

The 25<sup>th</sup> IUSSP General Population Conference, 18-23 July, 2005 Tours, France

S452 Circulation and Suburbanisation

**Circulation as a means of adjustment to opportunities and constrains:  
China's floating population's settlement intention in the cities**

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## Introduction

With a total number of 120 million, China's floating population is not only the biggest migrant population, but also one of the most mobile populations in the world. Most of its members have only temporary residential status in the destination cities and towns, keep circulating between their places of origin and destination, and maintain their double residential status. Examined in the context of experiences of developed countries in the past, such a migration pattern is rather unusual, as most rural-urban migrants would settle down in the destination cities in the process of industrialization and urbanization in those countries. In fact, as the migration pattern of China's floating population is not consistent with the experiences of developed countries, it is often perceived as unfavourable to the migrants. Furthermore, the existence of such a migration pattern has been mainly attributed to the hindrance caused by China's unique household registration (*Hukou*) system<sup>1</sup>, and it is often assumed that without such a system, rural-urban migration in China would be also permanent as with those experienced in other developed countries. Thus in the recent years, great efforts have been made to reform this system in the hope that a great number of the floating population will settle down in their destination cities and towns. Many local urban governments take the reform in the *Hukou* system as a major measure to accelerate the urbanization process of their cities and towns, as they think the removal of the hurdles created by the *Hukou* system would greatly increase the final settlement intention of the floating population and hence the volume of in-migration.

However, the above perspective on China's floating population is inadequate if examined in the context of literature on circulation in developing countries, which has been so far very much neglected in the study of China's floating population. Much existing theoretical and empirical research on circulation conducted in other developing countries has shown that without the institutional hurdles like China's

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<sup>1</sup> China's *Hukou* system can be dated back to the Northern and Southern Dynasties some 1,500 years ago. Its recent form was shaped through the promulgation of the 'regulation on household registration' in 1958. This regulation stipulates that all citizens must register themselves to relevant authorities at the places of their permanent residence, with the household as the basic registration unit; all births, deaths and migrations are required to be registered by the same authorities; and the transfer of one's household registration from a rural to an urban place needs to be approved. All people are assigned a registration status as either 'agricultural' or 'nonagricultural' in the registration system.

*Hukou* system, rural migrants do not necessarily settle down in the destination cities and towns; in fact, many migrants prefer to adopt circulation, which is similar to the migration pattern of China's floating population, as their migration strategy (Fan and Stretton, 1985; Goldstein, 1993; Hugo, 1997, 1998). On the one hand, circulation makes it possible for migrant families to make full use of their family resources such as land and shelters in their hometowns, diversify and maximize employment opportunities and family income, reduce expenses in the migration destinations, so that the benefit can be maximized and the cost can be minimized in the migration process. On the other hand, circulation is also an important way for migrants to avoid risk and disadvantaged conditions in the migration process. According to Piore's dual labour market theory (Piore, 1979), due to fluctuation and uncertainty in economic activities, the labour demand of industrial societies is intrinsically segmented into the capital-intensive, primary sector and the labour-intensive, secondary sector, with the latter offering only unstable, unskilled, low paid jobs, however absorbing most of migrant workers. When the market demand is low, proprietors will usually respond by laying-off labourers from the labour-intensive, secondary sector. Under such a situation, circulation is obviously a wise choice for the migrant workers, as they have at least the outlet of going back to their hometowns to continue their lives without having to stay in the cities with no employment and income sources. If the above analysis applies to China's migrant workers, then China's unique *Hukou* system is only one of the many factors contributing to the unsettled nature of its floating population, and reform in the *Hukou* system can only remove this institutional hurdle for the permanent settlement of the floating population in their destination cities and towns, but cannot change the necessity of migrant workers using circulation as a means of adjustment to socio-economic opportunities and constraints in the migration process, and therefore cannot fundamentally change the migration pattern of China's floating population and their settlement intention in the cities and towns.

The above analysis suggests that to fully understand migration patterns of China's floating population, it is necessary to go beyond the approach focused on the *Hukou* system and its reform, and to look at many non-*Hukou* factors affecting the settlement intention of the floating population in the cities and towns. Furthermore, as the floating population may not all settle down in the destination and different members of them have different intention regarding settlement in the cities, it is important to

know what proportion of the floating population will keep circulating or settle down in the destination cities and towns, and what are the factors contributing to their decision. At the same time, China's current policies regarding the floating population and their reform, which has been so far also focused on the *Hukou* system, need to be reexamined, as they are not formulated on the basis of adequate understanding of circulation as the main migration strategy of the floating population. To explore the above issues, the author and the Population Census Office of Fujian Province in China jointly conducted a questionnaire survey of 243 migrant workers in 5 cities<sup>2</sup> of the coastal area of Fujian Province, one of the major destinations for China's floating population, in April 2002. The survey took the form of quota sampling, and the overall characteristics of the respondents suggest that the survey result is fairly representative of the floating population who were employed as labourers or doing business in this region. Among the respondents, the majority (86.5 per cent) had received primary to senior secondary school education, and junior secondary school education was the most common educational attainment, accounting for 56 per cent of all the respondents. 60.9 per cent of the respondents were production workers, and 20.2 per cent were sales and service workers. 85 per cent of the respondents were 15 to 35 years old. These characteristics are consistent with the general characteristics of the floating population in Fujian Province demonstrated by the 2000 census results; they also tend to correspond to the characteristics of the floating population in other areas of China reported in the literature (eg. Chen, 1996; Du, 1997; Zhang et al., 1999). 48.2 per cent of the respondents were males, and 51.8 per cent were females. They were from 18 provinces and autonomous regions, including Fujian (25.5 per cent), Jiangxi (17.3 per cent), Sichuan (13.2 per cent), Henan (9.5 per cent), Anhui (9.1 per cent), Hubei (7.8 Per cent), Hunan (5.4 per cent), Chongqing (4.5 per cent), and Guizhou (2.9 per cent). Such a geographical distribution is also roughly consistent with the distribution of the places of origin of the floating population in Fujian Province as a whole. Therefore, the following analysis on the survey results will be of reference value for understanding migration patterns and settlement intention of the floating population in China's coastal areas, especially Fujian Province.

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<sup>2</sup> These five cities are Fuzhou, Xiamen, Quanzhou, Zhangzhou, Jinjiang.

## **Reform in the *Hukou* System and the floating population's settlement intention in the cities and towns: survey results**

The first part of our survey concerns the floating population's choices of migration forms, and the effects of reform in the *Hukou* system on the floating populations settlement intention in the destination cities and towns. The survey results reveal that with or without the hurdle of *Hukou* system, circulation is the migration strategy adopted by most members of the floating population, and their settlement intention in the cities and towns is not as stronger as commonly perceived.

**Such a conclusion is first reflected in the fact that even without the hurdle of the *Hukou* system, the majority of the floating population had not yet the intention of settling down in the destination cities and towns.**

Among the 243 respondents, when asked 'if you have free choices, what is your long-term plan in the future?', 45.7 per cent chose the answer 'returning home after working here for some time and earning some money', 16.5 per cent, 9.9 per cent and 7.4 per cent chose 'I don't know', 'others' and 'moving to other places' respectively, and only 20.6 per cent chose 'staying here forever' (Table 1). When asked what to do if there were suitable employment opportunities in their hometowns, 68.3 per cent of the respondents chose to go home, and only 24.3 per cent and 7 per cent chose to stay on and 'others' respectively. It is important to note that in the above first question, the effects of the *Hukou* system had already been removed, as the question stressed the two preconditions of 'free choices' and 'long-term plan in the future'. These results suggest that among our respondents, those who had strong intention to settle down in the destination only accounted for 20-30 per cent of the total, and the rest of the respondents still chose circulation as their migration strategy.

**Table 1 The long-term settlement intention of the floating population if having free choices (%)**

	Total	Stay here forever	Going back home after earning some money	Moving to other places	Don't know	Others
All respondents	100	20.6	45.7	7.4	16.5	9.9
Respondents from Fujian	100	25.8	30.7	14.5	16.1	12.9
Respondents from other provinces	100	18.8	50.8	5.0	16.6	8.8

N=243

Source: Survey results.

**The survey results show further that reform in the *Hukou* system had positive effects on the settlement intention of the floating population in the destination cities and towns; however, such effects were limited and conditional.**

As table 2 shows, if qualified for the *Hukou* status of their destinations, only 35.1 per cent of the responding migrants would move the whole family to their current places of residence and change their *Hukou* registration accordingly. However, 13.6 per cent of the responding migrants would only transfer the *Hukou* of their own to the current places of residence; furthermore, 22.3 per cent and 28.5 per cent felt difficult to make decision or not interested respectively. This result suggests that the respondents were less enthusiastic about transferring their *Hukou* registration to the places of their current residence than commonly imagined. More importantly, if the respondents needed to give up their land in their places of origin to obtain the *Hukou* registration of their destinations, then the proportion of those who were willing to move the whole family to their current places of residence dropped to 29.1 per cent, the proportion of those who were willing to transfer their own *Hukou* to the destination dropped to 9.1 per cent; and the proportion of those who wanted to retain their *Hukou* in their hometowns or felt difficult to make decision were 33.6 per cent and 27.8 percent respectively, indicating the strong desire of migrants to retain their land in their places of origin while working in their migration destinations (Table 3). In another part of the survey the result shows further that 71.6 per cent of the responding migrants

wanted to retain their land in their hometowns even they were doing well in their current places of residence, which is consistent with the above results. These results suggest that for many migrants, obtaining the *Hukou* status of their migration destination would become attractive only when there was no need of giving up the land in their hometowns. In other words, these migrants do not want their roots in the hometown to be cut off even if they have local *Hukou* status of their migration destination.

**Table 2 The floating population's choices if qualified for the *Hukou* of the destination (%)**

	Total	Transfer the <i>Hukou</i> of the whole family to the destination	Transfer only the <i>Hukou</i> of the respondent to the destination	Not interested	Difficult to make decision	Others
All respondents	100	35.1	13.6	28.5	22.3	0.5
Respondents from Fujian	100	38.7	19.4	19.4	22.6	0
Respondents from other provinces	100	33.9	11.7	31.7	22.2	0.5

N=243.

Source: survey results.

**Table 3 The floating population's choices if having the destination's *Hukou* is conditional on giving up the land at the place of origin (%)**

	Total	Transfer the <i>Hukou</i> of the whole family to the destination	Transfer only the <i>Hukou</i> of the respondent to the destination	Retain the land and the <i>Hukou</i> at hometown	Difficult to make decision	Others
All respondents	100	29.1	9.1	33.6	27.8	0.4
Respondents from Fujian	100	32.3	12.9	29.0	25.8	0
Respondents from other provinces	100	27.9	7.8	35.2	28.5	0.6

N=243.

Source: survey results.

The survey results suggest also that when migrant *Hukou* status could be freely transferred, the majority of the floating population still chose circulating between the places of origin and destination as their preferred household migration strategy.

When asked what were the most suitable forms of migration if they had free choices without the hurdle of the *Hukou* system, 28.3 per cent chose ‘part of the family migrating to work; part of the family staying at home’; 27.9 per cent chose ‘all migrating to work except for those losing working capability’; 18.8 per cent chose ‘the whole family moving to the destination with the intention of eventual return’; 1.2 per cent chose ‘others’, and only 23.8 per cent of the migrants chose to move the whole family to their current places of residence. This suggests that most migrants still chose circulation as the most suitable form of migration for their families, and would leave part of their family at their places of origin for some reasons (Table 4).

**Table 4 The floating population’s household migration strategy if they could migrate without any restriction (%)**

	Total	Part of the family migrating to work; part of the family staying at hometown	All migrating to work except for those losing working capability	The whole family moving to the destination	The whole family moving to the destination with the intention of eventual return	Others
All respondents	100	28.3	27.9	23.8	18.8	1.2
Respondents from Fujian	100	33.9	29	19.4	17.7	0
Respondents from other provinces	100	26.4	27.5	25.3	19.1	1.7

N=243.

Source: survey results.

Another interesting finding of the survey is that there is a marked difference in the settlement intention in the destination cities and towns between the floating population from within the province and those from outside the province.



As can be seen from Table 1 to Table 3, in most cases the floating population from within the province had stronger intention and capability to settle down in their migration destinations than those from outside the province<sup>3</sup>. On the one hand, such a difference reflects the impact of geographical distance on the settlement intention of the floating population in the destination; on the other hand, this may be related to the difference in industrial structure of employment between the floating population from within the province and those from outside the province and its effects on the floating population's settlement capability in the destination. Among the respondents, those engaged in wholesales, retail sales and restaurant services accounted for 22.6 per cent of the floating population from within the province, much higher than 11.1 per cent of those from outside the province; and those engaged in manufacturing accounted for 62.9 per cent of the floating population from within the province, much lower than 76.1 per cent of those from outside the province. Obviously the jobs the floating population from within the province were engaged in were more stable than those for the floating population from outside the province, and this makes it easier for the former to settle down in their migration destination. This result indicates again that apart from the *Hukou* status, there are other factors affecting the settlement intention and capability of the floating population in the destination cities and towns. We will go into more details of this point in the next section.

### **The non-*Hukou* factors affecting the settlement intention and capability of the floating population in the destination cities and towns**

As the first part of our survey confirms that *Hukou* status only plays a limited part in determining the floating population's migration patterns and their settlement intention, there must be other underlying non-*Hukou* factors playing even more important roles in this aspect. Our survey results contribute to the understanding of these underlying

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<sup>3</sup> One exception is that in Table 4, the proportion of the floating population from within the province choosing to move the whole family to the destination was smaller than that of the floating population from outside the province choosing to move the whole family to the destination. This may be due to the fact that it was easier for the floating population from within the province to meet their family members from time to time in the year than for the floating population from outside the province, and therefore it was less necessary for the family members of the former to migrate together.

factors, including job instability, low income level, and low level of social insurances of the floating population, all of which must be explored beyond the narrow scope of the *Hukou* system and its reform.

**First, job instability was one of the major characteristics of the floating population. This characteristic will exist for a long time, restricting the intention and capability of the floating population to settle down in the destination cities and towns.**

The instability of the floating population's employment is firstly reflected in the temporary and floating nature of their jobs. Among the respondents of the survey, 57.6 per cent of them were engaged in temporary jobs, 32.5 per cent of them did not know how long their jobs would last, and only 9.9 per cent of them had permanent jobs. The survey results also show that in average each respondent had worked in 1.5 provinces, 2 counties (county-level municipalities), and 2.5 working units, indicating that most of them had the experiences of changing working units and places. Under such circumstances, it is not hard to imagine that many members of the floating population have to move frequently, and are not easy to settle down in their migration destinations.

The unstable and floating nature of the floating population's employment has certainly to do with the fact that most of them do not have local *Hukou* status of their migration destinations. As members of the floating population have to pay fees for obtaining certificates for their employment and residence and do not have equal access to some jobs in many migrant receiving areas<sup>4</sup>, they are in an unfavourable condition in the competition with local people in the labour market, and this exacerbates the unstable and floating nature of the floating population's employment. However, it needs to be noted too that the unstable and floating nature of the floating population's employment is also closely related to the instability of the labour market per se. In fact, in the coastal area of Fujian Province where we conducted the survey, most labour demand is generated by the private sector, which imposes little restriction on the access of the floating population to employment opportunities. However, as

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<sup>4</sup>However, the general trend is that these fees have been gradually reduced or abolished, and migrants access to jobs have been improving.

most enterprises in the private sector of the region are small and in labour-intensive industries, their labour demand often fluctuates according to the market demand for their products, and this makes it difficult for the enterprises to sign long-term contract with their employees. When the orders for the products decline, many labourers will be laid off, and many members of the floating population will either become unemployed or have to move to a new place to find a new job. This kind of situation is quite prevalent in the migrant receiving coastal areas in China. It reflects the fact that the dual labour market theory proposed by Piore is also at work in internal migration in China. While conducting the above survey, we interviewed some officials of local labour bureaus and owners or managers of some enterprises, and almost all of them confirmed the above situation, and maintained that only the jobs of those managerial and technical staff, who can be categorized under the primary, capital-intensive sector in Piore's theory and only accounted for about 10 per cent of the total employees, could be permanent under current situation. For most employees on the production lines, who can be categorized under the secondary, labour intensive sector in Piore's theory, short-term employment was still predominant, and the reform in the *Hukou* system cannot change the situation fundamentally.

**Second, the floating population's income level was also an important factor affecting their settlement intention and capability in the destination cities and towns.**

The survey results show that nearly 80 per cent of the respondents had monthly income below 1,000 Yuan, and 40.7 per cent of the respondents had monthly income of only 500-800 Yuan. Surveys conducted in many other enterprises in the coastal area of Fujian Province indicate that this is also the most common income level for the floating population in those enterprises. In fact, it was reported that the national average of the floating population's wage level was only 5,444 Yuan per year in 2002, lower than the average per capita consumption expenditure of urban residents (6,030 Yuan) in China in the same year<sup>5</sup>. This means that with the average income level of the floating population, it is difficult for themselves to live an average life in the cities and towns, let alone to support their dependents living with them together. Not

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<sup>5</sup> See <http://www.china.com.cn/chinese/2005/Feb/787325.htm> (26/02/2005)

surprisingly, such an income level made the floating population feel incapable and not confident to move the whole family to the destination cities and towns. When asked ‘given the current income level of your family, do you have enough economic capability to support the whole family living in the cities and towns’, 62.4 per cent of the respondents answered no, 8.3 per cent felt undecided, and only 29.3 per cent gave the positive answer. It is important to note that one factor affecting the income level of the floating population is the large urban-rural income gap and over-supply of rural labour force, which is not easy to change in the short term. In fact, during our field investigation we encountered the situation where some enterprises had difficulties in recruiting labourers for some jobs, but still refused to raise wage level and would rather wait for migrant workers who were willing to accept the jobs. As long as there is a large pool of rural surplus labour and the rural-urban income gap remains high, chances for the enterprises to successfully recruit labourers with low wages are fairly high, and the expected wage level in the labour market is difficult to rise under such a situation. If there is no strong government intervention, reform in the *Hukou* system alone will do little to increase the wage level of the floating population.

The floating population’s strategy of separating the whole family into two parts, one migrating to cities and towns and the other remaining at home, is actually a necessity to cope with the above situation of low income level, with or without the hindrance caused by the *Hukou* system. As with circular migrants in other developing countries, such a strategy makes it possible for the floating population to make full use of their resources in their hometowns on the one hand, and avoid costs that might be caused by moving the whole family into cities and towns on the other hand, both of which are necessary for the floating population with limited resources. This kind of migration strategy is also reflected in our survey results. Among our 243 respondents, the average size of their households was 4.5 people; however, the average size of the family members living together with the migrants in the cities and towns was only 1.7 people, suggesting that only 37.8 per cent of the migrants family members migrated to the destination cities and towns, and most of the family members (including 73.2 per cent of the migrant children) were still living in their hometowns. When asked why their couples and/or children did not live together with them in the destination cities and towns, the second most important reason given by the respondents was ‘it’s not economically worthwhile for the whole family to live here’ (given by 34.6 per cent of

the respondents), next to ‘difficulties in children’s schooling’ (given by 47.1 per cent of the respondents) caused by the *Hukou* system<sup>6</sup>. Corresponding to this, most respondents of the survey lived in barrack-type accommodation provided by their employers or rented housing, both of which were usually small with simple and crude conditions, so that they could minimize spending in housing and bring back as much saving as possible to hometowns. Such a strategy of ‘earning in the city and spending in village’ is very similar to the situation of circular migrants observed in other developing countries such as Indonesia (Hugo, 1997).

**Third, the low level of social insurance and the expectation of risk in the migration process were also an important reason for the floating population to choose circulation as their migration strategy.**

Among our respondents, those who had old age and medical insurance only accounted for 18.2 per cent and 11.1 per cent of the total respectively, and those who had unemployment insurance only accounted for 6.6 per cent. Such a situation further increases the necessity of the floating population to adopt circulation as their migration strategy, as most of its members have to rely on the resources in their hometowns, especially the land, for their livelihood in case of any adverse circumstances. This kind of consideration of the floating population is also reflected in the survey results. When asked why they needed to keep their land in the hometowns, the most important two reasons were ‘I need to live on the land in case I lose the job in the cities’ (given by 51.4 per cent of the respondents) and ‘I need to go back home after getting old’ (given by 45.7 per cent of the respondents). Obviously the respondents’ answer to the first question reflects the fact that the land in their hometowns still serve as a basic insurance for the floating population’s livelihood; and the answer to the second question reflects not only the traditional value of the floating population that they will eventually return to their hometowns, but more importantly the expectation that the land in their hometowns serves as an old-age insurance when they get old. Such a heavy reliance of the floating population on the insurance function of the land in the hometown can only be changed when they are

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<sup>6</sup> Respondents could give multiple answers to the question. Other answers and the corresponding percentages of the respondents giving the answers are: ‘the living condition is too poor’ (5.8%); ‘it’s difficult for the couple to find a job’ (3.9%); ‘the house and land in the hometown need to be looked after’ (9.6%); ‘the elderly in the family need to be looked after’ (10.6%); and ‘others’ (33.7%).

covered by a universal social insurance system in China; however this is not easily achievable in the short term due to its high costs<sup>7</sup>, and this makes it even less likely for the majority of the floating population to settle down in the destination cities and towns.

**Table 5 Reasons for the floating population to retain land in their hometowns (%)**  
(More than one answer could be chosen)

	Land is the main source of food for my family	Land is part of my family's income source	I need to live on the land in case I lose the job in the cities	I need to go back home after getting old	Others
All respondents	28.0	18.9	51.4	45.7	13.1
Respondents from Fujian	31.7	17.1	46.3	41.5	17.1
Respondents from other provinces	26.9	19.4	53.0	47.0	11.9

N=243.

Source: survey results.

### **Implications of the survey results for reform in the *Hukou* system and other policy issues regarding China's floating population**

The above examination of the floating population's settlement intention in the cities and towns and the factors affecting it has important implications for the ongoing reform in the *Hukou* system and other policy issues regarding China's floating population.

**First, the survey results question the adequacy of policies centring on reform in the *Hukou* system, and call for more attention to the interests of the majority of the floating population who still circulate between places of origin and destination**

There is no doubt that reform in the *Hukou* system is of great significance in solving some problems that the floating population is facing, and in facilitating some

<sup>7</sup> It was reported that to establish a social insurance system for the floating population similar to that for China's urban population, it would in average increase the labour cost of enterprises employing the floating population by 30-40 per cent (Zhang, 2004).

members of the floating population to settle down in the destination cities and towns. This is particularly evident for those members of the floating population who have lived in their migration destination for many years. Fujian's 2000 Census results suggest that among the members of the floating population in this province, 28.7 per cent of them had lived in their migration destination for more than five years. These members of the floating population actually have already settled down in their migration destination<sup>8</sup>. According the local *Hukou* status to them will ensure that they enjoy the same treatment as the local residents in terms of employment, housing, social insurance, and children's education, lead normal lives, and become real members of the local communities. For those members of the floating population who are still circulating, reform in the *Hukou* system can also make it easier for them to live and work in the migration destination, and reduce discrimination against them. For all the above reasons, reform in the *Hukou* system should be continued and actively promoted.

However, it is important to realize that reform in the *Hukou* system cannot solve the problems that the majority of floating population is facing. As demonstrated by our survey results, the majority of the floating population had no intention of transferring their *Hukou* status to their migration destination, and reform in the *Hukou* system is not what they most need<sup>9</sup>. For the majority of the floating population, reform in the *Hukou* system cannot change the facts that their income level is low and that their employment is unstable due to market fluctuation, neither can such a reform itself provide the much needed social insurance, and what they really need are helps and services beyond the scope of reform in the *Hukou* system. Without solving the above problems, some of the floating population may not necessarily settle down and may migrate again for survival, even if they have already the *Hukou* status of their migration destination. Therefore, while continuing reform in the *Hukou* system to benefit those who have the intention and capability to settle down in the destination

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<sup>8</sup> It is interesting to note that this percentage is very close to the proportion of the floating population having the intention and capability to settle down in the cities and towns, and to the proportion of the floating population feeling confident to support the whole family to live in the cities and towns, in our survey. This suggests that those members of the floating population who had the intention and capability to settle down may have already done so without reform in the *Hukou* system, and this demonstrates again the limitation of its role in solving the problems for the floating population.

<sup>9</sup> Although we cannot claim that the proportion of the floating population (about 30 per cent) who have both the intention and capability to settle down in the cities and town obtained from our survey can present the situation in China, it is noticeable that similar figures have been reported in a few other studies, including a report on a famous pilot study on reform in the *Hukou* system conducted in Shijiazhuang City of northern China (see Wang, 2003).

cities and towns, more efforts should be devoted to looking at the need of the majority of the floating population who are circulating between the places of origin and destination. Instead of focusing on settlement issues, policies should be made to adapt to the unsettled nature of the floating population, recognizing their double residential status, and catering for their need in circulation. All this requires a significant reorientation of policies regarding China's floating population in.

**Second, the unsettled nature of the floating population and the non-*Hukou* factors contributing to it provide an important basis for formulating more broadly based policy measures to improve management of and services to the floating population.**

As our survey shows, many non-*Hukou* factors, such as job instability, low income, and low level of social insurance, contribute to the unsettled nature of the floating population's migration patterns and their settlement intention in their migration destination. This suggests that instead of focusing on the *Hukou* system, more effective policies improving the floating population's conditions can be formulated on a broader basis taking consideration of both the *Hukou* and non-*Hukou* factors. These include eliminating discrimination against the floating population in terms of employment, promoting the integration of rural and urban labour markets, enhancing services to the floating population through providing information on job opportunities and occupational training; helping the floating population to improve their housing conditions, providing better schooling for the floating population's children, increasing the coverage of unemployment, medical, and old-age insurance for the floating population, ensuring that the floating population's employers fulfil their obligations in minimum wages and social insurance, and detaching the *Hukou* status from ones' entitlement to social benefits, etc, all of which can be done to benefit most members of the floating population irrespective of their *Hukou* status. In doing the above, it is important to recognize the floating population unsettled nature, rather than assuming that they will automatically settle down in the destination. One good example in this area is housing provision. As can be inferred from our survey results, most members of the floating population have very different housing need from that of local residents and permanent migrants, as they leave some members of the family in their hometowns and will not live permanently in the accommodation provided to



them. Besides, their low income level and job instability also mean that they can only afford cheaper housing compared to local residents. All this suggests that in planning and providing housing to the floating population, permanent settlement oriented approaches are not appropriate and new approaches need to be explored. This is just one example of many new issues arising from management of and services to the floating population, and many similar issues can be raised and need to be considered in planning and policy making in relation to the floating population's practice of circulation.

Apart from the above general issues, one particularly important policy issue arising from the unsettled nature of the floating population is the social insurance function of land for the floating population. In recent years, there have been increasingly more suggestions that rural floating population should 'leave the land as well as the village', and their links to the land should be 'cut off' to promote their complete transfer from rural to urban areas and more efficient use of land (eg. Xie, 2000; Yang and Xi, 2002). Our survey results seem to suggest that these suggestions may not be as easily implemented as their proponents hope, as the links between the floating population and their land are still in their interest and no feasible alternative to the function of such links have been found. If one does want to put these suggestions into practice, it is extremely important to fully respect the floating population's wishes and capabilities, and only when they have full capability to live in the destination cities and towns and wish to do so, can it be considered to change their land tenure status in their hometowns. Otherwise, the floating population may lose the land as their minimum safety net, and this may cause problems in social stability. Such a situation has appeared in many developing countries where landless peasants flow into cities (especially large ones) regardless of whether there are job opportunities, and this is a major cause for the existence of a large number of slums in these cities. This problem is also emerging in China now, but it has not reached the uncontrollable status, and this is largely because most members of the floating population from rural areas still have land as their minimum safety net. If they lose such a safety net, it is not impossible that large scale slums will develop fast in Chinese cities too, and this should be taken into consideration in dealing with China's floating population issues.

**Third, more attention should be paid to make full use of links between the places of origin and destination established by the floating population, and the capital, skills, entrepreneurship and experiences returned migrants bring back, to promote the development of migrant hometowns.**

Currently, most discussion on China's floating population centres on the migration destination of the floating population. However, as stated earlier, most members of the floating population keep circulating between the places of origin and destination, leave some members of the family in the hometown, and a significant part of them will eventually return to their hometowns. This suggests that most members of the floating population are still part of rural communities they migrate from. Therefore, in policy making regarding the floating population, it has to be brought to more attention how to make full use of the links between the places of origin and destination established by the floating population, and how to bring into full play the floating population's role in the development of their hometowns. The development of the coastal area of Fujian Province where we conducted the survey has good demonstration effect in this aspect. Although this area is currently one of the major migrant receiving areas in China, its recent development has been closely related to migrants to Hong Kong, Macau, Taiwan and overseas from this area, who came back to invest in their hometowns after China adopted reform and open-door policies. They introduced advanced technology and managerial experiences to this area, provided marketing channels for the products from their hometowns, and hence played important role in their prosperity (Zhu, 2003). So far, some more successful members of the floating population from inland areas of China have already played the role in their hometowns similar to the above played by migrants to Hong Kong, Macao, Taiwan and overseas from coastal areas of Fujian Province, and there is still a great potential to make full use of the capitals, skills and new ideas the ordinary members of the floating population bring back to their hometowns to facilitate their development. This requires policy makers to shift more attention from migrant receiving areas to migrant sending areas, and make policies to facilitate the involvement of the floating population in their hometown development.

## **Concluding remarks**

Due to China's unique *Hukou* system, China's floating population has long been treated as a unique phenomenon, and the whole issue has been very much narrowly defined as something determined by the *Hukou* system and its reform. The survey results reported in this paper shows that this is an inadequate approach, and the floating population's migration patterns and settlement intention should be also examined in relation to the floating population's circulation strategy serving as a means of adjustment to opportunities and constraints in the migration process. As transport and communication facilities improve and rural-urban distinction blurs, such a migration strategy has become more important in many today's developing countries than in developed countries' past, and this raises many research questions and planning issues. Circular migrants' dual residence status, double (rural and urban) community identities, and their non-permanent migration patterns, make the migration process more complicated and call for new conceptual framework in the understanding of human mobility and new origin-destination linked approaches in management of and services to migrants and in rural-urban planning. In this aspect, China shares much commonality with other developing countries, and can share many lessons and experiences with them, and China's floating population can be further explored in such a context to contribute to a better understanding of circulation in developing countries.

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