region, as the core of the Guangdong area, became the cradle of the dramatic social transformation in modern China.

The development of Guangdong, particularly the PRD region, followed a distinct pattern from conventional perspectives of pre-modern China. Whereas agricultural economy was a dominant economic form in China as a whole, the prosperity of foreign trade, because of the implementation of the closed-door policy of the Qing government, shaped commercialism in the PRD region, becoming an entrenched part of the regional economy. Agricultural activities in the PRD region, which focused more on cash crops and fishing than on grain production, were easier to develop into a commercial trade. Thus, compared with other parts of China, economic activities in the form of foreign trade had the PRD region greatly commercialized before the Opium Wars.

3.2.2 Guangdong in the Pre-1949 Period: From Margin to Centre

From the mid-1840s to 1949, the PRD region inevitably became involved in the great social transformation of China along with preliminary stages of industrialization. More importantly, the Guangdong region and the PRD in particular played a crucial role in this process, enhancing the region’s economic and political status from the margin to the centre before 1949.

China’s defeat in two Opium Wars in the mid-19th century forced Chinese society to passively integrate into the modern world system. According to the Treaty of Nanking\footnote{The treaty was signed in August 29, 1842, to mark the end of the First Opium War.}, Guangzhou was opened as a trading port to foreign trade along with other four cities in the eastern coastal region.\footnote{The other four cities were Xiamen, Fuzhou, Ningbo and Shanghai.} Commercial traditions and rich overseas connections facilitated the Cantonese people learning modern science and industrial technology from the outside.
world. With the openness of Guangzhou, rapid commercialization was developed along with the rise of preliminary industrialization in Guangdong (Vogel 1972).

The process of incorporating into the world system after the Opium Wars gave rise to a great change in local social structure in the PRD region. The political and economic elites, influenced by patriotism and commercial heritages, started to explore a path of national independence and state industrialization by learning from Western society. In 1872, Chen Qiyuan, a Chinese emigrant who had returned from Thailand, established the Ji-chang-long Machinery Silk-reeling Factory in Nanhai, which was the first modern factory in China invested by private capital. Hong Kong, located in the south of the PRD region, was occupied by the British after the First Opium War. This territory, ruled by a British colonial government, was incorporated into the capitalist system and developed as a prosperous city based on foreign trade.

Not only advanced technology and skills but also Western revolutionary thoughts were brought into China. Hong Xiuquan, an unemployed intellectual, initialized Taiping rebellious activities in Hua County in the mid-1850s. Sun Yat-sen, who had grown up in a Chinese overseas family, started his revolutionary activities in Guangzhou, Hong Kong and Macau around the PRD region. The Xinhai Revolution in 1911 brought the end of the Qing Empire in China. Sun reorganized the KMT government and his military power in Guangzhou in the early 1920s. In that period, for the first time in Chinese history,

14 The British first occupied Hong Kong Island in the First Opium war. Subsequently, in other two treaties signed in 1860 and 1898, the British Government rented the Kowloon Peninsula and New Territories. These three areas are the current Hong Kong administrative area.

15 The Taiping Rebellion was the largest peasant rebellion in the 19th century in China. It broke out in 1850 in Guangxi province and spread out to the Yangtze River delta region and other southeastern coastal regions. Hong established the Taiping Heaven Kingdom in Nanjing until it was crushed with the aid of British and French military forces in 1864. During the revolutionary period, over 20 million civilians and soldiers were killed.

16 Hua County is located in northern Guangzhou, currently Huadu District administered by Guangzhou municipality.

17 The KMT had been founded before the Xinhai Revolution. Its predecessor was named for Tongmenghui, also known as the Chinese United League. However, Sun lost control over this party after the revolution. The wars between warlords all over China led the KMT to lose its effectiveness as a modern capitalist party for more than 10 years. Sun reorganized the party structure of the KMT in Guangzhou with the support of the Soviet Union in the early 1920s.
Guangzhou became the political centre in southern China\(^\text{18}\), and the concentration of social and political elites greatly facilitated the development of the PRD region (Johnson and Peterson 1999).

During this period, Chinese overseas made a great contribution to the development of the PRD region. Early Chinese overseas, who made a living in Western countries and maintained kin connections with their places of origin, sent remittances back for home renovation or infrastructure construction. The implementation of the Chinese exclusion policies in these countries from the 1920s reinforced the return migration of early Chinese emigrants. In this period, the backflows of Chinese overseas with significant wealth facilitated the construction of infrastructure and the development of commerce in the PRD qiaoxiang.\(^\text{19}\) For instance, the construction of Xinning Railway linking Jiangmen and Taishan city was the first railway in China funded by private capital, most of which came from the investment of Chinese overseas. The Wuyi area, the hometown of most early Chinese overseas, was prosperous. Taishan City was another commercialized area between the 1920s and the 1930s.

From the mid-19\(^{th}\) century, the PRD region was at the frontier of a Chinese social transformation. The economy in the PRD region benefited from a long historical development in foreign trade and greatly depended on commerce. In particular, the enterprises invested by private capital also achieved development due to the relative political stability before the Japanese invasion (Johnson and Peterson 1999, Vogel 1972). Some counties besides Guangzhou City, such as Taishan and Kaiping, were substantially urbanized through the contributions of early Chinese overseas. The PRD region, shaped by longstanding commercial traditions and unique socioeconomic connections with the outside world, attained significant regional development. These regional characteristics also had an important impact on the development of the PRD region in the PRC era.

\(^{18}\) The official capital of China in that period was still Beijing. Guangzhou was the base of Sun’s government.

\(^{19}\) Qiaoxiang refers to the hometown of Chinese overseas. The literal translation of Qiao and xiang, respectively, is Chinese overseas and hometown.
3.2.3 Guangdong under State Socialism: 1949-1978

In contrast with the rapid growth and changes experienced in the late 19th and early 20th centuries, regional development of the PRD region in the pre-Reform era was slow. By implementing land reform and the commune movement in the 1950s, the PRD region was integrated into the socialist system within a short time. The planned economy that operated in the pre-Reform era overemphasized the development of heavy industry, whereas other industries developed in the pre-PRC period, characterized as light industry, were neglected. As a result, the comparative advantage of the PRD region’s economy, shaped by a long history of foreign ties and trade, was disregarded. At the same time, for reasons of national security, the status of the whole PRD region was marginalized in the strategy of national development.

By implementing land reform and the Joint State-Private Ownership movement all over China from 1949 to 1953, the Chinese government attempted to craft a soviet-inspired state socialism. During the land reform, the officials in the CCP government, most of whom came from northern China, ignored the actual social and economic realities of the PRD region, so that the strategy of land reform was the same as for its north counterparts (Johnson 1999). For instance, the households in rural Taishan, which benefited primarily from remittance from overseas connections, were relatively better than in other parts of China. Yet, even rich peasant households in this region were classified as landlord class in the land reform. As a result, their lands and other property were confiscated (Johnson 1999).

By 1953, rural Guangdong had completed land reform that, by reallocating agricultural land to peasants, incorporated rural Guangdong into the communist system. In urban areas, the government implemented the Joint State-Private Ownership movement, which aimed to redeem business from national bourgeoisie in Guangdong. By the mid-1950s, the PRD region had completed socialist transformation in both rural and urban areas. In the aftermath, the planned economy was established. The agricultural economy was collectivized, and both commercial and industrial economies were nationalized.
The development in rural Guangdong was still substantial. Collectivization and the Great Leap Forward rarely changed agricultural sectors in this province (Unger 2002). The contribution of Guangdong province to China’s economy throughout the 1950s was largely agricultural (Johnson 1999). The agricultural population was still over 80% of the province’s total population from 1952 to 1978 (Statistics 1981b). Grain production was given greater importance than the growth of production in cash crops and other agricultural production. This had consequences for the industrial performance of Guangdong which, biased towards light industry, was critically dependent upon agricultural commodities, which were limited because of the insistence on grain (Johnson 1999:11).

In addition, to solve the problem of surplus rural labour, some collective enterprises established by villages or communes emerged in rural Guangdong in the 1970s. These collective enterprises received orders from state-owned enterprises or specialized conventional local light industries. They trained a large number of skilled workers who became the primary labour force and entrepreneurs in the early reform era. For instance, the Wentang production team in Dongguan established a collective factory for producing fireworks, which is a traditional local craftsmanship, to supply the needs of the PRD region (Johnson 1982).

However, industrialization in the PRD was much slower compared to other eastern coastal parts in China. The proximity of Hong Kong, considered a hostile political power, meant that Guangdong was treated ideologically as the frontline of anti-imperialist struggles. Guangzhou was the city where the most spies were arrested in China in the 1950s (Vogel 1972). Thus, although the whole Guangdong area was integrated into the socialist system, central authorities still continued to regard Guangdong as troublesome and with puzzlement and suspicion (Johnson 1999).

The blueprint of the PRC was industrialization to maintain national integrity and to surpass the Western capitalist countries. The development of heavy industry and consequently military industry had high priority. National resources for development were privileged in northeastern China, where heavy industry had been developed before 1949.
Yet, in consideration of state security, the industrialization of Guangdong province was limited. State-owned enterprises, especially in heavy industry, were rarely settled in Guangdong. For example, the central government invested 156 “key industrial projects” in the First Five Year plan (1953-57), 86 of these projects were located in cities of the northeastern China and the northern regions of the country, whereas none was found in Guangdong (Lin 1999). In addition, the commercial tradition in the province, under the environment of planned economy, was also greatly suppressed. Since 1957, Guangzhou has been designated as the site to hold China’s Commodity Imports/Exports Fair, which can be viewed as the only channel that the central government maintained Guangdong’s commercial traditions.

Guangdong province, as a prosperous region before 1949, was economically and politically marginalized throughout the pre-Reform era. The government’s preference for industrial policies, along with Cantonese characteristics of commercial traditions and rich overseas connections, resulted in Guangdong not being the focus of state development. The agricultural development in this period was substantial in the regional economy compared to industrialization. The advantages in commerce and trade, viewed as Guangdong’s special characteristics, were greatly restricted and were not revitalized until after Deng Xiaoping came to power in the central government and introduced the Open Door policy in 1978.

3.3 The PRD Region under Reform and Openness: 1979-present

Economic development in the PRD region was revitalized by the implementation of China’s Open Door policy in the late 1970s. Benefiting from its comparative advantages in commerce and institutional support from the central government, the PRD has experienced rapid economic growth over the past 30 years. By developing export-oriented industries, this region has become one of the most important economic regions in China today.

After Deng Xiaoping regained his power in the central government in late 1970s, the central government attempted to recover from the destruction of the Cultural Revolution, especially in the economic field (Vogel 1989). The Open Door policy served as an efficient
way to develop the national economy and was enacted in the late 1970s. Through the Open
Door policy, the central government aimed to promote foreign trade and economic
investment for the development of state economy. Cantonese characteristics—the long-
standing commercial traditions and rich overseas connections of Guangdong province
treated as economic and political disadvantages in the pre-Reform era—became important
advantages in this region. Thus, the central government implemented new economic
policies for the opening of trade in Guangdong province.

Guangdong province benefited from its long tradition of commerce and trade. The
proximity of Hong Kong, which was considered a disadvantage in the ideological struggle of
the pre-Reform era, became an advantage in the expansion of trade. High political pressure
generated from a large number of people fleeing illegally to Hong Kong provided another
political dynamic with the central government (Wen 2010). The PRD region was able to take
advantage of its closeness to Hong Kong, which had been highly industrialized since the
1960s. At the same time, the presence of rich overseas connections in the PRD was also
reestablished, becoming an advantageous factor in facilitating foreign trade (Johnson and
Woon 1997b).

3.3.1 The Dynamics of Economic Experiment

The implementation of new economic policies in Guangdong province was derived
from economic, social, political, and cultural causes. Commercial traditions formed in a
long-standing foreign trade, rich kin connections with the outside world, and the relatively
slow economic development that led to an enormous economic gap between Guangdong
and its neighbor, Hong Kong, forced the Chinese government to implement new economic
policies in Guangdong.

The implementation of the Open Door policy in Guangdong met a trend of global
industrial transformation. However, rising labour costs in some industrialized regions, such
as Hong Kong and Taiwan, limited the further development of these regions. As a result,
these enterprises had to maintain profits by relocating labour-intensive manufacturing
industries to the places with lower labour cost (Lin 2001, Lin and Ho 2005, Saxenian 2006, Wen 2010). The new economic policies that provided favourable tax credits and institutional leeway aiming to attract foreign investment met this opportunity. Hong Kong enterprises established factories for toy, electronics, apparel, and other affiliating industries around the PRD region. Throughout the 1980s, Hong Kong was the largest trader with mainland China, increasing from 5.6 billion US dollars in 1980 to 26.3 billion in 1987 (Vogel 1989).

Also, rich overseas connections were taken advantage of by local governments as an effective way to attract foreign investment in the early period of the Openness era. The proximity of Hong Kong was viewed as a geographic advantage of the PRD region. Both Hong Kong and Guangdong province had strong cultural and historical similarities, which made it easy to transfer labour-intensive industries from Hong Kong to Guangdong in pursuit of lower labour cost (Vogel 1989). Kin connections with Chinese overseas, which were suppressed because of suspicion in the pre-Reform era, were encouraged for attracting donations and investment (Johnson 1999). The central government, at the same time, also amended policies regarding the redistribution of remittance from Chinese overseas, allowing households in Guangdong province to retain 30% of the total overseas remittance. The connections between Chinese overseas and their home origins were reestablished (Johnson and Woon 1997c), mostly for the reason of economic development. The amount of foreign capital actually utilized had a significant increase, from 91.4 million to 21.2 billion US dollars from 1979 to 2008 (Statistics 2009).

As previously suggested, Guangdong was marginalized in the state development strategy. In the pre-Reform era, the regional economy in Guangdong was much lower than in other eastern coastal provinces such as Shandong and Jiangsu (Table 3.1). In 1978, the GDP in Guangdong was merely 18.6 billion yuan, lower than Shandong, Liaoning and Jiangsu provinces, and it was just comparable with Hunan and Hubei provinces (Statistics 1981a).

---

20 See ‘zhong gong zhong yang pi zhuan guangdong shengwei, Fujian shengwei guan yu du i wai jingji huodong shixing teshu zhengce he linghuo cuoshi de liang ge bao gao (中共中央、国务院批转广东省委、福建省委关于对外经济活动实行特殊政策和灵活措施的两个报告)’ on July 19th, 1979.
The GDP per capita of Guangdong in that year was only 615 yuan (Statistics 2001). The lagging economy in Guangdong, especially compared with its neighbor, Hong Kong, generated a great impulse for economic development.

Hong Kong, located in the PRD, played an important role in the economic experiments being carried out in Guangdong. Hong Kong had achieved rapid industrialization in the 1960s, becoming one of the four most economic dynamic regions in Asia (Vogel 1989, Vogel 1991). The prosperity of Hong Kong gave great impulse to the Chinese government to pursue economic opportunities (Vogel 1989). Hong Kong’s prosperity can be seen from the vast income gap between Hong Kong and Shenzhen. In 1978, the annual income of a peasant in Shenzhen was 134 yuan; by contrast, a farmer in the New Territories could earn more than 13,000 HK dollars per year (Wen 2010). This enormous economic gap attracted a great amount of illegal immigration from Shenzhen to Hong Kong in the late 1970s.

3.3.2 New Economic Experiment I: Special Economic Zone

Special economic zones were a key part of the economic policy strategy. By establishing the Special Economic Zones (SEZs), the Guangdong provincial government enacted various new economic and social policies to facilitate economic growth. The SEZs aimed to attract foreign investment by providing favorable tax credits and other industrial policies. In 1979, the Chinese central government decided to establish an export processing zone in Bao’an County, which sat just north of the border with Hong Kong. The export processing zone attempted to attract foreign capital to promote export (Vogel 1989).

The new economic systems were experimented with in these zones for expanding exports (Vogel 1989). In the zone, foreign capital was encouraged to invest to establish factories specializing in commodity production for export. The investors were able to rent land from the local government for factory construction at a very low rate. Favorable tax

---

21 1 HK dollar was equal to 0.304 RMB yuan in 1978, and 13,000 HK dollars could be exchanged to around 4000 yuan.
22 Bao’an County was promoted to Shenzhen City in March, 1979.
credits were also provided. The economic policies in the zone were advantageous. For instance, 15% of the Corporate Income Tax could be suspended for up to 5 years, and the investment in local infrastructure construction could be returned after contract completion (Wen 2010). Shenzhen and Zhuhai, which are adjacent to Hong Kong and Macau respectively (Figure 3.1), were two of the first Special Economic Zones, established in 1980.  

The implementation of new economic policies in Shenzhen was facilitated by the decentralization of the central government. The Guangdong provincial government had more leeway to manage economic goals on its own. Under the new economic policies, the provincial government could manage funds less than 1 million US dollars, and local governments could use the economic profits from foreign exchange in the first three years. Favorable economic policies such as tax credits attracted great inflows of foreign capital into Shenzhen. The geographic advantages of Shenzhen, particularly its proximity to Hong Kong and the ports, facilitated exports from this region. Thus, Shenzhen attained rapid industrialization and urbanization, growing from a small village to a major metropolis in just 30 years.  

The development of SEZs also solved the problem of surplus rural labour around the SEZs. Rural peasants around the SEZs were recruited into foreign-invested or joint-invested enterprises. The rapid industrialization and urbanization in the SEZs provided a large number of job opportunities. As a result, with the increasing labour demand, a large number of labour migrants were attracted to work in the SEZs where they had a better livelihood and higher income than in their home communities.

23 Other two Special Economic Zones were Shantou in Eastern Guangdong province and Xiamen in Fujian province. Later, Hainan Island, located in southwestern Guangdong, was established a province and the Special Economic Zone in 1986.  
24 See ‘zhong gong zhong yang pi zhuan guangdong shengwei, Fujian shengwei guan yu du i wai jingji huodong shixing teshu zhengce he linghuo cuoshi de liang ge bao gao (中共中央、国务院批转广东省委、福建省委关于对外经济活动实行特殊政策和灵活措施的两个报告)’ on July 19th, 1979.
Table 3.1 Gross Regional Product and Provincial Ranking 1980-2008\textsuperscript{25}

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beijing (billion)</td>
<td>23.50</td>
<td>31.57</td>
<td>45.58</td>
<td>86.35</td>
<td>217.45</td>
<td>606.03</td>
<td>1048.80</td>
</tr>
<tr>
<td>Tianjin</td>
<td>21.80</td>
<td>28.14</td>
<td>28.33</td>
<td>53.61</td>
<td>145.01</td>
<td>311.10</td>
<td>635.44</td>
</tr>
<tr>
<td>Hebei</td>
<td>33.20</td>
<td>47.69</td>
<td>74.90</td>
<td>169.08</td>
<td>456.92</td>
<td>847.76</td>
<td>1618.86</td>
</tr>
<tr>
<td>Shanxi</td>
<td>17.20</td>
<td>25.78</td>
<td>35.01</td>
<td>70.47</td>
<td>150.68</td>
<td>357.14</td>
<td>693.87</td>
</tr>
<tr>
<td>Inner Mongolia</td>
<td>10.20</td>
<td>13.95</td>
<td>25.71</td>
<td>53.27</td>
<td>126.82</td>
<td>304.11</td>
<td>776.18</td>
</tr>
<tr>
<td>Liaoning</td>
<td>53.50</td>
<td>70.56</td>
<td>99.21</td>
<td>201.08</td>
<td>417.17</td>
<td>667.20</td>
<td>1346.16</td>
</tr>
<tr>
<td>Jilin</td>
<td>9.10</td>
<td>27.69</td>
<td>36.13</td>
<td>71.80</td>
<td>166.96</td>
<td>475.06</td>
<td>831.00</td>
</tr>
<tr>
<td>Heilongjiang</td>
<td>34.10</td>
<td>43.77</td>
<td>58.26</td>
<td>120.32</td>
<td>357.14</td>
<td>693.87</td>
<td></td>
</tr>
<tr>
<td>Shanghai</td>
<td>64.20</td>
<td>79.27</td>
<td>69.65</td>
<td>151.16</td>
<td>403.50</td>
<td>807.28</td>
<td>1369.82</td>
</tr>
<tr>
<td>Jiangsu</td>
<td>67.40</td>
<td>100.38</td>
<td>122.85</td>
<td>299.82</td>
<td>769.78</td>
<td>1500.36</td>
<td>3031.78</td>
</tr>
<tr>
<td>Zhejiang</td>
<td>33.10</td>
<td>51.80</td>
<td>78.97</td>
<td>190.95</td>
<td>536.49</td>
<td>1164.87</td>
<td>2148.69</td>
</tr>
<tr>
<td>Anhui</td>
<td>24.60</td>
<td>33.96</td>
<td>57.21</td>
<td>106.98</td>
<td>290.86</td>
<td>475.93</td>
<td>887.42</td>
</tr>
<tr>
<td>Fujian</td>
<td>14.00</td>
<td>19.72</td>
<td>41.67</td>
<td>113.35</td>
<td>355.02</td>
<td>748.03</td>
<td>1405.74</td>
</tr>
<tr>
<td>Jiangxi</td>
<td>16.80</td>
<td>22.15</td>
<td>36.35</td>
<td>72.31</td>
<td>196.30</td>
<td>475.67</td>
<td>840.03</td>
</tr>
<tr>
<td>Shandong</td>
<td>54.30</td>
<td>77.28</td>
<td>120.07</td>
<td>277.95</td>
<td>766.21</td>
<td>1502.18</td>
<td>3031.78</td>
</tr>
<tr>
<td>Henan</td>
<td>36.80</td>
<td>49.15</td>
<td>82.60</td>
<td>166.28</td>
<td>457.61</td>
<td>855.38</td>
<td>1840.78</td>
</tr>
<tr>
<td>Hubei</td>
<td>36.00</td>
<td>53.63</td>
<td>70.08</td>
<td>142.44</td>
<td>385.80</td>
<td>563.26</td>
<td>1133.04</td>
</tr>
<tr>
<td>Hunan</td>
<td>30.70</td>
<td>40.00</td>
<td>64.08</td>
<td>127.83</td>
<td>332.68</td>
<td>564.19</td>
<td>1115.66</td>
</tr>
<tr>
<td>Guangdong</td>
<td>37.00(6)</td>
<td>53.55(7)</td>
<td>131.17(1)</td>
<td>322.53(1)</td>
<td>846.43(1)</td>
<td>1886.46(1)</td>
<td>3569.65(1)</td>
</tr>
<tr>
<td>Guangxi</td>
<td>15.40</td>
<td>18.92</td>
<td>34.94</td>
<td>89.36</td>
<td>195.33</td>
<td>343.35</td>
<td>717.16</td>
</tr>
<tr>
<td>Hainan\textsuperscript{26}</td>
<td>8.69</td>
<td>25.81</td>
<td>64.08</td>
<td>127.83</td>
<td>332.68</td>
<td>564.19</td>
<td>1115.66</td>
</tr>
<tr>
<td>Chongqing\textsuperscript{27}</td>
<td>147.97</td>
<td>269.28</td>
<td>509.67</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sichuan</td>
<td>46.70</td>
<td>67.11</td>
<td>99.85</td>
<td>209.65</td>
<td>371.16</td>
<td>637.96</td>
<td>1250.63</td>
</tr>
<tr>
<td>Guizhou</td>
<td>8.50</td>
<td>13.49</td>
<td>23.55</td>
<td>41.61</td>
<td>91.19</td>
<td>167.78</td>
<td>333.34</td>
</tr>
<tr>
<td>Yunnan</td>
<td>13.00</td>
<td>18.55</td>
<td>31.55</td>
<td>77.92</td>
<td>185.57</td>
<td>308.19</td>
<td>570.01</td>
</tr>
<tr>
<td>Tibet</td>
<td>0.74</td>
<td>0.81</td>
<td>2.19</td>
<td>3.73</td>
<td>10.56</td>
<td>22.03</td>
<td>39.59</td>
</tr>
<tr>
<td>Shaanxi</td>
<td>15.50</td>
<td>22.02</td>
<td>39.98</td>
<td>61.74</td>
<td>148.76</td>
<td>317.56</td>
<td>685.13</td>
</tr>
<tr>
<td>Gansu</td>
<td>10.20</td>
<td>13.70</td>
<td>21.68</td>
<td>37.22</td>
<td>93.20</td>
<td>168.85</td>
<td>317.61</td>
</tr>
<tr>
<td>Qinghai</td>
<td>2.00</td>
<td>2.62</td>
<td>6.04</td>
<td>10.96</td>
<td>23.84</td>
<td>46.61</td>
<td>96.15</td>
</tr>
<tr>
<td>Ningxia</td>
<td>2.00</td>
<td>2.87</td>
<td>5.58</td>
<td>10.38</td>
<td>24.15</td>
<td>53.72</td>
<td>109.85</td>
</tr>
<tr>
<td>Xinjiang</td>
<td>7.50</td>
<td>10.54</td>
<td>21.74</td>
<td>50.56</td>
<td>116.86</td>
<td>220.91</td>
<td>420.34</td>
</tr>
</tbody>
</table>

Source: China Statistical Yearbook, 1981-2008

The establishment of the SEZs as an export-oriented economy has become an effective way to achieve economic success in the PRD region. In the 1980s, the implementation of new economic policies greatly facilitated a large capital inflow from the...
SEZs to the whole delta region. As the investment into infrastructure construction and industry was greatly encouraged, the establishment of enterprises flourished, not only in industrial zones but also in the rural PRD region. Consequently, rural industrialization, facilitated by the establishment of private enterprises and direct foreign-invested enterprise, as well as the existing collective enterprises, became one of the most significant socioeconomic phenomena in the social transition in the rural PRD region in the early 1980s (Johnson and Woon 1997a, 1997b). Rural Guangdong became the most economically dynamic region in China in this period.

3.3.3 New Economic Experiment II: Rural Industrialization

Rural industrialization is another prominent economic characteristic of the PRD region. The establishment of SEZs along with infrastructure construction facilitated rapid urbanization. By developing non-agricultural economic activities some rural areas in the PRD region, such as Dongguan and Foshan, industrialized rapidly. In rural Guangdong, cash crops and other non-agricultural work had been the supplementary income in the pre-Reform era (Unger 2002). The development of collective enterprise and private enterprises, most of which were dependent upon agricultural commodity processing, greatly improved rural communities in the PRD region (Johnson and Woon 1997b, Lin 2007). Villagers, released from agricultural production, were recruited to work in non-agricultural sectors. Their participation in non-agricultural sectors to a large degree facilitated rural industrialization in Guangdong.

Rural industrialization in the PRD was significant and dramatic. In 1978, around 70% of rural GDP was from the agricultural economy, while the GDP in industry was merely 20% (Figure 3.2). The change of agricultural and industrial economy was dramatic from 1978 to 1997. As the central government enacted a series of policies in the mid-1980s to facilitate industrial development in rural China, the growth of industrial GDP in rural Guangdong sped up. Since 1991, the GDP of industrial economy transcending the agricultural economy became the dominant economic dynamic in the rural PRD region (Figure 3.2). For instance, some rural communities in Dongguan and Guangzhou became highly industrialized.
Industrial economy in the rural PRD region became almost 60% of GDP per capita, 40% higher than agricultural economy by 1997 (Figure 3.2). The existence of some industrialized rural areas, along with the prosperity of the tertiary industry, gave rise to further urbanization in the late 1990s.

Figure 3.2: The Distribution of Industries in Rural Guangdong, 1978-1997

![Graph showing the distribution of industries in Rural Guangdong, 1978-1997](image)


Between 1978 and 1997, other economic sectors, such as construction, commerce, and transportation, remained similar portions of the economy (Figure 3.2). According to Figure 3.2, the rural PRD region had largely completed rural industrialization by the mid-1990s, while the agricultural economy shrank through the course of the reform era. Besides industry, transportation and construction have realized substantial development since 1978. The rapid growth of infrastructure construction facilitated the development of transportation and construction industries in the PRD in the mid-1980s (Figure 3.2). In contrast, the development in commerce was still slow, maintaining around 6.5% in the first 20 years of the reform era. To a certain degree, it reflected that the process of urbanization in the rural PRD region stayed at a slow level compared to the SEZs and other industrial zones.

The establishment of industrial zones also facilitated rural industrialization in the PRD region. In the early 1990s, local governments in Guangdong province had more and more leeway to enact local economic policies (Johnson and Woon 1997b), and local
governments controlled the rates of the rental of agricultural land to external investment, indicating that local governments were able to participate in actual local industrial development through land capitalization. The enactment of local industrial policy was also independent to meet the local realities.

These industrial zones in the PRD region were established in rural areas to provide cheap land to industrial investors. To attract external investment, local governments rented collective land to foreign investors at a very low rental rate (Wen). For instance, the Duanfen Township government established the Longshan and Fengshan Industrial Zones. These two industrial zones have brought in 18 foreign-invested and 12 domestically invested enterprises, including various industries such as hardware, electronics, apparel, and food processing. These enterprises recruit a considerable amount of local rural labour as factory workers. Some local governments transferred agricultural land into industrial zones to develop local traditional industries. For example, the Nanhai government built up industrial zones to form industrial clusters. In Nanhai District, Nanzhuang Township formed an industrial cluster for ceramics processing, Dali Township for aluminum alloy processing, and Chencun Township for flower planting. More importantly, with the development of these industrial zones in the rural PRD region, the local rural labour supply was insufficient to meet the labour demand. As a result, distant intraprovincial migration, and even interprovincial labour migration, began to emerge in the 1990s (Fan 1996, 2002).

The ownership of the land for industrial zones had been assigned to villages in the Collectivization during the 1950s. In the process of establishing industrial zones villagers, as the shareholders of village land, benefited from land rental. Land capitalization greatly facilitated rural industrialization in the PRD region. Furthermore, the revenue of factories in industrial zones has become the primary collective revenue for some rural communities. Industrial clusters, characterized as specialized industrial production, are prosperous in the PRD townships. By implementing new economic policies to facilitate rural industrialization,

28 See “Duanfen Township Historical Record (zhenzhi).”
29 Nanhai was established as a county-level city in 1992. In January 2002, Nanhai was incorporated into Foshan Municipality and renamed as Nanhai District, administered by Foshan City.
the PRD region—a rural dominated area in pre-Reform era—has attained great success in its industrialization in the past three decades.

In the pre-Reform era, the PRD region as a whole could be viewed as rural and the dominant economic structure was agricultural. Industrialization in rural areas was merely to solve surplus rural labour and to provide processing for agricultural commodities. The paces of rural industrialization within the delta region were similar. In the reform era, some rural areas in the PRD region, such as Guangzhou, Foshan and Dongguan, achieved rapid industrialization due to the large capital inflows. As a result, non-agricultural work has become the dominant economic activity for local residents. Land capitalization, to a large degree, has transformed economic structure from agricultural to industrial economy. Economically, these industrialized rural areas have transformed from agricultural economic structures, while social and cultural structure in these areas remains rural. Rural industrialization in the PRD region has become one of the important factors not only in the growth of local economy but also in further urbanization.

3.4 Economic Success and Disparities within the PRD Region

3.4.1 Guangdong’s Economic Miracle

Economic growth in the PRD region since the early 1980s has been characterized as an “economic miracle” in China. As Cantonese characteristics, largely viewed as regional disadvantages in the pre-Reform era, became regional comparative advantages along with the implementation of new economic policies, the PRD region has had dramatic development. Since 1979, as previously introduced, because of the implementation of a series of new economic policies in the PRD region, the growth rates of the Guangdong GDP are much higher than for other regions in China (Figure 3.3). The PRD region has become an economic powerhouse of China.

The establishment of the SEZs in the early 1980s has shaped the export-oriented economy in the PRD region. In the past 30 years, the average rate of GDP growth in Guangdong province is higher than that of China’s overall economic growth, reaching 13.7%
in Guangdong province compared to 8.8% in the rest of China (Figure 3.3). In the 1990s, Guangdong’s economic success was given the political stamp of approval. Deng Xiaoping visited Guangdong province in 1992 and expressed his confidence in developing a market economy in China. Subsequently, the 14th CCP National Council Meeting officially confirmed that the direction of economic reform in China was to establish a market economy system. With this kind of support from the central government, the GDP growth rates in Guangdong province reached over 20% in the mid-1990s (Figure 3.3).

Figure 3.3: Growth Rates of the GDP of Guangdong Province and China, 1978-2009

Guangdong’s rise as a major economic centre in China is reflected in the province’s contribution to the national GDP. In 1978, the Guangdong economy was marginalized and contributed a mere 5% to China’s GDP (Figure 3.4). Even at the early stage of the reform era, the gross product value in Guangdong was only 37 billion yuan, which ranked 7th place in China (Table 3.1). The rapid economic development in Guangdong province has also meant increasing contributions by Guangdong to China’s GDP. By 1989, the gross product value in Guangdong province had reached 131.17 billion yuan, ranked 1st place in China (Table 3.1). According to Figure 3.4, Guangdong province, reflected in the contribution of the annual GDP per capita, has played an increasingly important part in China’s economic growth. Since 1998, the contribution of GDP per capita of Guangdong province has increased to over 10%

---

30 The data calculated in this figure are current prices.
of China’s GDP per year (Figure 3.4). Since the mid-1980s, then, Guangdong province had transcended other provinces traditionally the focus of economic development, such as Jiangsu and Shandong, becoming one of the most dynamic economic driving forces in China (Table 3.1).

Figure 3.4: Contribution of Guangdong Province to China’s GDP per Capita, 1978-2009

3.4.2 Regional Disparity within Guangdong

While Guangdong’s economic growth in the last 30 years has been rapid and striking, it is important to note that the pace of development within Guangdong province is diverse across regions. The PRD region, located in the core of the province, has experienced the most rapid and sustained growth, while other regions, such as the eastern and western wings of the province, have lagged behind. The economic gap between the PRD region and other parts of Guangdong province has widened, in particular since 1995. According to Figure 3.5, the increase of GDP in non-PRD regions rose from 2.4 billion yuan in 1995 to 7.7 billion yuan in 2008, with an annual growth of only 13.7%, while the increase in the PRD region was from 3.8 billion yuan in 1995 to 29.7 billion Yuan in 2008, an annual 17.1% increase. The gap between the PRD region and the non-PRD region has continued to grow since 2000. The increase of GDP in the non-PRD region is merely modest (Figure 3.5).

31 The data calculated in this figure are current prices. The statistics for GDP per capita is based on “resident population” (常住人口).
There are a number of factors that explain the variation of economic growth across regions of the province. Because of large inflows of foreign investment, Guangzhou, Dongguan, and Shenzhen have attained significant and sustained economic growth in the past three decades. Dongguan is often dubbed “the world’s factory” and is well known for the concentration of toy, electronics, and clothing factories found there. Shenzhen, having benefited from the new economic policies favoring SEZs, still maintains the leading status in regional economy. Manufacturing and affiliating industries, invested primarily by Hong Kong, Taiwan, and Western countries, are the dominant industrial forms in Shenzhen. Including Guangzhou, the capital of Guangdong province, these three cities now form the largest urban metropolitan area in the world (Lin 2001, 2007). This is also the most economically developed area in the PRD region.

Yet even though the PRD region is one of the most prosperous regions in China and in Guangdong province, economic growth within the PRD region is varied as well. In the early period of economic reform, the paces of economic development across the PRD region were similar. But disparities in patterns and speed of development quickly emerged. Guangzhou, the provincial capital, experienced rapid industrialization benefitting from conventional industrial and commercial advantages. Guangzhou attained the most rapid development in the PRD region (Figure 3.6). The development of Township and Village
enterprises (TVEs) in Foshan\textsuperscript{32} facilitated rapid regional industrialization in the 1980s. Jiangmen, the hometown of most early Chinese overseas, also achieved development by taking advantage of rich overseas connections in the 1980s. According to Figure 3.6, by the mid-1980s, Guangzhou was the most economically developed area, and the GDP of Dongguan and Jiangmen were similar.

Figure 3.6: The GDP of Guangzhou, Foshan, Dongguan, and Jiangmen, 1978-2008

The economic landscape has changed in the past 10 years. For instance, Guangzhou still maintains its leading position in economic growth and Dongguan, by developing industrial clusters mostly invested by Hong Kong and Taiwan enterprises, started economic takeoff in 2000. By 2009, the GDP in Dongguan had reached 3.7 billion yuan, catching up with Foshan in GDP growth (Figure 3.6). The pace of development remains relatively slow in Jiangmen, however (Figure 3.6). Among these cities, Guangzhou, Dongguan, and Shenzhen have been the most economically developed areas in the PRD region. Relatively speaking, Foshan and Jiangmen were slow in economic growth.

The dynamics of economic disparity among these cities are derived from different modes of development. Guangzhou, with its commercial traditions and relative administrative advantages as a provincial capital, maintained its leading position in economic development in Guangdong. Dongguan’s economic takeoff relies primarily on the

\textsuperscript{32} According to the economic growth, Shunde and Nanhai, two county-level cities administrated by Foshan, are entitled ‘Guangdong Four Little Tigers’ with two other cities, Zhongshan and Dongguan.
capitalization of local land. To attract foreign investment, local governments rented land to investors at a very low rental rate, resulting in a large amount of agricultural land in Dongguan being transferred into industrial use (Lin 2001). Under this trend, most Dongguan townships were industrialized.

The development of Foshan was based primarily on TVEs, which developed from collective enterprises in the late 1970s (Unger 2002). The TVEs, focusing on light industries and conventional craftsmanship, facilitated the formation of specialized townships in Foshan. Jiangmen, the home of origin of early Chinese overseas, strived to attract foreign capital by employing its rich overseas connections. The mode of regional economic development in Jiangmen is called qiaoxiang economy. The investment in this region is much less than Guangzhou and Dongguan. In 2008, Jiangmen signed 388 contracts with foreign investment with 0.91 billion US dollars of actual foreign capital utilized, whereas Foshan signed merely 233 contracts with 1.8 billion US dollars of actual foreign capital utilized (Statistics 2009). The detailed comparison of different development modes between areas in the PRD region will be discussed in Chapter 5.

3.5 Urbanization, Shequ and Migration

Diverse paces of economic development within the PRD region also give rise to different stages of urbanization. Guangzhou, Shenzhen and Dongguan, which are highly industrialized, have highly urbanized. The western PRD region, however, is modest in its degree of urbanization, and the agricultural population is still dominant in this area. More importantly, labour migration toward these regions varies in relation to the different stages of industrialization and urbanization within the PRD region.

3.5.1 Urbanization and Shequ

There are different systems of administration in rural and urban China. In rural China, a village committee (cunmin weiyuanhui) is the fundamental unit that manages villager life. The correspondingly basic unit in urban areas is called a resident committee (jumin weiyuanhui). Since the early 21st century, the Chinese government added the label of shequ
to urban residence community (Ding 2008). *Shequ* is used to describe “community” in English, an important concept in sociological thought. According to Tonnies (1957), community is viewed as an association of social ties in such as kinship, neighbors, and other intimate relationships, which is typical of traditional rural communities in China. The transformation of community can be viewed as a natural process, which is affected by industrialization and urbanization.

In China’s contexts, this transformation, however, is facilitated not only by industrialization but also by administrative intervention from governments. “Community” has not only sociological but also administrative meanings in urban China. In particular, local governments have transformed the administrative definition of some rural communities, “village”, whose former agricultural land has been converted to industrial use, to urban communities, “*shequ*”. This change is based on administrative decisions rather than a natural process. The dramatic increase of urban population in Guangdong since the early 21st century (Figure 3.7) was largely because local governments in Guangdong transformed administrative unit of rural villages into urban community (*shequ*). The administrative rationale was that the formerly agricultural villages were surrounded by industrial and commercial enterprise, which occupied their former fields. The *hukou* status of the former agriculturalists was changed to “urban resident”. They were rarely involved in the industrial process and yet as collective owners of the land on which enterprises were built, they enjoyed substantial annual dividends from the rental income. They continued to live in village housing and acted as they had when they were cultivating their lands, although their standard of life had improved immeasurably and they no longer had to work from dawn until dusk. The “urban population” increased, although it cannot be said that these new urban residents were truly urbanites.

I use the term of “*shequ*” rather than community to distinguish between the use of community in sociological sense and the designation of *shequ* as an administrative action. In parts of the PRD region, rapid rural industrialization has facilitated the transformation of economic structure, largely replacing the older agricultural one. In conventional sociological
analysis, industrialization and urbanization are viewed as part of a linked and natural process in Europe and North America. In the PRD region industrialization has occurred with a rural context in which the labour migrants have no access to settlement rights, which contrast strongly with the process of industrial development in Europe and North America. At the same time the indigenous population has been subject to administrative orders which has transformed their rural settlements into shequ, an urban form, which they do not possess.

Figure 3.7: Comparison of Non-Agricultural and Agricultural Population of Guangdong Province, 1978-2008

It is virtually inevitable that rapid rural industrialization will result in urbanization in the PRD region. In 1978, 83% of total registered residents in Guangdong province were agricultural residents, but this number has been decreasing in the last three decades. Since the early 2000s, the proportions of the agricultural and non-agricultural populations changed dramatically. By 2008, the proportion of non-agricultural population in Guangdong province had reached 52%, indicating that more than 50% of the total population in Guangdong province was registered as urban residents (Figure 3.7). More importantly, the urban population in the PRD region had reached 68.9% by 2008, much higher than the proportion of urban population in Guangdong province overall. In the western wing of Guangdong province, however, only 39.3% of the population is urban.
The classification of agricultural and non-agricultural population is based on the *hukou* system. Under this system, Chinese citizens in rural villages are registered as agricultural residence status. In rural areas, there are two ways to change their residence status: migration and administered urbanization. Chinese citizens can be recategorized as urban residents if their official citizenship is changed to non-agricultural registered residence status. Another way is to change the administrative structure to urban community (*shequ*). For example, some townships in Dongguan had been highly industrialized by the 1990s, but these areas still remained rural areas because of rural administrative structures. As a result, the process of urbanization in China is greatly affected by state administrative practices rather than conventional perspectives that urbanization is a naturally economic and social process (Lin 2001, 2007).

![Figure 3.8: Number of Villages and Communities (*Shequ*) in Dongguan, 1978-2009](image)


In addition, people living in urban areas have better economic and social resources, such as job opportunities, healthcare, pensions and schooling, while rural areas are generally viewed as economically backward. Thus, the transformation of an administration from rural village to urban community (*shequ*) is substantially significant for the development of local community. Since the early 2000s, Guangdong province has facilitated the reform of administrative structures by transforming many villages into urban areas.

---

33 I will discuss the *hukou* system in detail in Chapter 5.
34 In this paper, I will use the term “*shequ*” to describe “community”.
communities (shequ). As a result, the non-agricultural population has significantly increased (Figure 3.7).

Thus, the process of urbanization in the PRD region is government-oriented. For instance, in terms of rapid industrialization, Dongguan has changed its administrative structure considerably in the past 30 years. In 1978, there were 496 villages and only 30 shequ, and the proportion remained constant until 1999. With the accelerated industrialization in Dongguan, the Dongguan government transformed the administrative structure of a large number of rural villages into shequ. At the same time, local residents in these villages were transformed from rural peasant to urban resident status. The basic unit of the number of shequ has increased from 47 in 1999 to 215 in 2009. The number of villages, by contrast, decreased to 383 in 2009 (Figure 3.8).

3.5.2 Urbanization and Migration

Guangdong is the origin of most Chinese overseas (qiaoxiang). It is estimated that about 20 million Chinese overseas all over the world are of Cantonese origin (Wen 2010). In a marked break from the earlier history in the reform era, the PRD region has become instead the destination for labour migrants, most of whom come from remote rural China. To reduce labour costs, most foreign-invested enterprises in the PRD region transfer labour-intensive industries from industrialized countries, thus demanding a large amount of cheap labour. At the same time, to solve the problem of surplus rural labour, labour mobility from rural to industrial areas was greatly encouraged by local government in the sending regions. Under these dynamics, large-scale free labour mobility toward the PRD region emerged since the early 1980s. By 2008, the number of labour migrants across Guangdong reached 1.2 million (Statistics 2009). The inflow of labour migrants has not only facilitated economic growth but also greatly changed local social structures in this region.

35 The institutional change in labour mobility will be discussed in Chapter 4.
In terms of the economic disparity within the PRD region, the proportions of labour migrants between cities vary substantially. According to Figure 3.9, Guangzhou as the provincial capital has the largest population in Guangdong, with 7.8 million registered residents and 2.34 million labour migrants. The number of registered residents and labour migrants in Foshan is similar. However, it should be noted that labour migrants have become the primary population in Dongguan. There are 1.75 million registered residents, while the population of labour migrants in Dongguan reached 5.2 million in 2008, meaning that the population of labour migrants was three times more than that of local residents. In contrast, the population of labour migrants in Jiangmen was much smaller than other cities discussed above. There were only 0.24 million labour migrants in Jiangmen, a city with 4 million people. In comparing the different distribution of labour migrants between cities, it can be noted that economic disparity has great impacts on labour flows across the PRD region. Since the enterprises in the PRD region are concentrated in labour-intensive industries, the proportions of labour migrants in the population, to a certain extent, reflect the levels of industrialization.

### 3.6 The Economic Development in the PRD: From a Historical Perspective

The PRD region has been one of the most important economic engines in China’s economic development. The economic success of the PRD is the result of a confluence of
factors, including historical patterns that emphasized commerce and kin ties to the outside world, a close proximity culturally and geographically to Hong Kong, which allowed the region to serve as an early experiment with economic liberalization, and an institutional change whereby local governments had more leeway to enact economic policies to meet local realities during economic development. Overall, historical legacies shaped as Cantonese characteristics have had great impacts on the development of the PRD region.

The regional history of the PRD has become an important facilitation of rapid economic growth under the particular conditions of China’s reform period. The long historical development of commerce and foreign trade in this region has provided substantially long-standing social environments in marketization and commercialization. At the same time, as the earliest Chinese to navigate abroad, Cantonese people have rich overseas connections providing them with broader insights in market exploration. These regional characteristics that are historically formed eventually gave rise to a great amount of capital inflow and production force in the past three decades. It can be noted that these historical dynamics in Guangdong province created economic opportunity as the central government was determined to open China to the world. At a local level, cultural legacies, such as kin connections and Cantonese characteristics, are also viewed as an effective way to attain economic success.

The development within the PRD region is diverse. Some regions are well developed while some are not. As rural industrialization in the PRD as a whole prospered dramatically in the reform era, the rural PRD region has been industrialized rather than urbanized. Dongguan and Shenzhen are highly developed economically, while Jiangmen has lagged behind. In the mid-1990s, some rural areas within the delta region, such as Foshan and Dongguan, had been highly industrialized, yet their local social and cultural structures still remained rural. Different paces of regional development lead to distinct market formations and local social structures. Labour markets and labour migration, in this respect, are different between regions. In the process of rural industrialization, industrialized rural
communities have initialized urbanization, yet these processes are administered by a bureaucratic system.

The acceleration of rural industrialization and urbanization on the basis of the rapid concentration of labour-intensive industries gives rise to large-scale labour inflows. As the export-oriented economy is enhanced, labour inflows into the PRD region are also consistent with the economic growth in the delta region. Different from conventional rural-urban migratory patterns, labour migration in the PRD occurs in industrial areas, some of which still remain rural or are experiencing urbanization. The process of urbanization under the dual rural-urban social system can also be viewed as an institutional change in the PRD region. Industrialized communities that transformed from agricultural-dominated rural villages have, to a large degree, distinct construction of labour markets and labour migration.

More importantly, the conventional perspective of urbanization suggesting that the urban population increases along with rural-urban labour inflows urged by industrialization cannot in part be explained in PRD’s case. On the one hand, the increase of urban population in the PRD region is facilitated by the change of administrative structure. The transformation of administration unit from rural village to shequ leads local residents to change their citizenship from agricultural to non-agricultural residence status, thus increasing the urban population.

On the other hand, although there have been large labour inflows in the PRD region, labour migrants living in the PRD region without local registered residence status are exclusive from the mainstream society. Thus, urbanization in the PRD region is not only a social and historical but also an instituted process. The existence of the hukou system has generated segmented labour markets and social landscapes between indigenous residents and labour migrants. By reviewing institutional change in China, particularly in the PRD region, I can provide a better understanding of how labour migration and labour markets are embedded into local social structure in transitional China.
4. THE INSTITUTIONAL CONTEXTS OF LABOUR MIGRATION

This chapter tries to establish a better understanding of how institutions, particularly the Household Registration (hukou) System, have significant impact on labour mobility and settlement. Institutional change in the past 30 years has greatly affected the trends of labour migration. Internal labour migration in China is profoundly shaped by state and local policies. In particular, since the PRD region stepped into global economic competition in the early 1980s, dramatic institutional change has been widely implemented. In this chapter, I argue that the PRD’s internal labour migration, one of the largest movements of labour in human history, is not only economically driven, but also institutionally embedded. More importantly, dual localized citizenship, as an important consequence of institutional change, has substantial impact on local labour markets and identity change in the rural PRD region.

The Household Registration (hukou) system, as China’s fundamental system for residence management, significantly affects not only the patterns and tendencies of internal migration, but also the formation of the whole social structure of China (Li 2004, Sun 2003). This system was established in the pre-reform era with the primary goal of restricting free rural-to-urban labour mobility. Along with the rationing system and the Commune movement of the late 1950s, the hukou system became a fundamental institution in the state planned economy. As China became incorporated into the global economic system and dramatic institutional reform unfolded in the early 1980s, the hukou system has remained the crucial institutional factor that shapes socioeconomic structures into a dualistic rural-urban system (Murphy 2009, Zhang 2008). China has experienced dramatic institutional change in the last 30 years in response to the development of the state economy. Currently, the hukou system retains a significant institutional influence throughout the entire life of labour migrants and affects both their migratory decision-making and social integration into local communities.

This review of institutional change for labour migration in Guangdong province and China tries to answer three questions: First, by reviewing the institutional contexts that
shape the dualistic rural-urban system in contemporary China, I attempt to demonstrate how labour migration is constructed by the hukou system in concert with other socioeconomic characteristics of migrants. Second, by briefly discussing labour migration along with institutional change in the PRD region, I intend to establish an institutional understanding of how localized citizenship has generated completely different social consequences for various labour migrants. Third, institutional analysis will be employed to provide a better understanding of how institutional factors affect the formation of labour markets and identity change of labour migrants in the PRD region.

4.1 The Hukou System and Its Implementation

The Household Registration (hukou) System, which divides Chinese citizens into agricultural and non-agricultural households on the basis of the type of administration unit in place at the household location, plays an essential role in rural-urban labour migration. The hukou system is not used simply for residence management, but also for the allocation of social resources and social welfare. Under this system, urban residents and rural peasants are placed in contention for citizenship rights (Pun, Lu and Zhang 2010, Solinger 1999). Eligibility for various forms of social welfare, such as housing, schooling, healthcare, and pensions, are based on residence status (Johnson and Zhang 2010, Murphy 2009). Urban residents are entitled to far greater levels of social welfare than the country’s rural residents, which results in a form of internal citizenship that is bifurcated on basis of rural and urban segments.

The hukou system, in concert with other economic systems in place, has played an important role in managing the daily life of Chinese citizens. As social scientists have noted (Cai, Liu and Wan 2009, Wen 2004a, Zhang 2008), the hukou system, one of the most important institutional outcomes of a planned economy, derived from urban labour crises in the mid-1950s. By examining the establishment of the hukou system and other systems

36 In China, the administration units are categorized generally as urban or rural (xiang) areas.
related to the pre-reform era, I intend to demonstrate how China’s dualistic rural-urban social structure was shaped as well as its impact on labour migration in the last 30 years.

4.1.1 Labour Tensions in Urban China: Driving Force of the Hukou System

After 1949, recovering from the destruction wrought by a long period of war and initializing state industrialization were prioritized within the CCP government. Learning from the Soviet Union’s experience, the central government enacted the First Five-year Plan in 1953. Because of the rudimentary levels of its industries, early industrialization in urban areas of China was dramatic and rapid. The construction of an infrastructure created a large number of job opportunities and gave rise to heavy demands for labour in urban areas. In this period, rural-to-urban labour migration was unimpeded as long as rural individuals were able to afford their expenses in cities (Cheng and Selden 1994). People found it easy to find jobs due to the large scale of infrastructure construction in cities (Wen 2004a). Thus, in the early 1950s, peasants were free to find non-agricultural work and to settle down in cities without experiencing any institutional restrictions. As a result, a large number of rural labours moved into urban areas.

The strategies of state industrialization, however, were too ambitious; plans for industrial growth were overestimated and the central plan’s goals were out of step with realistic expectations. In particular, industrial development consistently slowed in 1956 and 1957, which led to a surplus of industrial labourers in China’s cities Wen (2004a), (2004b). Moreover, some infrastructure projects had to be temporarily halted or cancelled altogether. Since these enterprises had recruited a large number of peasants to complement their factories’ workforce before the economic slowdown, a large number of rural workers, who had been recruited as temporary workers, were laid off. At the same

---

37 Between 1840 and 1949, China experienced a number of long-term wars: peasant rebellions, Xinhai Rebellions, warlord wars, Japanese invasions, and, finally, civil war between the CCP and the KMT. As a result, China was separated and controlled by various political powers until the CCP unified all of China in 1950. These wars and political conflicts largely destroyed not only state unity, but also China’s economic infrastructure. Over 20 million Chinese were killed or starved to death during this period of war.

38 The First Five Plan started in 1953. Its aim was to establish a state industrial foundation in place of a capitalist system and to transform the economy to a joint state-private partnership in agriculture, handicrafts, and commerce.
time, due to the poor harvests in 1953 and 1954, a shortage of grain emerged in rural China, so that rural people still flowed into urban areas to seek job opportunities. The presence of jobless peasants in cities not only increased labour tensions but also challenged food provisions, which had the potential to create public unrest in urban China (Wen 2010). In particular, in 1953 and 1954, some large cities incurred a shortage in grain provisions (SRGNC 2012). Thus, in the interest of economic and political stability, the Chinese central government instituted a system of citizenship management meant to control the free movement of labour from rural to urban areas (Lu 2010).

At this time, the restrictive control over free rural-urban migration was important. As early as 1953, the Chinese central government introduced regulations and policies to restrict purposeless mobility. Local governments had the responsibility of persuading rural individuals not to ‘blindly flow into cities’ (Davin 1999). From 1956 to 1957, the Chinese government required local rural governments not to provide job information to peasants, and urban enterprises were no longer permitted to hire peasants (SRGNC 2012:8). In January 1958, the Chinese central government enacted the Household Registration (hukou) System throughout China. Under this system, all Chinese citizens, on the basis of the geographic location of their registered residence, were divided into agricultural and non-agricultural households. Chinese citizens, especially rural peasants, were obliged to stay in rural villages. After this, rural-urban mobility was strictly restricted during the pre-reform era.

The hukou system was spawned by the labour tensions and economic crises in urban China. However, it was reinforced because the power of the state extended into almost every area of Chinese life (Davin 1999:7). Access to economic and social resources for Chinese citizens was strictly regulated on basis of the hukou system. Chinese citizens were unable to receive any social welfare or economic provisions at a non-registered residence. With the development of the planned economy, during the pre-reform period, the hukou

system was greatly strengthened and, as a result, Chinese society as a whole has developed a dualistic set of urban-rural socioeconomic structures (Li 2004, Sun 2003, Wu and Treiman 2004, Zhang 2008).

4.1.2 The Rationing System

The rationing system, as one of the most significant parts of the planned economy in the pre-reform era, provided the economic and institutional foundation for the operation of the hukou system. Between 1953 and the mid-1980s, the rationing system was a solid economic system that influenced every aspect of Chinese citizens’ daily life. Under the rationing system, the government purchased grain and other agricultural products from peasants and then redistributed these to urban citizens as one part of their wage or social welfare. The operation of this system differed between rural and urban areas. In rural China, local governments launched collectivization aiming to reorganize administrative structures to improve both production efficiency and the effectiveness of annual grain purchases (Wen 2004a). By contrast, in urban areas, the rationing system gradually developed into the work unit (danwei) system. The danwei system provided most of necessities for urban citizens in the form of social welfare. Under the danwei system, all urban residents and their households, as long as employed, were eligible for all types of social welfare, such as education, pensions, and healthcare.

At the same time, the rationing system, to a large degree, decreased the possibility of free rural-urban migration. In rural areas, the rationing system was reinforced by collectivization initiated in 1958. The wide implementation of collectivization across China was virtually simultaneous with the hukou system. Under collectivization, conventional rural administrative structures were reorganized40. Individual production material (such as lands and livestock), which was distributed under Land Reform, was reallocated to the

---

40 During the collectivization period, the rural administrative units - county, town (township), and village - were displaced, respectively, by communes, production brigades, and production teams. Some small villages were integrated into a large production brigades to enhance the advantages of socialist public ownership in agricultural production. Most production tools counted as communal property rather than individual property. The wages of commune members were calculated according to their attendance at work rather than their actual contribution to productivity.
commune. As the collective became the new fundamental administrative unit in rural China, commune comrades instead of individual vendors were responsible for helping local governments to collect grain from communes, so that the efficiency of the grain collection process was highly improved (Wen 2004a). After 1953, the government monopolized the transaction rights to collect agricultural products by instituting a government-fixed rate in rural markets, which greatly restricted free market exchange in rural China (Solinger 1999). More importantly, the commune movement, supported by collectivization, had tight control over rural-urban mobility.

In Chinese cities, most of the grain and other life necessities were provided by work units (danwei) rather than by the free market. Tickets rather than money were assigned from work units and became the primary means of obtaining life necessities. This implied that the provision of social welfare, to a large extent, was determined by formal employment, so that unemployed citizens were excluded from the system. As a result, citizens without jobs in urban China were excluded from the rationing system and were unable to feed their households or otherwise meet their daily needs. The rationing system in urban China, along with the hukou system, helped to establish the institutional barriers that served to control free rural-urban migration as well.

4.1.3 The Hukou System

The hukou system is a comprehensive residence management system in the PRC. Under this system, it is mandatory for all Chinese households to register their place of residence at the local branch of the public security office41. The household, which is, in most cases, composed of family members, rather than the individual, serves as the fundamental unit of social structure in Chinese society. As a result, the classification of social status was also based on household rather than individual circumstances.

Demographic information for each household member (including name, gender, marital status, date of birth, place of origin, ethnicity, education, political affiliation, and address of registration), is registered in household registration books (*hukou ben*). These books remain in the possession of each household as the official record of household information. Demographic change in the household is to be reported to the local public security bureau and to be updated in the household book. Because *hukou* status shows not only demographic information, but also social status, such as education, political affiliation, and the type of registered residence, the Chinese government is able to extend effective population management across China through the *hukou* system (Sun 2003, Zhang 2008).

The classification of domestic citizenship through the *hukou* system is based primarily on two institutional logics: the location of household residence (rural vs. urban) and the household type of work (agricultural vs. non-agricultural). All Chinese households are classified as either agricultural or non-agricultural households, according to the place of residence. For the most part, people whose registered permanent residence is in large cities administered by the central government, in county or townships are categorized as non-agricultural residents (*jumin*). The rest, who live in rural areas, are classified as agricultural households (*nongmin*). Importantly, the *hukou* system is used not only to determine citizenship status, but also for the provision of public goods (Wu and Treiman 2004). The allocation of social welfare (e.g., healthcare, schooling, housing, and pensions) is based on the category of residence, which is based on the location of permanent residence registration.

In the first 30 years of the PRC era, the Chinese government overemphasized industrialization, especially heavy industry in cities, so that the provisions made to urban residents were significantly privileged over those provided to rural residents. In particular, the annual grain and other agricultural production were used primarily to provision the cities while rural peasants were unable to be guaranteed even grain provisions. For example, most of the famine population during the period of the Great Leap Forward (1958 to 1962) had residence in rural China. Residence status has become an “ascribed, inherited one,
determining an individual’s entire livelihood and welfare simply on basis of where the registration was located” (Solinger 1999). Thus, the hukou system has developed into an unequal social system that has created two contending categories of citizenship between rural and urban China.

The most significant effect of the hukou system is to control free internal migration. Under the initial hukou system, all Chinese citizens had to attain approval from local public security offices for any residence change (State Council 1958). However, the actual operation of the hukou system in controlling human mobility varied dramatically on the basis of which direction the mobility took. Urban-rural or rural-rural migration, for example, was subject to relatively little restriction even in the pre-Reform era:

“...Migration from urban to rural areas is allowed with no restrictions; reasonable migration between cities should be allowed, but migration from small and middle cities to large cities, such as to Beijing, Shanghai, Tianjin, Wuhan, and Guangzhou, should still be controlled”.

Thus, rural-urban migration, especially toward large cities, was strictly restricted and the eligibility for these kinds of moves was greatly limited. It was hardly possible for a rural peasant to get approval to move to urban areas (Table 4.1). For permanent rural-urban migration, only recruited workers, students, or retiring soldiers were clearly defined as eligible applicants for movement into cities:

“Citizens moving from rural to urban areas must hold admission letters from urban employers or universities, as well as the immigration-allowed certificates issued by urban public security bureaus, to apply for emigration from the local public securities of their permanent residence” (State Council 1958:3).

---

42 See the government document by The Department of Public Security. 1962. Guanyu Jiaqiang Hukou Guanli Gongzuo De Yijian [the Suggestion to Strengthen Household Registration Management].

43 See the government document by ibid.
New residents would be accepted into cities only if they could provide moving-in certificates (qianyi zheng) issued by the local branch of the public security bureau in their place of origin (Davin 1999). Through the reinforcement of the hukou system, under which authorities rarely approved rural-urban moves, free labour migration was effectively prohibited.

Even those who stayed temporarily in cities for non-economic purposes (such as a family visit, medical treatment or other personal visit) were required to register as temporary residents at the host location public security offices within three days after leaving their place of registered permanent residence. According to this regulation, the duration of a temporary residence permit was for not more than 30 days (State Council 1958). For an extension of their stay in the city, rural temporary residents had to apply for additional approval from the urban public security offices every 30 days. Violators, those who overstayed their visit to cities without such approval, would be treated as an illegal, ‘blind population (mangliu)’, and be punished. Under this system, although the temporary residents were Chinese citizens, their right of free relocation within the country was limited on the basis of their rurally registered citizenship. More importantly, since temporary residents were ineligible for urban citizenship, they faced additional hardship in that they were unable to participate in the allocation of urban social resources and welfare.

By contrast, temporary residence in rural China was unrestricted, so that temporary residents from either urban or rural areas were able to live as temporary residents in rural China without restrictions (Table 4.1). Although the approval of urban-rural and rural-rural movements, theoretically speaking, was required, these applications were rarely ever declined. In particular, millions of young intellectuals were encouraged to receive reeducation from poor peasants in countryside in the 1960s (Chan, Madsen and Unger 2009). Because of the hukou system, the classification between rural and urban China became more rigid. Distinct and separate forms of citizenship were created, which resulted

---

in two divergent patterns of segregated development within Mainland China. Because the focus of the state economic strategy in the pre-reform period overemphasized industrialization in urban China, state resources were disproportionately distributed to urban areas. As a result, most parts of rural China remained preindustrial and undeveloped until the onset of economic reforms in the late 1970s.

Table 4.1 Comparison of Eligibility and Migration Control

<table>
<thead>
<tr>
<th>Migration Type</th>
<th>Eligibility</th>
<th>Temporary Migration</th>
<th>Migration Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural-urban</td>
<td>Employed worker, University student</td>
<td>Registered at local authority</td>
<td>Strong</td>
</tr>
<tr>
<td>Rural-rural</td>
<td>Free</td>
<td>Free</td>
<td>Weak</td>
</tr>
<tr>
<td>Urban-rural</td>
<td>Free</td>
<td>Free</td>
<td>Weak</td>
</tr>
<tr>
<td>Urban-urban</td>
<td>Employed worker, University student, Family unification</td>
<td>Free</td>
<td>Modest</td>
</tr>
</tbody>
</table>

The operation of the hukou system provided for differing levels of migration control based on the various migration directions. Overall, movement towards villages was free while movement towards cities was strictly controlled (Table 4.1). The hukou system, with its aim of restricting free rural-urban migration, thus generated significant impact on social structures in China. Rural individuals without legal residence in cities were ineligible to obtain social resources; even a temporary stay was strictly restricted. After 1958, the enforcement of both the hukou system and the rationing system essentially locked peasants in rural China for the subsequent 20 years. Freedom of movement toward cities was effectively closed (Solinger 1999). Thus, development of Chinese society according to the hukou system has been separated into two parallel patterns, and Chinese society as a whole divided into a dualistic rural-urban social system. Rural-urban labour mobility was not institutionally relaxed until the mid-1980s.

In reviewing the driving force behind establishing the hukou system and other related economic systems in the pre-reform period, as well as their influences on Chinese society, this section has briefly established the argument that labour migration in China is institutionally embedded. The operation of the hukou system in the pre-reform period can
be viewed as an institutional attempt to serve urban industrialization and urbanization by limiting rural-urban migration. One of the most far-reaching social consequences for the *hukou* system was the formation of dually segmented rural-urban social structures in the Chinese society. However, as China’s economies accelerated in the 1980s, a new institutional shift, represented by the relaxation of the restriction on rural-urban migration, occurred to meet dramatic economic and social transformations taking place.

4.2 Institutional Change in the Reform Era

By reviewing the institutional change in the reform era that released large-scale rural-urban labour migration in China, this section will demonstrate how the dualistically segmented rural-urban social system was relaxed to facilitate economic growth. As China became integrated into the global economy in the early 1980s, not only economic policies but also social institutions were required to change to meet the realities of Chinese society. As a result, in the past 30 years, China has experienced both rapid economic growth and dramatic institutional change. The great economic achievements, which benefited from the Reform and Openness policy, have generated large labour population inflows into urban or industrialized areas in Mainland China. At the same time, it must be noted that labour migration in the new era, although largely driven by economic incentives, still continues to be profoundly shaped by existing institutions. In particular, changes to the *hukou* system provided an institutional foundation for the increase in free labour migration.

After the Cultural Revolution (1966-1976), institutional reform was imperative as China’s economy encountered difficulties for further development. As the establishment of the *hukou* system was prompted by labour tensions in cities, similarly other dramatic institutional change has occurred to facilitate economic growth. In response to dramatic transformations in China’s economic system as it shifted from a planned to a market economy, the *hukou* system, to a certain degree, has also been adjusted to release the surplus in the rural labour force to supply urban economic development needs. In addition, the economic logic of exploiting a cheap labour resource has become one of the most important economic driving forces to absorb rural labourers. However, the dual rural-urban
socioeconomic structure continues to be the dominant dynamic affecting the formation of dualistic localized citizenship in transitional China.

4.2.1 Driving Forces of Institutional Change

In the past three decades, economic growth and social transition in China have been greatly affected by the operation of new institutions. The formation of new labour markets and the trends of labour migration has been found institutionally embedded (Liu and Wan 2007). The divided rural-urban socioeconomic structure has generated pull-push forces that now facilitate rural-to-urban labour migration. These forces, most of which come from economic demands, have become one of the most complex dynamics of institutional change in labour migration.

In urban China, the implementation of the Open Door policy attracted a large number of foreign investments into eastern coastal regions, especially in the PRD region, generating a tremendous demand for cheap labour to undertake labour-intensive work. At the same time, the gradual abolition of the rationing system and the loosening of the restriction on rural-urban migration in the mid-1980s made large-scale labour migration towards the city possible. In rural China, the development of Township-Village Enterprises (TVEs) also provided a large number of job opportunities for peasants who were seeking non-agricultural revenue to improve their livelihood. At the same time, however, after the Commune system was abandoned in 1982, the Household Responsibility Production System, a new economic system in rural areas, was unable to resolve the problem of surplus rural labour force. The limited proportion of land assigned to this system was not sufficient to allow rural households to improve their livelihood merely through agricultural harvests, which encouraged these surplus rural labourers to seek other ways to improve their livelihood (SRGNC 2012, Wen 2010). Getting a job in non-agricultural sectors became the best way for rural households to escape poverty (Wen 2010). By reviewing the driving forces in both rural and urban areas, this section attempts to provide a better understanding of how labour migration and labour markets of labour migrants are institutionally embedded in the dually segmented rural-urban social structure in China.
Since 1979, the Chinese central government has experimented with the Open Door policy to attract foreign investment and to increase exports, aiming to develop the state economy that had faltered during the Cultural Revolution. Guangdong and Fujian provinces, benefiting from their geographic advantages\(^{45}\), became the frontiers in this economic experiment. As described in the previous chapter, the Special Economic Zones (SEZs) in Shenzhen, Zhuhai, and three other cities\(^{46}\) attained dramatic levels of economic prosperity in a short time\(^{47}\). It was largely because of favorable tax credits for exports, cheap rental on factory lands, and flexible industrial policies that industry flourished in these zones. These new economic policies attracted a large amount of foreign investment, a large portion of which was in labour-intensive industries, such as electronics, toys, apparel, and hardware industries that were transferred from Hong Kong, Taiwan, and other developed countries (Vogel 1989). This increasing establishment of foreign enterprises demanded a sufficient supply of cheap labour.

Besides the SEZs, the development of the TVEs outside of these zones since the early 1980s was substantial (Johnson and Woon 1997b, Unger 2002), thus demanding more and more cheap labour in non-agricultural sectors. Township-Village Enterprises (TVEs) were named for the locations of their establishment – townships or villages, most of which were still pre-industrial in the 1980s. These enterprises were owned collectively and therefore were usually recognized as collective enterprises. The TVEs, as an important complement to agricultural work, played an essential role in improving villagers’ livelihood in rural China in the late 1970s (SRGNC 2012, Unger 2002). More importantly, these TVEs trained a lot of rural workers in skills that enabled them to establish their own businesses in the early reform period. Benefiting from the increasing demand from domestic and foreign markets, these TVEs have attained substantial development since the early 1980s.

\(^{45}\) Guangdong province was adjacent to two colonies: Hong Kong, colonized by Great Britain and Macau, colonized by Portugal. Fujian province was close to another Han regime: Taiwan, which was dominated by the Republic of China. Hong Kong and Taiwan had been economically well-developed since the 1970s. See Saxenian, AnnaLee. 2006. *The New Argonauts: Regional Advantage in a Global Economy*: Harvard University Press.

\(^{46}\) The other three Special Economic Zones are Shantou city in Guangdong province, Xiamen city in Fujian province, and Hainan Island. Hainan Island as a whole was established Special Economic Zone in 1986.

\(^{47}\) See Chapter 3.
Though limited, some private investment into enterprise establishment also emerged in the early 1980s. Some skilled workers, who had developed sufficient experience and skills in TVEs, began to establish their own businesses. In particular, as with foreign-investment factories, most TVEs were also in labour-intensive industries (Wen 2010) and therefore provided a large number of non-agricultural work positions that absorbed surplus rural labour. Throughout the 1980s, the development of TVEs became one of the most significant economic dynamics in rural industrialization. As the central government further enacted new economic policies to encourage peasants to establish their own enterprises, the TVEs in the Pearl River delta and Yangtze River delta region prospered (Wen 2010). The prosperity of the TVEs in the 1980s, under the state strategy of “leave the soil but not hometowns” (litu bu lixiang)\(^{48}\), facilitated both dramatic rural industrialization and economic use of surplus rural labour forces within the rural areas themselves. By 1992, the TVEs had become the primary economic dynamic of rural China. It was reported by the Xinhua News Agency that more than 20% of the rural labour force worked in the TVEs in China (SRGNC 2012). Through the TVEs, a labour market in the non-agricultural sector in rural China has been formed.

Another important factor in attracting rural-urban labour migration was the large scale of infrastructure construction in cities. Since the 1980s, increasingly rapid urbanization has been reflected in the construction of new hotels, factories, and intercity highways, which have demanded a large number of construction workers. In that period, rural peasants, who had attained skills and experience in the rural construction industry, organized construction teams to subcontract projects from larger state-owned construction companies (SRGNC 2012). More importantly, localistic (laoxiang) networks were widely employed as an effective method of worker recruitment in this industry (Pun, Lu and Zhang 2010). Because local workers were more easily organized and managed, the majority of construction teams were made up of peasants from similar local origins. For instance, most

---

\(^{48}\) This strategy was firstly suggested by Fei Xiaotong in 1984. The strategy aimed to solve the problem of rural surplus labor force by transferring agricultural labors to work in the TVEs, which could be established within the countryside, so that the surplus rural laborers could access non-agricultural labor markets in rural China, instead flowing into the urban areas.
major construction teams in Guangdong province were managed by people from Dianbai, Kaiping, Chaozhou, and Meizhou. From the landsmann to the workers, the majority of each construction team was composed of locals from a single place (SRGNC 2012).

In addition, the operation of the Household Responsibility Production System (HRPS) generated one of the most important institutional changes that facilitated rural labour transfers. The HRPS allowed peasants to reserve a certain portion of their grain after submitting a sufficient grain to the state. The surplus could then be sold on the market for private income. This new system greatly motivated peasants in agricultural production. In 1979, the Renmin Daily reported that some production teams in Guangdong province attempted to operate the production responsibility system by dividing their production teams into several groups. A bonus was assigned to the groups in accordance with their contribution of labour, productivity, and cost (SRGNC 2012). After the HRPS was officially enacted in 1982, productivity in rural China significantly improved. Because a quota was assigned to households and all extra grain or agricultural products could be viewed as individual revenues, rural peasants were highly motivated to improve agricultural production. However, the limited amount of agricultural land available for each household meant that the use of agricultural production was inefficient in its use of rural household labour forces and, consequently, was inevitably generated significant surplus rural labour. Thus, in the 1980s, surplus rural labours became the primary source of cheap labour for labour-intensive industries. This new economic system in rural China, to a large degree, facilitated rural-urban labour migration.

Therefore, both economic and institutional dynamics in rural and urban areas became push-and-pull forces that drove rural labourers into non-agricultural sectors. With dramatic commercialization and industrialization, rural labourers were much more likely to engage in industry, which was able to offer relatively better income than agricultural work. However, even as economic incentives became the primary driving force behind labour

---

49 These cities are located in western or eastern Guangdong province. All of their regional economies lag far behind Guangdong’s.
migration, the existence of the *hukou* system continues to hinder rural individuals from freely moving to, and permanently settling in, cities for work purposes. The *hukou* system that was enacted to restrict free rural-urban migration still acts as an important institutional element in controlling rural-urban labour migration.

### 4.2.2 Institutional Change in Residence Management

As the Chinese central government experimented with new economic policies to develop state-run economies in the early 1980s, the *hukou* system has been adjusted to meet the increasing demand for labour in industrializing regions. Restrictions on rural-urban labour migration have been relaxed since the 1980s. The control of rural-urban labour migration has experienced several institutional changes in the last 30 years. However, as a large number of rural labourers entered non-agricultural sectors, the *hukou* system, in general, continued to act as an institutional barrier to hinder labour migrants not just from free city-ward movement but also from integration into city host communities. Local citizenship, as it was shaped by the *hukou* system, has generated two social solitudes between labour migrants and local residents (Johnson and Zhang 2010).

In the pre-reform era, the *hukou* system largely restricted free rural-urban movement. It was mandatory for rural individuals to register in local public security offices if their temporary stay in the host communities exceeded three days. Officials in local public security bureaus were responsible for persuading or forcing jobless peasants to return their rural homes. Once peasants were found to be lacking documents to testify to the legality of their stay in urban areas, they would be mandatorily returned home because they were considered a potential criminal risk that might harm public security. Thus, free labour migration, especially rural-urban migration, was institutionally restricted in the Pre-reform era (Table 4.1).

---

Since the 1980s, dramatic economic growth, primarily characterized as industrialization and urbanization, has given rise to institutional changes in residence requirements. Labour migrants from rural origins in this period emerged to meet the increasing demands of labour markets. At the same time, the government also confronted the pressure to release surplus rural labour, which made labour migration imperative (Wen 2010). In 1982, the central government formulated a quota for permanent rural-urban migration, which should not exceed 0.5% per year (Lu 2010). In 1984, rural individuals were allowed to stay in urban areas to seek jobs as long as they were able to provide for the life necessities on their own (zibeikouliang) (Fan 2008). This is the first time that the central government officially recognized that labour migrants were, albeit conditionally, allowed to find jobs in cities or townships. Therefore, free labour migration had become institutionally possible because the physical relocation of rural individuals was now legally recognized. Facilitated by both economic and institutional dynamics, the population of interprovincial labour migrants in China increased dramatically from 2 million in the early 1980s (SRGNC 2012), to 6.2 million in 1990, to 27.5 million in 200051.

Moreover, the gradual abolition of the rationing system added to the institutional opportunities for free labour migration. In urban China, free markets were created in the early 1980s, along with commercialization and marketization, so that a large number of life necessities and daily groceries were transacted through markets. Not only labour migrants, but also urban residents relied less and less on the rationing system, instead procuring goods through market means. At the same time, the rationing system encountered serious economic difficulties due to the development of the market economy. By the mid-1990s, more grain had been purchased in markets rather than in government-run grain shops52. The replacement of grocery tickets (liangpiao) by paper money indicated that the rationing

52 The grocery store was an important place for the exchange of food and life necessities in the pre-reform period. Urban residents had to use grocery tickets to purchase food, oil, firewood, and other necessities at government-fixed prices and at state-owned grocery stores. With the development of a market economy, this type of government-run grocery store collapsed due to the lack of competitive advantage in their pricing. They eventually closed down altogether in the mid-1990s.
system would be abandoned in urban centers. Before this replacement, credit tickets, the primary form of currency under the rationing system, had been widely replaced by paper money as the primary currency in market transactions. Thus, not only urban residents, but also labour migrants were able to participate in market transactions, which enabled them to purchase food and other daily necessities. Free labour markets, in this respect, were generated along with the development of commercial economy in urban China.

Yet, even today, rural migrants are treated as temporary residents, and few labour migrants working in industrialized areas are able to change their permanent citizenship from the agricultural sector to the non-agricultural sector. It is mandatory that they apply for temporary residence cards (zan Zhu zheng)\textsuperscript{53}. As long as labour migrants are able to provide employment letters or room-rental certificates to local public security authorities, they are able to obtain temporary residence cards. According to the demands in different regions, the length of legal temporary stay in host areas varies from three months to one year\textsuperscript{18}. Employers or landlords are responsible for applying for temporary residence cards for their rural employees or tenants\textsuperscript{18}. Since the implementation of the temporary residence system in 1995, labour migration has increased every year. However, the temporary residence status, which bars temporary migrants from permanent settlement, was reinforced.

The institutional difficulties surrounding permanent settlement in urban areas were also exposed during this time. Since the reform era, the decentralization of central power has increased the power of local authorities. Local governments have more leeway to enact economic policies in order to address the specific realities of their locales (Unger 2002). While some eastern coastal regions have attained economic success, labour migrants, whose hard work contributed dramatically to local economic growth, are generally excluded from the economic harvest. The hukou system, once again, is the primary institutional factor that determines eligibility for social welfare and other benefits (Li 2004). Thus, in

\textsuperscript{53} See The Department of Public Security. 1995. Zulin Fangwu Zhi’an Guanli Guiding [Regulation for the Management of Room Rental Public Security].
urban China, labour migrants are viewed as machines to create products with cheap labour, while their eligibility for supports for social reproduction (such as schooling, healthcare, and pensions) is ignored (Pun, Lu and Zhang 2010).

Since the late 1980s, some developed villages in the PRD region have established shareholder organizations to distribute collective revenue (Unger 2002). It is common practice that only permanent residents (naturalized villagers or community members) are eligible for annual bonuses that come from the rental of collective properties (Unger 2002, Wen 2010). For example, many villagers around metropolitan Guangzhou became rich through either rental allocations or government compensation for the use of village collective properties for the construction of highways and factories. Their annual household revenues were even more than the households in Guangzhou city (Wen 2010). However, spatially speaking, although living in the same communities, labour migrants are excluded from the allocation of economic gains because they merely hold temporary residence status in host communities. Likewise, social welfare is still distributed on the basis of permanent residence status (Murphy 2009). The effects of localized citizenship in the reform era, in this respect, are reflected not only in the hukou system, but also in the allocation of local socioeconomic resources.

The current institutional arrangements for economic policy and residence management in China serve economic demands. Because rural China is a source of needed cheap labour, labour migration has become legally possible. However, the dual rural-urban socioeconomic structure derived from the hukou system remains a barrier for labour migrants seeking to further integrate into urban China (Cai, Liu and Wan 2009, Pun, Lu and Zhang 2010). The allocation of social resources in Chinese society is localized, which means that citizenship in China is also localized on the basis of the hukou system and also of geographic origins. As Li (2004) has noted, the bifurcated rural-urban socioeconomic structure is foundational to all aspects of daily life in China. For example, temporary residents are treated as second-class citizens, which are reflected in the fact that they pay higher tuition fees for their children’s education whilst being excluded from the urban
healthcare and pension insurance systems. The system of localized citizenship has become an institutional barrier for labour migrants in terms of their social integration all over China. In particular, the PRD region in Guangdong province, as one of the largest receiving regions for labour migrants, has experienced dramatic institutional change in residence management.

4.3 Institutional Change and Labour Migration in the PRD Region

Guangdong province is one of the most coveted destinations for labour migrants, and the movement of migrants to the region is both cause and effect of its rapid economic growth over the last three decades. As with economic experiments, Guangdong, particularly the PRD region, was the first region to implement reforms to the residence management system. At the same time, rural Guangdong, with its rapid rural industrialization, has also become a welcoming region for labour migrants. In 2007, the population of labour migrants in Guangdong province was 26 million, 22.4%\textsuperscript{54} of the total population of labour migrants in China (Johnson and Zhang 2010). By reviewing the institutional changes to the hukou system and other policies of citizenship management, we are able to establish an institutional understanding of how such institutional changes have had such an enormous impact on labour migration during this process of dramatic market transformation.

In the pre-reform era, the hukou system in Guangdong province was consistent with other provinces. Guangzhou, the capital of Guangdong province, was one of China’s five largest cities\textsuperscript{55} in which the growth of urban population was strictly limited. Slow industrial development and dominant agricultural production in Guangdong made this province unattractive to labour mobility. As the Open Door policy was instituted, in the early 1980s, dramatic economic growth in Guangdong province, especially in the PRD region, began to attract a large number of labour migrants. In terms of the differing operation of the


\textsuperscript{55} The other four cities were Beijing, Shanghai, Tianjin, and Wuhan.
regulation of residence management, labour migration was very different in the PRD region at different times.

In the early reform period, rural-urban labour migration was still quite limited. Even in September 1979, the Guangdong provincial government instituted a policy that all state-owned or collective enterprises in Guangdong were prohibited from transferring any rural workers (nongmin gong) status from temporary worker to permanent official worker (SRGNC 2012), which encouraged dismissal of rural labourers. Thus, labour migrants were still excluded from formal urban labour markets. In the early 1980s, although the demand for cheap labour increased in industrial regions, rural labourers were still forcibly requested to stay in rural areas. By operating the HPRS, the central government proposed to increase rural household incomes by improving agricultural productivity and by developing a variety of business enterprises not only in agriculture, but also in the secondary and tertiary industries (SRGNC 2012). Local governments encouraged surplus rural labourers to find jobs within, rather than beyond, their localities of registered residence. Labour mobility across the boundary of registered status, especially rural-urban migration, was still heavily restricted.

In 1984, the central government suggested that “local governments should develop a variety of economic forms, such as state-operated, collective, and individual economic forms, to encourage peasants to participate in the economic circulation, and to attract peasants to commodity exchange”56. In the same year, the Guangdong provincial government allowed rural individuals to migrate into cities as long as they were able to self-supply food and other life necessities. This policy opened the urban door for rural peasants and officially recognized rural-urban labour migration. In combination with rural industrialization in the PRD region, the growth of urban free markets allowed migrants to buy food and other items and, in 1984, generated the first large labour flow into Shenzhen and Guangzhou of the reform era (Vogel 1989). It was reported by the Renmin Daily on

January 29, 1988, that there were millions of labour migrants entering the PRD region (SRGNC 2012).

In July 1988, the Guangdong provincial government enacted a policy that required all employers in Guangdong to follow employment procedures that stipulated that urban residents would be privileged over rural peasants, and Guangdong labourers over non-Guangdong labourers. In the 1980s, intraprovincial labour migration became an essential social phenomenon with most migrant labourers originating from the non-PRD region or the peripheral area of the PRD region. People came from the non-PRD regions, such as Zhanjiang, Shaoguan, Chaozhou, and Meizhou and travelled to Guangzhou, Shenzhen, and Dongguan to work in foreign-invested factories. At the same time, interprovincial labour flows into industrializing areas also became significant in the late 1980s, driven by the enormous economic gap between the PRD region and the other provinces in central or western China.

Guangdong province first introduced the temporary residence system in 1989. Under this system, labour migrants who were employed or able to provide a permanent address were registered with temporary residence status. The length of temporary stay was also extended from 1 to 12 months. At the same time, the validity of temporary residence cards was based on countryside (Xian) or city level, allowing labour migrants to change jobs without losing their temporary residence provided they remained within the same locality at the countryside or city level. Thus, labour migrants were able to temporarily settle in Guangdong province provided they were employed.

In the 1990s, interprovincial labour migration became the primary source of labour flows toward the PRD region. Spurred by the accelerating economic development in the PRD region, the PRD region undertook the institutional change of gradually permitting

58 Shenzhen actually initiated the temporary residence card system to manage labor migrants in 1984 (SRGNC 2012).
interprovincial labour migration, aiming to regulate labour migration with government control. In the interest of eliminating the social unrest that was created by spontaneous interprovincial labour migrants, the State Council enacted a notification to dissuade labour migrants from moving to Guangdong in the spring 1991. In January 1991, Guangdong provincial government established a labour-cooperation protocol with Sichuan, Hunan, Guangxi, Guizhou, and Anhui provinces, to strictly restrict labour flow into Guangdong province after the Chinese New Year period. Also, the Guangdong government prohibited all enterprises in Guangdong from recruiting new labours from other provinces (SRGNC 2012).

These policies were proposed to ensure strict restriction on interprovincial labour migration to the PRD region. However, two factors worked against this restriction. On the one hand, the prosperity of the PRD region created such an enormous economic gap with other provinces that labour migrants from central or western China were still determined to travel into the PRD region. On the other hand, the accelerating industrialization and urbanization of the PRD region increasingly demanded more cheap labour than the labour supply within Guangdong could provide. Therefore, despite regulations restricting migration, the scale of interprovincial labour migration to the PRD region continued to expand. It was reported that the number of passengers taking trains during the Chinese New Year period reached 210 million in 1994 (SRGNC 2012). Interprovincial rural-urban labour migrants, from such provinces as Hunan, Anhui, and Sichuan, were recruited as industrial workers. During this time, intraprovincial labour movement, most of which came from outside the PRD region, was also significant (Fan 1999b).

In 1994, Guangzhou and Shenzhen further enacted new policies to regulate permanent migration. In particular, Shenzhen was developed from a small rural township to

---

60 See the State Council. February 1991. guanyu quanzu mingong mangmu qu Guangdong de tongzhi [The Notification of Dissuading Labor Migrants to Guangdong]. The notification requested that all local governments stop the procedures of labor emigration; that returning labor migrants from Guangdong should be dissuaded from going to Guangdong if not employed; that returning labor migrants were prohibited from introducing new migrants to Guangdong; and that labor migrants on the way to Guangdong should be dissuaded by local authorities.
a large city within 10 years, resulting in a dramatic expansion of an urban population that was composed primarily of labour migrants. These two municipal governments implemented the blue stamp residence registration (lanying hukou) system for investors or high-tech skilled workers. Citizens who ran businesses or purchased real estate in these two cities were also eligible to apply for the lanying hukou. The lanying hukou is a transitional residence registration status making the holders eligible to become permanent residents in cities after five years. More importantly, residents with lanying hukou were treated as permanent city residents in terms of social welfare. This policy encouraged economic elites to move into Guangzhou and Shenzhen to obtain a better standard of living (Solinger).

Table 4.2 Institutional Change and Labour Migration in the PRD Region

<table>
<thead>
<tr>
<th></th>
<th>1980s</th>
<th>1990s</th>
<th>2000s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intraprovincial</strong></td>
<td>Released/Encouraged</td>
<td>Encouraged</td>
<td>Inclusive</td>
</tr>
<tr>
<td><strong>Migration</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Interprovincial</strong></td>
<td>Strictly restricted</td>
<td>From Restriction to Released</td>
<td>Released but excluded</td>
</tr>
<tr>
<td><strong>Migration</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Generation</strong></td>
<td>1st</td>
<td>1st</td>
<td>1st and 2nd</td>
</tr>
<tr>
<td><strong>Primary Trend</strong></td>
<td>Rural Industrialized Areas</td>
<td>Rural industrial areas and urban areas</td>
<td>Urban areas</td>
</tr>
<tr>
<td><strong>Institutional Focus</strong></td>
<td>Restricted/Limited rural-urban migration</td>
<td>Organized/Regulated rural-urban migration</td>
<td>Social Integration and settlement in urban areas</td>
</tr>
<tr>
<td><strong>Eligibility of Urban Social Welfare</strong></td>
<td>Non-agricultural registered residence</td>
<td>Non-agricultural registered residence</td>
<td>Non-agricultural registered residence/Guangdong resident</td>
</tr>
<tr>
<td><strong>Criteria of Residence Registration Transfer</strong></td>
<td>The hukou system</td>
<td>The hukou system</td>
<td>The hukou system/ the credit system</td>
</tr>
</tbody>
</table>

In the 21st century, interprovincial labour migration into the PRD region has been concentrated in the region’s core area. At the same time, a new generation of labour migrants, whose parents were also labour migrants, have become an increasingly important
labour resource in the PRD region. In 2004, due to the disproportionately large percentage of population who are labour migrants in Dongguan, the Dongguan municipal government enacted a new residence policy making labour migrants who had lived in Dongguan for five successive years eligible to apply for permanent residence (Cai, Liu and Wan 2009). Such new permanent residents in Dongguan are called ‘new Dongguanese’ (xin guan ren). In 2010, the Shenzhen municipal government instituted a credit system for the hukou transfer. Labour migrants were able to apply for a Shenzhen hukou as long as they possessed the minimum credits in a system similar to Canada’s credit system for skilled worker immigration. On the one hand, these new policies provide institutional possibilities that allow labour migrants to settle down in cities permanently; on the other hand, labour migrants, most of whom work in low-end work, were excluded from these benefits and the cities because it is impossible for them to meet the requirements of the credit system due to their lack of education, skills, and other social resources.

The timing and implementation of these residence management systems demonstrates how internal citizenships in China vary locally and are dependent on regional economies. The institutional entrances with which labour migrants are able to access rural or urban PRD region varies enormously. Rural industrialization in the PRD region exerts a great attraction on labour migrants. Because of various institutional barriers that restrict rural-urban migration as described above, rural Guangdong is relatively more accessible to labour migrants than its urban areas. In particular, rapid industrialization in rural PRD demands a large, cheap labour force. Therefore, it is easy for labour migrants to find jobs and settle down in these industrial areas of rural PRD. Not only local residents, but also labour migrants find more institutional leeway in rural Guangdong. For example, labour migrants working in the Dongguan townships are rarely checked by the local police or required to show temporary residence cards or work permits issued by their places of origin. Moreover, the punishment for lacking these documents is not as harsh as in urban areas (Murphy 2009). Institutional barriers that hinder them not only from accessing the host communities, but also from social integration into local society in the rural PRD region are relatively less prevalent than in urban areas. Interestingly, the large labour migrant
movement into rural industrializing areas has facilitated the process of urbanization and resulted in an administrative change from rural village (cun) to urban shequ (See Chapter 3).

In 2009, the Guangdong provincial government enacted a new policy for population management\(^6\) to replace the temporary residence system introduced in 1989. Under the new system, citizens who were registered as permanent residents in Guangdong province were officially recognized as Guangdong residents. Residents from all other provinces were still classified as temporary residents. This system is considered to be an important institutional reform in Guangdong province. One of the most significant changes in this policy was that permanent residents were no longer classified in terms of the characteristics of their economic activities (agricultural vs. non-agricultural) but in terms of the location of their registered permanent residence (Guangdong vs. non-Guangdong). Permanent residents from Guangdong province are now all treated as Guangdong residents regardless of whether they belong to agricultural or non-agricultural households. The allocation of social welfare and social resources has also changed and is now based primarily on places of origin. Thus, the transformation from classification according to residence to classification according to locality has become the primary form of residence management in Guangdong province.

Therefore, labour migrants can be classified into four groups in terms of their hukou status and place of origin (Table 4.3). According to their eligibility for attaining social benefits, labour migrants with non-agricultural hukou status from Guangdong province are the most advantaged in the PRD region, while labour migrants from rural areas out of Guangdong province are the most unfavorable. The interprovincial labour migration from rural China has become the largest group among labour migrants, indicating that most labour migrants are placed at inferior status for benefit attainments. Moreover, this classification has institutionally shaped not only a conventional understanding in dual

---


---

98
citizenship between labour migrants and indigenous residents, but also dual localized citizenship among labour migrants in the PRD region.

Table 4.3 Classifications of Labour Migrants and the Eligibility for Social in the PRD

<table>
<thead>
<tr>
<th>Place of Origin</th>
<th>Agricultural hukou Status</th>
<th>Non-agricultural hukou Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Guangdong Resident</td>
<td>Ineligible for most social benefits</td>
<td>Eligible for parts of social benefits for non-agricultural hukou status</td>
</tr>
<tr>
<td>Guangdong Resident</td>
<td>Eligible for parts of social benefits specifically for Guangdong residents</td>
<td>Eligible for most social benefits</td>
</tr>
</tbody>
</table>

Overall, the institutional transformation of the hukou system in the reform era is consistent with regional economic development. Labour migration has been facilitated to supply cheap labour for industrialization and urbanization. At the same time, labour export has been the focus of local governments in preindustrial or under-industrialized regions. Labour emigration from these regions is able to reduce pressures that arise from having surplus labour forces. In the PRD region, the supply of sufficient cheap labour is considered to have given the region a strong comparative advantage in global market competition (Wen 2010). As the labour source in rural Guangdong became insufficient to meet the increasing labour demands of economic growth, the scale of labour migration, still institutionally driven, expanded beyond the provincial borders. However, the hukou system still presented various institutional barriers that maintained relative local economic interests in local communities in Guangdong. Thus, the conditions of labour migration and of labour markets in the PRD region are thoroughly institutionally embedded and have created dualistic, localized citizenships that completely bifurcate rural and urban Guangdong.

4.4 The Hukou System: Dual Localized Citizenship

Although China has been incorporated into the global economy, internal labour migration is, nevertheless, still primarily affected by domestic institutional constructions.
The *hukou* system that was introduced to restrict free city-ward migration in the pre-reform period still plays an essential role, not only in terms of citizen mobility, but also in the distribution of necessary social supports in host areas. Labour migration in China, to a large degree, may be viewed as a spatial relocation driven by both economic and institutional dynamics.

By reviewing the *hukou* system and other related systems, we are better able to understand how the process of labour migration is institutionally constructed. The implementation of the *hukou* system has produced a dual rural-urban social system in China since 1958 (Li 2004, Wen 2004a, Zhang 2008). Privileged industrial development in urban areas has enhanced the gaps between rural and urban areas and created a long-term economic dilemma for rural China during the pre-reform period. The current institutional policies, which are base residence registration upon locality of permanent residence rather than the simplistic rural-urban classification, have shaped a new form of citizenship in China.

However, in the reform era, the *hukou* system still contributes significant institutional effects to the patterns of labour migration. The *hukou* system has two primary effects on residence management. On the one hand, it intends to lessen competition in urban labour markets by restricting labour migration into cities; on the other hand, the *hukou* system builds up localized citizenship within China as migrants must meet eligibility requirements to attain urban socioeconomic resources. At the city or county administrative level, Chinese citizens are still subdivided into two hierarchical categories in terms of their original permanent residence. The gaps in social welfare and benefits between these two groups are enormous. In particular, most social welfare provided to urban residents is impossible to reproduce in rural areas. Although labour migrants relocate their living quarters, their permanent registered residence must be maintained in the rural place of origin. Thus, the institutionalization of dually localized citizenship in China has generated two segmented social relationships between local residents and labour migrants despite their actual residence in the same communities.
The *hukou* system continues to play an important role in the process of social integration for labour migrants in host communities with similar effects to the pre-reform era. Under this system, labour migrants within China are treated as temporary residents merely because they live in an area which differs from their permanent residence registration. Temporary residents, in this aspect, are ineligible to participate in the allocation of local economic interest and social resources (Johnson and Zhang 2010). Because of the lack of institutional support in host areas, labour migrants are unable to effectively engage in social reproduction in host societies (Liu and Wan 2007, Pun, Lu and Zhang 2010). Xu and Qian’s research (2009) found that labour migrant families have to leave their children in their home communities because the cost of schooling in urban areas, without institutional support, is unaffordable.

The actual implementation of the *hukou* system, itself, results in the localized construction of citizenship. One of the most significant institutional changes of the reform era is decentralization (Unger 2002). Local governments have more leeway not only to enact local policies for regional development but also, under the framework of the *hukou* system, to carry out new policies in residence management, resulting in the different treatments of labour migrants within the PRD region. For example, Guangzhou, the capital of Guangdong province, and Shenzhen, a new metropolis developed in the last 30 years accepts unskilled labourers for cheap, labour-intensive assembly line work in factories, but prefers to accept, and therefore encourage, skilled workers with degrees in higher education or businessmen, who invest in urban enterprises. Jiangmen and Foshan, however, are more accessible to rural labourers because the primary economic dynamics in these regions are driven by the TVEs, which still require a large pool of cheap, unskilled labour. Thus, the disparity of economic development across the regions has resulted in distinctive labour flow patterns and created distinctive local labour markets for labour migrants. Local institutions for residence management reflect these differing dynamics and are, therefore, distinct from one locale to another.
Social relationships between labour migrants and local residents also differ between regions. As Johnson and Zhang (2010) have suggested, labour migrants are normally treated as partners in economic production, but as outsiders in daily life. Due to the current operation of the *hukou* system, two social solitudes are formed within one community. As a result, a two-class urban society has been shaped in China (Chan 1996). Labour migrants commonly encounter institutional barriers in the process of social integration into host communities. For example, labour migrants, as temporary residents of the PRD region, are ineligible to have healthcare services or sponsored schooling for their children. As a result, family separation is common for labour migrants because of the high cost of living in cities. Institutional contexts, in this respect, have shaped not only the dynamics of labour migration, but also the patterns of social integration. The dual localized citizenship represented by the *hukou* system has been a major obstacle to China’s quest to become a modern, first-class world nation and global leader (Chan 2009).

Simultaneously, rapid rural industrialization in the PRD region has given rise to dramatic social transformation in rural communities. Some rural communities have transformed into urban communities (*shequ*) while agriculture is still the dominant economic form in other rural communities. As previously discussed in Chapter 3, this disparity in regional development affects not only the characteristics of labour movement, but also social relations between labour migrants and local residents. In Dongguan and Guangzhou, the relations between local residents and labour migrants may be, generally speaking, characterized as landlord-tenant or boss-employee relationships. In Jiangmen, because local residents and labour migrants are coworkers in factories and/or live in the same community, their relationships are more diverse, often viewed as colleagues or neighbors. With the great social transformation of the rural PRD region, new localized social structures in rural communities have been shaped.

Institutional change has generated dramatic socioeconomic impacts on both labour markets and labour migration. In China, labour migration, in the past three decades, has followed institutional change consistently and closely. Institutional conditions have affected
not only a citizen’s decision to become a labour migrant, but also their destination and their ability to integrated socially in either local or host communities. Thus, in studying labour migration in China, institutional contexts cannot be ignored. To this respect, the structuring of labour markets and identity change in labour migrants are institutionally constructed. How dual localized citizenship affects the construction of local labour markets and identity change should be explored. By comparing different institutional contexts that have constructed localized social structures and social behaviors, we will be able to draw a comprehensive social landscape of social transition in the PRD region.
5. VILLAGE AND SHEQU: THE TRANSFORMATION OF RURAL COMMUNITY

In describing the development of five communities in the PRD region, this chapter demonstrates how labour migration and labour markets have been constructed by local community transformation. In the studies of social transition in the PRD region, social scientists should not neglect the various effects of historical and cultural legacies on the development of the PRD region. The Pearl River delta as a whole is highly industrialized and urbanized. Yet, the development within the region, owing to respective historical and cultural causes, remains uneven, thus shaping diverse, local social landscapes in its communities. The coexistence of industrialized rural villages and urban shequ has generated different labour markets and patterns of labour migration in the PRD region.

Figure 5.1 Research Sites in the Pearl River Delta Region

From left to right: Jianglian, Nanshui, Yahu, Xiangang, Wentang

The division of the PRD region in this analysis is based primarily on regional economies rather than geographic locations. In most social research on Guangdong province, the PRD region is commonly divided into eastern and western corridors, in terms of geographic location (Johnson and Woon 1997c, Johnson 1999, Johnson and Zhang 2010, Lin 2006, Liu and Wan 2007, Wen 2010, Woon 1993, Woon 1999). This is largely because

---

62 This area has 56,000km².
the Pearl River passes through the central part of the region, geographically dividing the delta region into two corridors. In this division the eastern corridor is generally recognized as being more highly developed than the western corridor.

However, this division overemphasizes geographic factors, while overlooking the actual regional disparity within each corridor. More importantly, the disparity between the PRD core and peripheral areas is so enormous that it, alone, has generated diverse local economic activities and social structures. Therefore, to acknowledge these differing regional economies, and social/cultural mechanisms within the PRD region, I will analyze using the core-periphery pattern, rather than the geography, to distinguish and compare different social landscapes. I argue that the patterns of labour migration and the constructions of local labour markets for labour migrants, at the community level, vary between the core and peripheral areas.

Beyond being generally divided into the core-peripheral areas, the complexity of community development within the PRD region must be carefully examined. By reviewing the development of five communities, this chapter will demonstrate how various dynamics, such as historical, cultural, and institutional mechanisms, affect the economic and social transformations in the communities of the PRD region. First of all, I will interpret the development of five specific research localities in the last three decades, to reveal the diversity of economic and social impacts on labour migration and labour markets. Following this, I will use survey data to compare the differences in demographic characteristics between core and peripheral areas.

Among these five communities, two communities are classified as the core areas: Xiangang shequ in Guangzhou and Wentang shequ in Dongguan; the other three are classified as the peripheral areas: Nanshui village (cun) in Foshan, Yahu village in Guangzhou, and Jianglian Village in Jiangmen. All these communities, which are currently located in rural or suburban areas, were rural communities that specialized in agricultural production in the pre-reform era. In the past 30 years these communities have experienced different processes of industrialization and urbanization, which have created a diversity of local
labour markets and social structures. For instance, Xiangang and Wentang are highly industrialized. In particular, the agricultural economy in Wentang has diminished almost completely. In contrast, Yahu and Jianglian still lag behind, economically, and agricultural activities in these two villages remain essential. By interpreting the development in these communities, this section will demonstrate how local economic structures have shaped labour markets and labour migration within the PRD region.

5.1 The Core Area: Xiangang and Wentang

The core area of the Pearl River delta includes Shenzhen, Zhuhai, Zhongshan, Dongguan, parts of Foshan, and Guangzhou. This area is viewed as one of the most economically developed areas in China. The metropolis chain of Guangzhou-Dongguan-Shenzhen has become one of the largest urban areas in the world. The railway linking Hong Kong and Guangzhou provides convenient ways for Hong Kong residents, most of whose ancestral origins are in Guangdong province, to travel and do business in the PRD region. The opening of the Guangzhou-Shenzhen highway in the late 1980s and the subsequent construction of highways across this area have substantially improved transportation, which has supported, more importantly, export-oriented industries. Thus, the improvement of transportation in the core PRD region has greatly boosted the regional economy.

The geographic advantage of being adjacent to Hong Kong provides many economic opportunities to the core areas. Hong Kong, a highly developed region since the 1950s, has provided not only large scale of capital investment, but also advanced technology and modern management skills to the PRD region since the early 1980s. In particular, Shenzhen, a newly developed city next to Hong Kong, rapidly industrialized and urbanized, and has benefited from the enormous economic influence of Hong Kong.

In Dongguan, industrialization has occurred, not in urban, but rather in rural areas. In the last 30 years, rural industrialization has facilitated local urbanization. The boundaries between Guangzhou and Dongguan, most of which were composed of rural villages and agricultural fields, have been replaced by factories. Rural villages in this area have urbanized
largely because of the establishment of these factories. The agricultural economy, the primary economic form before the Reform era, has withered. Local residents, even some of whom still maintain agricultural residence status, have detached themselves from agriculture. Besides non-agricultural work, such as operating a small business or working in a factory, substantial extra revenue sources for household income come from the shareholding benefit by renting out former agricultural land and house rental. Because there is large labour in-migration to this area, house rental to labour migrants has become an important business for local residents. Some local residents, despite retaining their agricultural residence registration status, have moved to urban areas, leaving their ancestral homes to be rented to labour migrants.

The operation of an Export Processing Zone and the subsequent establishment of the SEZ (1980) have significantly changed Shenzhen’s social landscape. The city has developed from several rural fishing towns into one of the most modernized metropolises in China. Favorable economic policies regarding tax credits and land rental have attracted much foreign investment, especially from Hong Kong and Taiwan enterprises. Most agricultural lands in Shenzhen have been expropriated for industrial use. Agricultural activity has been replaced by industry. The rapid industrialization and urbanization has expanded the scale of Shenzhen incredibly, from a small border county to a metropolis, over a very short time. Due to the large demand for labour, the primary population of Shenzhen is composed of internal migrants.

Guangzhou, the capital of Guangdong province, is in the leading position in provincial development. As the earliest city, in Chinese history, to open to the world, Guangzhou is well known for commercial activities. This tradition was revived in the reform era. In the mid-1980s, the Guangzhou municipal government initiated the Guangzhou Economic Development Zone, located in Luogang Township, a suburb of Guangzhou.

---

63 The Guangzhou Economic Development Zone was the former name of the Guangzhou Economic and Technological Development District (GETDD).
64 Luogang Township was administrated by Baiyun District, a district in Guangzhou city, by the time of the establishment of the GETDD.
During this period, agricultural activity diminished significantly. The infrastructure construction in this industrial zone has greatly facilitated industrialization and urbanization of the local communities. Agricultural fields have decreased enormously as they have been transformed into urban or industrial lands. In suburban Guangzhou, collective enterprises (TVEs) have been encouraged as a way to solve the problem of surplus local rural labour. Significantly, TVEs provide many job opportunities, not only to local labourers, but also to labour migrants.

Parts of Foshan and Zhongshan, both relatively close to the central PRD region, are highly industrialized as well. Local individuals rather than foreign investors are the primary participants in industrial investment in these locations, which favors the development of TVEs. Industries are clustered according to the traditional economies of the local areas, and often represent an advance on a traditional handicraft, such as the making of furniture, household appliances, and ceramic tiles. Since 1998, the local governments of Foshan have established up to 30 specialized townships, which are based on the dominant specialized industries of local areas. However, compared to the high inflows of foreign capital in the eastern corridor, the scale of capital investment in Foshan and Zhongshan is relatively low. The industries are also concentrated on affiliating industry here tend to be labour-intensive and demand a large labour force. In some areas, agricultural cash crops are also primary economic vehicles. For instance, currently, potted plants and pond-fish cultivation still bring considerable revenue into the local economy of Shunde.

In general, the core PRD region is the leading regional economy in China. Both foreign investment and TVEs have become the economic engines for rapid economic growth in the delta region. Guangzhou, Dongguan and Shenzhen are well linked by highways as are the various industrial zones. Most of these areas have been highly industrialized. Agricultural economy in these rural areas has greatly declined. In some parts of Foshan and Zhongshan, agricultural economy in the form of cash crops and pond-fish cultivation remain prosperous. More importantly, rapid industrialization has generated a great demand for a

---

65 Shunde was a county-level city and was administrated by municipal Foshan in 2003.
large industrial labour force. Manufacturing and affiliated industries, most of which are labour-intensive industries transferred from Hong Kong and Taiwan, demand cheap and intensive labour. Labour migrants have become an important labour resource in the core PRD region. However, owing to the lack of social and economic resources in local areas, labour migrants have to accept inferior working conditions and modest income to survive in host societies.

5.1.1 Xiangang Shequ, Luogang District (Guangzhou)

Xiangang shequ, located in Luogang District, in eastern suburban Guangzhou, has been rapidly developing over the past 20 years. Until the late 1980s, Xiangang was still a rural community harvesting cash crops and grain. The villagers in Xiangang participated primarily in the agricultural economy. The establishment of the Guangzhou Economic and Technological Development District (GETDD) in 1991, however, greatly facilitated the process of industrialization and urbanization in Xiangang.

In 2005, the Guangzhou government established a new urban district, Luogang District, by incorporating the GETDD with the townships nearby. Xiangang village, under the administration of Baiyun District, was entirely transformed into a shequ. Also, the hukou status of indigenous residents in Xiangang was transformed to non-agricultural registered residence status (jumin). Later, Xiangang was institutionally integrated into the urban unit through administrative reforms.

Xiangang had been highly industrialized long before this administrative reform. With the expansion of the GETDD, Xiangang was integrated, in 1998, into the territory of Guangzhou Science Town, a northern part of the GETDD. Since then, the large scale of investment inflow has greatly facilitated rural industrialization in Xiangang. Local residents in Xiangang were released from the agricultural economy to take part in industrial work near Xiangang or in the GETDD.

---

66 Baiyun District is located in Northern Guangzhou. It is one of the largest districts in municipal Guangzhou.
Land capitalization plays a prominent role in the process of rural industrialization in Xiangang. The exploitation of industrial development demanded a large amount of land on which to build factories, warehouses, and highways. Since agricultural land in rural China is classified as collective property, as early as the 1990s, the village committee organized a shareholding company to manage its collective property in Xiangang (Figure 5.2). The economic profits from the use of collective property are redistributed to the households of permanent residents in the form of bonus dividends or social welfare. The household income of permanent residents has, thus, substantially increased. Likewise, this way of managing village collective property in Xiangang is common in the rural PRD region. A large percentage of the agricultural lands in Xiangang, which formerly harvested cash crops and grain, now leased and transformed into industrial uses. Besides renting the collective lands, the shequ committee of Xiangang has also built warehouses and factory buildings for rental.

Figure 5.2 Xiangang Shequ: Buildings for Local Residents and Dormitory for Migrants

There are various forms of household economies in Xiangang that have substantially replaced the agricultural economy. In terms of the Household Responsibility Production System (HRPS), permanent residents of Xiangang are eligible for land allocation for agricultural production. However, it is rare that these limited lands are reserved as plots for the fundamental needs of households themselves. Indigenous residents in Xiangang, particularly the younger generation, often participate in local industrial work. Some local
residents operate small businesses, particularly grocery stores, restaurants, and internet bars, to meet the daily needs of the village. At the same time, because of the presence of a large number of labour migrants in Xiangang, individual house rentals to migrant workers have become a significant resource for the improvement of the local household economy.

Because manufacturing industries in the GETDD demand a large number of skilled workers to undertake intensive work, there are a significant number of labour migrants working and living in or near Xiangang shequ. High-tech industries, such as electronics, biochemical-engineering, and auto industries, require migrant workers that contribute not only intensive labour but also skilled labour and labour with technology expertise. In terms of the demands in human capital, these enterprises recruit new graduates directly from colleges or technology schools to bring in young and educated skilled workers. Besides working in factories, migrant workers also work in the service sector as waiters, barbers, and food delivery personnel. A few migrant workers also operate small businesses after getting off work in factories to supplement their income. Because there are a large number of migrant workers in Xiangang, the businesses that specifically serve labour migrants, such as non-local food restaurants and long distance call centers, benefit.

In addition, a large inventory of houses or rooms is needed to accommodate migrant workers. To achieve more efficient management of the migrant workers and to reduce costs, many enterprises rent the dormitories that have been built by one corporation on behalf of the shequ committee (Figure 5.2). This same corporation also provides other community services (such as dormitory security, cleaning, and postal delivery) for labour migrants. In particular, the shequ committee of Xiangang has exploited idle land to develop new housing for residents. Over 50% of local residents have moved to the New Xiangang Town, leaving the old houses to be rented to migrant workers (Figure 5.2). Although the living conditions in the old village are inferior, the relatively cheap rental fee still attracts many migrant tenants. Thus, there are two housing styles available to labour migrants in Xiangang: living in dormitories provided by enterprises or in individual rental housing provided by local residents.
The development of Xiangang community was substantially encouraged by the government plan for the GZETDD. The dramatic rural industrialization and administrative urbanization has had the effect of diminishing the agricultural economy in this shequ. The settlement of foreign enterprises, most of which are high-tech manufacturing industries, has brought in many young skilled workers. With the accelerating government-motivated industrialization, the traditional economic structures in Xiangang have been deconstructed in a short period. Importantly, the industrialization in Xiangang has changed not only local economic structures but also social life for both local residents and labour migrants. Social relationships in Xiangang have begun to demonstrate the characteristics that are generally found in modernized, industrial, urban centers.

5.1.2 Wentang Shequ, Dongguan

Wentang shequ is the richest community of the five research sites. It has been highly industrialized and urbanized over the last 20 years. Wentang village, located in the Dongcheng district, Dongguan city, was transformed into an urban community (shequ) in 2004. As a shequ that transformed from a “natural village”, Wentang was significant for its large population and territory. The population of labour migrants reached seventy thousand in 2004, seven times its registered permanent residents. By 2008, the population of labour migrants in Wentang increased to 120,000, while local residents formed less than 10% of the total population and lived on only 11.6 km2 of the territory.

The historical process of development in Wentang is consistent with the pattern seen in other parts of the core PRD region. Until the early 1990s, the agricultural economy was still significant. At that time, grain production had an important role in agriculture in Dongguan and most lands in Wentang were either agricultural fields or fish ponds. Later, the development of TVEs greatly changed Wentang’s economic structure. By renting land to

---

67 A natural village is the most fundamental administrative unit in rural China. An administrative village is composed of a cluster of natural villages. Both administrative villages and natural villages are administrated by a township or county. The population of a natural village, normally, is from several hundred up to two or three thousand.

68 Interview with Qin Wendong, the former deputy secretary of Wentang Community, January 2005.
foreign investors for industrial use, the economic development of Wentang has been substantially increased since 2001. Through rapid rural industrialization and land capitalization, Dongguan as a whole has now been ranked third in regional development within Guangdong province (Wen 2010). The agricultural economy in Wentang, particularly its grain production, has been completely replaced by industry (Figure 5.4), though a relatively negligible production of vegetables and flower plants for household consumption continues.

Figure 5.3 Wentang Shequ (1) – Village Landscapes and Government Building

![Image](image.jpg)

Left: The central square in the old Wentang village. Photo by Dr. Graham Johnson, January 1994
Right: The new-built Wentang Shequ Service Center. Photo by the author, August 2008

The prosperity of Wentang accelerated rapidly due to the development of the TVEs in the late 1980s. As previously discussed in Chapter 4, the development of TVEs is aimed to relax the pressure that arises from rural labour surpluses. In the early reform period, workers in the TVEs of Wentang were composed primarily of local residents. Later, because most of the TVEs were labour-intensive and affiliated industries (e.g., apparel and hardware production), local entrepreneurs recruited a large number of labour migrants to undertake cheap, uncomfortable, and labour intensive work that local residents were reluctant to undertake. At the same time, to maintain regional comparative advantage in market competition to attract foreign investment, all levels of local government in Dongguan
offered rental lands at very low prices and provided favorable tax credits. Consequently, a large amount of foreign capital was invested into Wentang. By 2004, over 270 enterprises had been established in Wentang, operating, primarily, apparel, hardware, and electronic industries and their affiliated export companies, which created a large number of job opportunities not only for local residents but also, in particular, for labour migrants.

The rapid industrialization and the capitalization of the primary economic resource, land, have made local residents not only urbanized, but also post-industrialized in Wentang. In 2004, the GDP of Wentang reached 265 million yuan, contributing 105 million yuan to community revenue. Rather than participating in industrial work, most local residents prefer to operate small businesses or work as white-collar workers. Some young local residents have moved into downtown Dongguan, while maintaining their permanent residence status in Wentang in order to retain their eligibility for shequ welfare and the annual bonus. The shequ committee of Wentang specifically established a village joint-stock cooperation to manage collective property and other public welfare for local residents (Figure 5.3). The redistribution of collective profits, which are received primarily from land rental to various enterprises, provides considerable revenue to local households. As a result, local residents are released not only from the agricultural economy, but also from actual industrial work.

After 20 years of industrialization and urbanization, Wentang has become a migrant community. Because of industrial needs for cheap and labour-intensive workers, the large amounts of external capital inflow provide a large number of job opportunities for labour migrants in Wentang. At the same time, local markets to serve the large population of labour migrants in Wentang have been created. In particular, the room-rental market is so prosperous that it has become one significant household income for local residents in Wentang (Figure 5.5). In the old part of the village, most young local residents have moved

---

69 The lowest rental price for the land in Dongguan was one yuan per mu each year Wen, Tiejun. 2010. *Jiedu Zhusanjiao: Guangdong Fazhan Moshi He Jingji Jieguo Tiaozheng Zhanlue Yanjiu* [Understanding the Pearl River Delta: The Study of Guangdong Development Modes and Strategy on Economic Structure Transformation]. Beijing: China Agricultural Science and Technology Press.

70 Interview with Qin Wendong, the former deputy secretary of Wentang Community, January 2005.
to Downtown Dongguan, while leaving old family members to live in the area as housekeepers. Some empty houses are rented out in their entirety to labour migrants. In the new area close to the industrial zone, multi-storeyed buildings are seen on the both sides of the main street (Figure 5.4). These buildings are used not only as residences by local residents, but also for business operations. It is common to see room-rental advertisements in Wentang. In addition, labour migrants with better economic situations rent places as stores and operate small businesses, such as local food and grocery stores that cater, specifically, to labour migrants. Therefore, two forms of social relationships between local residents and labour migrants, employer-employee and landlord-tenant, have been created.

Figure 5.4 Wentang Shequ (2): Land Transformation

Left: The agricultural fields and village houses of Wentang. Photo by Dr. Graham Johnson, January 1987
Right: The workshops of township-village enterprises in Wentang. Photo by the author, August 2008

Thus, urbanization in Wentang has been significantly encouraged by the large population of migrant residents. Labour migrants not only work, but also live in Wentang shequ, so the demand for the development of the service sector in the community is very strong. Besides working in factories, labour migrants also run an enclave economy. As observed in Wentang, restaurants serving Sichuanese or Hunanese cuisine are prevalent because of the large number of labour migrants from Sichuan or Hunan province. Some grocery stores that sell products with counterfeit brands to labour migrants are also welcomed since the prices are more affordable. Motorcycle taxi drivers are another occupation taken on by labour migrants. The fees to take a motorcycle taxi are cheap. Depending on the destination and the distance, labour migrants need to spend only one to three yuan if they are traveling within the community. The enclave economy in Wentang,
most of which is in the service sector, is prosperous because of the large population of labour migrants. Thus, it can be seen that enclave economies facilitate urbanization in Wentang.

Besides migrant enclave economies, urbanization in Wentang is facilitated by government-oriented municipal expansion. The development of Dongguan, to a large degree, benefits from land capitalization that rents or sells agricultural lands for industrial use. As the administrative unit of Wentang was transformed from rural village to urban community in 2004, the registration status of permanent residents in Wentang shifted from agricultural to non-agricultural residents. The formation of an urban community has created prosperous urban labour markets in the service sector. Wentang, an urban community in which the proportion of local residents to labour migrants is 1:12, has become one of the largest concentrations of labour migrants in Dongguan city. It is also important to note that labour migrants in Wentang are required to have certain technology and skills to manipulate sophisticated work. Thus, a certain number of labour migrants are young graduates with secondary educational experience. These young skilled workers contribute not only physical labour to their work but also intelligence and skills.

Figure 5.5 Wentang Shequ (3): Rental Housing and Factoryo.

In general, the process of industrialization and urbanization in Wentang is significant in the core PRD region. Rapid rural industrialization and land capitalization have generated a
large demand for a cheap labour force, resulting in large scale labour migration from rural areas. The existence of a large labour migrant population has facilitated the formation of not only migrant communities, but also, and more importantly, of enclave economies. Thus, as government-oriented municipal expansion transformed the administrative unit from village to shequ in 2004, Wentang had already incorporated itself into the urban system. The agricultural economy in Wentang has been completely replaced by the industrial economy and service sectors. Local residents, who have benefited from the rapid capitalization of economic resources, have changed their life and become urbanized and post-industrialized. However, labour migrants are excluded from the benefits of this allocation of local social welfare and economic interest. As a result, a segregated social relationship between local residents and migrant workers has been created in Wentang, the core PRD region.

5.2 The Peripheral Area: Nanshui, Yahu, and Jianglian

The peripheral area of the PRD region has different experiences from the core area as it has developed its regional economy. The peripheral area includes Zhaoqing, Jiangmen, some parts of Foshan,71 and Huizhou. Compared to the core area, the regional economies in the peripheral area are relatively slow. As an export-oriented economy has become an important part of developing regional economies in the PRD region, and because receiving foreign investment has become a significant way to boost regional development in the PRD region, the underdevelopment of the peripheral area has been attributed to it being less attractive to foreign investment (Johnson and Woon 1997c, Johnson 1999, Lin 2006, Wen 2010, Woon 1993, Woon 1999). Rural industrialization in some parts of this area is significant, but agricultural economy is remains essential. In the peripheral area, the economic structure, along with its cultural and historical contexts, has produced different social contexts for labour markets and labour migration than is seen in the core area.

The regional economy of Jiangmen and Zhaoqing, two cities that are located in the remote western corridor, has been slow to develop. Because of their geographic

71 Normally, Gaoming District and the western part of Shunde are viewed as peripheral areas in the PRD region.
disadvantage and their inferior transportation situations, these two cities are unable to attract sufficient foreign investment into this region. In particular, Jiangmen, the home origin of most early overseas Chinese, advocates the qiaoxiang economy, which urges localistic networks to encourage their economically successful overseas relations to invest in their home communities. Rich overseas connections, however, are unable to improve the regional economy very effectively. Overseas Chinese prefer to help their hometowns by making individual donations or remittances, rather than by making direct industrial investment (Lin 2006). In this area, agricultural activity continues to play a substantial role in the local economy. Labour migrants in this area are employed in small-scaled TVEs or carry on agricultural work by renting agricultural fields from local peasants. However, the population of labour migrants in this region is relatively small.

Although Foshan as a whole is viewed as a developed area in the PRD region, the disparity of regional economies within Foshan is enormous. Some districts in Foshan, such as Chancheng,72 Shunde, and Nanhai, are prosperous because of the development of TVEs. In this study, these districts have been included in the core PRD region. However, in other parts of Foshan (such as western Shunde and Gaoming districts), industrial development has been relatively slow. In these peripheral areas, industrialization is much slower than other parts in Foshan. However, agricultural activities, such as cash crops and pond fish cultivation, still takes on an important part in regional economies. These agricultural activities create not only considerable household income for local residents, but also create a certain number of job opportunities for labour migrants. Therefore, these areas might not be counted as peripheral if one considered only household income. However, the western part of Shunde and Gaoming districts would be classified as the peripheral area if we consider the development of industrialization and the primary economic activities in the area.

72 Chancheng (禅城) is actually the old location of municipal Foshan. As Shunde, Gaoming, Nanhai, and Foshan were integrated to establish the new municipal Foshan in 2003, the location of the former Foshan city changed its administrative level and became the Chancheng district.
Regional economic growth in the peripheral area is much slower than the core area. As a result, when considering economic opportunities, labour migrants are more likely to work in the core PRD region rather than in its peripheral counterpart. The ability to live a modern lifestyle and to earn relatively higher income in the core area is more attractive to labour migrants. Labour markets for labour migrants in the peripheral area are focused primarily on rudimentary industry and agriculture, while tertiary industries, especially in the service sectors, are underdeveloped. Most industries in the peripheral area emphasize primarily traditional industries at the low-end of the industrial chain. More importantly, local economic structures are constructed on the basis of cultural legacies and historical contexts in this area. However, the prosperity of traditional industries and the agricultural economy, specifically cash crops, has generated a small, but distinct labour migration toward this region.

5.2.1 Nanshui Village, Shunde (Foshan)

Nanshui village provides a special perspective that will enable us to understand the diverse patterns of regional development in the PRD. The pathway of regional economy in Nanshui village differs from those in the core area. The prosperity of traditional economies, particularly the agricultural economy, here makes the construction of labour markets in the periphery distinct from that of the core areas.

Shunde is one of the most prosperous areas in the PRD region. Before the reform period, the prosperity of collective enterprises in the handicraft sector had provided a certain amount of professional training to local skilled workers, who became the primary industrial labour force during the 1980s. In the 1980s, most TVEs in Shunde were transformed from collective enterprises. As the TVEs received industrial orders to affiliate products for export, Shunde achieved rapid economic growth through developing traditional handicraft and light industries.

73 Nanshui Village is administrated by Shunde District, Foshan. In 2003, Shunde (顺德), with Nanhai (南海), Sanshui (三水), Gaoming (高明) and Foshan (佛山), was incorporated into the new Foshan City. Shunde was administratively transformed from a county-level city into an urban district.
The prosperity of TVEs in Shunde has produced many local entrepreneurs. After accumulating sufficient initial capital and attaining skills and experience, local workers were able to open their own factories or businesses. These entrepreneurs established the most prosperous TVEs, becoming the first local entrepreneurs in the PRD region. The industries in Shunde, most of which are traditional light industries (e.g., furniture, household appliances, and apparel), were rapidly developed. Thus, initial industrial development in Shunde depends primarily on local private capital and skills trained by early collective enterprises.

Another important economic feature of Shunde is its agricultural economy. Benefiting from rich water resources and the warm weather of southern China, the agricultural economy prospered even before 1979 (Figure 5.6). Not only grain production, but also cash crops were well developed. Fruits, vegetables, and fish had been exported to Hong Kong during the 1970s to compliment the revenue of local households. During the process of industrialization, the agricultural economy remained competitive with other industries. In particular, fish cultivation, owing to the superior climate conditions, has been one of the most profitable economic activities in Shunde. The agricultural sector in Shunde still maintains its essential position in regional economy.

The economic focus of Nanshui village, however, is still primarily on the agricultural economy rather than the industrial economy. In the 1970s, fish cultivation, as an important agricultural activity, had been well developed. At the same time, cash crops, such as mulberry and other fruit plants, flourished. Since then, the farmers in Nanshui village have accumulated some effective ways to improve their agriculture techniques. The soils at the bottom of the fish-cultivating pond were dug up to become fertilizer for the mulberry trees, the leaves of which are the primary food for silkworms, which are fed so that they produce silk. By developing mulberry trees in the village, the farmers have developed an effective way to harvest agriculture and facilitate handicraft. Currently, there are still a fair number of local residents who participate in agricultural activities.

---

74 A lot of small branches of the Pearl River pass through Shunde. Geographically speaking, Shunde is composed of many islands that are linked by bridges.
Despite decreases in recent years, Nanshui village has 1500 \( mu \)\textsuperscript{75} of fish ponds as well as 3000 \( mu \) of agricultural fields in the village. However, the lack of external investment and the constraints on industrial land use have severely limited Nanshui’s collective economy. The primary form of land capitalization is reflected in renting warehouse for factory workshop, but only ten small workshops operate in the village. In 2007, the allocation of collective profits was only 2,000 yuan per permanent resident. In the same year, highway construction that passed through the village margin increased the village revenue for land exploitation, so the annual income in each permanent resident in Nanshui Village reached 10,000 yuan, 25% higher than the average income in Leliu Township\textsuperscript{76}.

Figure 5.6 Nanshui Village (1): Pond Fishing Economy

The farmers fish in a pond using fishing nets. Photo by Dr. Graham Johnson, 1970s

Because of the prosperity of fish cultivation in Nanshui, labour migrants are also hired to work in this industry. Although fish cultivation is viewed as a traditionally specialized economic activity, it is viewed as labour-intensive and inferior to non-agricultural work. Local residents, especially the younger generation in Nanshui, are reluctant to continue in the agricultural economy, even though the income is relatively higher than other village industries. This retreat of surplus local rural labour creates job opportunities for labour migrants. Labour migrants with certain skills and experience in fish cultivation find it easy to obtain agricultural jobs.

\textsuperscript{75} 1 \( mu \) is equal to 667 m\textsuperscript{2}. 6 \( mu \) = 1 acre; 15 acres = 1 hectare.

\textsuperscript{76} Interview with Mr. Cao, the head of Nanshui village.
With the rapid development in Shunde, local residents in Nanshui were able to find better jobs in the town center or in downtown Shunde. Permanent residents moved out of the village to operate a business or to participate in other non-agricultural work. Most local residents, who remained in the village or who continued to work in agriculture are, on average, over 40 years old. A certain number of villagers, particularly of the younger generation, have resettled their entire families to downtown Shunde or moved to luxury houses in the village (Figure 5.7).

Figure 5.7 Nanshui Village (2): New and Old Village Landscape

Left: A luxury house built by a local entrepreneur in Nanshui. Photo by the author, April 2008
Right: A fish-cultivation pond surrounded by old houses. Photo by the author, April 2008

This resettlement generates economic benefits for the local re-settlers. First, by retaining their permanent residence in Nanshui, these villagers are still eligible for village welfare; the village committee grants 400 yuan to low-income households every month. Second, the room rental business run by these emigrant families has become a significant source of revenue for households in Nanshui village. In our research, we found that labour migrants were neighbors with local middle-aged housekeepers. The empty old houses are rented to those who work in the small factories within and around the village (Figure 5.7). Shangshui village, a village next to Nanshui, is relatively more industrially developed, so that labour migrants working in Shangshui village also settle in the housing in Nanshui, which provide cheaper rental and a shorter commute to their workplaces. Therefore, although

---

77 Interview with Mr. Cao Runming, the secretary of Nanshui village, April 2008.
viewed as outsiders in consideration of the allocation of local social benefits, labour migrants are, nevertheless, either colleagues or neighbors of local residents in Nanshui. More importantly, it may be that both labour migrants and local residents are registered with agricultural residence status in their permanent registered locations.

Compared with other industrialized areas in Shunde, Foshan, the population of labour migrants in Nanshui village is very small. The slow industrialization and urbanization in Nanshui have hindered the further advancement of the industry and service sectors. The sustainable agricultural economy is very profitable, still playing an important role in the village economy. However, the number of migrant workers employed in the village workshops is limited. Labour migrants in Nanshui are more likely to be treated as living subjects rather than employees. The living space freed up by local emigrants, although an economic influence, has shaped the other social relationships between labour migrants and local residents. Overall, not only economic, but also social relationships between labour migrants and local residents have been created in Nanshui.

5.2.2 Yahu, Guangzhou

Yahu village, located in Baiyun District in northern Guangzhou, is a typical rural area. The agricultural sector still plays a significant role in the regional economy. In terms of industrialization, Yahu is left behind. The primary cause of the slow economic development in this village was because of its inferior transportation situation. In the past, Yahu and urban Guangzhou were linked by only one narrow, muddy country-road prior to the construction of New Guangzhou Baiyun Airport in the late 1990s. When a new airport highway was completed near Yahu, some development was sparked in the village.

78 Yahu Village is administrated by Renhe Township, Baiyun District, which is one of the largest districts in Guangzhou.
79 Guangzhou Baiyun Airport is the largest airport in southern China. It is also the third largest airport in China, ranked after Beijing Capital International Airport and Shanghai Pudong International Airport.
In the pre-reform period, agricultural grain production was the primary economic activity in Yahu. The Liuxi River, a branch of the Pearl River, passes through Yahu and provides rich water resources for grain production. Thus, Yahu has been one of the primary grain and vegetable suppliers for urban Guangzhou. However, due to the constraints of transportation, the process of industrialization in Yahu has been very slow.

Figure 5.8 Yahu Village (1): Village landscapes

Left: The vegetable field and factory warehouses in Yahu. Photo by the author, November 2008
Right: The Yahu village street. Photo by the author, November 2008

Before the construction of New Guangzhou Baiyun Airport, the poor conditions of transportation greatly hindered the economic development of Yahu Village. Only one country road went through the township area and it took more than two hours to travel from urban Guangzhou to Yahu. When the Guangzhou government constructed an airport highway, which passed through the outskirts of Yahu Village, to establish a traffic link between urban Guangzhou and the airport, the transportation improvement secured the development of Yahu Village.

In fact, since the completion of the airport construction, the whole Renhe Township, in which Yahu is located, has become an important base serving the airport. As the largest cargo center in southern China, transportation logistics and warehousing become the focus of development in this area. Yahu, only ten kilometers from the airport, has been presented

---

80 The Liuxi River is a primary branch of the Pearl River, originating in northern Guangdong. It joins the mainstream in downtown Guangzhou.
with huge market opportunities. In the last ten years, the village has experienced dramatic industrialization, especially in providing warehousing for express delivery.

With the establishment of the airport, the economic activities of Yahu Village changed. First of all, surplus local rural labours were able to participate in non-agricultural work around the village. Furthermore, the improvement of household income made it possible for local residents to operate their own small businesses. Over 50% of local residents in Yahu, particularly the younger generation, participate in industrial or service work in urban Guangzhou or in other places in the PRD region. Some middle-aged residents, due to a lack of skills, education, and industrial work experience, have to stay in the village, but most of them have been released from agricultural activity and, instead, work in the informal economy, finding employment as motorcycle taxi drivers, street vendors or other similar service positions (Figure 5.9).

For labour migrants, participation in industrial work has become significant because of the development of various industries serving the airport. They work in village enterprises owned by local entrepreneurs, most of which are small affiliates to industries producing toys and jeans. At the same time, although the factories in Yahu are primarily low-end and labour-intensive, local residents, especially under-educated female villagers, are likely to work on assembly lines as ordinary workers because it offers higher income relative to agriculture work. Thus, labour migrants and local residents become colleagues in the factories. Compared with the factories in Xiangang and Wentang, these factories are smaller and less well-paid; however, they still attract labour migrants because of the relatively affordable living expenses in Yahu.

Moreover, although agricultural lands in Yahu have decreased significantly in recent years, the agricultural economy is still substantial in Yahu Village (Figure 5.8). There continues to be approximately 1,000 mu of agricultural land reserved for grain production. Some villagers, due to participating in non-agricultural work, rent idle household land to
labour migrants. These outsiders, many of whom originate from rural China⁸¹, have rich skills and experiences in agriculture. By farming cash crops rather than grain, these labour migrants are able to successfully continue to do agricultural work even though the village is industrializing (Figure 5.8). Labour migrants, in this respect, have obtained access to the agricultural economy in Yahu, a common social phenomenon in a number of communities that are experiencing industrialization in the peripheral PRD region.

Figure 5.9 Yahu Village (2): Grocery Stores and Housing Rental Advertisements

As in Nanshui, the labour inflow to Yahu creates a prosperous market in the rental sector (Figure 5.9). Besides the rental of surplus agricultural land to outsiders, the villagers also rent rooms to labour migrants who work in factories nearby. Unlike the enterprises in Xiangang and Wentang, which provide dormitories to their workers, factories around Yahu are too small-scale to provide living accommodations; labour migrants have to find housing on their own. Although the living conditions of the village houses are inferior, labour migrants are likely to rent these rooms because they are very cheap. In taking advantage of this market opportunity, some villagers have established extra rooms or floors to rent to labour migrants (Figure 5.9). Similar to Nanshui, labour migrants in Yahu form both work and neighbor relations with the local villagers.

⁸¹ Interview with Mr. Cao, the deputy head of Yahu village in April 2008.
Thus, the economic structure in Yahu has undergone dramatic change, facilitated primarily by government strategies of the urban expansion and improvements in transportation infrastructure. Due to the construction of the airport and highway, the pace of industrialization has speeded up in the last ten years. On the one hand, although the agricultural economy is sustained, the primary labour force for the local agricultural sector has changed; local residents have retreated and been replaced by labour migrants. Although labour migrants have made efforts to escape from the agricultural lands of their original rural homes, they remain in the agricultural economy in Yahu because those jobs provide them better income. On the other hand, the settlement of small-scale industries in the area has fostered various social relations (i.e., partners, neighbors, and sojourners (Johnson and Zhang 2010)) between local residents and labour migrants. These multi-layered social relationships increase the accessibility labour migrants have to local social life and facilitate labour migrants socially integrating into Yahu’s communities.

5.2.3 Jianglian, Jiangmen

Jianglian village is a rural community located in Duanfen Township, Taishan, Jiangmen. As a remote area in the western PRD, the pace of industrialization in Jianglian has been the slowest of the five research sites. Agriculture still has a dominant role in village economic activities; however, the rich overseas connections of Jianglian have also provided a special socioeconomic phenomenon in the village.

Taishan, in which Jianglian village is located, is the home origin for most early overseas Chinese. For example, between 1885 and 1947, up to 45% of early Chinese Canadians’ home origin was in Taishan. Since 1979, motivated by the Open Door policy, connections between villagers and their rich overseas connections have been reestablished. Since then, a large number of overseas Chinese have visited Taishan in search of their Chinese ancestral roots. For the Taishan local government, attracting foreign investment

---

82 Taishan is a county-level city administrated by Jiangmen city.
83 This data was collected from the Chinese Head Tax Searchable Database at the University of British Columbia.
through such overseas connections has become a primary strategy to develop the regional economy. Yet, compared to the huge donations to infrastructure construction (e.g., schools, hospitals, and ancestral hall renovations) and the individual remittances given to re-establish clan linkages, direct industrial investment in this area is quite limited (Lin 2006). Overseas resources have contributed substantially only to household revenue rather than to the industrialization of Jianglian (Zhang 2007).

Compared with the highly industrialized regions of the PRD, industry in Jianglian village is underdeveloped (Figure 5.10). Not merely the village itself, but the whole Duanfen Township lacks foreign investment. The underdevelopment of industry makes the area unable to attract outside labour or to resolve surplus local labour issues. The limitations of local labour markets lead local labourers, particularly the younger villagers, to seek job opportunities in urban Taishan or other cities in the PRD region.

Figure 5.10 Jianglian Village (1): Village Houses

The households left in the village depend primarily on agricultural income and remittance from overseas. In comparison with the other communities previously discussed, the emigration rate of labour forces in Jianglian Village is the highest. In 2004, it was estimated that up to 50% of local villagers were working out of town.\textsuperscript{84} In addition, owing to rich overseas connections, the overseas emigration from Jianglian is considerable. By 2003,

\textsuperscript{84} Interview with Mr. Mei Xinyi, the former chief executive of Duanfen Township in January 2005.
the population of overseas Chinese of Duanfen origin reached 120,000, while the township population of local registered residence was only 60,000. These emigrant households leave a large number of agricultural lands that have been allocated to local villagers in terms of the HRPS. Thus, emigrant households are likely to rent these idle lands to labour migrants, so that they can retain the rights to the land through its maintenance (Figure 5.10). At the same time, this also provides economic opportunities for labour migrants who are willing to work sustaining the local agricultural economy.

The emigrant families are likely to rent agricultural land to maintain their right to the land in their home communities. The rental fee is very modest, but the renters have to undertake the agricultural fee on their own. Some of these migrant farmers are able to rent as much as seven mu of agricultural land, an amount of land whose active production requires the labour of the entire migrant household. Therefore, labour migrants farming in Jianglian tend to be settled families rather than individuals. In recent years, entrepreneurs from Jiangsu, Zhejiang, and Taiwan have invested 100 million yuan to develop production bases for eel cultivation (Figure 5.11). More importantly, these entrepreneurs recruit their landsmann to work in these bases. Because fish markets are prosperous in Guangdong province, labour migrants with specialized cultivation skills find it easy to obtain an improved income in Jianglian.

In contrast, the income of migrant workers in industrial sectors here is modest. The primary enterprises in Duanfen Township are the apparel and hardware industries. These factories are labour intensive and require, primarily, physical labour and experience rather than skills and technological expertise. The workers in these factories are primarily of three origins: local residents from Jianglian; those from other villages nearby; and labour migrants, most of whom come from Guangxi province. Labour migrants and local residents, in this respect, have established colleague relations within the workshops. These factories also hire a certain number of college or university graduates to undertake technological or managerial work.

---

85 Interview with Mr. Mei Xinyi, the former chief executive of Duanfen Township in January 2005.
Despite its limited scale, other economic relations can be found in the rental economy. The rental of village houses, which is possible because of international emigration, has supplemented the household revenues of local villagers. The small population of labour migrants in the village, however, is unable to significantly improve the livelihood of local residents. In contrast, by subcontracting agricultural land in Jianglian, labour migrants working in the agricultural sector realize a better livelihood than those working in factories. The contribution to the local economy from the agricultural sector is more significant than its industrial counterpart in Jianglian village.

Figure 5.11 Jianglian Village (2): Fishing Economy

Left: A labour migrant shocking fish with electronic rods. Photo by the author, December 2008
Right: The eel cultivation base in Duanfen Township. Photo by the author, December 2008

In general, the underdevelopment of Jianglian Village is attributable to its failure to attract external investment. The rich overseas connections are an important resource for household revenue rather than industrial investment, which, for the long term, makes the external financial support consumptive rather than productive. Underdevelopment means that Jianglian fails to provide sufficient economic opportunities for labour migrants or for local residents; even local villagers must seek work through resettlement. Such domestic or international emigrations have made room for labour replacement by labour migrants from other regions. Although the scale of labour migration toward Jianglian Village is much smaller than in other research localities we have discussed, and even though local labour
markets for labour migrants is largely agricultural and or small-scale industrial, nevertheless, the arrival of these labour migrants has changed local socioeconomic structures in Jianglian.

5.3 Demographic and Socioeconomic Description

By discussing the development of these five localities, we have established a preliminary understanding of how localized regional development has shaped various social relationships between labour migrants and local residents. At the same time, it must be noted that even as the most fundamental administrative units in China, the historical development of these communities was distinct. In terms of the pace of their development, each community is consistent with their classification as belonging to the core or peripheral areas of the PRD region. The qualitative interpretations of this section of the study are based primarily on participant observation, in-depth interviews, and secondary documents. These allow me to undertake an interpretive, descriptive analysis, which will provide fundamental descriptions and correlations between the five localities complementing our quantitative understanding of how the regional disparity within the PRD has affected the varying socioeconomic characteristics of labour migrants according to their working locality.

Table 5.1 Distribution of Respondents in the Survey

<table>
<thead>
<tr>
<th>Core PRD</th>
<th>Peripheral PRD</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xiangang</td>
<td>Nanshui</td>
<td></td>
</tr>
<tr>
<td>91</td>
<td>89</td>
<td>179</td>
</tr>
<tr>
<td>Wentang</td>
<td>Yahu</td>
<td></td>
</tr>
<tr>
<td>147</td>
<td>85</td>
<td>232</td>
</tr>
<tr>
<td></td>
<td>Jianglian</td>
<td></td>
</tr>
<tr>
<td></td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td></td>
<td>453</td>
</tr>
</tbody>
</table>

In this research, we conducted a survey in each of the five communities (Table 5.1) on various occasions. Labour migrants were interviewed at factories, in rented rooms, or on the street. The number of interviews undertaken in each community varied in accordance with their varying paces of regional development (Table 5.1). For instance, we interviewed 147 labour migrants in Wentang shequ, the community with the largest population of labour migrants of these five localities, while we conducted only 41 interviews in Jianglian village.

In Table 5.3, the demographic characteristics of communities may be seen to be distinct on the basis of respective regional development. These significant differences are
reflected primarily in the distributions by gender, age, marital status, and education. Female labour migrants in the core area are almost 20% higher than female labour migrants in the peripheral PRD. Xiangang has the highest proportion of female labour migrants, 32.2% more than female labour migrants in Yahu and 25.2% more than those in Jianglian (Table 5.2).

Likewise, labour migrants in the core area tend to be younger than those in the peripheral area. In Table 5.2, in both Xiangang and Wentang, over 70% of labour migrants were born in 1980 or after while labour migrants in the peripheral areas are more likely to belong to an older generation. In Jianglian, 73.2% of labour migrants were born before the 1980s and the average age, which is the highest of the five communities, is 34.6 years old, which is 10.2 and 9.2 years, respectively, older than migrant workers in Xiangang and Wentang, indicating that the core area are more attractive for young labour migrants than the peripheral area (Table 5.2). More importantly, young labour migrants are more favorable in the core area to undertake intensive work in factories. In addition, marital status of labour migrants differs significantly between the five communities. Looking again at Table 5.2, over 60% of labour migrants in Xiangang (64.8%) and Wentang (61.9%) are unmarried, which is the reverse of the peripheral area, where more than 60% of labour migrants are married. The marital status is significantly different between the core and peripheral PRD region.

More importantly, educational levels are also distinct for each community, which indicates that each community has different human labour resource needs in terms of their specific community development. According to Table 5.2, Jianglian is the community that has the highest percentage (61%) of workers who have higher education, while Yahu village has the lowest (16.9%). The prosperity of labour-intensive industry in Xiangang and Wentang demands a large number of skilled workers, which necessitates a labour recruitment that focuses not only on numbers of workers, but also on the quality of those workers in terms of education. Labour migrants who are green graduates from high schools

---

86 Pre-married status, in this study, means workers who are single, in a relationship, or even cohabitating with their partners.
or colleges are welcomed because their wages, which are less than those for similarly educated but experienced, are cheaper. In Nanshui and Yahu, most labour migrants (83.1% and 72.9%) have completed only junior high school. This is largely because the agricultural economies in these latter communities pay more attention to experience and skills in agricultural production, rather than technology and knowledge, so that even labour migrants with limited schooling, but who have rich agricultural experience, are favored in these two communities.

In terms of Table 5.2, interprovincial labour migration is shown to be the primary labour force in the PRD region. For instance, 97.6% of the labour migrants interviewed in Jianglian, the highest percentage within the five communities, came from non-Guangdong regions. Although Xiangang shequ has the lowest percentage of interprovincial labour migrants compared with other communities, there are still 73.6% of interprovincial labour migrants. On the other hand, the number of non-Guangdong labour migrants in Wentang is even higher than Xiangang (Table 5.2) with over 90% of labour migrants coming from non-Guangdong provinces. As previously discussed, interprovincial labour migrants has been the primary trend in labour migration in China. In Dongguan, there is a great demand for a large, cheap labour force to provide sufficient workers for their labour-intensive industries, which can be met by other provinces where the regional economies are relatively underdeveloped (e.g., Hunan, Hubei, and Henan provinces).

In addition, the percentage of interviewees who hold agricultural registered residence status as a whole is 83%, which indicates that the primary portion of labour migrants in the PRD region still comes from rural China. With the exception of Jianglian village, where only 68.3% of labour migrants have agricultural registered residence status, over 80% of migrant workers in the other four communities have agricultural hukou status (Table 5.2), indicating that most labour migrants in the PRD region still hold agricultural hukou status while most of them participate in non-agricultural sectors. Moreover, there shows no significant difference in the place of origin and the hukou status of labour migrants between the core and peripheral PRD region (Table 5.2).
The actual spatial arrangement of migrant work housing affects and reflects the types of social relationships that are most prevalent in each local community. In general, there are three main patterns of housing types in use by labour migrants, who may rent rooms from local residents, live in dormitories provided by their employer, or stay at a friend’s place. Table 5.2 shows that over 60% of labour migrants live in dormitories in Xiangang and Wentang, while a similar proportion of labour migrants rent rooms from local residents in Nanshui and Yahu, which is consistent with our previous discussion. In Jianglian, 75.6% of labour migrants live in dormitories while less than 10% of labour migrants rent rooms. This anomaly, which seems to counter the general trend, is largely because labour migrants, who are employed in agricultural sector, such as in eel or flower cultivation, are offered dormitories next to their workplace, so that it is convenient for them to attend to their daily agricultural work.

Overall, the distinct demographic characteristics of labour migrants in these five communities result from the disparity in regional development. As may be seen in Table 5.2, labour migrants in the core areas are primarily young, unmarried, and relatively highly educated females, while labour migrants in the peripheral areas are primarily older, married males with comparatively little education. Thus, labour migration toward the core PRD region tends to involve individuals, while movement toward the peripheral PRD region tends to involve whole household resettlement. These demographic distinctions have occurred because rapid industrialization and urbanization require labour migrants to undertake unskilled work on assembly lines that are generally labour-intensive and require few specialized skills or technological expertise. Therefore, young educated female labour migrants, who are viewed as hard working and easily managed, are favored. Furthermore, it is apparent that non-Guangdong labour migrants have become the primary labour force in the PRD region. According to their hukou status, most of these labour migrants come from rural China, which is consistent with the pattern of rural-urban migration. However, the substantial development of agricultural economy in the peripheral area has also resulted in a certain number of non-Guangdong labour migrants to travel there to continue in the same economic activities as they were involved with in their rural home origins.
5.4 Summary

Guangdong province, which as a whole has benefited from the favorable policies of the central government and its traditional history of commerce, has experienced dramatic development over the last 30 years. In reviewing the processes of regional development in these communities; however, it is clear that this regional development, even within the PRD, is diverse. In particular, the five localities studied have somewhat individual patterns of development. To expose the social meanings that underlie the differences in regional development, I have grouped these five communities into two parts based on the degree of regional development and the socioeconomic structures that obtain in each village. Thus, Jianglian, Nanshui and Yahu villages are categorized as belonging to the peripheral area, while Xiangang and Wentang shequ are grouped as core area communities.

Table 5.3 Comparison of Regional Development between Two Areas in the PRD Region

<table>
<thead>
<tr>
<th></th>
<th>Peripheral Area (Nanshui, Yahu, Jianglian)</th>
<th>Core Area (Wentang, Xiangang)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration Unit</td>
<td>Rural village</td>
<td>Urban community</td>
</tr>
<tr>
<td>Degree of Industrialization</td>
<td>Low or modest</td>
<td>Completed</td>
</tr>
<tr>
<td>Degree of Urbanization</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Driving Force in Urbanization</td>
<td>Spontaneous</td>
<td>Government-oriented, migrant enclave economy</td>
</tr>
<tr>
<td>Primary Economic Activity</td>
<td>Agriculture and industry</td>
<td>Industry and service sector</td>
</tr>
<tr>
<td>Economic Dynamics</td>
<td>Private capital</td>
<td>Foreign investment</td>
</tr>
<tr>
<td>Social Transition</td>
<td>Slow</td>
<td>Dramatic</td>
</tr>
<tr>
<td>Migrant Population</td>
<td>Small</td>
<td>Large</td>
</tr>
<tr>
<td>Migrant Enclave</td>
<td>Loose</td>
<td>Concentrated</td>
</tr>
</tbody>
</table>

From Wentang shequ to Jianglian Village, the diversity of economic structures is enormous. Xiangang and Wentang are industrialized and urbanized, while Jianglian, Nanshui and Yahu, despite possessing some small-scale industry, remain dominated by agricultural economies. Urbanization in the core area has been substantially facilitated by both local economic activities and governmental policies; however, in the peripheral area, failure to attract foreign investment and the consequent necessity of relying on local private capital has hindered local industrialization. Simultaneously, the agricultural sector virtually
disappeared to be replaced by the industrial economy in the core area, while it remains substantial in the peripheral area.

Thus, the factors that have determined the varying development in these five communities may be seen to be institutionally embedded. Regional economic policies have had a significant impact on the regional economies. As discussed above, the implementation of specific strategies for local development has resulted in uneven development across the five communities. For instance, Xiangang has been significantly developed because of the establishment of the GETDD; Wentang has been urbanized for not only because of rapid industrialization, but also because of governmental administrative transformations; and the regional economy of Yahu has been spurred by the establishment of the new airport. In this respect, institutional encouragement has had an enormous effect on regional development in the PRD region.

Hence, the construction of local labour markets varies between the core and peripheral areas. On the one hand, in industrialized communities, a cheap labour force is in great demand to undertake labour-intensive work that requires certain skills and technological expertise. Simultaneously, the service sector develops within these communities, in large part to serve this immigrant labour force (Table 5.3). In turn, this development allows labour migrants, due to the prosperity of local markets, to obtain jobs in both the industrial and service sectors in the core area. Education as an essential form of human capital has taken on increasing importance in these local labour markets.

On the other hand, the slow development and the dominant agricultural economy in the peripheral area have shaped different local labour markets for labour migrants who travel there (Table 5.3). Labour migrants there are still able to earn good economic revenue working in the agricultural economy. More importantly, in terms of a migration perspective, the labour migrants in these rural communities are largely viewed as social replacements for indigenous residents who have emigrated. For example, in Nanshui and Jianglian, labour migrants live in rooms rented from local residents who have emigrated to urban areas or
even foreign countries. These labour migrants become the new neighbors of the local residents left behind.

The development in these communities demonstrates the local historical and cultural contexts. In particular, the agricultural economy in Nanshui may be viewed as a cultural legacy that informs current economic activities. Meanwhile, connections between rich overseas Chinese with a historic origin in Jianglian have resulted in a transnational pattern in the local economic activities there. In the core area, the dynamics of regional development have been driven by modern economic and institutional factors. The establishment of special economic zones by local governments and the facilitation of land capitalization have generated dramatic rural industrialization and subsequent urbanization in these areas. These various factors of development, without doubt, have had a great impact on the construction of local labour markets.

The construction of local labour markets is, therefore, associated with the development of the regional economy. Different economic structures, which are affected not only by social and institutional elements, but also by cultural and historical contexts, have resulted in dramatic social change over a short period. By discussing these five communities and their demographic characteristics, this chapter has demonstrated how a complexity of regional development has created labour markets and labour migration patterns that are distinct between the core and peripheral PRD region. It is evident that local economic and social policies have had different impacts on labour migration and the structuring of different local labour markets. These local labour markets, which are constructed, as well, on the basis of cultural and historical factors, then influence labour migration patterns, thus demonstrating how the factors that affect labour migration are institutionally embedded.
### Table 5.2 Demographic and Socioeconomic Characteristics of Research Sites

<table>
<thead>
<tr>
<th></th>
<th>Xiangang</th>
<th>Wentang</th>
<th>Nanshui</th>
<th>Yahu</th>
<th>Jianglian</th>
<th>Core PRD</th>
<th>Peripheral PRD</th>
<th>Total</th>
<th>Chi-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Female</em></td>
<td>59.3</td>
<td>52.4</td>
<td>44.9</td>
<td>27.1</td>
<td>34.1</td>
<td>55.0</td>
<td>35.8</td>
<td>45.9</td>
<td>16.817***</td>
</tr>
<tr>
<td><em>Male</em></td>
<td>40.7</td>
<td>47.6</td>
<td>55.1</td>
<td>72.9</td>
<td>65.9</td>
<td>45.0</td>
<td>64.2</td>
<td>54.1</td>
<td></td>
</tr>
<tr>
<td><strong>Age Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Elder Generation</em></td>
<td>26.4</td>
<td>23.8</td>
<td>53.9</td>
<td>54.1</td>
<td>73.2</td>
<td>24.8</td>
<td>57.7</td>
<td>40.4</td>
<td>50.732***</td>
</tr>
<tr>
<td><em>Post-1980s</em></td>
<td>73.6</td>
<td>76.2</td>
<td>46.1</td>
<td>45.9</td>
<td>26.8</td>
<td>75.2</td>
<td>42.3</td>
<td>59.6</td>
<td></td>
</tr>
<tr>
<td><strong>Age (mean)</strong></td>
<td>24.4</td>
<td>25.4</td>
<td>30.5</td>
<td>30.4</td>
<td>34.6</td>
<td>25.0</td>
<td>31.2</td>
<td>28.0</td>
<td></td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Unmarried</em></td>
<td>64.8</td>
<td>61.9</td>
<td>37.1</td>
<td>36.5</td>
<td>31.7</td>
<td>63.0</td>
<td>36.7</td>
<td>50.1</td>
<td>31.212***</td>
</tr>
<tr>
<td><em>Married</em></td>
<td>35.2</td>
<td>38.1</td>
<td>62.9</td>
<td>63.5</td>
<td>68.3</td>
<td>37.0</td>
<td>63.3</td>
<td>49.9</td>
<td></td>
</tr>
<tr>
<td><strong>Educational Level</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Secondary School or Lower</em></td>
<td>46.2</td>
<td>57.1</td>
<td>83.1</td>
<td>72.9</td>
<td>39.0</td>
<td>52.9</td>
<td>70.7</td>
<td>61.4</td>
<td>15.023***</td>
</tr>
<tr>
<td><em>High School/College or Higher</em></td>
<td>53.8</td>
<td>42.9</td>
<td>16.9</td>
<td>27.1</td>
<td>61.0</td>
<td>47.1</td>
<td>29.3</td>
<td>38.6</td>
<td></td>
</tr>
<tr>
<td><strong>Years of Education (mean)</strong></td>
<td>10.2</td>
<td>10.6</td>
<td>8.4</td>
<td>9.1</td>
<td>10.4</td>
<td>10.4</td>
<td>9.1</td>
<td>9.8</td>
<td></td>
</tr>
<tr>
<td><strong>Place of Origin</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Non-Guangdong</em></td>
<td>73.6</td>
<td>91.8</td>
<td>82.0</td>
<td>92.9</td>
<td>97.6</td>
<td>84.9</td>
<td>89.3</td>
<td>87.0</td>
<td>1.955</td>
</tr>
<tr>
<td><em>Guangdong</em></td>
<td>26.4</td>
<td>8.2</td>
<td>18.0</td>
<td>7.1</td>
<td>2.4</td>
<td>15.1</td>
<td>10.7</td>
<td>13.0</td>
<td></td>
</tr>
<tr>
<td><strong>The hukou Status</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Agricultural Registered</em></td>
<td>83.5</td>
<td>81.0</td>
<td>92.1</td>
<td>83.5</td>
<td>68.3</td>
<td>81.9</td>
<td>84.2</td>
<td>83.0</td>
<td>0.407</td>
</tr>
<tr>
<td><em>Non-agricultural Registered</em></td>
<td>16.5</td>
<td>19.0</td>
<td>7.9</td>
<td>16.5</td>
<td>31.7</td>
<td>18.1</td>
<td>15.8</td>
<td>17.0</td>
<td></td>
</tr>
<tr>
<td><strong>Housing Situation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Rent Rooms from Locals</em></td>
<td>31.9</td>
<td>35.4</td>
<td>76.4</td>
<td>64.7</td>
<td>9.8</td>
<td>34.0</td>
<td>59.1</td>
<td>45.9</td>
<td>33.716***</td>
</tr>
<tr>
<td><em>Dormitory Provided</em></td>
<td>64.8</td>
<td>60.5</td>
<td>19.1</td>
<td>31.8</td>
<td>75.6</td>
<td>32.2</td>
<td>34.9</td>
<td>49.2</td>
<td></td>
</tr>
<tr>
<td><em>Friend’s Home-Owned</em></td>
<td>3.3</td>
<td>4.1</td>
<td>4.5</td>
<td>3.5</td>
<td>14.6</td>
<td>3.8</td>
<td>6.0</td>
<td>4.9</td>
<td></td>
</tr>
</tbody>
</table>

*p<0.10, *p<0.05, **p<0.01, ***p<0.001
6. LABOUR MARKETS FOR LABOUR MIGRANTS IN THE PEARL RIVER DELTA REGION

The structuring of labour markets for labour migrants is based primarily on local economic structures, institutional arrangements, and migratory mechanisms. By exploring the factors that affect monthly income and job position in the workplace for labour migrants, this chapter attempts to account for what role these factors play in constructing distinctive local labour markets within the PRD region. With the dramatic driving force of institutional change and regional development in the last three decades, labour markets in the PRD region have changed significantly. Within this context, labour markets for labour migrants in the PRD region differ in accordance with the vast disparity of regional development. In this chapter, by comparing the different structuring of labour markets in the core and peripheral regions, I explore how regional disparity results in diverse local labour markets in the PRD.

Four questions will be addressed in this chapter. First, how are labour markets, represented by income and position in workplace, constructed in the PRD region? Second, what are the different patterns that characterize these labour markets in the core and peripheral PRD regions? Third, what are the different mechanisms that affect labour migrants’ attainment of economic and social resources in the workplace? Finally, how do conventional viewpoints in economic sociology and migration studies apply to China’s labour migration, especially in the case of the PRD?

To better understand the complex economic and social processes of labour markets for labour migrants in the PRD, various social dynamics that are widely used as explanatory devices in economic sociology and migration studies will be examined. Factors in economic sociology such as job seeking strategy and income will be analyzed along with migratory mechanisms and institutional factors that provide essential influences on labour migration in China. My argument in this chapter is, in essence, that the structuring of local labour markets follows different patterns. Two dimensions will be applied in my models. On the one hand, the dynamics affecting the attainment of economic resources in labour markets
will be examined; on the other hand, different strategies used in the process of job attainment will be compared, and differences in the application of these mechanisms between the core and peripheral areas are compared to further highlight the regional disparities within the PRD.

First, the transformation of labour markets in the PRD region in the last three decades will be reviewed to illustrate that the evolution of local labour markets is based not only on regional economic growth, but also on institutional change and cultural legacies in historical development. Next, a bivariate analysis of the components of labour markets will be provided to establish a preliminary comparison of local labour markets between the core and peripheral areas. Finally, by introducing various economic and social elements into the regression models, the different structuring of local labour markets on the basis of regional disparities will be compared to reveal the significant associations between local labour markets and labour migration in the region.

6.1 The Transformation of Labour Markets in the PRD Region

The transformation of labour markets in the PRD region is a complex process associated with dramatic economic and institutional change over the last 30 years. As noted in Chapter X, institutional settings in the pre-Reform period, which was centered on a planned economy, restricted free labour markets in a very fundamental way by constraining free labour mobility. Large-scale migration of the rural labour force toward industrial areas has emerged since the early 1980s along with the enactment of new economic policies. Also, institutional change, such as the relaxation of the hukou system, has made free labour mobility institutionally possible. By briefly reviewing the transformation of labour markets, this section provides a social landscape showing how local labour markets is closely associated with labour migration and regional development in the PRD.

6.1.1 Labour Markets in Socialist Planned Economy (1949–1979)

Labour markets in the pre-Reform period followed the operation of the planned economy. The CCP government had achieved control of state economic resources by the
1950s by urging the land reform in rural China and the so-called socialist transformation of industry and commerce in urban areas. Learning from the Soviet Union’s experience, the Chinese government operated a planned economy in an attempt to concentrate state resources for rapid state industrialization. In the economic and political environments at that time, a market economy, which was viewed ideologically as the significant element in capitalism, was diminished (Vogel 1972, Wen 2010).

By operating under the rationing system and the hukou system, labour markets in China were greatly restricted by administrative orders rather than economic reality. The rationing system greatly diminished free markets. Most necessities were rationed in cities. Chinese residents could only obtain necessities from the area of their registered residence. Free commodity exchange in cities was viewed as a crime, and offenders were harshly punished. More importantly, the operation of the hukou system, institutionally speaking, made the free movement of labour limited. For peasants from rural China, due to the lack of the right of permanent urban residence, it was almost impossible to obtain any social resources and life necessities in cities.

In that period, the danwei system, as the dominant system in labour markets in Chinese cities, played a significant role in labour mobility. Labour mobility relied primarily on administrative orders rather than market mechanisms. In urban China, residence was strictly controlled. Only government officials, retired soldiers, and university graduates were eligible to relocate their jobs and registered residence (Fan 1999b). For instance, government or state-owned enterprises, most of which were located in urban or non-rural areas, were viewed as an “iron rice bowl” favored by most people under the socialist system. PLA soldiers, who were viewed as having privileged social status, had opportunities to obtain these jobs after completion of their military service. Most university graduates, viewed as precious state intellectual resources, had work assigned in government or state-owned enterprises before their graduation. The allocation of these jobs was based largely on administrative orders rather than on the examination of their skills and knowledge. Thus, the danwei system allocated most human resources on the basis of state strategy, and the
The hukou system made labour mobility institutionally constricted by administrative orders. Labour markets in this period were bureaucratized until the economic reform in the 1980s.

In Guangdong, the enactment of most economic policies had to be consistent with administrative orders from above (Vogel 1972). Before the Openness policy in the early 1980s, Guangdong province was marginalized in state development strategies, largely because of its geographic proximity to Hong Kong and Macau and the historical legacies of overseas connections, which were considered as potentially politically unstable (Vogel 1972). Economic development in this period emphasized traditional light industry and handicrafts that had prospered in the PRD region before 1949. In contrast, the development of heavy industry as the focus of the state strategy in national industrialization was very limited compared to other eastern coastal provinces such as Shandong and Jiangsu.

Compared with the tight control of economic resources and industrial development in urban areas, the rural PRD region had certain leeway in the enactment of economic policies. For instance, Unger (2002) found that some villages in Guangdong province had two account books. One recorded the actual village revenue and expenses, while the other was made to deal with the regular inspections by higher authorities, indicating that the villages in the PRD had leeway to control local economic resources even in the planned economy period. In the mid-1970s, some collective enterprises were established in Guangdong villages or communes, aiming to improve the livelihood of local residents. These collective enterprises emphasized traditional industries such as handicrafts or helping agriculture to establish comparative advantages in regional economies. Due to the strict limitation of free labour mobility, most workers in the PRD were local residents. Labour migration toward the PRD region was still yet to emerge.

In the pre-Reform period, the influence of the preliminary development of the TVEs was far-reaching. On the one hand, they provided significant supplementary livelihood for local residents. In particular, during their work in the TVEs, some local residents were able to complete their accumulation of initial capital for business expansion (Unger 2002). On the other, workers in the TVEs were well-trained in the skills and technology of production,
becoming native skilled workers in the early Reform period. For example, Nanshui and Wentang had established TVEs as early as late 1979. By widely applying their skills to production, some of these skilled workers established factories on their own in the reform era, recruiting a large number of labour migrants from other regions of Guangdong province and even from other provinces.

6.1.2 The Revival of Free Labour Markets (1980-present)

Rural-urban labour mobility has gradually increased in terms of the blueprint of state economic strategy since the 1980s. Free labour markets have been formed not only in enterprises in urban areas, but also in TVEs and even agricultural production in rural communities. In the last 30 years, with the rapid pace of economic growth, local labour markets in the PRD region have experienced dramatic transformation. The rapid labour marketization, and subsequent rural industrialization and urbanization, has greatly changed the structure of local labour markets.

A market economy, characterized as free trading, revived the Chinese state economy after Deng Xiaoping regained political power in the late 1970s. Free labour markets, in terms of labour demands, were gradually allowed in urban areas, providing a large number of economic opportunities for not only local residents but also labour migrants. As early as the late 1970s, some state-owned or collective enterprises started to recruit outsiders to address the labour shortage, with the result that residents of suburban or rural areas near the cities were able to obtain jobs (Wen 2010). However, without any formally registered residence status, these recruited outsiders received much lower income than local residents.

Institutional change, particularly the operation of the temporary resident permit system, was an important driving force for labour migration in China. Since the mid-1980s, Chinese citizens holding agricultural registration status were allowed to stay in cities as long as they were able to provide their own life necessities. The opening of urban commodity markets enabled rural peasants to purchase food and other necessities in cities. Labour
migrants are able to renew their permits as long as they are able to provide a registered city address. Thus, institutional release in urban China has facilitated labour migration. The PRD region is benefiting from dramatic economic growth and institutional reform, providing a large number of job opportunities for labour migrants in newly established manufacturing and affiliated industries, or even in agricultural economy. Local labour markets are shaped specifically for labour migrants.

To maintain comparative advantage in market competition, labour-intensive enterprises in the PRD have not only to achieve lower land rental, favorable tax credits, and industrial policies provided by local governments, but also to maintain low labour costs (Wen 2004b). In particular, labour migrants are able to undertake intensive and low-paid work that local labourers are reluctant to do. Labour migrants, most of whom have rural origins, are encouraged to participate in the industrial sectors, taking the place of local residents as the primary industrial workers in these factories. The core PRD region, particularly Shenzhen, Dongguan, and Guangzhou, has formed large labour markets specifically for labour migrants. The factories in this region demand a large number of industrial workers to undertake intensive work. These factories are labour-intensive, yet the requirement of labour quality is low. The presence of a large number of factories makes it easy for labour migrants to obtain jobs. Frequent job mobility is also possible in this area, so that it is easy for migrant workers to move from factory to factory.

In contrast, the peripheral PRD region has developed more slowly than its core counterparts in the regional economy. The underdeveloped industries are unable to attract the same levels of labour migration as industries in the core areas, resulting in them failing to form large-scale labour markets. Labour migrants work in small-scale TVEs that are invested primarily by local entrepreneurs or low-end foreign investments. At the same time, the substantial development of the agricultural economy facilitates labour migration toward agricultural sectors. Therefore, compared with the core areas, labour markets in the peripheral areas are composed of more varied economic activities.
The transformation of labour markets in the PRD is based not only on economic dynamics but also on institutional change. The enactment of new economic policies in Guangdong province created such great demand for labour that large-scale labour migration is needed to fill these positions. Institutional change, represented by the relaxation of the hukou system, has made free labour mobility institutionally feasible. In terms of different institutional settings, segmented labour markets have formed between local residents and labour migrants (Solinger 1999). Due to the presence of a large number of labour migrants flowing in industrialized areas, labour markets for labour migrants have developed in the rural PRD region.

The structuring of local labour markets in the rural PRD region is based primarily on local economic structures. The diverse economic activities between the core and peripheral areas have generated distinct demands for labour migrants, with the result that labour migration into the PRD region follows different patterns in terms of the structuring of labour markets. From my perspective, labour inflows toward the PRD region follow preindustrial-industrial rather than rural-urban patterns, distinguishing them from conventional patterns in migration studies. The regional disparity between the core and peripheral areas is substantial in that the allocation of work positions in the workplace is affected by different dynamics in these two areas. In the PRD’s case, labour markets for labour migrants should be accounted for from the perspectives not only of economic sociology but also of migration studies. Regional disparity within the PRD has a significant impact on the formation of diverse local labour markets. Agricultural economy, particular the prosperity of cash crops, maintains attraction to labour migrants in the peripheral PRD. Labour migrants, particular young labour migrants, are attracted by industrial work and non-agricultural lifestyle in the core. The structuring of local labour markets differs between the core and peripheral areas, resulting in different job-seeking strategies. By exploring the different structuring of local labour markets, I will examine how different dynamics underlying labour migration have impacts on the formation of local labour markets in these areas.
The associated effects of labour migration and labour markets have shaped a complex social picture in industrialized Guangdong. In analyzing the structure of local labour markets for labour migrants in China, I am able to better understand how labour migration in China is affected by social and cultural contexts. In comparing social and institutional mechanisms in constructing local labour markets, I argue that different social and institutional mechanisms play different leading roles in local labour markets in terms of their economic structures. Migratory dynamics would have significant impacts on labour markets in the core, yet its effects might not be significant in the peripheral areas. At the same time, the dynamics that generate labour migration toward the PRD region should be considered in association with the structuring of local labour markets within the region. In addition, in terms of the particular social and institutional setting, various perspectives exist on the nature of labour migration in China generally.

6.2 Variable Description

6.2.1 Independent Variables

In this research, I focus primarily on how labour markets are constructed by institutional factors, job seeking strategies, and migratory mechanisms. All variables were drawn from the questionnaire collected from five localities in the PRD region (Table 6.1). The sample is categorized as the core and peripheral areas of the PRD. Our final sample in the analysis of labour markets comprised 238 labour migrants in the core and 215 in the peripheral areas. Regression models are employed to explore how various factors construct distinct local labour markets, and how labour markets within the PRD region are distinctive.

Institutional factors include place of origin, the hukou status, locality, and the participation in work sectors to explore the structuring of labour markets in the PRD region (Table 6.1). Institutional factors include four categorical variables to distinguish Guangdong vs non-Guangdong origin, agricultural vs non-agricultural registration status, core vs peripheral area, and the work sector (agriculture and handicraft, industry, or service sectors).
There are various strategies employed in the process of job seeking. Social networks, organizational forms, and market channels are the primary ways of seeking a job (Table 6.1). In this research, the job seeking strategy variable is based on the question of what method(s) you prefer to use in job seeking. On basis of effects of social networks in Chinese labour markets (Bian 1997), social networks are divided into two categories: kinship ties and social ties. Kinship ties include family members, siblings, and relatives. Social ties comprise friends, alumni, and local acquaintances. Organizational forms are based primarily on school recruitment and the use of a labour agency. Market forms are defined as an approach that labour migrants use to seek jobs in free labour markets, such as job seeking through on-street advertisements and internet. Labour migrants may use more than one strategy in seeking jobs, so this research asked what methods they employed in the attainment of their most recent jobs.

In the attempt of making theoretical combinations between labour markets and labour migration, this research examines how migratory mechanisms affect the structuring of labour markets. Migratory dynamics are defined as the primary causes that drive migrants to leave home for jobs. This variable is divided into social and economic dynamics (Table 6.1). Social dynamics are based on the survey responses such as “urban life is more attractive than living at rural villages”, “staying in rural areas is looked down upon by
others”, and “young people should go out to explore the outside world” and so on, while economic dynamics encompass the responses of “the household revenue from agricultural economy is too little”, “there are few ways of earning money at rural areas”, and “My family needs me to go out to earn money” and so on (Appendix B). Moreover, years of migration and years of current settlement are employed in the analysis (Table 6.1), since migration experience reflected in years of relocation and settlement is an important indicator in migratory mechanisms. These two variables will be used as continuous independent variables in regression analyses.

6.2.2 Dependent Variables

The structuring of local labour markets in the PRD region can impact economic and social status. The attainment of economic resources, which is measured as monthly income in this research, is a classic factor used in labour market studies. Monthly income of labour migrant is composed of basic wage, overtime reimbursement, and bonus (Table 6.1). The composition of monthly income is different between the core and peripheral PRD, which is analyzed in the bivariate analysis. To satisfy the assumption of normal distribution in the regression model, I have used logged total monthly income as the dependent variable. Linear regression has been used to estimate in the determinants of income differences between local labour markets, as well as the comparison between two sub-regions of the delta.

However, income is insufficient to reflect a broader picture of labour markets, especially as the regional disparity within the PRD is enormous. For example, a skilled worker in Dongguan might earn more money than a manager in a small TVE in Jianglian. Meanwhile, a contractor participating in agricultural economy in Jianglian may have much higher household revenue than young skilled workers in Dongguan. The power of these labour migrants in their workplaces is substantially different. Thus, job position is introduced as another factor to provide a better understanding of the structuring of labour markets. Job position reflects not only power in the workplace but also the social status of labour migrants in labour markets (Table 6.1). Thus, I use these two variables as dependent
variables to examine what patterns of labour markets in the PRD are formed, and to compare the distinctive local labour markets in the PRD region. In this research, work position has been categorized as junior labour, skilled worker, and managerial position, which are employed as categorical dependent variable. Multinominal logistic regression has been used to estimate odds ratios of each work positions and their dynamics underlying in the labour markets of the PRD.

6.3 The Structuring of Labour Markets

Labour markets are a field in which labourers attain economic resources to support their livelihood and reproduction by establishing various work relations between themselves and employers and by attaining upward mobility in the workplace (Lee 1998, Lin 2006). In terms of different levels and types of development in a regional economy, I have classified the PRD region into core and peripheral areas. In the last chapter, a description of the community in which we conducted research was given to show the diversity of demographic and socioeconomic characteristics in these communities. In this section, I compare the characteristics of labour markets in core and peripheral areas, showing that labour markets in the peripheral area have lower requirements for the qualifications of labour migrants, with the result that migrants to this area undertake various jobs in very diverse work sectors. In comparison, labour markets in the core area demand young labour migrants with specific skills and technological experience, especially for skilled worker and managerial positions in the industry and service sector.

6.3.1 Bivariate Analysis

In this section, I intend to demonstrate how labour markets are structured in the PRD region, particularly in comparison between the core and peripheral areas. The different paces of industrialization have led to distinctive local labour markets for labour migrants between the core and peripheral PRD. The rapid industrialization in the PRD region as a whole demands a large number of industrial workers to take part in infrastructure construction and other industries.
Table 6.2 reveals that labour migrants in the core area’s participation in industrial production is only 6 percentage points higher than migrants in the peripheral area (60.9 versus 54% of employed migrants). However, 24% of labour migrants in the peripheral area are employed in agriculture or handicrafts versus only 10.5% in the core area (Table 6.2). The prosperity of the core PRD is reflected in the development of service sectors. Up to 28.6% of labour migrants work in service sectors in the core area, which is almost 7 percentage points higher than in the peripheral PRD region. For the four job seeking strategies, there are no significant differences in migrants’ likelihood of using social networks between the core and peripheral PRD regions. Both kinship ties and social ties are widely employed in the entire PRD region. However, labour migrants in the core PRD are more likely to use organizational forms in job seeking than are those in the peripheral area (21% versus 7.4%), while market forms of job seeking are less common (17% versus 23%).

In studying labour migration in the PRD region, I focus primarily on migratory dynamics, the length of time since migration and settlement. Table 6.2 shows that labour migrants are significantly more likely to be driven by economic dynamics in the core than are those in the peripheral PRD (64% versus 53%). The lengths of time in migration and settlement are able to reflect the accumulation of life experience not only in labour markets but also in labour migration. Labour migrants in the PRD region have, on average, 6.8 years in migration, while labour migrants in the core are 3.4 years less than those in the peripheral PRD in migration. Similarly, labour migrants in the whole PRD average 3.7 years of living in current communities, while labour migrants in the core are 1.5 years less than those in the peripheral counterparts (Table 6.2), suggesting that the core PRD region have more labour migrants with shorter migratory experience than those in the periphery. In viewing the whole migratory dynamics, I found that labour migrants in the core are relatively motivated more by social dynamics with shorter time in migration than those in the peripheral PRD region.

On average, labour migrants in the core PRD earn over 200 yuan more than those working in the peripheral area (Table 6.2). The basic wage of labour migrants in the core,
however, is 137 yuan less than those in the peripheral area. By reviewing the income structure of labour migrants, it is interesting to note that the cause of having higher monthly income for labour migrants in the core is based primarily on their overtime work and bonus. In terms of Table 6.2, labour migrants in the core PRD receive over three times the overtime reimbursement and twice in bonus of those in the peripheral areas. Consequently, the total monthly income of labour migrants in the core PRD is higher than those in the peripheral areas, indicating that labour migrants in the core PRD rely more on overtime work and bonus rather than basic wage to maintain higher income.

The rapid industrialization and urbanization in the core area requires labour migrants to take on longer hours and more intensive work than those in the peripheral areas. For example, factories in Dongguan merely offer a minimum wage to labour migrants and provide extra income from overtime work (SRGNC 2012). Because most factories in the core areas are affiliated with manufacturing factories that sign business contracts with foreign enterprises, it is mandatory for labour migrants to undertake intensive overtime work after regular hours in order to earn extra money (Chang 2008, Lee 1998). Factories in the peripheral areas, due to smaller scales and inferior conditions in production, have less demand for overtime work. Moreover, labour migrants working in the agricultural economy, such as in pond-fish cultivation in Nanshui village, are more likely to work during regular hours only.

Another indicator used to reflect socioeconomic status in labour markets is the job position in workplace. According to the types and positions that labour migrants responded, three types of positions have been generated: junior labour, skilled worker, and managerial position. The largest proportion of job position is junior labour (43.3%), while the smallest is managerial position (22%). In comparing two sub-regions of the PRD, there is no significant difference in the distribution of these positions. Therefore, it is worthy of further analysis to explore different underlying dynamics that generate similar labour market structures with respect to job position.
6.3.2 Multivariate Analysis

Monthly income and work position are used in labour markets studies as dependent variables to reflect job quality. Income is widely employed in economic sociology to reflect the capability to obtain economic resources in labour markets. Work position reflects social and economic status in economic organizations. By estimating regression models, I will examine how institutional dynamics, job-seeking strategies, and mechanisms of migration affect job mobility, and how these dynamics play different roles between the core and peripheral areas in the PRD.

In this section, I intend to answer the question of what factors play significant roles in affecting labour migrants’ economic attainment in the PRD region. Through the bivariate analysis, we have found that monthly incomes are significantly different between the two areas, but what patterns can we discern if other social factors are introduced? Moreover, economic sociologists and economists have concluded that gender, age, and education have played substantial roles in affecting income, so what would the pattern be if institutional and social factors were considered?

6.3.2.1 Monthly Income

Monthly income, used widely in the analysis of labour markets, is able to provide a direct understanding of how labour migrants are able to obtain economic resources in labour markets. By employing monthly income as the dependent variable, this section attempts to explore how demographic factors, institutional factors, and work positions affect the monthly income of labour migrants. These factors have been widely employed in neoclassical economics and institutional analysis of labour markets, so its applicability in PRD’s case is examined here.

Model 1 in Table 6.3 shows that, with the exception of age, other demographic factors, such as gender, marital status, and education are significantly related to monthly income. For instance, male labour migrants earn more than female migrants if controlling for other variables in the model. Married labour migrants have certain advantages in
earning money in labour markets (Table 6.3). Education plays a more important role in the attainment of economic resources in labour markets. In the neoclassical economic models, it was concluded that education is a facilitating factor for income increase. In this analysis, labour migrants are able to earn more money with the increase of their schooling years (Table 6.3). In terms of Model 2 and 3, the impacts of gender and education maintain consistent significance in the core and peripheral PRD region.

According to the bivariate analysis, the monthly income of labour migrants is significantly different between the core and peripheral PRD region. Total monthly income in the core area is generally higher than its peripheral counterpart. Model 1 confirms regional disparity in monthly income net of other factors. According to Model 1, monthly income of labour migrants in the core PRD is 8.4% higher than in the peripheral PRD area holding other variables in the model constant. This is no wonder, given the regional disparity in industrialization and urbanization between these two areas. However, I should also consider how institutional factors, such as the *hukou* status and place of origin, have an impact on monthly income.

The attainment of economic resources in labour markets can be viewed as an institutional process. Place of origin, which is divided into Guangdong and non-Guangdong, plays a significant role in labour migrants’ monthly income. Labour migrants from other parts of Guangdong province earn 10.6% more than those from non-Guangdong provinces, although the coefficient is only marginally significant. However, there are no significant relationships between place of origin and monthly income in models run separately for the core and the peripheral areas\(^87\). It can be explained that, with further industrialization, Dongguan, Shenzhen, and Guangzhou are the metropolitan areas in which labour migrants are the most concentrated. The large labour inflows into these cities have decreased the preference for specific labour migrant origins. Labour migrants from Guangdong or non-

\(^{87}\) The outcomes showing no significance in the variable of place of origin in both the core (Model 2) and peripheral (Model 3) areas may be a result of the limited number of cases in each area.
Guangdong provinces have relatively equal job opportunities, a factor directly reflected in their income.

Relatively speaking, labour migrants from other regions of Guangdong province are advantaged in labour markets compared to those from other provinces. Pun (Pun) notes that factory girls from the Chaozhou or Kejia areas in Guangdong are able to attain higher positions in factories, which to a large extent depend on their networks among migrants from the same place. Importantly, besides the *hukou* registration, the Guangdong government has enacted policies to distinguish eligibility between Guangdong and non-Guangdong residence registration in the provision of social welfare, so that Guangdong residents, even as labour migrants, have fewer institutional barriers to permanent settlement in host communities compared to their non-Guangdong colleagues, which can be considered as a competitive advantage in labour markets. Lee (Lee) suggests that localistic networks as a strategy in the workplace to control workers are widely employed in foreign-invested enterprises in the PRD region. In addition, Guangdong migrants are able to share relatively similar cultural legacies and historical identities with host communities, which generates advantages for intraprovincial labour migrants. This factor’s role in making more economic benefits for some migrants in labour markets should not be ignored.

At the same time, the *hukou* status has a significant impact on monthly income. The income of labour migrants with non-agricultural residence status is 12.5% more than those with agricultural residence status (Table 6.3), indicating that labour migrants with non-agricultural registration status still maintain economic competitive advantage in the labour markets of the PRD region. However, according to Model 2 and 3, there are no significant relationships between the *hukou* status and monthly income in running models separately for the core and the peripheral areas. Also, in terms of Table 6.3, work sector as a structural factor shows no significant relationship with monthly income.

These results have provided an interesting way for us to consider institutional change of labour markets for labour migrants in the PRD region. In the pre-Reform or the early Reform period, *hukou* status is very important to job opportunities in urban China. A
non-agricultural residence status meant an institutional eligibility for labour migrants to work in urban China. Nowadays, with the rapid urbanization and industrialization in the PRD, the large inflows of labour migrants have taken on various work positions in urban China even when they have no urban-registered residence. With the development of labour markets in the PRD region, the impacts of the *hukou* status are largely weakened, with the result that labour migrants are able to get jobs regardless of their *hukou* status. In particular, in the communities transformed from rural villages, private enterprises have no preference for the *hukou* status in selecting or promoting workers.

In terms of Table 6.3, work positions affect monthly income. This is consistent with a conventional viewpoint that status levels in workplace are positively related with the attainment of economic resources. However, in reviewing this categorical independent variable (Table 6.3), I found that it reflects a different pattern. According to Model 1, skilled workers in the PRD region receive the same income as junior labour, while labour migrants with managerial positions earn up to 15% more than junior labours. Also, the patterns of work positions in affecting monthly income are different between the core and peripheral areas (Table 6.3). In terms of Model 2 and 3, skilled workers in the core PRD earn 14.7% less than junior labours, while those in the peripheral area earn 14.2% more than junior labours. There are no significant relationships in monthly income between labour migrants with managerial positions and junior labours in the core PRD, while labour migrants with managerial position indeed receive 28.1% more than junior labours in the peripheral area (Table 6.3).

The relationship between work position and monthly income is consistent with conventional viewpoint of economic sociology in the peripheral PRD region, while it shows a different outcome in the core. Junior labours have to undertake a large number of intensive work to compensate their inferior status in the attainment of economic resources. By working at overtime, junior labours have opportunities to increase their earning, which is even more than skilled workers. This result also reflects that monthly income as an
economic indicator is insufficient to embody the whole social landscape of labour markets in the PRD region.

In general, labour migrants in the core PRD earn more than those in the peripheral area. Besides demographic factors, institutional factors and work positions play crucial roles in affecting their monthly revenue. The hukou system has maintained its substantial influence on labour markets for labour migrants. The labour migrant’s origin, which is a geographic territory, to a certain extent, is viewed as not only an institutional mechanism but also a cultural dynamic. Labour migrants of Guangdong origin share a similar cultural identity to local communities. It is easier for them to build up social connections with other locals who settled down earlier in host communities. However, these institutional factors do not significantly affect monthly income as we analyzed the core and peripheral areas respectively. In the next section, I will use job positions as the equally important factor of job position in workplace, to reflect the economic and social status of labour migrants in labour markets.

6.3.3 Job Positions in Workplace

Job position in workplace is employed as the other dependent variable to examine how structure and agency synthetically generate impacts on labour markets. Institutional factors, job-seeking strategies, and migratory mechanisms have been used in this study to examine the change of job positions in the workplace. Job position in workplace has three categories: junior labourer, skilled worker, and managerial position. The comparison between the core and peripheral PRD region in making these job positions will be discussed.

In this section, multi-nominal logistic regression models are employed. Institutional factors, previously discussed, will be reapplied to this analysis; job search strategies, which are the focus of new economic sociology in studying labour markets, will be introduced and compared; and migratory mechanisms, which are represented by migratory dynamics categorized as social and economic dynamics along with the length of time in migration and local settlement, will be analyzed as well.
6.3.3.1 Control Variables

In Table 6.4, gender and education are statistically significant in affecting job positions. Male labour migrants are 2.14 and 2.06 times more likely, respectively, than women to take on skilled worker and managerial positions in workplaces, indicating that male labour migrants have gender advantages in labour markets for labour migrants in the PRD region. At the same time, post-80s labour migrants are 2.07 times more likely than older workers to be recruited as skilled workers rather than junior labourers, whereas this phenomenon is not significant in managerial positions. In addition, education has a positive and significant impact on job position. As the schooling of labour migrants increases by one year, the likelihood of taking on skilled worker or managerial positions has increased by 22.9% and 45.9% respectively, indicating that education plays a positive and significantly substantial role in affecting the advancement in job position.

In analyzing the control variables, we have examined the effects of some classical factors in labour market studies. Gender and education still play substantially significant roles in job position. In Table 6.4, for example, male labour migrants with higher education are more likely to attain job promotion. Importantly, the effects of these two variables in job position are similar to their effects in the pattern of attainment of income (Table 6.3), indicating that the factors providing primary impacts on labour markets have been examined as control variables in this research.

6.3.3.2 Institutional Factors

Job position in labour markets for labour migrants in the PRD region can be viewed as an instituted process. Among the institutional factors, place of origin, the hukou status, and work sector significantly affect the job position of labour migrants. The results indicate that the place of origin for labour migrants, as a structural factor, provides different effects on job position. In the PRD region as a whole, compared to junior labour, labour migrants from Guangdong province are twice as likely to be skilled workers as those from other
provinces. However, there is no significant evidence of this effect in labour migrants holding managerial positions (Table 6.4).

Likewise, the result shows that labour migrants with non-agricultural registered residence status are 2.19 times as likely as to be skilled workers as those still registered with agricultural residence, while there is no significant effects on those holding managerial positions, suggesting that the *hukou* status and place of origin as two institutional factors have significant impacts on skilled workers rather than those with managerial positions. In Model 4, compared to labour migrants working in agricultural economy, labour migrants in the industrial sector are only 52.7% as likely to be promoted to managerial positions. In contrast, labour migrants in service sectors are 3.49 and 3.02 times as likely to be promoted to skilled worker or managerial positions.

In general, job position of labour migrants in the PRD region is greatly impacted by institutional dynamics. In Guangdong province as a whole, eligibility for permanent residence registration is based not only on the *hukou* status but also on place of origin. The *hukou* status, as discussed in Chapter 4, has great impacts not only on migratory patterns but also on strategies employed in labour markets. From the results we are able to conclude that both the *hukou* status and place of origin play significant roles in the positions of skilled worker but not managerial positions. The promotion of labour migrants in the PRD is based primarily on where they come from and what registered residence status they are in.

At last, we know that most labour migrants are registered with agricultural registration status, meaning that they are considered temporary residents in urban China. The difference between interprovincial and intraprovincial migration is significant. Intraprovincial labour migrants in the PRD region, due to similar social and cultural legacies, are easily assimilated into local communities. At the same time, the Guangdong provincial government has enacted various social policies to improve the livelihood of Guangdong residents. Guangdong residents are able to receive better social benefits than other temporary residents from non-Guangdong provinces. Accordingly, these institutional advantages have been reflected in labour markets.
6.3.3.3 Job-seeking Strategy

Economic sociologists have suggested that institutions and social networks are two primary strategies in job markets (Granovetter 1983, Western 1998). In China, social connections, such as kinship and social ties, are viewed as a facilitating factor in job searches. Also, organizational forms, such as campus recruitment and labour agencies, have been widely used in labour markets of the PRD. In this research, kinship ties, social ties, organizational forms, and market forms are employed as independent variables in the models. The results indicate that social ties and organizational forms have significant associations with job position.

The model indicates that, compared to junior labour, labour migrants in managerial positions are less likely to use social ties and organizational forms in securing a job position, while kinship ties and market forms show no significant roles in attaining managerial positions. In terms of Table 6.4, labour migrants with managerial positions are only 29.3% and 23.7% as likely, respectively, to use social ties and organizational forms as strategies for job position compared to junior labourers. In addition, compared to junior labour, the job-seeking strategies employed by labour migrants hired as skilled workers make no significant difference to job position, indicating that the strategies themselves make no difference to the job position of skilled workers (Table 6.4).

Kinship has a crucial role in Chinese society, being an effective way to attain social resources. It is a conventional viewpoint that job seekers are able to rely on family members and relatives who provide reliable job information and better job opportunities. At the same time, economic sociologists have determined that social networks have facilitating effects on the arrangement of labour markets (Granovetter 1995). In analyzing Chinese labour markets, especially job seeking processes in state-owned enterprises, Bian (Bian) suggests that strong social ties, rather than weak ties, are more effective in the process of job search in socialist China.
However, in our comparison of the effects of social mechanisms in the job position of labour migrants, labour migrants are unable to use social networks and organizational forms in the advancement of job positions. This phenomenon can be explained in that labour migrants who are disadvantaged will encounter various difficulties in obtaining useful or reliable job information. Labour migrants are likely to follow their family members, friends, or local acquaintance when they first leave home for work (Lv 2009). Likewise, labour migrants are likely to introduce their family members or landsmann to work in the same workplaces, which is viewed as making it easier to form cooperative and interactive work relations (Lee 1998). As a matter of fact, being recommended by landsmann or relatives has been taken for granted as an effective way of job seeking.

In terms of the outcomes, the reliance of labour migrants on social networks and organizational forms reduces the likelihood of taking up higher job positions. This finding can be regarded as complementary in that although social networks play essential roles in job seeking in the case of a first job or initial job position, their impacts on job advancement decrease for labour migrants moving from junior labour to managerial positions. Social networks in China comprise strong ties characterized by family members, relatives, friends, and other social ties, but labour migrants, particularly those from other provinces, have fewer social resources to rely on. Therefore, if the specific characteristics of migrants are considered, the effects of social networks on labour markets are much weakened. In addition, the structuring of labour markets is substantially segmented between labour migrants and local residents. Therefore, migratory mechanisms should be analyzed as well to examine how labour migration affects the structuring of labour markets in the PRD region.

6.3.3.4 Migratory Mechanisms

Migration mechanisms are examined in this section to explore how this factor affects the structuring of labour markets. As the description suggests, labour migrants relocate their residence because of work, and job seeking for a better life is one of the most important dynamics for their spatial relocation. In this analysis, I followed the conventional
method that divides migration dynamics into social and economic causes (Fan 1999b, Massey 1999). Also, the years of migration and the years of settlement in current community are also introduced.

In terms of the models, I find that there is no significant association between migratory dynamics and job position either for skilled workers or for managerial positions. Years of migration viewed as an indicator of migratory experience shows significant association with job positions, however. With the one year of increase in migratory experience, the likelihood of labour migrants to take up skilled workers and managerial positions has respectively increased 9.1% and 7.5% (Table 6.4). At the same time, job position is not related with the length of time in settlement in current community.

According to Model 4, migratory mechanisms play in part significant roles in affecting job position of labour migrants in the PRD region. Migratory dynamics, however, shows no significant relationship in this aspect. From the perspectives of migration, job position is determined primarily on the length of time in migration. As labour migrants accumulate their migratory experience by increasing their years of relocation, they are more likely to take up higher job position in the PRD region. As we have stressed, labour markets within the PRD are distinct in terms of the disparity in regional development, thus the comparison of the mechanisms affecting job positions between the core and peripheral areas in job position are able to build up a better understanding of how local labour markets within the PRD region is constructed.

6.3.3.5 Regional Comparison

The effects of demographic factors in affecting job position differ in the two sub-regions of the PRD. In terms of Table 6.4, male labour migrants in the peripheral area are 2.55 and 2.95 times as likely to respectively take up skilled workers and managerial positions, while there is no significant relationship between gender and job position in the core PRD. Post-80s labour migrants in the core PRD are 3.54 times as likely to be skilled workers, while there is no significant association with job positions in the periphery. Also,
married labour migrants in the core areas are 3.58 times as likely to be skilled workers, while the significance of relationship is not shown in the peripheral areas. In addition, the effects of education in Model 5 and 6 are consistent with that in Model 4, showing positive and significant impacts on the structuring of job location.

At the same time, institutional factors play different roles in structuring job positions between the core and peripheral areas of the PRD. In the peripheral area, there is no significant evidence of place of origin being associated with job position, while this effect is statistically significant in the core area (Table 6.4), suggesting that labour migrants from Guangdong province are 3.32 times as likely to have skilled worker positions than those from other provinces. Yet, labour migrants in neither the core nor peripheral PRD regions show significant relationships between the hukou status and job positions.

In addition, the accelerated urban expansion in the PRD region, particularly in the core area, has enhanced the possibility of the promotion of labour migrants in the service sector. Labour migrants are more likely to be promoted than those in the peripheral area. In particular, labour migrants in service sectors in the core PRD are 1.97 and 1.66 times to be skilled workers and managerial positions respectively over similar workers in the periphery (Table 6.4). However, in the peripheral PRD, the effect of working in the industrial sector is only significant in managerial positions, suggesting that labour migrants working in industries are 27.4% as likely to be promoted to be managers. This effect shows as statistically significant only in the peripheral areas (Table 6.4).

In comparing the job-seeking strategies employed between the sub-regions of the PRD, I found that those strategies show consistent effects with the general model of the whole PRD. The outcomes show a similar pattern in the core PRD region. Only social ties and organizational forms show significant trends in job position for labour migrants in managerial positions, while there is no significant evidence that job-seeking strategies affect job position in the peripheral PRD region (Table 6.4). Importantly, organizational forms have been widely employed in the core area as an effective method in job markets. Industrial advancement enhances the demand for skilled workers to operate machines or undertake
some technical work. One effective employment process is campus recruitment. Rather than posting recruitment advertisements in local labour markets, foreign-invested enterprises are likely to recruit prospective graduates directly from schools. School graduates can be recruited before their graduation. For instance, field work revealed that one electronic factory in Xiangang, invested by a Hong Kong entrepreneur, recruits about 50 new workers in one skill-training school in Hubei province at one time, meaning that these young students have attained jobs before their graduation. For those young migrants living in inland China, working in Guangdong province is an important opportunity to change their life.

Another strategy for recruiting workers by organizational methods is the use of labour agencies. Labour agencies bridge the gap between job seekers and enterprises. On behalf of employers, the labour agencies post job advertisements for local enterprises in local newspapers and websites. Labour migrants are able to access some job information after paying fees, or will be recommended for an interview. The agencies sign contracts with labour migrants and mediate labour relations between workers and the actual employers. The business of labour agencies in the core PRD region is flourishing due to the large population of labour migrants in Guangzhou, Shenzhen, and Dongguan. Yet, most job positions advertised by labour agencies are low-end positions with low wage and inferior working conditions. Thus, labour migrants seeking managerial positions are much less likely to resort to labour agencies or other organizational forms.

In contrast, organizational forms in the peripheral PRD region are rarely seen largely because enterprises are low-end industries and the commission fees paid to the labour agency for manager recruitment are unaffordable for those enterprises. There is little space for survival of labour agencies in the peripheral area. Also, hiring advanced managerial positions directly from schools is infeasible. Relatively slow industrialization and small-scale enterprises are unable to recruit a large number of migrant workers directly from schools.

The results indicate that either the core or the peripheral PRD region have no significant associations between migratory dynamics and job position, which is consistent
with the outcomes in Model 4. At the same time, the effects of the length of time in migration has positive and significant relationship with job position only in the peripheral rather than the core PRD region. In the peripheral area, the odds of being a skilled worker and manager have 9.3% and 10.7% of increase respectively, with one year of increase in migration (Table 6.4). Labour migrants choosing to work in the core PRD region are more likely to be facilitated by economic motivations. Better income and working conditions, more opportunities for upward position, and self-improvement in the workplace have been the primary concerns of skilled workers in Dongguan, Shenzhen, and other cities in the core area, which provide a modern lifestyle during the pursuit of economic profits. Better economic opportunities in the core area have become the essential factor for labour migrants in choosing their settlement, which has become an important dynamic in the structuring of local labour markets.

6.4 Discussion

By describing the structuring of local labour markets and exploring various dynamics that affect social and economic constructions of local labour markets in the PRD region, this chapter accounts for how local labour markets are diversely shaped by institutional factors, strategies in job search, and migratory dynamics. At the same time, comparison has been made of the effects of these mechanisms in the core and peripheral areas. Distinct economic, institutional and social contexts result in two distinct labour markets for incoming labour migrants.

First, labour markets in the PRD region are constructed on the basis of regional economy and institutional change. As suggested, the substantial economic development driven by the economic reform since the late 1970s has led to dramatic rural industrialization in the PRD. Some rural communities have even been completely industrialized. However, regional disparity within the PRD should not be overlooked. Slower industrialization and urbanization in some areas has made these communities lag behind in economic growth. Thus, the disparity in patterns of economic development has resulted in distinct labour markets in the core and peripheral regions. The key differences between
these two areas are reflected in economic structures and economic activities that affect the structuring of labour markets, resulting in different dynamics behind the economic and social status of labour migrants in local labour markets.

The socioeconomic characteristics of labour migrants in the core and peripheral PRD region are different. In the highly industrialized areas, young school graduates are heavily favored in factory recruitment. Young men and women find it easy to attain work in factories in Dongguan and Shenzhen. Their dream of becoming urban residents starts at factory assembly lines, construction sites, or service counters. Likewise, the prosperity of the service sector due to rapid urbanization has created a large number of job opportunities, particularly for labour migrants. Being a delivery boy, waitress, bartender, or tailor, although low-end work, is the springboard for most young labour migrants in pursuing urban dreams. Compared to the agricultural economy, these jobs demand more skills and technology attained from formal education, and more intensive work hours that only young migrants can endure.

Second, the structuring of local labour markets is an instituted process. With respect to the institutional change in the PRD region, we have established an understanding that the rapid pace of economic growth in the last 35 years is driven primarily by institutional change. The operation of new economic policies attracted a large amount of external investment in revitalizing industrialization, which has generated a large demand for cheap labour. This labour demand has been well met through internal labour migration of people released from surplus rural labour. The relaxation of the hukou system has institutionalized this internal labour migration, facilitating a large scale of free labour mobility toward industrialized areas in the last three decades.

However, with the further development of market economy in China, the hukou system is based not on the limitation of free labour relocation but on eligibility for social welfare or other social support. More importantly, eligibility for social welfare is based on spatial location of official residence registration as well as household registration status. The governments at provincial and local levels have enacted various economic and social
policies to provide social support for local residents. For instance, residents with Guangdong registered residence status are eligible for social welfare at the provincial level. Moreover, local governments in Guangdong province offer various supports to enhance social welfare for local residents. As a result, intraprovincial migrants are more advantaged than interprovincial migrants in the PRD region in labour markets, while the importance of whether labour migrants hold agricultural or non-agricultural registration status has greatly declined.

Table 6.5 Comparison of the Structuring of Local Labour Markets

<table>
<thead>
<tr>
<th>Core Area</th>
<th>Peripheral Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Xiangang and Wentang)</td>
<td>(Jianglian, Nanshui and Yahu)</td>
</tr>
<tr>
<td>Urbanization</td>
<td>Community (shequ)</td>
</tr>
<tr>
<td></td>
<td>Village (cun)</td>
</tr>
<tr>
<td>Industrialization</td>
<td>Highly Industrialized</td>
</tr>
<tr>
<td></td>
<td>Under- or Pre-industrialized</td>
</tr>
<tr>
<td>Economic Activity</td>
<td>Industry, Service Sector</td>
</tr>
<tr>
<td></td>
<td>Small Industry, Agriculture</td>
</tr>
<tr>
<td>Place of Origin</td>
<td>Guangdong Province</td>
</tr>
<tr>
<td></td>
<td>No Preference</td>
</tr>
<tr>
<td>Demographic Characteristics</td>
<td>Young and unmarried</td>
</tr>
<tr>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>Education and Skills Required</td>
<td>High School or Higher, Professional Training</td>
</tr>
<tr>
<td></td>
<td>No Preference</td>
</tr>
<tr>
<td>Strategies in Job Seeking</td>
<td>Social Ties, Organizational Form</td>
</tr>
<tr>
<td></td>
<td>No Preference</td>
</tr>
<tr>
<td>Hukou Status</td>
<td>Temporary Residence Registration is Mandatorily Required</td>
</tr>
<tr>
<td>Migratory Dynamics</td>
<td>No Preference</td>
</tr>
</tbody>
</table>

In addition, the difference between intraprovincial and interprovincial labour migration is based not only on an institutional setting but also social and cultural elements. Labour migrants from Guangdong province are able to attain social resources from those who originate from the same area. They are able to rely upon social networks they built up before their migration. This type of social network, called transmigration ties, involves networks built up between labour migrants and those who have moved into the host communities earlier, and who are their family members, relatives, friends, or schoolmates.
Social networks, in the form of landsmann, can be better used by intraprovincial than interprovincial migration.

In an attempt to analyze the relationship between labour migration and labour markets in the PRD region, I have tried to establish a hypothesis that the structuring of labour markets is associated with the pattern of labour migration, since labour migrants in China’s internal migration are generally viewed as temporary residents. However, the results show that there is no significant association between the dynamics of migration and labour markets. In particular, these associations are not significant in either the core or the peripheral area. The length of time in migration, however, is positively related with the structuring of job positions.

Labour markets within the PRD region are diverse. The core PRD region is composed of highly industrialized and modernized industries along with accelerated urban expansion, while the peripheral area, though located within the PRD region, is underdeveloped, with a slow industrial pace. Agricultural economy in this latter area still remains substantial. Thus, in analyzing labour markets in the rural communities of the PRD region, the complex economic structures in these communities should be considered. Labour markets in the core area, particularly the industrial and service sectors, prefer to hire young labour migrants who have received certain minimum levels of schooling. Labour markets in the service sector in the peripheral area, however, focus more on labour migrants’ place of origin. This is largely because the relatively small population of labour migrants in the peripheral area is required to serve local residents, who are still the primary population in these communities. As a result, labour migrants from Guangdong province are relatively advantaged in this respect. In the core area, the number of labour migrants is so large that the service sector provides service primarily to labour migrants. The place of origin of labour migrants in the core area consequently becomes less important.

Labour migrants in the core PRD region are hired primarily in industrial or service sectors. They spend most of their daytime at assembly lines, construction sites, or service counters. These labour migrants, most of whom come from rural China, have been released
from the agricultural economy since their adolescence, and some have even lost their traditional skills in agricultural production. Although economic dynamics can still be account for their migration, the driving force behind leaving their home community and working in an urban city is to open their eyes to the world rather than merely pursuing money. In this research, close to 50% of labour migrants in the core PRD relocated driven by social causes, which is over 10% more than those in the peripheral area (Table 6.1). These young, energetic labour migrants pursue urban settlement. The dream of being an urban resident is much stronger than their parents, who might have been the first generation of labour migrants in the reform period. In contrast, while many labour migrants in the peripheral PRD region are hired as factory workers, the number being hired as farmers is still substantial. Although they receive wages like factory workers, participation in the agricultural economy hinders them from transforming their life from that of a peasant to that of an urban resident.

In conclusion, the labour market in the PRD region is substantially affected by its local economic structures. Labour migrants differ in the process of job mobility between the core and peripheral areas. Interestingly, although the purpose of labour migration is to attain jobs in industrialized areas, labour migrants have no specific destinations for job attainment. Usually, labour migrants attain jobs after relocating their residence. The development of local labour markets in the rural PRD has generated identity change in labour migrants. After their initial settlement, labour migrants’ life experience in the PRD region changes their identity. The disparity between citizenship and identity among labour migrants has led to a different pattern of identity change in the PRD region.
Table 6.2 Bivariate Analysis of Labour Markets between the Core and Peripheral Areas in the PRD Region

<table>
<thead>
<tr>
<th>Work Sector</th>
<th>Peripheral PRD</th>
<th>Core PRD</th>
<th>Whole PRD</th>
<th>Chi-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and Handicraft</td>
<td>24.2</td>
<td>10.5</td>
<td>17.0</td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td>54.0</td>
<td>60.9</td>
<td>57.6</td>
<td>15.396***</td>
</tr>
<tr>
<td>Service Sector</td>
<td>21.8</td>
<td>28.6</td>
<td>25.4</td>
<td></td>
</tr>
</tbody>
</table>

Strategy in Job Attainment

| % of Kinship Ties | 41.4 | 43.2 | 42.4 | 0.153 |
| % of Social Ties  | 32.6 | 27.5 | 29.9 | 1.350 |
| % of Organizational Forms | 7.4   | 20.8 | 14.4 | 16.184*** |
| % of Market Forms  | 22.8 | 16.5 | 19.5 | 2.812 |

Migration Dynamics

| Economic Dynamics | 63.7 | 52.9 | 58.1 | 5.390* |
| Social Dynamics   | 36.3 | 47.1 | 41.9 |            |
| Mean of Years of Migration | 8.55 | 5.16 | 6.77 | 54.492*** |
| Mean of Years Current Settlement | 4.50 | 3.00 | 3.71 | 32.360* |

Income

| Basic Wage         | 1254.26 | 1116.93 | 1182.11 | 153.079*** |
| Overtime Reimbursement | 97.69  | 216.37  | 160.04  | 129.170*** |
| Bonus               | 53.32   | 139.45  | 98.57   | 62.556***  |
| Total Income        | 1520.27 | 1741.87 | 1636.69 | 111.220**  |

Work Position

| Junior Labour      | 46.5   | 40.3   | 43.3   |            |
| Skilled Worker     | 31.6   | 37.4   | 34.7   | 2.088    |
| Managerial Position| 21.9   | 22.3   | 22.0   |            |

\( t \) \( p<0.10, *p<0.05, **p<0.01, ***p<0.001 \)

Table 6.3 OLS Regression Models for the Monthly Income of Local Labour Markets within the PRD Region

Dependent Variable = Monthly Income (logged)

<table>
<thead>
<tr>
<th></th>
<th>Model 1 (Whole PRD)</th>
<th>Model 2 (Core PRD)</th>
<th>Model 3 (Peripheral PRD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic Factors:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>0.169***</td>
<td>0.164**</td>
<td>0.160*</td>
</tr>
<tr>
<td>Post-1980s</td>
<td>-0.019</td>
<td>-0.047</td>
<td>-0.004</td>
</tr>
<tr>
<td>Married</td>
<td>0.158**</td>
<td>0.218**</td>
<td>0.104</td>
</tr>
<tr>
<td>Years of Education</td>
<td>0.059***</td>
<td>0.081***</td>
<td>0.041***</td>
</tr>
<tr>
<td>Core PRD Area</td>
<td>0.081†</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Institutional Factors:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guangdong Origin</td>
<td>0.101†</td>
<td>0.108</td>
<td>0.131</td>
</tr>
<tr>
<td>Non-agricultural Hukou Status</td>
<td>0.118*</td>
<td>0.101</td>
<td>0.084</td>
</tr>
<tr>
<td>Work Sector</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td>-0.013</td>
<td>-0.081</td>
<td>0.035</td>
</tr>
<tr>
<td>Service Sector</td>
<td>-0.047</td>
<td>-0.095</td>
<td>-0.060</td>
</tr>
<tr>
<td>Job Position(^{88})</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skilled Worker</td>
<td>-0.011</td>
<td>-0.137*</td>
<td>0.133†</td>
</tr>
<tr>
<td>Managerial Position</td>
<td>0.140*</td>
<td>0.041</td>
<td>0.248**</td>
</tr>
<tr>
<td>Constant</td>
<td>6.461***</td>
<td>6.439***</td>
<td>6.561***</td>
</tr>
<tr>
<td>R²</td>
<td>0.243</td>
<td>0.297</td>
<td>0.224</td>
</tr>
<tr>
<td>N</td>
<td>450</td>
<td>238</td>
<td>212</td>
</tr>
</tbody>
</table>

\( t \) \( p<0.10, *p<0.05, **p<0.01, ***p<0.001 \)

\(^{88}\) Job position: The reference item is junior labor.
<table>
<thead>
<tr>
<th>Demographic Factors:</th>
<th>Model 4 (The Whole PRD)</th>
<th>Model 5 (Core PRD)</th>
<th>Model 6 (Peripheral PRD)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Skilled Worker</td>
<td>Managerial</td>
<td>Skilled Worker</td>
</tr>
<tr>
<td>Male</td>
<td>2.136**</td>
<td>2.061*</td>
<td>1.652</td>
</tr>
<tr>
<td>Post-1980s</td>
<td>2.069†</td>
<td>0.917</td>
<td>3.536*</td>
</tr>
<tr>
<td>Married Status</td>
<td>1.766</td>
<td>1.020</td>
<td>3.582*</td>
</tr>
<tr>
<td>Years of Education</td>
<td>1.229**</td>
<td>1.459***</td>
<td>1.201*</td>
</tr>
</tbody>
</table>

| Institutional Factors: |                      |                     |                         |                     |                         |                     |
| Core PRD Area         | 1.113                  | 1.244               |                          |                     |                         |                     |
| Guangdong Origin      | 2.016*                 | 1.567               | 3.323*                  | 2.179               | 0.839                  | 0.638               |
| Non-agricultural Hukou Status | 2.192* | 1.912               | 2.319                   | 1.627               | 1.868                  | 2.581               |
| Work Sector           |                        |                     |                          |                     |                         |                     |
| Industrial Sector     | 1.142                  | 0.473†              | 1.412                   | 1.096               | 1.200                  | 0.274*              |
| Service Sector        | 3.490**                | 3.025*              | 6.129*                  | 6.284*              | 3.102†                 | 3.785*              |

| Strategies of Seeking Job: |                      |                     |                         |                     |                         |                     |
| Kinship Ties          | 0.989                  | 0.402               | 0.883                   | 0.245               | 0.708                  | 0.511               |
| Social Ties           | 0.754                  | 0.293†              | 0.675                   | 0.135*              | 0.579                  | 0.444               |
| Organizational Forms  | 0.946                  | 0.237*              | 0.623                   | 0.076*              | 3.699                  | 2.173               |
| Market Forms          | 1.234                  | 0.734               | 1.256                   | 0.514               | 0.917                  | 0.815               |

| Migratory Mechanisms: |                      |                     |                         |                     |                         |                     |
| Social Dynamics in Migration | 1.021 | 0.823               | 1.021                   | 0.705               | 1.017                  | 1.101               |
| Years of Migration    | 1.091*                 | 1.075†              | 1.070                   | 1.021               | 1.093†                 | 1.107†              |
| Years of Current Settlement | 0.952 | 1.011               | 0.955                   | 1.065               | 0.961                  | 0.978               |

| Nagelkerke R²         | 0.314                  | 0.351               | 0.364                   |                     |                         |                     |
| -2 Log Likelihood     | 798.247                | 404.742             | 367.206                 |                     |                         |                     |
| N                    | 449                    | 235                 | 214                     |                     |                         |                     |

1p<0.10, *p<0.05, **p<0.01, ***p<0.001

89 Job position: the reference item is junior labor.
7. CONTESTED IDENTITY, CULTURAL INTEGRATION AND TRANSLOCAL TIES

By investigating institutional, social, and cultural mechanisms, this chapter aims to explore how the social identity of labour migrants is reshaped in the PRD region. It is predictable that Chinese labour migrants would change their social identity after experiencing non-peasant life in host communities. Rapid industrialization in the PRD region and urbanization in some major cities, in particular, have dramatically influenced labour migrants’ identity change. Nevertheless, although labour migrants do experience a shift in identity, it is a complex process without a distinctive change from rural peasant (nongmin) to urban resident (chengliren). Rather, the experience of labour migration can result in a new, contested identity in labour migrants, an outcome which represents a synthesis of conflicting processes affected by economic, institutional, social, and cultural elements.

The identity construction of labour migrants is based primarily on the existence of the hukou system in China. In particular, the long history of a dual urban-rural system has formed the basis for two fundamental identities: that of urban resident and that of rural peasant. In China, the distinct division between rural and urban areas has provided a construction of social identity that is based on very different social contexts. However, the lives of labour migrants in industrialized areas in the PRD region, in combination with their official residence status, which is mostly in a rural setting, generate a dilemma with regards to identity. More importantly, the way in which the experience of migration shapes migrant identity follows different patterns, the contrast here being between pre-industrial villages and industrialized shequ in the PRD region. In particular, labour migrants experience the conflicting simultaneity of non-peasant life experience in the PRD region and official residence registration as peasant status, resulting in profound change in the social identity of labour migrants, which may be termed “contested identity”.

In this chapter, I will address four issues. First, I will discuss China’s distinct institutional arrangements that result in the formation of a contested identity for labour migrants, in order to distinguish China’s labour migration from the conventional
perspectives found in migration theories. In this respect, the relationship between citizenship and identity in China’s case will be addressed. Second, I will examine which cultural and social dynamics affect the formation of new identity in the PRD region and suggest that identity change of labour migrants is primarily driven by social and cultural factors. Third, I will show that the disparity of regional development across the PRD region plays an essential role in shaping diverse consequences in the identity changes of labour migrants. The factors affecting identity change in labour migrants vary between preindustrial village and industrialized shequ within the PRD region. Finally, the applicability of conventional migration theories, most of which are based on international migration studies, to China’s labour migration will be discussed. I argue that the conventional pathway of identity change that follows a rural-urban pattern should be reconsidered, and that contested identity, under the specific institutional environment in transitional China, is instead a complex process affected by localized cultural practice and social mechanisms.

7.1 Labour Migration and Identity Change

By reviewing the development of labour migration in the PRD region in the past 30 years, this section attempts to establish a relationship between labour migration and identity change for migrants in transitional China. Although identity change has been recognized as a process inevitable in international immigration, it is affected by distinct social and cultural logics in the Chinese context. Labour migrants to the PRD region represent a diversity of experiences: different paces of regional development within the PRD region not only result in different institutional settings between regions, but also generate distinct patterns in identity formation and change for labour migrants.

Rapid industrialization has made the PRD region one of the most attractive regions for labour inflow in the reform era. Economic success in the PRD provides a number of economic opportunities, and, more importantly, free labour markets driven by a market economy exist in this region. The vast economic disparity between the PRD region and the home regions of labour migrants has encouraged a large population of peasants to leave agricultural lands to pursue better livelihoods in the delta region. There was a well-known
Chinese saying in the early 1980s to describe this trend: “East, south, west, north, to get rich go to Guangdong” (*dong nan xi bei zhong, facai dao guangdong*). Guangdong province has become the ‘gold mountain’ (*Gum Shan*) for most Chinese labour migrants, much as Cantonese once travelled overseas to pursue better livelihoods in North America in the late 19th century.

Urbanization within the PRD affects not only labour inflow, but also, and more importantly, it affects the changing social identity of labour migrants. Shenzhen, Dongguan, and Guangzhou are highly urbanized. In the core area, the dramatic expansion of urban areas has swallowed up surrounding suburban and rural areas, most of which had retained rural socioeconomic structure in the early reform era, but which are now urbanized. As local residents have been formally transformed from rural peasants (*nongmin*) into urban residents (*jumin*), non-peasant lifestyles have become prevalent. Local residents no longer participate in agricultural economy, which has been displaced by industrial and service sectors. For instance, by renting out their multi-storeyed houses or by operating local small businesses, most local residents in Xiangang and Wentang are able to attain much more household revenue than was provided by their former agricultural activities.

In contrast, the process of industrialization and urbanization in the periphery area of the PRD is slower. The agricultural economy still plays an important role in the regional economies there (e.g., fish-cultivation in Nanshui). The substantial development of these agricultural economies has made it possible for labour migrants to continue in agricultural work there. In these areas, labour migrants are hired to undertake a wide range of jobs. More importantly, labour migrants working in the agricultural economy continue to live a peasant life, so that labour migrants of rural origin experience similar social contexts as in their home communities. These two distinct lifestyles between rural and urban communities within the PRD region, to a large degree, shape the variation of identity change among labour migrants.

Labour migrants in the PRD region are composed of intraprovincial and inter-provincial labour migrants. Although intraprovincial labour migrants experience some
advantages because of shorter migratory distances, similar local cultures within the PRD region, and, most importantly, more social connections within the host communities (Pun 2005), interprovincial labour migrants are the major labour resources in the PRD region. In the early stage of the reform era, the slowly developing non-PRD regions in Guangdong province, some of which are ranked among the poorest counties in China, provided considerable labour supply to the PRD region (Woon 1993). Later, as the Chinese central government became determined to develop a market economy as the primary economic system, especially after Deng Xiaoping’s southern China trip in 1992, regional economic development in the PRD region increased dramatically. Due to the increasing demand for a cheaper labour force, interprovincial labour migration became an essential supply of internal labour in the PRD since the mid-1990s (Chan, Madsen and Unger 2009, Woon 1993).

The Beijing-Guangzhou railway, one of the longest transportation systems linking northern and southern China, facilitates interprovincial migration. Thus, provinces other than Guangdong, such as Hubei and Henan provinces, have become primary sources of migrant labour (Table 7.1). Other provinces adjacent to Guangdong province, such as Hunan, Guangxi and Jiangxi, are also major sources of labour migrants.

Table 7.1: The Distribution of Province of Origin of Labour Migrants

<table>
<thead>
<tr>
<th>Province</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hunan</td>
<td>21.0</td>
</tr>
<tr>
<td>Guangxi</td>
<td>11.7</td>
</tr>
<tr>
<td>Guangdong</td>
<td>15.0</td>
</tr>
<tr>
<td>Hubei</td>
<td>14.6</td>
</tr>
<tr>
<td>Sichuan</td>
<td>11.3</td>
</tr>
<tr>
<td>Henan</td>
<td>8.2</td>
</tr>
<tr>
<td>Other</td>
<td>18.3</td>
</tr>
</tbody>
</table>

Labour migrants in the PRD region have formed various social relations with local communities. They are viewed as partners, neighbors, and outsiders in terms of the economic, spatial, and social relations created with local residents (Johnson and Zhang 2010). Similar to international immigration, labour migrants in China have experienced identity change during the process of migration. However, identity change, which is conventionally understood in racial and ethnic terms in the international context, has different significances in China’s case because of its institutional settings, social practice, and cultural legacies.
Contested identity is defined as an identity status associated primarily with labour migrants, to distinguish between the distinctive citizenship rights of rural peasants and urban residents. Labour migrants encounter an institutional dilemma during they experience a non-agricultural life. A non-agricultural life allows them to question their original rural identity. They lack opportunities, however, to attain formal urban citizenship which hinders them from establishing an urban identity. In particular, labour migrants are unable to obtain equal job opportunities and social welfare benefits when compared to indigenous residents in host communities. This result in creating a contested relationships with indigenous residents. In particular, the formation of this uncertain identity status is used to contest formal citizenship and the actual living situation among labour migrants. During the questionnaire study informants were asked “What is your status?” The majority responded either “peasant” or “non-peasant” but a significant number did not know how to respond. These responses were seen to be a contested identity (Table 7.3).

Thus, it is logical that labour migrants are self-identified as non-peasants by participating in non-agricultural work and by living in industrialized or urbanized areas. The formation of a contested identity, however, may be controversial and have significant social implications for Chinese social contexts. On the one hand, labour migrants change their identity after experiencing non-peasant life. On the other hand, labour migrants, most of whom still hold residence registration as ‘agricultural status’ or categorized as ‘peasant,’ find it institutionally impossible to change their localized citizenship. As labour migrants experience non-peasant life in an industrialized world while being unable to attain this institutional change of citizenship, they find it hard to socially and culturally integrate into host communities, and, as a result, experience what I term “contested identity”.

More importantly, the variations of regional characteristics within the PRD region, as previously mentioned, create distinct differences in this identity change. As we have discussed in Chapter 3, Guangdong province, particularly the PRD region, has distinctive regional characteristics from other parts of China. As Guangdong became the most prosperous region in China, working and living in the PRD region have become the dream of
most labour migrants. Settlement in the PRD region represents an important step of their urban dreams and upward mobility (SRGNC 2012). For example, the proficiency in the Cantonese language is viewed as an important way of integration into this region. Thus, cultural integration into the PRD region can be viewed a facilitating factor in identity change.

In this chapter, I attempt to explore how cultural and social factors generate identity change in labour migrants of the PRD region. Three issues are addressed here: First, as identity is changed in the process of migration and social integration into local societies, which factors reshape identity in localized citizenship? Second, how do cultural integration and translocal ties shape these new, contested identities? Third, and finally, within the PRD region, what is the differentiation between the core and periphery areas that shapes identity change?

7.2 Variables Description

Previous research points to the significance of institutional, cultural, and social factors in shaping migrant identities and their experience of movement from rural-industrial settings. To explore how these forces variously shape migrant identities in the PRD, I now turn to the data set described in Chapter 5. To examine how cultural and social factors affect identity change for labour migrants and to compare the different dynamics shaping contested identity between the core and periphery areas in the PRD region, this chapter will explore the relationship between cultural integration and translocal ties to the process of identity change.

7.2.1 Independent Variables

The demographic and institutional factors applied to this analysis are consistent with those in labour market analysis (Table 7.2). Language accessibility and social inclusion, as measures of cultural integration, influence migrant identity. Given that cultural diversity in China is significant across regions, labour migrants encounter the need to acculturate to new cultures to a certain degree. As discussed in Chapter 3, Cantonese culture is the dominant cultural form in the PRD region. Therefore, in this research, language accessibility
includes two measurement variables to examine proficiency of Cantonese and its local dialect, from “1=can’t understand at all” to “7=can speak fluently”; one categorical variable in the use of daily language to distinguish Cantonese language vs. Mandarin language.

For the purposes of this analysis, local social inclusion is defined as the degree to which labour migrants integrate with local residents and into local communities. This includes three factors: community exclusion, interpersonal inclusion, and community inclusion (Table 7.2). In the survey, we asked 13 questions that measure these factors, such as, “Do you have a lot of local friends?”, “Are you looked down upon by local people?”, and “Do you have equal opportunities compared to local people?” The responses for these questions were set as an index from “1=strongly disagree” to “9=strongly agree”. These questions were recategorized by factor analysis to generate three new variables. It can be hypothesized that labour migrants are more likely to experience identity change with an increase in cultural integration, attested to by improvement in language accessibility and enhancement of social inclusion.

Table 7.2: Variables

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Demographic element</th>
<th>Institutional Factor</th>
<th>Cultural integration</th>
<th>Translocal Ties</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gender, Age Group, Marital Status, Years of Education,</td>
<td>Place of Origin, The Hukou Status, Work Sector</td>
<td>Language Accessibility (Proficiency in Cantonese and local dialects, the use of daily language)</td>
<td>Homeland Property, Hometown Entrepreneurship,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Social Inclusion (Social Interaction, Community Exclusion, Interpersonal inclusion, Community Inclusion)</td>
<td></td>
</tr>
</tbody>
</table>

Translocal ties are also examined to understand the identity change of labour migrants. By maintaining socioeconomic ties, Chinese labour migrants maintain strong social relations with their home communities. The operation of the Household Production Responsibility System enables rural registered households to be allocated agricultural land.
as a condition of their rural residence status. Though labour migrants leave this agricultural land, they are still able to retain an interest in the household farmland assigned as long as their hukou status is maintained as agricultural. In particular, labour migrants characterized as temporary migrants maintain numerous economic and social ties with home communities.

From these perspectives, homeland property and hometown entrepreneurship are viewed as socioeconomic ties with home communities (Table 7.2). Homeland property includes a categorical variable to distinguish having land vs not having land. It may be hypothesized that labour migrants without homeland property are more likely to develop a contested or urban identity than are those with homeland property. At the same time, hometown entrepreneurship is examined as the willingness of labour migrants to operate a business in their place of origin. It is examined by a measurement variable, ranging from “1=most unlikely” to “7=most likely”. For most Chinese labour migrants in the 1980s and 1990s, work in the non-agricultural sectors was undertaken to substantially improve their livelihood in their rural origins, most of which were underdeveloped. After accumulating sufficient funds in cities, labour migrants were likely to return to home areas to operate a business (SRGNC 2012). Becoming a business owner/employer in their home community was a dream of most early labour migrants. It can be hypothesized that, as the effects of translocal ties decrease, labour migrants in the PRD region are more likely to develop contested identity.

7.2.2 Dependent Variable: Migrant Identity

In this analysis, migrant identity is a categorical variable to distinguish three types of identity: peasant identity, non-peasant identity, and contested identity. From a conventional perspective, the pattern of identity change is singular from peasant to non-peasant identity. In this research, however, I found that this pattern is affected not only by institutional but also by social dynamics and cultural legacies, with the result that contested identity is generated in labour migrants. Contested identity represents the ambivalence of self-recognition in migrant identity. Increasing life experience and their temporary
residence status in the PRD region have become contesting factors in affecting the change of migrant identity. Thus, the formation of contested identity can be viewed as a status in the process of identity change in labour migrants affected by social and cultural factors.

7.3 Data Analysis

In this section, cultural integration and translocal ties are employed to examine how contested identity of labour migrants is formed in the PRD region. First of all, I employ a correlation analysis to examine different mechanisms of identity change. At the same time, I carry out several logistic regression models to better understand how social and cultural factors shape contested identity. Finally, I provide two regression models showing different social patterns of identity change between the core and peripheral areas, demonstrating the importance of distinguishing between urban and rural-industrial destinations for labour migrants.

7.3.1 Bivariate Analysis

There are 453 labour migrants interviewed in five localities. The demographic distributions of labour migrants, including gender, age, education and hukou status have been discussed in Chapter 5. More importantly, the origins of labour migrants, which have been categorized as intraprovincial or interprovincial migration, play an important part in identity change, largely because labour migrants from Guangdong province find it easier to get used to life in the PRD region than those from non-Guangdong provinces, which results in different patterns of identity change.

Interprovincial labour migration has become the primary source of labour in the PRD region. In terms of the survey, Hunan province, which is northward adjacent to Guangdong, is the largest source of migrants (21.1%, Table 7.1). In terms of distance to the PRD region and convenience of transportation, it is unsurprising that Hunan, Guangxi, Hubei, Sichuan, and Henan are the provinces that provide close to 70% of PRD’s labour migrants (Table 7.1). Intraprovincial labour migrants represent only 15% of the total labour migrants in the survey (Table 7.1). Interprovincial labour migrants, most of whom speak Mandarin or non-
Cantonese dialects, have to adopt the Cantonese language or local dialects of the PRD region.

Due to the large degree of cultural diversity in China, labour migrants in the PRD region have to adapt to Cantonese culture. As discussed in Chapter 3, the distinctiveness of Cantonese culture has resulted from a long history of region-specific economic and social development. In my analysis, language and social relations established with local residents are viewed as important factors affecting the cultural integration of labour migrants. Besides mastering the Cantonese language, social interaction with local residents is viewed as an important factor of cultural integration. It is a common social phenomenon that immigrants experience a process of assimilation and acculturation to host communities. It can be predicted that labour migrants are likely to shape contested or urban identities in a community with a higher degree of social inclusion of outsiders. In this chapter, language accessibility and social inclusion with local residents are employed to examine the cultural integration of labour migrants within the PRD region.

Language accessibility is evaluated in terms of the proficiency of Cantonese and its local dialects, as well as the use of daily speaking language. In China, dialects are extremely diverse between regions. Labour migrants in the PRD region have to adopt not only Cantonese but also local dialects so that they are able to have better communication with local residents, especially in the industrialized rural communities of the PRD region. Tables 7.3 reveals that, respectively, labour migrants have moderate language accessibility (3.73 in Cantonese and 4.08 in local dialects), indicating that labour migrants have certain language skills in Cantonese. At the same time, there are not significant differences in the proficiency in Cantonese and local dialects between two areas. There are only 12.5% of labour migrants speak Cantonese as their primary daily spoken language, and labour migrants who speak Cantonese in the peripheral area are 6.8% higher than those in the core area (16.1% versus 9.3%). Mandarin is still the dominant spoken language among labour migrants.

Labour migrants in the periphery area are more likely to speak Cantonese or its local dialects than those in the core area (Table 7.3), indicating that the periphery area provides a
more inclusive language environment than the core area. In contrast, because the large population of labour migrants working in core areas, such as Dongguan and Shenzhen, live in relatively segregated migrant enclaves (Lee 1998), it is unsurprising to find that Mandarin is more prevalent. Importantly, language accessibility is seen to play a significant role in reshaping the different identities of labour migrants in the core area more than in the periphery area. Labour migrants with contested identity have the highest score in the proficiency of Cantonese (3.94) and local dialects (4.22), although there is no significant difference between migrant identity and the proficiency of local dialects and daily language use (Table 7.4).

There are a number of explanations for the difference between the experiences of migrants in the PRD’s core and peripheral regions. Housing provides one explanation: In the periphery area, local residents can be landlords, employers, or even neighbors of labour migrants; by contrast, in the core area, labour migrants usually live in dormitories provided by the factories (Lee 1998, Pun 2005). In addition, social relations between labour migrants and local residents in the periphery area are diversified on the basis of its socioeconomic structures, which can be treated not only as tenant and employee but also as neighbor in communities and colleague in factories. This is in contrast to social relations between migrants and locals in the core area, which tend to be limited to landlord-tenant or boss-employee relations. Living environments in the core area are relatively segregated for labour migrants, and labour migrants have to undertake intensive overtime work and lack leisure time, which greatly limits their social inclusion with local residents. In contrast, labour migrants in the periphery area are more integrated in local communities. For instance, a certain number of village houses are rented out to labour migrants in Nanshui village, so that labour migrants, to a certain degree, develop not only working relationships, but also neighbor relationships with local residents. In contrast, labour migrants in Wentang or Xiangang have much less social participation in local communities.

Maintaining various economic and social ties with home communities is likely to influence the self-identity of labour migrants. The existence of translocal ties, along with
contested citizenship in non-agricultural areas, may lead to a contested identity for labour migrants (Solinger 1999). Within the operation of the Household Production Responsibility System in rural China, peasant households are entitled to the right of land use. According to Table 7.3, over 50% of labour migrants retain contracted lands, and the distribution of land retention varies significantly between regions. Labour migrants are more likely to retain contracted land in their home communities in the periphery area than in the core area (67.8% versus 39.1%). According to Table 7.4, land property ownership, as an important economic tie with the home community, significantly affects the identity change in labour migrants. The maintenance of land property in home communities enables labour migrants to attain the necessities of life when they retreat to their home of origin by returning to agricultural production.

Table 7.3 reveals that labour migrants are also willing to establish businesses in their home communities. The enormous economic gap between the PRD region and rural inland China provides labour migrants with more economic opportunities to accumulate sufficient funding to operate a business after years of working in industrial or service sectors. By investing in their home communities, labour migrants return to home communities where they can make a better standard of living than is possible in urban China. Running a business as a form of escape from agricultural production in the home communities has been viewed as an economic success for labour migrants. Economic success in host societies and subsequent business achievement in home communities are high expectations of labour migrants in the entire PRD region. Labour migrants who self-identify as non-peasants have the highest desire of doing business in home communities, while labour migrants with contested identity have the lowest (Table 7.4), which can be explained that labour migrants are more likely not to resume agricultural work even when returning home communities, so doing business at home community can be viewed not only as economic success but also as upward mobility from peasant to non-peasant.

By analyzing the various components of translocal ties, I find that, although labour migrants have shifted from agricultural production to industrial or service sectors, they
continue to maintain very strong social ties with home communities. Desires for hometown entrepreneurship have been noted, which indicates that labour migrants view their work experiences in the PRD region primarily as a means of accumulating economic and social resources for future economic activities in their home communities. This logic, to a certain degree, affects migrant identity.

Contested identity, relative to peasant identity, is defined as a transitional identity between peasant and non-peasant. Labour migrants, under the dual rural-urban system, are categorized into either one of two segmented areas of citizenship: rural peasant or urban resident. Contested identity here can be defined as a transitional social identity from peasant to non-peasant, wherein a migrant identifies as neither “rural” nor “urban,” and is caused by various institutional, cultural, and social factors.

The change of citizenship from peasant to urban resident is widely recognized as an upwardly mobile change of social status in China (Li 2004). Labour migrants, however, rarely change their formal residence status in urban China; most labour migrants in industrialized areas are still registered under peasant status. In the survey, 87% of labour migrants are registered under peasant status. While over 60% of labour migrants are self-identified as peasants, labour migrants who are self-identified as non-peasants or who exhibit a contested identity are less common (17.2% and 19.2%), respectively. In particular, labour migrants in the core area are 6.5% higher than those in the periphery area to shape contested identity (22.3% versus 15.8%), indicating that labour migrants living in highly industrialized and urbanized areas are more likely to develop a contested identity.

Therefore, institutional arrangement, cultural integration, and translocal ties appear to be important dynamics that lead labour migrants to shape contested identity in the PRD region. Through creating and examining regression models, we will explore how cultural integration and translocal ties affect labour migrants’ identity change. In addition, how the different dynamics shaping contested identity vary between the core and periphery areas in the PRD region will be compared. These models will reveal that, although labour migrants flow into the PRD region, a region that is assumed to be one of the most developed regions
in China, their change in identity is determined by various factors that are based on regional development within the delta region.

7.3.2 Multivariate Analysis

In this part, I estimate multinomial logistic regression models to compare how cultural integration and translocal ties are associated with identity change in labour migrants. At the same time, multilevel regression analysis will be applied to explain how various social factors affect the formation of contested identities. From this perspective, a ‘non-peasant’ identity indicates that labour migrants, despite their peasant status, self-identify as non-agricultural residents. A contested identity indicates that labour migrants still struggle between the peasant and urban resident identity formations.

7.3.2.1 Institutional Factors

Demographic variables and institutional factors are employed in this model. Gender and age group, however, show no significant relationships with identity change in labour migrants (Table 7.5). In Model 1, married labour migrants are respectively 65.1% and 46.4% less likely to shape non-peasant and contested identity if controlling for other variables in the model. In particular, education plays an essential role in changing migrant identity. In terms of Table 7.5, with one year increase in education, labour migrants are 21.2% and 32.6%, respectively, more likely to change into non-peasant and contested identities.

At the same time, if other variables are held constant, labour migrants from Guangdong province are 62% less likely than those from other provinces to develop a contested identity rather than those with peasant identity, whereas this phenomenon is not significant in non-peasant identity (Table 7.5). It is largely because labour migrants from Guangdong province are more familiar with Cantonese culture than are those from other provinces. In considering geographical distinctions, intraprovincial labour migrants are less likely to have identity change in comparison to interprovincial labour migrants.
In this model, we found that *hukou* status, as an institutional factor of domestic citizenship, plays the most essential role in shaping a non-peasant identity. Relative to peasant identity, labour migrants with non-agricultural *hukou* status are 6.43 and 2.65 times, respectively, more likely to be self-identified as non-peasant or to feel ambivalent about identifying themselves, if holding other variables in the model constant (Table 7.5). Yet, according to Table 7.5, there are no significant relationships between work sectors and identity change. It is no wonder that labour migrants with non-agricultural *hukou* status view themselves as non-peasants, but this group of labour migrants with significantly high likelihood to shape non-peasant identity and contested identity reflects that the *hukou* system might not be the only account for identity change, which can be taken into account from cultural and social perspectives.

In this model, we have found that human capital in the form of education plays a significant role in changing identity of labour migrants. Labour migrants with certain technological and other skills have comparative advantages in labour markets. More importantly, it is easier for them not only to find a job in the PRD region, but also to settle down in their host communities. In contrast, labour migrants who self-identify with a contested identity are affected not only by human capital and institutional factors, but also by demographic factors such as ethnic origin. These demographic factors also have social and cultural implications for labour migrants’ identity change.

### 7.3.2.2 Cultural Integration

The factors of cultural integration are employed in model 2 since labour migrants also experience cultural integration into local cultures in the PRD. At the same time, regional characteristics continue to play important roles in labour migrants’ life experiences. Cantonese characteristics, due to its special economic and historical causes, are distinct from other Chinese cultures. In particular, the spreading influence of Cantonese culture by Chinese overseas and Hong Kong’s mass media is amplified in Guangdong province because this province was the first to experience the Chinese economic experiment of reform and
openness. In this model, language accessibility and social inclusion are employed as cultural factors to explore identity changes in labour migrants.

Married labour migrants are 63.2% less likely to be self-identified as non-peasant rather than peasant identity, whereas this significance in contested identity has vanished as the factors of cultural integration have been introduced. The significance of other variables from the previous model remains unchanged in terms of identity reconstruction in Model 2 (Table 7.5). At the same time, language accessibility and social inclusion have significant effects on the formation of non-peasant identity. Labour migrants are 1.75 times more likely to form a non-peasant identity rather than peasant identity with one unit increase of Cantonese proficiency (Table 7.5). Also, Table 7.5 shows that labour migrants are 35.7% less likely to form a non-peasant identity rather than peasant identity with one unit increase of the proficiency of local dialects.

The prevalence of Cantonese popular music and other cultural activities brought in from Hong Kong media has fostered the view that Cantonese culture represents a modern, urbanized culture. Therefore, proficiency in Cantonese is viewed as an acculturative process into local culture. Labour migrants perceive themselves as having a non-peasant identity with the improvement of their Cantonese speaking skills. Yet, the result shows that the improvement of the proficiency in local dialects has decreased the likelihood of being self-identified as non-peasant, which can be explained that, though recognized as Cantonese, local dialects in these formerly rural communities have strong accents (kouyin). The proficiency of these local dialects can be viewed as an integration into local communities, but labour migrants might retain their original peasant identity by living in these formerly rural communities.

Social inclusion is significantly related with the formation of non-peasant identity and contested identity. Labour migrants are 18.6% more likely to have a contested identity rather than peasant identity, with one unit increase of interaction with local residents, whereas this factor is not significant in recognizing non-peasant identity (Table 7.5). Labour migrants are only 75.4% and 70.8%, respectively, less likely as shaping non-peasant and
contested identity rather than peasant identity, as the degrees of community exclusion increases one unit (Table 7.5). Community exclusion plays a significant role in creating a contested identity. Social inclusion between local residents and immigrants has been proven to be an important factor in examining migrant integration into local community (Mitchell 2004). As labour migrants get along better with local residents in communities, they are more likely to develop a contested identity, which is also viewed as an acculturative process by local communities. According to Table 7.5, as the degree of community exclusion decreases, labour migrants are more likely to have a contested identity. As previously noted, labour migrants in the PRD region develop various social relations with local residents. They may be partners in the workplace and temporary neighbors in the community (Johnson and Zhang 2010). Community exclusion by local residents, to a large degree, impedes labour migrants from integrating into local communities.

Likewise, with one unit of increase in interpersonal exclusion, labour migrants are 24.6% less likely to form non-peasant identity rather than peasant identity if other variables hold constant in the model, while there is no significance in contested identity. According to Model 2, as labour migrants perceive communities to be more inclusive and they can be more engaged in local affairs, they are more likely to identify as non-peasant (Table 7.5). Thus, the factor of cultural integration in the forms of language accessibility and community inclusion play facilitating roles in shaping a non-peasant identity in labour migrants.

Therefore, factors of cultural integration, such as language accessibility and social inclusion, play important roles in changing the identity of labour migrants. Language accessibility and social inclusion facilitates identity transformation. Non-peasant identity and contested identity, however, follow different patterns. The formation of non-peasant identity in labour migrant is affected by language accessibility and social inclusion, while only social inclusion plays a significant role in shaping contested identity of labour migrants. Cultural integration, in this respect, plays an essential role in the formation of the contested identity in labour migrants. According to this model, we found that language proficiency and
social inclusion facilitate the formation of the non-peasant identity, an indication that the formation of a non-peasant identity in the PRD region is determined by the level of inclusion of the host community. At the same time, the formation of the contested identity is based primarily on the social interaction between labour migrants and local residents.

7.3.2.3 Translocal Ties

Model 3 demonstrates how translocal ties, along with cultural integration and institutional factors, to estimate the formation of a contested identity in labour migrants in the PRD region. Translocal ties, as we have discussed, encourage labour migrants to maintain their original identity by assisting them in job attainment and initial settlement. Internal labour migrants, in this respect, maintain various economic and social translocal ties to maintain social connections with home communities.

In terms of Table 7.5, the effects of translocal ties are insignificant, showing that the formation of new identities in labour migrants is not affected by translocal ties. According to Model 3, identity change for labour migrants in the PRD region is not related with either having a contracted land or doing business at home of origin. We have known that labour migrants have strong translocal ties with their home communities (Table 7.3), while these factors may not be able to explain identity change independently. In comparing different dynamics that affect identity change within the PRD region, translocal ties play different roles in this respect.

In general, by employing multinomial logistic regression models, I have demonstrated how cultural integration and translocal ties impact the formation of a contested identity in labour migrants. The formation of contested identity is affected by economic, institutional, cultural, and social mechanisms. Chinese labour migrants, in differing social contexts, experience varying stages of identity change. Life experience in industrialized urban areas generates an identity shift from a peasant to a non-peasant or ambiguous identity. In particular, labour migrants in the PRD region follow different patterns of identity reconstruction in response to the different patterns of regional
development within the delta region. Thus, a comparison between core and periphery areas in the PRD region helps to establish the perspective that identity reconstruction in labour migrants varies on the basis of different socioeconomic structures.

### 7.3.3 Regional Comparison

Identity change follows different patterns that reflect the distinct regional development within the delta region. By comparing different patterns in identity change, this section demonstrates the different patterns that construct non-peasant or contested identity in the PRD region. In terms of the model comparisons, it is found that, first, institutional factors, particularly the *hukou* system, play a dominant role in shaping non-peasant identity in both areas. Second, the formation of the contested identity is based primarily on translocal ties in the periphery area, but is based primarily on cultural integration in the core area (Table 6.4), which indicates that the pattern of identity transformation varies under different social contexts.

First, in the core PRD, labour migrants are 35.4% and 54.3%, respectively, more likely to change into non-peasant rather than peasant identity with one year increase of schooling (Table 7.6). In the peripheral PRD, labour migrants in the core areas are 30.4% more likely to be self-identified as contested identity with a year increase in education, over 20% lower than those in the peripheral areas, whereas this factor is not significant in recognizing non-peasant identity. Education as an important component in human capital has become an essentially facilitating factor in shaping contested identity. Moreover, married labour migrants in the peripheral areas are 75.7% less likely to shape non-peasant identity, indicating family responsibility may have become a factor to affect identity change in labour migrants in slow industrial areas.

Second, relative to peasant identity, labour migrants with non-agricultural *hukou* status in the core area are 9.33 times more likely to be self-identified as non-peasant (Table 7.6), this effect is much higher than the same factor in the peripheral areas (9.33 versus 5.46). In particular, if taking into account other variables in the model, labour migrants
working in service sectors in the core PRD region are up to 32.3 times as likely to shape contested identity rather than peasant identity compared to those working in agricultural economy (Table 7.6), while there is no significant relationship between work sector and migrant identity in the periphery. The results indicate that the prosperity of service sector as an essential element of urbanization has made a significant influence on the formation of contested identity. Labour migrants working as delivery boys, taxi drivers, or salesmen in the core PRD region have more opportunities than others to experience urban life, which substantially inspires them to change their identity. Yet, their temporary residence status in urban areas is rarely changed, with the result of shaping contested identity rather than non-peasant identity in these labour migrants.

Third, language accessibility and social inclusion, as two essential parts in social integration, play different roles in affecting identity change. Cantonese proficiency is significantly related with identity change in both core and peripheral areas. With one unit increase of the proficiency in Cantonese, labour migrants are, respectively, 1.88 and 1.91 times as likely to be self-identified as non-peasant identity in the core and peripheral PRD regions (Table 7.6). Likewise, referred to labour migrants with peasant identity, labour migrants in the core area are 1.61 times more likely to shape contested identity with on unit increase of the proficiency in Cantonese, while this social phenomenon is not significant in contested identity in the peripheral PRD. In particular, in the core PRD, labour migrants who speak Cantonese as daily spoken language are 3.72 times more likely to shape contested identity than those who speak Mandarin daily, while there is no significant relationship between daily spoken language and identity in the peripheral area (Table 7.6). Moreover, in the peripheral PRD, labour migrants are 45.9% less likely to form a non-peasant identity rather than peasant identity with one unit increase of the proficiency of local dialects, whereas there are no significant relationships either in contested identity, or in the core PRD. In terms of Model 4 and 5, I found that Cantonese language skills are a facilitating factor in changing identity of labour migrants in both areas within the PRD region.
Social inclusion plays a different role in identity change between the core and peripheral areas. Labour migrants in the core PRD are 38.1% more likely to shape contested identity with the increase of interaction with indigenous residents, if controlling for other variables in the model (Table 7.6). Likewise, labour migrants in the core PRD are 47.5% less likely to shape contested identity with one unit increase of community exclusion, indicating that social inclusion is able to facilitate the formation of contested identity in labour migrants in the core PRD region. Yet, there shows no significant relationship between social inclusion and identity change in the peripheral area. In terms of Model 4 and 5, I found that social inclusion, as an important factor of cultural integration, plays a significant role in identity change in the core PRD instead of the periphery. Moreover, social inclusion shows no significant impacts on the change into non-peasant identity in labour migrants in both areas.

Four, translocal ties have become factors hindering labour migrants from identity change. In term of the Model 4, labour migrants in the core areas who have contracted land at home communities are 56% and 57.6%, respectively, less likely to form non-peasant identity and contested identity rather than peasant identity than those without land, while there is no significant relationship between contracted land ownership at home and identity change in the peripheral areas. Likewise, if other variables in the model is taken into account, as the willingness of running business at home communities increases one unit, labour migrants in the peripheral area are 56.1% less likely to shape contested identity rather than peasant identity. Thus, translocal ties in different forms play significant roles in identity construction. It can be explained that labour migrants in the core area are much younger than those in the peripheral PRD, some of them are the second generation of labour migrants who lack agricultural skills and experience. Owning contracted land at home community, for them, is a burden rather than being a reserved resource when they return home. The existence of these translocal ties, without doubts, significant affects identity change in labour migrants.
By comparing the dynamics of identity change between the core and peripheral PRD region, I found that cultural integration and translocal ties play different roles in identity change in terms of the regional development. In the core, language accessibility has become an important factor in identity change, while the effect of language accessibility in shaping contested identity in the periphery is not significant. Likewise, social inclusion in some ways has significant relationships with identity change in the core PRD, while showing no significance in the periphery. Translocal ties, as shown above, have significant roles in affecting labour migrants’ identity change in the core PRD, while it only impacts on the formation of contested identity in the peripheral area. Overall, identity change of labour migrants in the PRD region is affected by economic, institutional, cultural, and social elements. The dynamics that affect identity change are different between areas within the delta region.

7.4 Discussion

By employing cultural and social factors that have been applied in international migration theories to analyze identity change in labour migrants in China, this chapter explores how cultural integration and translocal ties, under specific social contexts, affect the formation of contested identities in China. The applicability of several social and cultural elements to the studies of Chinese labour migration is explored. The formation of a contested identity in labour migrants in the PRD region, Guangdong province, also demonstrates an important migratory stage in transitional China. A synthesis of both cultural integration and translocal ties impact the formation of contested identity.

First, regional development results in complex outcomes in identity change. With rapid economic development in PRD region, labour migrants find it much harder to settle down permanently because of the high cost of living. The economic gap between urban residents and labour migrants is larger than in the past. Although Guangzhou, Dongguan, and Shenzhen have become some of the most highly urbanized areas in China, for labour migrants, while these cities are good locations for work, they are not good places to live (Chang 2008). Life in these cities is unaffordable, so that there is little hope for labour
migrants to settle down in these highly urbanized, advanced industrialized areas. At the same time, permanent settlement in rural communities that have moderate industrialization, such as Jianglian Village, is more likely. On basis of Table 7.6, the prosperity of service sectors in the core area facilitates the formation of contested identities.

Second, cultural integration plays a facilitating role in the formation of a contested identity. While labour migrants may be viewed as partners in economic production and as sojourners in spatial relocation, they are often viewed as outsiders in terms of cultural integration (Johnson and Zhang 2010). The statistics on labour migrant proficiency of Cantonese language supports this argument. Most labour migrants in the core area live in factory dormitories. The strict factory management and excessive overtime greatly limit labour migrants’ access to local social life (Pun 2005, SRGNC 2012). In contrast, labour migrants in the periphery area have more opportunities to communicate with local residents. Moreover, although Cantonese is the dominant language in the PRD region, education in Mandarin is mandatory in schools, which results in the improvement of Mandarin levels for local Cantonese, thus making interaction with Cantonese people in the Mandarin language possible. The communities in the periphery area are more accessible for labour migrants than those in the core areas. Labour migrants rent rooms from local residents, purchase groceries from the stores operated by local residents, and work with local residents in TVEs, all of which provide more opportunities for them to improve their use of Cantonese or local dialects in daily life. A more inclusive community environment facilitates labour migrants to integrate into local communities. As labour migrants in the PRD experience various levels of cultural integration into host communities, language accessibility and social inclusion may be seen to be key dynamics in the development of contested identity in labour migrants.

Third, translocal ties, viewed as one aspect of social networking, bridge social connections between labour migrants’ home and host communities, have an opposite effect than is seen in conventional social network theory. Translocal ties here hinder labour migrants from shaping a non-peasant or contested identity in PRD region. Because Chinese
labour migrants live under similar institutional and cultural environments in their host communities, it is almost impossible for them to disconnect from their social connections with home communities. Also, maintenance of translocal ties may be an effective strategy for labour migrants to fulfill their desires for upward mobility (Liu 2001). The description of an ethnic enclave economy in Chinatown in New York (Zhou 2009) provides a similar example. Chinese labour migrants maintain translocal ties not only for economic opportunity, but also for social support. In Chinese society, the success of labour migrants is reflected not only economically, but also in the social recognition received from home communities (Johnson and Zhang 2010). From this point of view, recognition of original identity of labour migrants is also reinforced. Thus, on the one hand, translocal ties facilitate labour migrants’ initial integration into local society; on the other hand, it hinders labour migrants from further establishing a new identity in the host community. In general, despite having opposite effects, translocal ties and cultural integration are two primary dynamics that together contribute to the construction of a contested identity.

Labour migration in the PRD region is one of the largest examples of labour mobility in China. Cultural integration and translocal ties concomitantly affect the shape of contested identity. The existence of hukou system and the decentralization of Chinese political power have also acted to create contested citizenship during labour migration (Solinger 1999). On the one hand, it must be recognized that the existence of the hukou system remains a fundamental institution that enforces a dual form of citizenship. On the other hand, both cultural legacies and social mechanisms provide another paradigm that helps to explain the identity change experienced by labour migrants. Contested identity, which is a conflicted process, is being shaped as labour migrants, most of whom still hold peasant status, transform their identity during the process of settlement. Contested identity among labour migrants oscillates in two opposite directions: between peasant and urban resident, so that, during this period of dramatic social transition, identity change for labour migrants is not smooth. The construction of contested identity has become an integral part of dramatic social transformation in China.
### Table 7.3: Migrant Identity, Cultural Integration and Translocal Ties between the Core and Peripheral PRD region

<table>
<thead>
<tr>
<th></th>
<th>Peripheral PRD</th>
<th>Core PRD</th>
<th>Whole PRD</th>
<th>$X^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Migrant Identity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peasant</td>
<td>69.3</td>
<td>58.4</td>
<td>63.6</td>
<td></td>
</tr>
<tr>
<td>Non Peasant</td>
<td>14.9</td>
<td>19.3</td>
<td>17.2</td>
<td>5.857</td>
</tr>
<tr>
<td>Contested Identity</td>
<td>15.8</td>
<td>22.3</td>
<td>19.2</td>
<td></td>
</tr>
<tr>
<td><strong>Cultural Integration</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Degree of Proficiency in Cantonese (mean)</td>
<td>3.65</td>
<td>3.81</td>
<td>3.73</td>
<td>4.639</td>
</tr>
<tr>
<td>Degree of Proficiency in Local Dialects (mean)</td>
<td>4.02</td>
<td>4.13</td>
<td>4.08</td>
<td>5.854</td>
</tr>
<tr>
<td>% of Cantonese Speaking in Daily Life</td>
<td>16.1</td>
<td>9.3</td>
<td>12.5</td>
<td>4.762</td>
</tr>
<tr>
<td>Interaction Frequency with Local Residents (mean)</td>
<td>3.34</td>
<td>4.03</td>
<td>3.71</td>
<td>31.176</td>
</tr>
<tr>
<td><strong>Translocal Ties</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of Home Contracted Land ownership</td>
<td>67.8</td>
<td>39.1</td>
<td>52.7</td>
<td>36.632</td>
</tr>
<tr>
<td>Degree of Entrepreneurship at Home Community (mean)</td>
<td>4.01</td>
<td>3.92</td>
<td>3.96</td>
<td>5.169</td>
</tr>
</tbody>
</table>

$^p$<0.10, *$p$<0.05, **$p$<0.01, ***$p$<0.001

### Table 7.4: Cultural Integration and Translocal Ties in Identity Change of Labour Migrants

<table>
<thead>
<tr>
<th></th>
<th>Peasant</th>
<th>Non-peasant</th>
<th>Contested</th>
<th>$X^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cultural Integration</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Degree of Proficiency in Cantonese (mean)</td>
<td>3.62</td>
<td>3.90</td>
<td>3.94</td>
<td>19.287</td>
</tr>
<tr>
<td>Degree of Proficiency in Local Dialects (mean)</td>
<td>4.04</td>
<td>4.05</td>
<td>4.22</td>
<td>12.984</td>
</tr>
<tr>
<td>% of Cantonese Speaking in Daily Life</td>
<td>13.7</td>
<td>10.3</td>
<td>10.5</td>
<td>1.079</td>
</tr>
<tr>
<td>Interaction Frequency with Local Residents (mean)</td>
<td>3.70</td>
<td>3.67</td>
<td>3.71</td>
<td>23.598</td>
</tr>
<tr>
<td><strong>Translocal Ties</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of Home Contracted Land ownership</td>
<td>61.7</td>
<td>32.9</td>
<td>40.7</td>
<td>26.097</td>
</tr>
<tr>
<td>Degree of Entrepreneurship at Home Community (mean)</td>
<td>3.96</td>
<td>4.12</td>
<td>3.84</td>
<td>11.838</td>
</tr>
</tbody>
</table>

$^p$<0.10, *$p$<0.05, **$p$<0.01, ***$p$<0.001
Table 7.5: Parameter Estimates for Multinominal Logistic Regression Models of Identity Change for Labour Migrants

Dependent Variable=Migrant Identity

<table>
<thead>
<tr>
<th>Demographic Factor</th>
<th>Model 1</th>
<th></th>
<th>Model 2</th>
<th></th>
<th>Model 3</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-peasant</td>
<td>Contested</td>
<td>Non-peasant</td>
<td>Contested</td>
<td>Non-peasant</td>
<td>Contested</td>
</tr>
<tr>
<td>Male</td>
<td>0.850</td>
<td>0.662</td>
<td>0.910</td>
<td>0.709</td>
<td>0.876</td>
<td>0.720</td>
</tr>
<tr>
<td>Post-1980s</td>
<td>0.977</td>
<td>1.639</td>
<td>0.929</td>
<td>1.405</td>
<td>0.964</td>
<td>1.363</td>
</tr>
<tr>
<td>Married</td>
<td>0.349*</td>
<td>0.534*</td>
<td>0.368*</td>
<td>0.537</td>
<td>0.394*</td>
<td>0.560</td>
</tr>
<tr>
<td>Years of Education</td>
<td>1.212**</td>
<td>1.326***</td>
<td>1.235**</td>
<td>1.351***</td>
<td>1.197**</td>
<td>1.349***</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Institutional Factor</th>
<th>Model 1</th>
<th></th>
<th>Model 2</th>
<th></th>
<th>Model 3</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Guangdong Origin</td>
<td>0.849</td>
<td>0.380*</td>
<td>1.271</td>
<td>0.284*</td>
<td>1.273</td>
<td>0.284*</td>
</tr>
<tr>
<td>Non-agricultural hukou Status</td>
<td>6.430***</td>
<td>2.651*</td>
<td>8.741***</td>
<td>2.804*</td>
<td>8.499***</td>
<td>2.612*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cultural Integration</th>
<th>Model 1</th>
<th></th>
<th>Model 2</th>
<th></th>
<th>Model 3</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proficiency in Cantonese</td>
<td>1.749**</td>
<td>1.285</td>
<td>1.806**</td>
<td>1.298</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cantonese Speaking in Daily Life</td>
<td>1.194</td>
<td>1.956</td>
<td>1.275</td>
<td>2.002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interaction Frequency with Locals</td>
<td>1.132</td>
<td>1.186*</td>
<td>1.114</td>
<td>1.169*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Exclusion</td>
<td>0.754*</td>
<td>0.708*</td>
<td>0.736*</td>
<td>0.711*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interpersonal Inclusion</td>
<td>1.266</td>
<td>1.065</td>
<td>1.214</td>
<td>1.078</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interpersonal Exclusion</td>
<td>0.754*</td>
<td>0.951</td>
<td>0.757*</td>
<td>0.915</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Translocal Ties</th>
<th>Model 1</th>
<th></th>
<th>Model 2</th>
<th></th>
<th>Model 3</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Owning Contracted Land at Home</td>
<td>0.298</td>
<td>0.343</td>
<td>34.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurship at Home Community</td>
<td>1.201</td>
<td>0.854</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Nagelkerke R² | 0.298 | 0.343 | 34.7 |
| -2 log Likelihood | 452.679 | 617.740 | 607.976 |
| N | 407 | 407 | 407 |

*p<0.10, *p<0.05, **p<0.01, ***p<0.001

Migrant identity: The reference item is peasant identity.
Table 7.6: Multinominal Logistic Regression for Identity Change for Labour Migrants between Two Areas
Dependent Variable=Migrant Identity

<table>
<thead>
<tr>
<th>Demographic Factor</th>
<th>Model 4 (Core PRD)</th>
<th>Model 5 (Peripheral PRD)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-peasant</td>
<td>Contested</td>
<td>Non-peasant</td>
<td>Contested</td>
</tr>
<tr>
<td>Male</td>
<td>0.693</td>
<td>0.473</td>
<td>0.923</td>
<td>0.786</td>
</tr>
<tr>
<td>Post-1980s</td>
<td>1.225</td>
<td>3.380</td>
<td>1.049</td>
<td>1.265</td>
</tr>
<tr>
<td>Married</td>
<td>0.654</td>
<td>0.843</td>
<td>0.243*</td>
<td>0.466</td>
</tr>
<tr>
<td>Years of Education</td>
<td>1.354*</td>
<td>1.543***</td>
<td>1.111</td>
<td>1.239*</td>
</tr>
<tr>
<td>Institutional Factor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guangdong Origin</td>
<td>1.042</td>
<td>0.969</td>
<td>2.347</td>
<td>0.000</td>
</tr>
<tr>
<td>Non-agricultural hukou Status</td>
<td>9.328**</td>
<td>2.527</td>
<td>5.458**</td>
<td>1.968</td>
</tr>
<tr>
<td>Work Sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Industry</td>
<td>Service Sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.396</td>
<td>6.593</td>
<td>0.770</td>
<td>0.725</td>
</tr>
<tr>
<td></td>
<td>1.252</td>
<td>32.266**</td>
<td>0.990</td>
<td>0.365</td>
</tr>
<tr>
<td>Cultural Integration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proficiency in Cantonese</td>
<td>1.878*</td>
<td>1.608*</td>
<td>1.908*</td>
<td>0.954</td>
</tr>
<tr>
<td>Proficiency in Local Dialects</td>
<td>0.764</td>
<td>0.976</td>
<td>0.541*</td>
<td>0.802</td>
</tr>
<tr>
<td>Cantonese Speaking in Daily Life</td>
<td>1.489</td>
<td>4.721*</td>
<td>1.016</td>
<td>1.033</td>
</tr>
<tr>
<td>Interaction Frequency with Locals</td>
<td>1.093</td>
<td>1.381*</td>
<td>1.217</td>
<td>1.057</td>
</tr>
<tr>
<td>Community Exclusion</td>
<td>0.814</td>
<td>0.525**</td>
<td>0.640</td>
<td>0.845</td>
</tr>
<tr>
<td>Interpersonal Inclusion</td>
<td>1.161</td>
<td>1.001</td>
<td>1.404</td>
<td>1.064</td>
</tr>
<tr>
<td>Community Inclusion</td>
<td>0.738</td>
<td>0.830</td>
<td>0.852</td>
<td>1.229</td>
</tr>
<tr>
<td>Translocal Ties</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owning Contracted Land at Home</td>
<td>0.440*</td>
<td>0.424*</td>
<td>0.757</td>
<td>1.061</td>
</tr>
<tr>
<td>Entrepreneurship at Home Community</td>
<td>0.818</td>
<td>0.999</td>
<td>1.935</td>
<td>0.439*</td>
</tr>
<tr>
<td>Nagelkerke R²</td>
<td>0.476</td>
<td>0.394</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-2 log Likelihood</td>
<td>303.583</td>
<td>253.337</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>214</td>
<td>193</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*p<0.10, *p<0.05, **p<0.01, ***p<0.001
8. CONCLUSION

I have spent much of this dissertation arguing for and seeking to illustrate labour migration in the Pearl River delta region in south China. This dissertation has examined how economic, social, institutional, and cultural elements play distinctive roles in shaping labour migration in the PRD region. The comparisons between the core and peripheral areas in the delta region also show that the patterns of labour migration, in general, are affected by distinct local dynamics, under different social contexts, even within the same geographical region.

In bringing this dissertation to a close, I return to a broader discussion of the relationships between regional development, labour markets, and labour migration in the PRD region. As analyzed in previous chapters, job attainment and identity change are identified as two essential parts of labour migration. I found that the PRD region differs from other regions of China in its rapid industrialization, in that the prosperity of the rural PRD region has attracted a large amount of labour inflows. The arrival of labour migrants has substantially accelerated local industrialization and urbanization, forming enormous labour markets specifically for labour migrants. The regional disparity has also generated diverse economic activities for labour migrants between the core and peripheral areas. The life experience of labour migrants in the rural PRD region is distinctive. These labour migrants, as a seemingly unlimited supply of cheap labour, have facilitated local industrialization, as well as furthered urbanization in the formerly rural areas of the delta region. However, due to institutional and cultural barriers, labour migrants encounter difficulties in settling permanently in host communities.

The dramatic social transition in the PRD region carries on along with labour migration. After exploring the distinct constructions of labour markets and the subsequent identity change it produces in labour migrants, this dissertation has demonstrated two social landscapes of the delta region. After three decades of large scale labour migration, the issues of labour migrants’ permanent settlement in the rural PRD region should be given
more attention. In the core area, rapid industrialization relies heavily on external investment while indigenous residents have been released from local industrial participation. Labour migrants are hired merely as the participants in economic production rather than being treated as social beings. Relatively segmented labour markets and living environments have hindered labour migrants from integrating into the PRD. In contrast, labour migrants in the peripheral areas can be more integrated into local communities through their physical housing arrangements and diverse types of labour participation. Labour migration toward the core PRD in the form of industrialized villages or urban communities enables labour migrants to experience non-agricultural life, but settlement in the peripheral PRD region would make it easier for them to integrate into host communities. Therefore, how to seek an appropriate way to their permanent settlement would be a new dynamic of this dramatic social transition in China.

8.1 Dynamics of Change: From Historical and Institutional Perspectives

This dissertation has provided an extensive discussion of the historical development of the PRD region. The socioeconomic characteristics of the PRD region have formed through a long history of economic activities and have provided a particular explanation of how historical and institutional factors have become important dynamics in facilitating labour migration in the PRD region. Moreover, the comparisons of local patterns of development within the PRD region, as divided into core-peripheral areas, is important to understand how labour migration is able to generate different social consequences simultaneously under different social environments but within a close geographic area.

8.1.1 Historical Dynamics of Rural Guangdong

The characteristics of economic activities in Guangdong became an important feature in the implementation of economic experiments in the early 1980s. As the only trading port that opened to foreign countries in the mid-Qing, commerce and foreign trade with Southeast Asia and North America formed a commercially-oriented culture in the region. Moreover, emigration to Southeast Asia and other countries, especially in the
Nineteenth Century, established strong overseas connections with Guangdong residents. These factors created advantages for Guangdong province to attain an early economic takeoff in the early 1980s.

In reviewing labour migration in the PRD region, the history of foreign trade and international emigration in this region cannot be ignored. The decision to implement new economic policies in Guangdong province was in part a consequence of its large population of overseas connections and its geographical proximity to Hong Kong and Macau. Most current residents in Hong Kong and Macau maintain strong connections with their homeland origins in the Cantonese-speaking heartland of Guangdong. Taking advantage of overseas connections has become an effective strategy to attract foreign investment since the early 1980s.

In the immediate aftermath of the reform period, the PRD experienced rapid economic growth. The creation of two Special Economic Zones, one (Shenzhen) adjacent to Hong Kong and the other (Zhuhai) adjacent to Macao, two contested territories that were both wealthy and capitalist, was significant. By offering favorable tax credits, cheap land and access to cheap labour, the economic zones were able to attract foreign investment. They were also a funnel for managerial and marketing strategies, which had not been part of the state-centered plans for economic growth in the period before reform. In a short period, the zones, but especially Shenzhen, became both prosperous and increasingly urban. The new industrial developments saw the migration of large numbers of migrants from interior China. The transformation of both Shenzhen and Zhuhai, which were essentially marginal agricultural areas, led to the rapid development and industrialization of adjacent rural areas, especially in the corridor between Hong Kong and Guangzhou. By the end of the 1980s, Hong Kong industrial enterprises were moving across the border, later to be joined by entrepreneurs from Taiwan, attracted by cheap land and labour and a growing infrastructure, which facilitated the link to Hong Kong and its connection to world markets.

Experiencing dramatic industrialization and economic growth, the PRD region as a whole became one of the most prosperous areas in China. However, the regional disparity
within the region should be given greater attention. The division of core-peripheral areas within the delta region is based primarily on the regional economies. In the past 35 years, the core PRD region has grown faster than its peripheral counterparts have in the process of economic development. Since the 1990s, the disparity in regional economies within the PRD region has widened. The municipalities of Guangzhou, Foshan, Shenzhen, and Dongguan are highly industrialized and generally highly urbanized. The agricultural economies in Wentang (Dongguan) and Xiangang (Guangzhou) have been completely diminished, and factories have replaced farmland. Yet, agricultural production is still an important economic activity in the local economies in Jiangliian (Jiangmen) and Nanshui (Foshan). The PRD region has been separated into two parts. The core PRD region is characterized as industrialized and urbanized, local governments in this area are transformed from village to shequ. The peripheral PRD region, however, can be characterized as relatively underdeveloped, and agricultural production is still a primary economic characteristic in these rural communities.

Rapid industrialization in the formerly rural PRD region is driven primarily by new economic policies and historic regional commercial advantages. In some highly industrialized, formerly rural communities, the development of urban characteristics and urban administrative structures have generated dramatic social transformation in local economic structures as well as labour migration. Dongguan has attracted millions of labour migrants who have flowed into the area seeking better economic opportunities as the locality has become an important “workshop of the world”. Overall, the core PRD region has become the primary receiving region for labour migrants in China. In contrast, due to slow industrialization, Jiangmen, the origin of most early Chinese migration overseas, has become a sending region once again in the reform period. Local residents move out of their rural villages seeking better work in local urban areas or other large cities. It has created labour shortage in the villages and has created job opportunities specifically for labour migrants. Labour migration is encouraged due to the large demand of cheap labour force, but the regional disparity within the PRD region has constructed distinct economic structures that form different labour markets, with the result that the demands of labour supply between these areas are distinctive in both quantity and quality. Thus, institutional
change in the form of residence management reform has become another important dynamic of social transition in Guangdong.

8.1.2 Institutional Dynamics of Markets and Migration

The driving force behind labour migration in this region is based not only on economic demands for a cheap and intensive labour force but also by institutional changes in residence management. Although the hukou system played a dominant role in controlling labour migration in the pre-Reform period, its impacts on labour migration have become less important. The institutionalization of dually localized citizenship in China has generated two segmented social relationships between local residents and labour migrants despite their actual residence in the same communities.

Although the implementation of the hukou system aimed to lessen labour tensions in urban China by restricting rural-urban migration in the late 1950s, its impact on in Chinese society is so pervasive that it has created a bifurcated social structure characterized by dual localized citizenship. Institutional change since the early 1980s has allowed rural residents to seek jobs as temporary residents as long as they are able to be economically self-sufficient in cities. Permanent residence status, however, is rarely changed by simply changing residence. By controlling labour mobility, the implementation of the hukou system was used to meet economic demands instead of social need. The relaxation of the hukou system in the early reform period was largely because of the need to release the rural surplus labour force and meet labour demands in rapidly industrializing areas.

Due to this bifurcated internal citizenship, labour migrants are unable to have equal rights and benefits in host communities. The provisions of social benefits for labour migrants are far less than those local residents receive. It is hard for Canadians to imagine that a Quebec resident is unable to receive medical care while being a temporary resident in British Columbia. However, it is common to see a Hunanese labour migrant unable to afford medical fees in the PRD region because there is no medical plan offered to him due to his temporary residence status. Institutional barriers for labour migrants are based not
only on the rural-urban division but also on the geographical origins in permanent registered status. In the Reform period, the latter reflects more on the eligibility for social benefits rather than the qualification of free movement. For instance, in Dongguan, an urban registered resident from Wuhan, a large city in central China, receives similar treatment in social welfare as a villager from remote rural China.

This research argues that, in terms of this internal bifurcated citizenship at a local level, there are four stratified groups of labour migrants in the PRD region: non-agricultural residents from Guangdong, agricultural registered residents from Guangdong, non-agricultural residents from non-Guangdong regions, and agricultural registered residents from non-Guangdong regions. Non-agricultural residents from Guangdong province, though still being treated as temporary residents, have the best social status compared with other three groups. They integrate more easily into local communities due to their similar geographical and cultural origins. In contrast, labour migrants from non-Guangdong rural areas have the least institutional support in the PRD region, which makes it difficult for them to integrate into local communities.

In this research, the hukou system and place of origin are two essentially institutional factors in affecting labour migration. Labour migrants with either non-agricultural hukou status or Guangdong origin are able to obtain higher income and better work positions than those who come from rural areas in non-Guangdong provinces. At the same time, labour migrants within non-agricultural hukou status are easier to integrate into these industrialized communities. Labour migrants with the agricultural hukou status, however, are more likely to develop a contested identity while experiencing industrialized ways of life while holding agricultural hukou. In particular, labour migrants from other provinces encounter institutional barriers in obtaining the eligibility for social benefits. Thus, institutional arrangements have prominent impacts on labour migration in the PRD region. The characteristics of the hukou system have formed institutional foundations for labour migration. The persistence of these characteristics have shaped a bifurcated citizenship within the country.
In the analysis of labour migration in the PRD region, institutional arrangements and its historical driving force should be taken into account. These factors allow us better understand how the delta region has been able to attain dramatic economic growth in the last three decades. In linking these factors to the analyses of social actions of labour migrants in job attainments and identity change, we find that the PRD region, due to its specific historical development and institutional arrangements, has generated a distinct pattern of labour migration toward industrializing rural communities. The regional disparity within the delta region results in two distinct social contexts, which affect the structuring of labour markets and identity change in labour migrants.

### 8.2 Regional Disparity: A Diverse Socioeconomic Characteristic

The PRD region has been recognized as one of the most prosperous areas in China. Although this region, without doubt, is more developed than most parts of China, yet economic disparities within the delta region are often overlooked. Economic activities and social structures are diverse because of regional disparities. In terms of their industrialization and urbanization, this research has categorized the delta region into core and peripheral areas. In particular, the structuring of labour markets and life experience reflected in identity change in labour migrants are different between these two areas.

The core PRD region is urbanized or highly industrialized. In this research, Xiangang in Guangzhou and Wentang in Dongguan belong to the core areas. These communities have been transformed from villages to shequ. The dynamics in this transition are based primarily on economic development. Agricultural activities in these shequ have diminished. Local residents benefit from characteristics that derive from the collective economy that largely disappeared with reform after 1979. Land is still collectively owned and administered by village neighborhoods that were once production teams. These units rent out former agricultural land for industrial use. This rental income is then distributed to local households and has become the major source of household revenue in the former production teams that now constitute shequ. The establishment of a large number of factories creates a large inflow of labour migrants, simultaneously generating a great demand on the housing supply.
Renting of house space has become an important economic resource for local residents. As landlords to labour migrants, local households can obtain a much higher income than that generated by its members working as professionals in factories. Although industrialization is the most significant aspect in these shequ, local residents have retreated from these primary economic activities, while participating in businesses affiliating within this industrial complex and enjoying prosperity. Due to the dramatic industrialization, the core PRD is the primary receiving area of labour migrants.

By contrast, slow development in peripheral areas of the PRD region is often overlooked. Due to slow industrialization, these communities still lag behind in economic development. As a result, these communities are still classified as rural. Yahu, in suburban Guangzhou, Nanshui in Shunde, and Jianglian in Jiangmen can be categorized peripheral areas. In these communities, though rural industry has certainly developed, agricultural production still plays as an important part in local economic activities. The revenues from grain production in Jianglian and pond fish cultivation in Nanshui still make up an important component of the village economic activities. Local residents, who are still categorized as rural villagers, participate in agricultural production, while young local residents work in towns or cities seeking a better life. Old, vacant village houses have been rented out to labour migrants who work in nearby factories, as villagers build newer and more elaborate housing, much of it funded by profitable outside economic activities, not least of which is contracted fishponds in remote parts of the PRD. The peripheral PRD region can be therefore viewed as not only receiving areas but also as sending areas of labour migrants.

Conventional perspectives on the PRD region that view the region as homogenous in its economic and social characteristics should be reconsidered by dividing the PRD region into core and peripheral areas. The diversity in economic activities and social structures within the PRD region has generated different patterns in job attainment and identity change. As the PRD region as a whole is viewed as a uniformly prosperous region which is a highly industrialized and urbanized, this division is able to provide a better understanding for us of how the socioeconomic characteristics in these communities affect labour
migration. The overemphasis on industrialized and urban China would lose the understanding of the diversity in regional development. The formerly rural communities prospered in agricultural economy have attained substantial regional development by following different patterns. The formation of distinct economic activities and social structures after three decades of dramatic social transition has shaped different structuring of labour markets and patterns of identity change in labour migrants.

8.3 Labour Markets and Identity Change

Labour migration toward the PRD region is related closely with the structures of labour markets. In Chapters 6 and 7, I have extensively discussed the process of job attainment and identity change of labour migrants in the PRD region. These two processes are significantly affected by local economic structures, institutional arrangements, social mechanisms, and cultural legacies. In analyzing job attainment and identity change, this research has linked broad socioeconomic structures with individual social actions, to examine how labour migrants employ different strategies and what distinct social consequences result under the specific social contexts of the PRD region.

The term ‘labour migrant’ has two socially constructed meanings: labourer and migrant. It can be defined as social actors who seek better socioeconomic resources through spatial relocation. Their relocation is based on the trends of labour markets in a host community. Initially, labour migrants leave home for work with the help primarily from strong ties. Some of them have been recruited by enterprises before their migration, but most have to seek jobs after arriving in Guangdong. Due to the rapid pace of industrial development, these migrants find low-end work relatively easily. In working in the PRD region, labour migrants have experienced a completely different life experience from what they had in rural China. Industrial wage labour greatly changes their identity, while institutional and social barriers hinder them from fully integrating into local communities. As a result, a contested identity is generated.
8.3.1 Migration Dynamics: Economic and Social Forces

I have argued that the rapid rural industrialization and the launch of new economic policies in Guangdong province are the primary driving force of its regional economic takeoff in the Reform period. This research was conducted in rural communities, and differed from conventional research that focused on urban areas or the impact of urbanization. Through this research, we know that the majority of labour migrants are located in industrialized communities. Moreover, as I have discussed, rapid rural industrialization in the PRD region has generated a large demand for cheap labour in industrial sectors. In the core PRD region, urbanization has facilitated infrastructure construction and the growth of service sectors. Labour migrants readily obtain jobs in non-agricultural sectors. Due to the relatively slow pace of industrialization and the dominant agricultural economy, local residents in the peripheral PRD region move to large cities for better job opportunities, leasing agricultural production work to migrants, and renting out their surplus houses to outsiders. The emigration of these local residents has created not only various job opportunities but also living space for labour migrants. Therefore, the core delta region as a whole is the primary area of receiving labour migrants. The peripheral areas can be viewed as both the sending and receiving areas for labour migration.

Decisions to move are a complex aspect of the behavior of labour migrants over time. Increasing demand for labour in the PRD region has been a major factor for labour migrants in their pursuit of better life. One of their primary reasons of leaving home to work is to earn a higher income. Throughout the 1980s, rural residents living in suburban or rural areas around the cities found it easier to find work in urban areas. Intraprovincial migration was the primary characteristics in that period. The number of labour migrants from Chaozhou, Shantou and Meizhou in eastern Guangdong province was substantial and many found work in the changing agricultural sector, in construction or in the growing commercial sector. These labour migrants gravitated to small business after years of working in the PRD region, and many of them have settled down in growing cities. Interprovincial labour migration flourished since the early 1990s, because of the dramatic economic growth in the
delta region after 1992. Labour migrants from outside Guangdong were more tolerant of low-income and factory work than Guangdong migrants. Education and skills levels of non-Guangdong migrants may also have been higher.

One of the consequences of regional disparities in the PRD region is reflected in labour markets. The structuring of labour markets between the core and peripheral areas is different. Labour migrants in the core are composed primarily of young and unmarried senior high school graduates. The post-80s labour migrants, unlike their parents who were labour migrants, are able to participate in some high-tech industries with professional skills and technology learnt in school. In contrast, labour migrants in the peripheral areas are still employed in low-end work as manual labourers on assembly lines. In Nanshui, some labour migrants work in pond-fish cultivation and resume agricultural activities.

8.3.2 Labour Markets: A Social and Instituted Process

In analyzing the structuring of labour markets in the five communities where my research was carried out, I have learned that the socioeconomic characteristics of labour migrants are different. In the core PRD region, the vast majority of labour migrants are recruited into non-agricultural sectors, especially in the manufacturing industry. With rapid urbanization and the increasingly large population of labour migrants in the core area, such as Wentang in Dongguan, a variety of economic activities serving labour migrants have flourished. By contrast, labour migrants in the peripheral areas are rarely employed in service sectors. Although the majority of labour migrants in this region are employed as factory workers in Township and Village Enterprises, many are engaged in agricultural work and are hired in the local agricultural economy. There are also a substantial number of migrants who contract land and other agricultural resources.

The labour markets for labour migrants are different between the core and peripheral PRD region. In the core areas, education and age play significant roles in affecting the participation in work sectors. Young graduates from technology colleges and universities are much favored by factories. Some factories have signed contracts with
colleges and schools, as a guarantee that the students have obtained jobs before their graduation and arrange their trips to Guangdong. Through organizational forms such as schools and labour agencies, young labour migrants with certain professional and technological and skills obtain jobs with ease. Education is a crucial factor for labour migrants to obtain a higher income and better jobs. Labour migrants in the contemporary period have become industrial participants.

Yet, education and age have no significant effects in affecting the participation in work sectors in the peripheral PRD region, indicating that education plays a less important role areas that industrialize slowly when compared to highly industrialized areas. In addition, there are no significant associations between the strategies employed in obtaining jobs and their job positions in the peripheral areas, indicating that the strategies employed in seeking jobs in the peripheral areas have no effect on the attainment of economic resources. Labour migrants typically work as manual labourers in low-end industries or in agricultural production. It is therefore unnecessary for them to provide educational credentials in job markets. Skills in agricultural production can be learned and accumulated from experience rather than schooling. Most labour migrants hired at fish cultivation are middle-aged men. They have limited schooling but rich experience and skills in fish cultivation.

In addition, the empirical findings focus primarily on labour markets for labour migrants, while local residents are not included in the analysis. Institutional factors in this aspect have different impacts on labour markets for labour migrants. Labour migrants are the primary labour force in both of the core and peripheral PRD region. For example, the population of labour migrants in Wentang is over 10 times that of local residents. The hukou system is less important than their place of origin. Intraprovincial migrants are more advantaged than interprovincial migrants in the PRD labour markets. Yet, the importance of holding agricultural or non-agricultural registration status has declined.

More importantly, the effects of social networks in the process of job attainment are distinct. Social networks have been viewed as an effective strategy in obtaining social resources. In this research, social networks still play an important role in labour markets.
However, social networks, in the form of relationships with family members, relatives and local acquaintances, enable labour migrants to obtain jobs, while its effects on achieving higher income or better job positions are weaker than other factors. At the same time, labour migrants in the peripheral areas are more likely to rely on social networks than those in the core areas. It is largely because the scale of industries in the peripheral areas is much smaller, with the result that factories are unable to recruit labour migrants from schools or labour agencies in large numbers.

The conventional viewpoint is that labour migrants are either factory workers or service sector participants. This view is simplistic and should be reconsidered. In dividing the PRD region into two distinct areas based on their economic-dimensions, it is clear that labour migrants are largely factory workers or work in the service sectors in the urbanized areas of the core. The agricultural economy remains significant in the periphery where development has been slower and labour migrants have a key role to play. Many migrants in the agricultural sector may be wageworkers whose conditions of work may be hard and whose incomes will likely be lower than factory workers in the core. Others, however, contract grain land, cultivate vegetables or contract agricultural resources such as fishponds, poultry farms or fruit trees. Contractors often come as family units, and will likely hire wage labour at planting and harvest time. They work extremely hard but the returns can be substantial and even higher than work on factory assembly lines in the core. Agricultural sector contractors are often Cantonese-speakers either from the delta or from adjacent Guangxi. As family units of production with school-aged children their abilities to integrate into local communities is notably easier than their industrial counterparts in the industrial core. The diversity of labour markets in the PRD region therefore generates different life experiences among labour migrants, resulting in distinct patterns of identity change.

8.3.3 Identity Change: Who Are We?

I have attempted to explore how identity change among labour migrants is shaped. My research was conducted in areas that, until the reform era, had been agricultural. The locus of all the field sites were agricultural communes, and 30 years ago all were village
communities engaged in an agricultural way of life. Some experienced rapid
industrialization, massive in-migration, and the creation of urban environments in which a
migrant labour force overwhelmed the indigenous population. In others, the rate of
industrialization was slower, and while the migrant population grew, it did not overwhelm
the indigenous population, which still lived in the formerly agricultural villages with the
overwhelming presence of a newly formed urban environment. Identity change among a
population of migrants is affected by institutional, social and cultural factors. It will vary
given the degree of industrialization and the emergence of urban forms. Degrees of cultural
integration and the significance of translocal ties will be key.

In terms of the core-peripheral division of the rural PRD region, labour migrants have
two types of life experience. Regional disparity is reflected in lifestyles that reflect the
presence or absence of intense industrialization and growing urbanization. Labour migrants
experience a largely industrialized lifestyle in the core delta region. They work as factory
workers, but also as restaurant workers, and a variety of service occupations, including the
sex trade, couriers, and taxi drivers. These latter types of work have been created along
with industrialization and urbanization. In contrast, labour migrants in the peripheral delta
region still live in rural villages. For example, labour migrants in Nanshui rent houses and
rooms from local residents whose families have moved to growing urban centers in Shunde
and carry on their rural life in the peripheral PRD region.

Another important factor affecting identity change is cultural integration. Labour
migrants have to integrate into local communities by adapting local culture. Labour
migrants in the core area have fewer opportunities to communicate with local residents.
The large population of labour migrants in these industrialized shequ have formed separate
migrant communities that involve few local residents. Most labour migrants live in
dormitories managed by factories. The primary language in the factories of Shenzhen and
Dongguan is Mandarin rather than Cantonese. Enclave economies flourish in these urban
spaces because of a large labour inflow. By contrast, labour migrants living in peripheral
delta region are more integrated with the indigenous population in their living space. The
diversity of work and living space has created many opportunities for them to interact with local residents. Labour migrants have become the colleagues or neighbors of local residents. These complex social relationships between labour migrants and host communities in the PRD have generated a distinctive identity change.

Thus, the conventional viewpoint that labour migrants change their identity from peasant to non-peasant must be questioned in the PRD case. Labour migrants may have discarded their peasant identity, yet their non-peasant identity has not been established. The maintenance of translocal ties has become a restricting factor for labour migrants in building up a non-peasant identity. Social ties linking labour migrants with local acquaintance from the same place of origins are an effective way to obtain jobs, and serve to reinforce an identity of north China peasant origins. Non-peasant life experience in the PRD region is a facilitating factor for labour migrants to change their rural identity, while institutional barriers and translocal ties restrict them from integration with indigenous culture. Moreover, the scales of labour migrants presented in local communities have substantial impacts on the patterns of housing. Labour migrants living in dormitories provided by factories have much fewer opportunities to integrate into local communities than those who rent housing from indigenous residents. Thus, identity change in labour migrants is a conflicted process during their settlement. The pattern of this identity change is not singular. It is affected by institutional, cultural, and social mechanisms as an integral part of dramatic social transformation in China.

8.4 Contributions and Limitations

By analyzing the construction of labour markets and labour migration in the rural PRD region, this dissertation has revealed how theoretical perspectives in both economic sociology and migration studies can be applied. At the same time, this study shows that the patterns of development in China are diverse. Even in the PRD region, regional development is not homogeneous in terms of historical patterns and cultural legacies, which have significantly affected the construction of labour markets.
This research has raised a question about the industrialization process in China. Conventional perspectives stress that industrialization gives rise to urban settlements which grow as rural labour seeks employment in new economic activities. However, rapid rural industrialization in the PRD region has become the major factor in attracting domestic labour. An agricultural economy, conventionally viewed as involving marginal economic activities to be replaced by industry, has maintained its prosperity in the PRD region. Compared to other parts of China, the diverse economic structures in the PRD region have created various opportunities for labour migrants not only to work but also to settle in host communities. The agricultural economy, from which indigenous residents have released, is accessible to labour migrants. Thus, rural industrialization in the PRD region has provided labour migrants job opportunities not only in factories or other industrial sectors but also in the agricultural economy as wage workers or contractors.

In reviewing institutional change in China, this research has found that urbanization is based not only on a natural process but also on administrative regulation. In Europe and North America, urbanization is a natural process reflected in a concentrated population and industrial activities, while the process of urbanization in China is affected primarily by institutional elements. As discussed above, this research was conducted in formerly rural communities. In terms of their industrial development, local governments transformed two rural villages in the core PRD into shequ. Although this transformation implies the process of urbanization, it should be viewed as a development within rural contexts. In the PRD region, such communities, some of which have been transformed into shequ, maintain rural characteristics. Thus, the conventional perspective that urbanization is generated along with industrialization should be reconsidered.

By focusing on how labour migration is generated toward the rural PRD, this dissertation has tried to establish an understanding that labour migration toward industrialized and formerly rural communities plays a substantial part in the construction of labour markets. I found that, in China, the particular pattern of urbanization in industrialized rural communities, along with the dual rural-urban system, has provided
labour migrants opportunities for work and settlement. Although the PRD region has experienced dramatic social transition in the last 30 years, this period is still short if we compare it to other completed social transformations in history. We might take time to observe its further change.

Labour migration in China should be reconsidered in terms of its institutional settings. I have found that the patterns and dynamics of labour migration can be compared with international immigration. The hukou system and other residence management systems have generated a dual rural-urban citizenship. In the PRD region, institutional distinctions also reflect geographical locations. Labour migration from outside Guangdong province is disadvantageous not only in labour markets but also in social integration and contrasts with the experience of Guangdong residents. Although labour migration takes place in a single political entity, labour migrants who are Chinese citizens are institutionally treated as foreign workers in host communities. In the construction of labour markets and identity change, social networks and institutional elements play significant roles in affecting job attainment and shaping contesting identity. The factors used in international immigration studies can also be applied in the case of the PRD. Labour migration in China does not cross an international border but rather a social and cultural border.

In this research, institutional, social, and migration elements are used in the analysis to examine how labour markets are constructed and identity change is generated in the PRD region. The comparisons between the core and peripheral PRD also extend the combination of economic sociology and migration studies. This analysis is based on China’s great social transformation. Due to the limitation of time and cost, this research only collected 400 cases from five localities. The small sample size would bring risk in quantitative analysis. A further limitation is the study’s lack of comparison of labour migrants and indigenous residents, which can be resolved in a future study. Due to the special geographical location of the PRD, the applicability of this research might be limited in a relatively specific region rather than the whole of China. In addition, comparing this
transformation to other great social transformation in history, further time and patience will be required to understand the impact of this change.

8.5 Labour Migrants and Social Transformation

In the PRD region, the dramatic transformation in the last 30 years is closely associated with internal labour migrants. The rapid economic growth in the PRD over the past 25 years has occurred in part because of the unlimited supply of cheap labour from rural China. Labour migrants have not only contributed to economic growth but have also brought about a dramatic social transformation.

Ming’s family lives at an old house in the old village part of Nanshui. Ming has worked in Guangdong province for over 10 years. After working at the current factory for seven years, he was advanced to the position of the assembly-line leader. His wife had to stay at home to look after their four-year-old daughter. Their other child, a ten-year-old boy, is looked after by Ming’s parents in their home village. “I really hope we can live together and the education here is much better than our home area, but we cannot afford his tuition fees if he came to with us.” Ming’s perspectives for his future settlement was unclear: “I had a dream of settling in Guangdong when I first arrived here, but now, I don’t think we can stay permanently. Everything has become too expensive. However, I do hope my children can receive an education and grow up here, the living environment is much better than my remote rural home, except for the cost of living, which is unaffordable. We might go back home to open a small business if we accumulate enough money.”

I am not sure whether Ming’s family has returned home, or his son has moved to live with them. In Ming’s words, his urban dream has become vague. The PRD region is a good place to earn money but it is far from being their home. It is necessary to pay more attention to the social reproduction of labour migrants if China hopes to maintain its high rate of economic growth. Global economic competition and crises have created both challenges and opportunities for China, particularly in the PRD region. Since the global economic crisis of 2008, factory closures have led to a slowing of labour migrants to the PRD
region. The accelerating economic growth in the Yangzi River delta region has become more attractive to labour migrants, and as a result, in 2008, Guangdong encountered labour shortage in Dongguan and Shenzhen after 30 years of an unlimited cheap labour supply. The new economic policies implemented by the provincial government to attract high-tech enterprises, however, have moved some labour intensive industries out of the delta\textsuperscript{91}, which has increased labour shortage in the PRD. New ways of attracting labour migrants and facilitating their integration in the region has become pressing.

In the past three decades in the PRD region, institutional change and historical characteristics have generated unprecedented economic growth, creating a large free labour markets for labour migrants. Since the 1980s, labour migration became possible as it was released from some of the limitation of the hukou system. Labour migrants facilitated industrialization and urbanization, and also brought about a dramatic change in the social landscape. Yet, a bifurcated citizenship has become an institutional barrier for labour migrants to integrate into local communities. The economic role of labour migrants have been overused while their more features as social beings have been ignored. As temporary residents, labour migrants have had to endure inferior social and economic status, resulting in the formation of a contested identity and ambivalent willingness of permanent settlement.

As part of the largest internal labour migration in the world, labour migrants have made a major economic contribution to the PRD region. Yet, the futures of these labour migrants are still vague because of the institutional barriers and cultural restrictions they face. Thus, measures to facilitate the social integration of labour migrants into local communities is an important task not only of local governments, but also of indigenous residents and labour migrants themselves. The dramatic social transition in the Pearl River delta region is not yet finished.

\textsuperscript{91} This policy is called “empty the cage and change the birds (tenglong huanniao)”. 
BIBLIOGRAPHY


The Department of Public Security. 1995. *Zulin Fangwu Zhi'an Guanli Guiding* [Regulation for the Management of Room Rental Public Security].

The Department of Public Security No.3 Bureau. 1958. *Guanyu Zhixing Hukou Dengji Tiaoli De Chubu Yijian* [the Initial Suggestions for the Household Registration Regulation].


APPENDICES

Appendix A: Survey Methods

Data for this research were collected from a survey of informants using standard questionnaires. Survey research was carried out in five localities in the Pearl River delta region which had been research sites for over 30 years and in which surveys had been conducted on three previous occasions. In each locality different strategies in data collection were employed. In this appendix, I provide information about sampling and interview methods in these research sites and suggest that efforts to obtain random samples of labour migrants in China presents practical challenges.

Sampling:

The initial goal was to interview 80 informants in each locality. We met our targets in all the sites but one, and exceeded it in the most highly industrialized sites, which I described as the “core”. There are therefore different sample sizes in localities in large part a consequence of their industrial development.

Second, we used different strategies to locate labour migrants. In Wentang, we randomly selected six enterprises from the list provided by the local Wentang government, and about 20 migrant workers were interviewed in each factory. A few labour migrants were interviewed on the streets or their homes to complement the diverse labour participants in this site.

We located labour migrants at the enterprise dormitory in Xiangang. Since this was built by local government to rent out to enterprises, it accommodated most labour migrants in the site. We randomly selected five floors and chose even/odd room numbers in terms of the floor number of the building. One labour migrant in each room was selected.

In Jianglian, Yahu and Nanshui, we had to find labour migrants primarily from their rental houses or even on the streets. Informants were chosen primarily on their willingness
to be interviewed. We encountered difficulties in accessing factories in these site, some of which were located in adjacent villages or in the market town. The small number of enterprises in both Nanshui and Jianglian was another reason to change the sampling strategy in these communities. Though difficult, we interviewed some labour migrants at their worksites, such as an eel factory in Jianglian and a construction site in Nanshui.

**Interview Strategy:**

There were two strategies employed in the process of questionnaire interview. On the one hand, our interviewers conducted face-to-face interviews with labour migrants, which was the primary interview method to collect data. At times, labour migrants filled the questionnaires in on their own but were supervised by our research assistants. This latter method was used only in Wentang.

We hired six research assistants from Sun Yat-sen University to conduct the survey in Xiangang, Yahu, Nanshui, and Wentang. All were speakers of Standard Northern and Standard Cantonese. We hired five research assistants from Wuyi University as interviewers in Jianglian, in large part because the local language was a distinctive variant, which was the first language of all our Jiangmen assistants.

**Challenges in Fieldwork:**

Random sampling of labour migrants in China is challenging. It is largely because of the high mobility of labour migrants between areas and the lack of a system in residence management. As a result there is no sampling frame to locate labour migrants in China. A second survey of indigenous households was conducted in tandem with the study of labour migrants. In this instance there were available sampling frames in that all indigenous households were registered and the household registers were accessible and up-to-date. It was therefore straight forward to randomly sample indigenous households in each of the five sites. In the research of labour migrants, we tried various ways to approximate random sampling methods. It is my belief that our community-based samples are close to random sample, even in the absence of a sampling frame.
Another challenge in the fieldwork came from the intervention of factory owners. Even after gaining support from local governments, some factory owners worried that our questions were too sensitive to their management. There was a small incident in Jianglian. After interviewing 10 labour migrants in one warehouse factory, the owner forbade us from leaving with the completed questionnaires. After a long negotiation with the factory owner, we were unable to change his mind and lost those 10 cases.

Field work in China is not easy.
Hello!
My name is XXX. I am a student in the Department of Sociology at Zhongshan (Sun Yat-sen) University. I am assisting Professor Graham Johnson of the Department of Sociology at the University of British Columbia in Vancouver Canada in a research project on labour migrant in the Pearl River delta region. He has been involved in research here for over thirty years and this is the fourth survey that he has conducted in this community. You have been selected by random sampling to participate in the study and I hope that you will agree to help in this study. The interview will take approximately one hour. The interview is absolutely confidential and your responses will be known only to Professor Johnson and his assistants. Your name will never be revealed. You are not obliged to answer any questions and you may withdraw from the interview at any time. Thank you in advance for your cooperation.

ID: __________

珠江三角洲外来工调查问卷
Questionnaire for the Labour Migrants in the Pearl River Delta Region, China

Location__________________

Interviewer ________________

Date ______________________
1. Personal Information

A1. Gender _____ (1) Male     (2) Female

A2. May I ask the year of your birth? Year_______

A3. What is your highest level of education you have achieved?

A4. How many years of schooling did you have? ________ Years

A5. Which province were your born in?

A6. May I know the place of your household registration ___ province _____city _____county?

A7 Where is your household status registered?     (1) Urban area   (2) Rural area

2. Experience of Migration

B1. Which year did you move here?  Year_______

B2. Is this the first time you have left home for work?     (1) No     (2) Yes (Jump to Question B3)

B2.1 If not, which year was your first time? Year _____

B2.2 Which province did your work in the first time?

B2.3 Have you ever gone to other places for work? What are they?

B2.4 What was the longest time that you worked elsewhere?     ________ Months.

B2.5 Have you ever worked outside Guangdong? If so, where?

B2.6 What the longest time you worked in Guangdong? ________ Months.

B 3 Have you ever quit your job and returned home? (1) Yes   (2) No (Jump to B4)

B3.1 If yes, how long did you stay home after you quit your job? _____ Months.

B3.2 During that time, did you help your family? (1) Yes (2) No (Jump to B4)
B3.3 What did you do to help?

B4. How many times have you visited your home region? ___ Times.

B5. How often do you visit home?

B6. When you left to look for a job the first time, did you go with any of your family members or relatives?
   (1) Yes  (2) No (Jump to B7)

B6.1 If yes, how many were they?

B6.2 Who were they? (You may choose more than one)
   (1) Parents  (2) Uncle/aunt  (3) Brother/sister  (4) Cousin  (5) Other person

B7. Why did you go to look for a job outside your home region? (Maximum three reasons)

B8. Who provided you with job information? ______

B9. Why did you come here? (Maximum three reasons)

3. Job

C1. Would you please tell me your monthly income? RMB ____ yuan.
   C1.1 Of your total monthly income, basic wage ______ yuan
   C1.2 Income from overtime ______ yuan
   C1.3 Bonus ______ yuan
   C1.4 Other income ______ yuan

C2. How your wage is determined?
   (1) Piece work  (2) Hourly  (3) Both  (4) Commitment  (5) Fixed  (6) Other

C3. How many days per week on average have you worked days in the past three months? 
   ____ Days

C4. How many hours of overtime have you worked in the past three months?
   (1) No overtime (2) 1-5 hours (3) 6-10 hours (4) 11-15 hours (5) 16-20 hours (6) More than 20 hours

C5. What is the longest period of overtime that you have had in your current job? ______
   Hours.
C6. Do you have overtime pay?
   (1) Yes  (2) No  (3) Overtime is compensated by more rest (4) Don’t know

C7. Do you know the pay rate for your overtime?
   (1) No  (2) Yes C7.1 Weekday hourly overtime rate ___ yuan
        C7.2 Weekend hourly overtime rate ___ yuan
        C7.3 Holiday hourly overtime rate ___ yuan

C8. How do you feel about overtime?
   (1) Strongly in favour (2) somewhat in favour (3) Neutral (4) Dislike (5) Strongly dislike
   (6) Don’t know/refuse to answer

C9. Have your wages ever been paid late?
   (1) No  (2) Yes,  C9.1 How late? _____ Days
        C9.2 Were you paid in full?
        C9.3 If not, what was the underpayment?
        C9.4 Was the shortfall made up?

C10. Have your wages been increased by your employer?
   (1) Yes  (2) No (Jump to C12)

C11. If yes, how many times has your wage been increased? _____ Times. How much was each increase?
   (1) First time _____ yuan  (2) Second time _______ yuan
   (3) Third time _____ yuan  (4) Fourth time ________ yuan

C12. If you could choose, what would be the wage you would you like to have according to your qualifications

C13. Do you have payroll statement from your employer?
   (1) Yes  (2) No

C14. Do you have contract with your current employer?
   (1) Yes  (2) No  (3) Don’t know

C16. What is your current position?
C21. How many of the following work with you?

(1) Family members or relatives ________
(2) Neighbour/ fellow villagers
(3) Former fellow workers
(4) Friends/classmates

4. Family Information

D1. Please indicate your marital status

(1) Single (2) Common law (3) Married (4) Divorced/widowed

D3. Where does your spouse work now?

(1) Same enterprise (2) Same place but different enterprises (3) Other place (4) Hometown

D5. Do you have any family members or relatives here?

(1) Yes (2) No (Jump to D6)

D5.1 If yes, who are they? (May choose more than one)

(1) Spouse (2) Boy/girlfriend (3) Child (4) Parents (5) Siblings (6) Others

D11. How do you feel about the tuition ________?

(1) Very expensive (2) Expensive (3) OK (4) Cheap (5) Very cheap (6) Don’t know

5. Daily Life

E1. Where do you live?

(1) Dormitory provided by the employer (2) Single room provided by the employer
(3) Rented room (4) Rented room with others (5) Rent t room with colleagues (6) Purchased house (7) Other ________

E2. How big is your room? ______ Square meters

E4. Do you live in rented house?

(1) No (2) yes
E5. Your rented house is ____
   (1) Private house in a city (2) Private house in a town (3) Private house owned by a collective (5) Other ___

E6. How do you live in your rented house?
   (1) Single (2) Shared, ? _______persons.

E8. How much is the rent? _____ Yuan per month

E9. The rent is paid
   (1) completely by yourself (2) With others (3) Partially by subsidy from the employer (4) Other __________

   E14.1 Food _______yuan;
   E14.2 Communication (cellphone, telephone) _______yuan;
   E14.3 Transportation _______ yuan;
   E14.4 Networking _______yuan
   E14.5 Daily necessities _______ yuan
   E14.6 Clothing _______yuan
   E14.7 Entertainment _______yuan

E15. How much do you spend on your children (clothing, education, medical, and others) _____ yuan?

E16. How much is your net income after expenses every month? ?
   (1) No (2) Yes, _______yuan

E17. Do you put your money in banks?
   (1) Yes (2) No

E18. How do you pass your spare time?
   (1) Reading (2) Playing Mahjong or cards (3) Shopping (4) Watching TV (5) Watching Movies (6) Sleeping (7) Chatting (8) Internet surfing (9) Doing housework (10) Studying (11) Others
6. Social Interactions

F2. How many friends do you have in this community? ______, including ______men, ______women.

F4. Are there any local people among these friends? (1). Yes, (2) No. (Skip to the F6).

F5. If yes, how many? ______.

F7. How often do you communicate with local people?  
(1) Everyday (2) very often (3) often (4) neutral (5) a few (6) few (7) never

F8. How is your Cantonese?  
(1) No problem at all (2) I can speak well but a little accent (3) I can communicate but with very strong accent (4) Cannot speak, but I can understand is said (5) I cannot speak completely, but I can understand a little (6) I cannot understand completely

F9. What level is your native language?  
(1) No problem at all (2) Can speak but with an accent (3) Can communicate but with very strong accent (4) Cannot speak, but I can understand what is said (5) Cannot speak can understand a little (6) Cannot understand completely

F10. What is your language of daily communication?  
(1) Mandarin (2) Cantonese (3) Home town language (4) other (please specify) ______

F11. What language do you use in your daily interaction?  
(1) Cantonese (2) Mandarin Hometown language (4) Local language

F12 Are you willing to learn Cantonese?
**F13. What are your opinions of the following statements?**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Completely agree</th>
<th>Agree</th>
<th>A little agree</th>
<th>Neutral</th>
<th>A little disagree</th>
<th>Disagree</th>
<th>Completely disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have a lot of local friends here.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>I would like to help them when they meet difficulties and problems.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Local people can get well along with me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>I will say hi with local people.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Local people rarely interact with us.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Usually I don’t want to get in touch with local people.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>I feel uncomfortable while getting along with local people.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Local people look down upon us.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Local people are isolated with us.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>
7. Communication with Home Region

G1.1 How much did you remit to your home region last year? ______ yuan
G1.2 How about this year? ________ Yuan

G3. Do your family have any contract land in your home region? (1) Yes (2) no. (Skip to G5)

G4. If yes, what is the situation?

<table>
<thead>
<tr>
<th></th>
<th>Total (area)</th>
<th>Farm by yourselves (Area)</th>
<th>Transfer to others (Area)</th>
<th>I don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmland</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forest land</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fishponds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orchards</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

G4.1 If your home region has transferred the contracts of lands use, what is the income every year? ________ yuan

G4.2 If the lands are cultivated by your family, what is the income from them? ________ yuan

G5. Your home region house:

(1) No house or apartment (2) apartment or one floor house (3) 2 floors (4) 3floors (5) 4 floors (6) 5 floors or more

G6. What is the framework of your home region house?

(1) Wood (2) adobe house (3) brick/tile-roofed house (4) concrete house (6) I don’t know (7) other (please specify)

G7. How often have you maintained contact with your home region since you left?

(1) very often (2) often (3) rarely (5) never

8. Do you know that contract land can now be freely transferred?
(1) I know (2) I don’t know (3) Not very clear

G11. Are you willing to abandon your contract land at home?
**G12.** For what reason will you remit funds to your family at home? (Up to three choices) _____, _____, _____

(1) Medical expenses (2) Housing (3) Education (4) Marriage (5) Business (6) Natural disasters
(7) Others

**G13.** Whom do you contact most frequently in your home region?

(1) Relatives (2) Childhood friends (3) Neighbors (4) Classmates (5) Local cadres (6) School teachers (7) Others _____

---

### 8. Migration Attitude

**H1.** Do you have the local household registration status? (1) Yes (go to H4) (2) No

If no

**H2.** How important do you feel it is to have local household registration status?

(1) Extremely important (2) Very important (3) A little important (4) Neutral (5) Unimportant (6) Extremely unimportant (7) Don’t know

**H3.** Have you encountered any of the following problems?

(1) Excluded from some jobs (2) Too much control from the local government (3) Extra education fees (4) Annual family plan check (5) No security (6) Not being trusted by local (7) Being discriminated against (8) Being fined (9) None of these

**H4.** How do you feel like your social status compared with that before you left home region?

(1) Much higher (2) A little bit higher (3) No change (4) Lower (5) Much lower (6) Don’t know

**H5.** To what category do you think you belong?

(1) Peasant (2) Non-peasant, what is it? _________ (3) Don’t know

**H6.** How do you feel about finding a job here?
(1) Extremely easy (2) Very easy (3) Easy (4) Neutral (5) Difficult (6) Very difficult (7) Extremely difficult

H7. Does your employer need more workers?
(1) No (2) Yes (3) Don’t know

H8. If yes, which type? 1) Seasonal (2) Yearly

H9. What type of workers are in need: (1) Technical (2) Unskilled (3) Both (4) Don’t know.

H10. How about their gender?
(1) Females (2) Males (3) Both (4) Don’t know

========================================
=====
Our interview is done. Thanks again for your co-operation!