

Impact of Urban Village Redevelopment on the Migration Patterns of Rural Workers in China: A Policy Study

Yifan Chi^{1,a,*}

¹*University of Leeds, Woodhouse Lane, Leeds, West Yorkshire, LS2 9JT, United Kingdom
a. chiyf0328@163.com*

**corresponding author*

Abstract: In China, to improve the quality of urbanization development, the government has carried out a series of urban village renovation programs, to achieve sustainable urban development. However, the renovation of urban villages has also caused new social problems, one of them is that many rural migrant workers may choose to return to their hometowns due to the displacement or unaffordable housing and living costs in urban areas. Considering the factors affecting the stay and departure of rural migrant workers, this study will focus on urban housing security policies. By analyzing the different urban village renovation policies and residential housing security policies in Beijing, Shenzhen and Hangzhou, it can be concluded that the policy reasons leading to the loss of rural migrant workers as mainly as follows: inadequate housing security policies with low coverage, policies not reflecting migrant workers' needs, and insufficient government-subsidized housing supply, making affordable urban housing scarce for these workers. Therefore, completing the housing security policy for rural migrant workers and providing them with suitable housing is the key to preventing a larger scale of rural migrant workers leaving urban areas.

Keywords: rural migrant workers, urban village renovation, labour shortage, housing security policy, government-subsidized housing

1. Introduction

Since the Opening and Reform in 1978, China's society has developed at an astonishing growth rate. The urbanization rate has been up to 66.16%; in just several decades this rate has been over the world's average[1] [2]. However, the development of urbanization is rapid, and many problems come out due to the gap between development speed and quality. One of these problems is that migrant workers, especially rural migrants, are declining in cities due to urban village redevelopment in China.

Migrant workers underpin Chinese urbanization, but rapid growth widens urban-rural gaps. Most settle in urban villages for low rents and short commutes, but environmental and security issues hinder sustainable urban development [3]. To address urban village issues, China has launched redevelopment policies and urban renewal plans. However, these often overlook rural migrants' housing and livelihoods, causing many to return home[4]. This displacement decreases the urban labor force and erodes the demographic dividend, hindering sustainable development. Retaining rural migrants is crucial for economic and social stability. This study aims to examine the factors influencing rural migrants' decisions to remain in or leave urban areas, particularly focusing on the

impact of housing security policies during the process of urban village redevelopment. Utilizing policy analysis and case study methods, the research seeks to provide insights into how these policies affect rural migrants and offer recommendations for enhancing housing security measures to safeguard their rights in urban village redevelopment projects. This research will focus on housing security policies, employing case studies to assess their potential benefits for rural migrant workers in urban areas and their effectiveness in encouraging rural migrants to remain in urban settings following the demolition of urban villages. To ensure comprehensive analysis, four representative mega cities—Beijing, Hangzhou, and Shenzhen—will be selected as case

2. The Influence of Urban Village Development on Migrant Workers

In 1990, China's urbanization rate stood at 26.44%, significantly lower than developed regions averaging 72.4% [2]. Fast forward three decades to 2020, China's urbanization rate exceeded the global average by 63.89%, nearing that of developed countries, signifying a trajectory toward higher urbanization levels. While internationally lauded, China's rapid urban development has widened the gap between urban and rural areas, and between large and small cities, impacting the quality of urbanization and precipitating various social issues [5]. Among these challenges is the displacement of rural migrant workers due to the redevelopment of urban villages, thereby affecting urban labor demand and sustainable development [6].

As socially marginalized populations, rural migrants are often excluded from the urban social welfare system and lack access to social services such as housing security, health care, education welfare, etc. [7]. Urban village redevelopment in mega cities has been ongoing for years, altering demographic, spatial, and industrial structures. While villagers receive compensation for demolitions, rural migrant workers are excluded from housing security policies. Without compensation and facing high rents in redeveloped areas, many rural migrants choose to leave cities and return to their home villages [8]. Research from Liu et al. has proven that, before and after the redevelopment of urban villages in Shenzhen, most rural migrants strongly desire to stay in their original neighbourhood [9]. Nevertheless, recent studies indicate a significant trend of migrant workers returning to rural areas in recent years, leading to a labor shortage in cities such as Beijing, Guangzhou, and Shenzhen [4][10]. This suggests that despite the desire of rural migrants to remain in urban settings, they are often compelled to return to their hometowns due to factors such as the vanishing urban villages, rising rent prices in cities, and deficiencies in the social and housing security systems [7].

Yet, migrant workers play an indispensable role in the sustainable development of urban areas. Many of them reside in urban villages because of the affordable rent and short commuting distances, making them a crucial labor force for urban economic growth, particularly in labor-intensive sectors [4][11][12]. According to the Migrant Workers Monitoring Survey Report, there are over 171.9 million rural migrant workers in urban areas, most rural migrant workers are engaged in the tertiary sector, such as the construction industry, manufacturing industry, wholesale and retail trade, warehousing and transportation and other service industries [13]. In addition, they contribute to affordable labour costs, fostering economic competitiveness and urban growth. As the State Council Office of China published the “Guidance on Positively and Steadily Promoting the Renovation of Urban Villages in Mega cities”, an important part is to construct indemnification rental housing so that rural migrant workers are able to resettle in renewal urban villages [14]. Research by many scholars has shown that housing security policies, social housing support and personal factors, such as gender, marriage, income and children’s education, influence the choice of rural migrants to stay in urban areas or return to home villages [6] [10].

3. Cases Study—Take Beijing, Hangzhou and Shenzhen as examples

3.1. Beijing—indemnification housing

As of 2022, there are 501 urban villages in Beijing, and the migrant resident population is up to 8.251 million [15]; more than 3 million rural migrant workers live in urban villages on the outskirts of Beijing. According to the relevant housing security policies issued by the Beijing government, there are four kinds of social housing for low-income populations and families: affordable housing, fixed-price housing, low-rent housing and public rental housing [10][16], except public rental housing, tenants of the other three types of housing are required to have a Beijing household registration. Despite this, a significant portion of low-income migrant workers remains excluded from these policies [17], primarily because they fail to meet the criteria for public rental housing, which typically mandate formal employment and a stable income [18]. According to the “Public Rental Housing Application, Audit and Rent Allocation Management Measures of Beijing” (2014), migrant workers who meet the stringent criteria—including a minimum of one year of continuous and stable formal employment in Beijing, demonstrate good civil behavior, and have a family income below the specified thresholds (annual income of 100,000 yuan or less for a family of three or fewer, and 130,000 yuan or less for a family of four or fewer)—are eligible to rent in indemnification housing [19]. However, despite these provisions, many rural migrant workers are at risk of displacement following the loss of housing in urban villages.

Tangjialing Village's 2012 redevelopment included public rental housing on collective industrial land[20]. However, low-income migrants, excluded from housing policies, faced high rents and moved to more distant villages. [16]. As the concentration of migrant workers grows in newly formed urban villages, the time and financial burdens of commuting have escalated, creating a vicious cycle of dilemmas within the renovation of urban villages [21]. Consequently, the underlying issues of urban villages remain unresolved. This cycle mirrors challenges encountered during the redevelopment of Beiwu Village and Bi Village in Beijing [21]. Moreover, a significant number of migrant workers opting to leave Beijing and return to their rural hometowns have exacerbated the phenomenon of labor shortages in the city, adversely affecting the sustainable development of Beijing's economy and urbanization efforts.

3.2. Hangzhou – housing security policy

Unlike Beijing and other urban areas, in recent years, Hangzhou has taken the renovation and upgrading of urban villages as an important way in the transformation of the city to drive the transformation of the economy, the transformation of the way of life and the transformation of the way of urban governance. In 2016, the Hangzhou Municipal Government issued “Implementation Suggestions on Launching the 5-year Critical Action about Urban Villages Reconstruction in the Main District of Hangzhou (2016-2020)”, plans to complete the renovation of 355 urban villages. According to the “Hangzhou Government Work Report 2023” [22], the five-year urban village renovation plan has been completed, greatly eliminating the urban environmental dirty and security risks, improving the quality of people’s living, and enhancing the public support services, to achieve sustainable urban development. As a mega city, with rural migrant workers exceeding half of the floating population, a proper way to handle the issue of resettlement of migrant workers is also one of the keys to the success of urban village renovation.

Since 2005, the Hangzhou Municipal Government has paid attention to and emphasized the housing security of rural migrant workers, publishing “Several Opinions on Improving the Employment and Life of Migrant Workers”, focusing on improving the living conditions of rural migrant workers. The official attempted to address the housing issues of migrant workers through the

construction of apartments for them [23]. In 2016, while Hangzhou City's five-year urban village renovation program began, once again, the government published "Implementation Opinions on Further Improving Services for Migrant Workers", requesting to further improve the living conditions of rural migrant workers and include the eligible rural migrant workers in groups of enjoying urban housing security through relaxation of access criteria [24]. To facilitate greater access to government-subsidized housing for migrant workers, the "Notice on Adjustment of Admission Requirements for Public Rental Housing in Hangzhou City" has been issued. This notice specifies that for housing issues concerning lower-middle-income families, applicants who have been permanent residents of urban areas for at least five years (inclusive) are eligible to apply for public rental housing. As a result, more migrant workers can now avail themselves of the security benefits offered by government-subsidized housing.

Despite improvements in housing security policies for rural migrant workers, large-scale urban village demolitions and redevelopments continue to negatively impact their housing and livelihoods. Key issues include: limited construction of government-subsidized housing, with urban village renovations reducing available apartments for migrant workers and demand far exceeding supply; the inconvenient location of subsidized housing, as government priorities often focus on the commercial value of construction land, leading many workers to prefer more accessible urban villages despite inadequate housing security and compensation; and a lack of awareness among rural migrant workers about subsidized housing policies, application procedures, and required documentation. Insufficient policy advocacy has hindered the effectiveness of these measures [6][25]. If this situation persists, more migrant workers may return to their hometowns, worsening urban labor shortages and undermining sustainable urban development[26].

3.3. Shenzhen – unified rental housing

High-speed economic development and the influx of a large floating population have made Shenzhen the city with the largest number of urban villages in China. According to incomplete statistics, there are more than 1,300 urban villages in Shenzhen, with a population of over 7 million accounting for 60% of the total population of Shenzhen City and 80% of the resident population are rural migrant workers [27]. Considering the different urban village renovation policies and the complexity of the situation in the village, this part only analyzes the housing security policies and urban village renovation policy of Baimang Village, a typical case in Shenzhen.

In 2015, Baimang Village in Shenzhen housed 530 locals and 23,700 migrants due to its convenient location, low rent, and primary school. In 2023, rental housing rehabilitation began under the State Council's affordable housing policy[28] but was forced to be suspended after a while in its implementation. Unified rental housing refers to a model of urban village redevelopment, funded and managed by the government, signing a contract with landlords (the original villagers) to take over their property, and performing interior decoration to upgrade to high-quality housing, then uniformly leased to the migrant population. The original purpose of this renovation was to provide secure housing for low-income groups and the migrant population [29]. To analyse this failed pilot, the main problem is the demands and social rights of rural migrants: (1) Uncertainty of relocation compensation, as many tenants had disputes with their landlords because they were not duly compensated due to unclear government policies; (2) The time of moving away was short and some landlords contracted by the Government did not allow sufficient time for tenants to relocate, in violation of the tenant's right to housing;(3) Education concerns were not addressed initially, leading to uncertainty among migrant workers regarding the education of their children. The lack of clarity in the early stages of the rehabilitation policy left migrant workers worried about the continuity of their children's education. (4) The issue of rents for unified housing was not clearly specified, causing tenants to fear they would be unable to afford the new rents in the redeveloped urban villages.

Consequently, many tenants chose to vacate their homes. Although the government has stated its intention to continue the program, a more comprehensive policy has yet to be introduced.

The analysis of the three cities reveals a lack of comprehensive consideration for the housing needs of migrant workers and the protection of their social rights and housing security in urban village reconstruction and housing policies. Specifically, urban housing rights are not adequately safeguarded. Therefore, the following section will offer recommendations for enhancing housing security policies for urban migrant workers.

4. Suggestion

The “Opinions of the General Office of the State Council for Accelerating the Development of Government-Subsidized Rental Housing” emphasize that providing government-subsidized rental housing is crucial for addressing the housing needs of low-income populations[28]. A robust housing security system for rural migrant workers is essential to retain them in cities and prevent labor loss amid urban village renovations. Key measures include developing targeted housing policies for rural migrants, clarifying eligibility for subsidized housing, and lowering application thresholds to enhance their urban social integration. Additionally, it is vital to collect extensive feedback from rural migrant workers to ensure housing policies reflect their actual needs and encourage their participation in policy formulation. Expanding the supply of government-subsidized housing by incorporating it into urban village redevelopment projects is also necessary to meet demand. Finally, promoting housing security policies through online and offline channels will provide rural migrants with information and application opportunities, while enabling real-time monitoring and feedback to continually improve these policies.

5. Conclusion

In conclusion, by analyzing different cases, this study attempts to summarize the policy reasons that lead rural migrant workers to leave cities during the urban village renovation process. Although the renovation of urban villages is a necessary initiative to enhance urbanization, the unsustainability of the current programs is affecting the housing and livelihoods of rural migrant workers, causing new social problems of urbanization. The imperfect housing security system for rural migrant workers, insufficient government-subsidized housing and lack of policy advocacy are all affecting migrant worker's housing choices. The further influence is that rural migrant workers will choose to leave when they cannot find a sense of belonging in the city and cannot afford the living cost of urban life. Although the population burden is reduced for cities, the lack of a labor-intensive population may lead to changes in the structure of the urban labour market and a decline in the quality of services, which in turn affects the sustainable development of urban socioeconomic. Moreover, the study's scope is primarily focused on policy reasons influencing migrant workers' decisions, potentially neglecting other socioeconomic and cultural factors at play. Future research could address these limitations by employing mixed-method approaches, including quantitative surveys and qualitative interviews, to provide a more comprehensive understanding of the complex dynamics involved in rural migrant workers' experiences during urbanization processes.

References

- [1] Wang, A. (2024). *Interpretation of the 2023 Annual Report on China's Economy*. Retrieved February 2, 2024, from https://www.gov.cn/yaowen/liebiao/202401/content_6926722.htm
- [2] Cheng, M., & Duan, C. (2021). *The changing trends of internal migration and urbanization in China: New evidence from the seventh National Population Census*. *China Population and Development Studies*, 5(3), 275–295.
- [3] Pan, W., & Du, J. (2021). *Towards sustainable urban transition: A critical review of strategies and policies of urban village renewal in Shenzhen, China*. *Land Use Policy*, 111, 105744.

- [4] Zeng, H., Yu, X., & Zhang, J. (2019). Urban village demolition, migrant workers' rental costs and housing choices: Evidence from Hangzhou, China. *Cities*, 94, 70–79.
- [5] Wang, X. R., Hui, E. C. M., Choguill, C., & Jia, S. H. (2015). The new urbanization policy in China: Which way forward? *Habitat International*, 47, 279–284.
- [6] Jin, X., Ren, T., Mao, N., & Chen, L. (2021). To stay or to leave? Migrant workers' decisions during urban village redevelopment in Hangzhou, China. *Frontiers in Public Health*, 9.
- [7] Yan, B. (2006). Social vulnerable groups and migrant workers' social security. *Study and Practice*, 2, 105–109.
- [8] Yu, J. (2017). Action research on the “fourth party group” in the process of the demolition of villages in the city: Take a village in Zhengzhou as an example. *Legal System and Society*, 7.
- [9] Liu, Y., Geertman, S., Lin, Y., et al. (2017). Heterogeneity in displacement exposure of migrants in Shenzhen, China. *Journal of Ethnic & Migration Studies*, 2, 1–20.
- [10] Chai, N., & Choi, M. J. (2017). Migrant workers' choices of resettlements in the redevelopment of urban villages in China: The case of Beijing. *International Journal of Urban Sciences*, 21(3), 282–299.
- [11] Li, B. Q. (2006). Floating population or urban citizens? Status, social provision and circumstances of rural-urban migrants in China. *Social Policy and Administration*, 40, 174–195.
- [12] Du, H. M., & Li, S. M. (2010). Migrants, urban villages, and community sentiments: A case of Guangzhou, China. *Asian Geographer*, 27, 93–108.
- [13] National Bureau of Statistics. (2023). Migrant Workers Monitoring Survey Report 2022. Retrieved April 2, 2024, from https://www.stats.gov.cn/sj/zxfb/202304/t20230427_1939124.html
- [14] The State Council. (2023). Renovation of urban villages to benefit people's livelihoods and expand domestic demand. Retrieved April 2, 2024, from https://www.gov.cn/zhengce/202309/content_6904848.htm
- [15] National Bureau of Statistics. (2023). Migrant Workers Monitoring Survey 2022. China Statistical Press.
- [16] Lin, Y., De Meulder, B., Cai, X., Hu, H., & Lai, Y. (2014). Linking social housing provision for rural migrants with the redevelopment of ‘villages in the city’: A case study of Beijing. *Cities*, 40, 111–119.
- [17] Zheng, S., Long, F., Fan, C. C., & Gu, Y. (2009). Urban villages in China: A 2008 survey of migrant settlements in Beijing. *Eurasian Geography and Economics*, 50(4), 425–446.
- [18] Beijing Municipal People's Government. (2010). The application, audit and rent control measures of public rental housing in Beijing.
- [19] Beijing Municipal Commission and Urban-Rural Development. (2014). Public rental housing application, audit and rent allocation management measures of Beijing. Retrieved April 4, 2024, from <https://zjw.beijing.gov.cn/bjjs/zfbz/zcfg/sgwbjjqxwj/325766300/index.shtml>
- [20] Beijing Municipal Commission of Urban Planning. (2012). Go into the previous concentrated areas of ‘ants’ and look at the present pilot public rental housing project constructed on the collective land.
- [21] Zhan, Y. (2018). The urbanization of rural migrants and the making of urban villages in contemporary China. *Urban Studies*, 55(7), 1525–1540.
- [22] Hangzhou Municipal Government. (2024). Hangzhou Government Work Report 2023. Retrieved April 4, 2024, from https://www.hangzhou.gov.cn/art/2023/3/1/art_1229063401_4144223.html
- [23] Hangzhou Municipal Government. (2005). Several opinions on improving the employment and life of migrant workers. Retrieved April 4, 2024, from https://www.hangzhou.gov.cn/art/2006/1/24/art_808804_2672.html
- [24] Hangzhou Municipal Government. (2017). Implementation opinions on further improving services for migrant workers. Retrieved April 4, 2024, from https://www.hangzhou.gov.cn/art/2017/1/10/art_1229063382_1760116.html
- [25] Hangzhou Bureau of Housing Security and Real Estate. (2023). Notice on adjustment of admission requirements for public rental housing in Hangzhou City. Retrieved April 4, 2024, from http://fgj.hangzhou.gov.cn/art/2023/11/27/art_1229278831_4221157.html
- [26] Cheng, C. J. (2018). Study on improving the housing security system for migrant workers in Hangzhou. *Hangzhou Academy Journal*, 2, 114–124.
- [27] Shenzhen Bureau of Statistics. (2023). Shenzhen Statistical Yearbook 2023. China Statistics Press.
- [28] The State Council. (2021). The General Office of the State Council's opinions on accelerating the development of affordable rental housing. Retrieved April 5, 2024, from https://www.gov.cn/zhengce/content/2021-07/02/content_5622027.htm
- [29] Xu, X. Z., & Noriko, A. (2021). Urban renewal from the land battlefield to people's livelihood: Public housing in urban villages under renovation in Shenzhen.