

# Urbanization, Migration and Families in China and India

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Urbanization is rapidly overtaking China and India, the two most populous countries in the world. The urban population in the two countries tops 1 billion, and one-sixth of humanity lives in either a Chinese or Indian city. This massive scale of urbanization has unleashed enormous pressures on housing, land use, and the environment. How China and India manage their urban growth has significant impact on the quality of life and family well-being among residents. This essay discusses the urban-rural divide, migration, and housing inequality in China and India. The lessons from China and India have huge implications for other Asian countries.

## What is urban about urban China and India?

Urbanization in China and India is often compared, but what “urban” means in each context is poorly understood. The media often compares urbanization rates of the two countries based on national censuses. For example, in 2021 64% of China’s population and 37% of India’s population lived in urban areas, according to the census. However, such comparisons overlook the different criteria that China and India use to define what is urban.

The urban definition used in the Indian census dates to 1961, and India has been using the same criteria in the last 60 years to classify places as urban or rural. Places are classified as urban if they have a municipal status or, if they meet a set of demographic thresholds, such as population size, density, and the ratio of male employment in non-agricultural sectors. The criteria are so strict so that many urbanized small towns in India were classified as rural in the census. China, on the contrary, frequently changes its urban definition in the census, and its current urban definition in the 2020 census is so broad so that it classifies a vast number of places under rural administration as urban and counts the residents as urban population. In both cases, the national census offers only an incomplete picture of the extent of urban population growth (Ren, 2020).

In both countries, the urban vs. rural classification has deep consequences on the well-being of residents and families. In India, the urban vs. rural designation is associated not only with different taxation rates for businesses, but also with government subsidies and development schemes. Most poverty alleviation and employment programs only target rural areas, and therefore, many small towns resist being designated as urban for fear of losing state subsidies. In China, the stakes of municipal designation are high. Local governments can gain more revenue, decision-making power, and resources if they obtain a municipal status. Residents can access better social security benefits if they change their *hukou* from rural to urban. The incentive for becoming a ‘city’ is strong because of the high stakes involved.

The urban-rural divide has brought about different challenges in the two countries. A major challenge facing India today is “census towns”, which refer to urbanized towns that are counted as urban for the census purpose but governed by rural village councils. In other words, census towns are cities without municipal governments. It is estimated that about 20% of India’s urban population live in such census towns. Without a municipal status, census towns don’t have the power to tax, and they lack revenue with which to provide basic services for families. The quality of life in these places is compromised for lack of effective governing institutions and sufficient revenue.

In China, one major challenge is how to provide for migrants without local hukou (Ren, 2013). Every Chinese city has a large migrant population without hukou. For example, in Shanghai, 10.4 million out of 24.9 million residents in 2021 didn’t have local hukou. China’s ongoing hukou reform in the last decade has made it easier for migrants in smaller cities to obtain hukou, but large, first-tier cities such as Shanghai and Beijing have not loosened eligibility requirements for obtaining local hukou (Liu and Shi, 2019). Without local hukou, migrants are treated as second-class citizens with limited access to social welfare, such as health insurance, unemployment insurance, and public rental housing.

In both countries, the urban vs. rural categories bring real benefits and disadvantages, and they simultaneously include and exclude families. The “cities without governments” (i.e., census towns) in India, and “people without rights” in China (non-hukou migrants) present major challenges for achieving equitable and sustainable urban growth.

### **Internal Migration in China**

Rural-to-urban migration has been the predominant driver for China’s urban population growth since the 1980s. In 2021, the National Bureau of Statistics enumerated 292 million “peasant workers” (called *nongmingong* in Chinese), defined as individuals with rural hukou registration who were employed in non-agricultural occupations for more than six months. Among the peasant workers, about 60 percent (171 million) left their places of hukou registration and found non-agricultural jobs elsewhere. They constitute the population of “migrant workers.” Most migrant workers went from rural areas to urban areas to work. China’s migrant workers are older than those in India and other Asian countries. The average age of China’s migrant workers was 36.8 years in 2021 (National Bureau of Statistics of China, 2021). Different from in the past when migrants left their children behind in the countryside, today more and more migrants move together with their spouse and children (Fan, 2021). How to provide education and welfare for migrant families has been a challenge for most destination cities (Saich, 2019).

Internal migration in China follows the same pattern of uneven development across regions. The major sending regions have been populous provinces feeling strong pressure of unemployment in rural sectors, such as Henan and Sichuan in central and western China. The receiving provinces are the three mega-urban regions with strong manufacturing and

service sectors—Yangtze River Delta, Pearl River Delta, and the Jing-Jin-Ji region. The destinations of migrant workers have diversified over the years, with central and western provinces attracting more migrant workers. This is due to a combination of factors, such as relocation of factories and business from coastal regions to western and central regions where operating costs are cheaper, incentives offered by local governments in inland provinces to retain migrants, as well as the desire of some migrants from the inland regions to stay closer from home (Liang, Li and Ma, 2014).

Despite the ongoing hukou reforms, migrant workers still face discrimination at workplace and have limited access to social welfare and services (Chan, 2009). In 2019, the central government announced an ambitious plan to extend urban *hukou* to 100 million rural residents, but most of these “new urban citizens” (*xin shimin*) will be directed to small- and medium-sized cities. Obtaining an urban hukou in top-tier cities are still off-limits for most migrants. The next stage of the hukou reform rests in top-tier cities, which need to lower the barriers for migrants to settle down, with families, and enjoy the same benefits as their urban counterparts.

### **Internal Migration in India**

The 2011 Indian census reported 454 million migrants, about 37 percent of India’s population. In the Indian census, migrants are defined as people who have changed their last residence or have moved from their birthplace.

Two characteristics distinguish India’s migration patterns from that of China: first, a combination of work and family reasons that drive people to migrate, and second, India has a much larger number of seasonal migrants than China. The primary reasons for migration include marriage, joining family, seeking education and employment. These categories are not mutually exclusive, as people who move due to family reasons often seek employment in their destinations. Among the migrant population, nearly 40 percent comprises women who migrate because of marriage, and another 35.6 percent comprises people who migrate for family reasons. Migration driven by education and employment comprises only 3.3 and 13.1 percent, respectively. However, about 13.3 percent women in urban areas and 31 percent of women in rural areas who reported marriage as reasons for migration were part of the workforce in their destinations.<sup>1</sup> Another distinctive pattern of internal migration in India is the large number of seasonal migrants—defined as people who stayed away from home between one and six months each year. Seasonal movements, a historical trend in India, is a risk distribution strategy used by rural households to minimize rural distress.

Although not the largest in terms of numbers, rural-to-urban migrants make up a central force powering the Indian economy. Rural-to-urban migrants comprised about a fifth of the total migration, about 42 million, according to the 2011 Census. Most of them are male, long-distance, inter-state migrants, seeking employment in manufacturing and services sectors in Indian cities. Like in China, the spatiality of rural-to-urban migration in

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<sup>1</sup> National Sample Survey of India, 2007-2008.

India is shaped by the country's economic geography, with the less developed north and eastern states of India as sending regions, and the more developed western and southern states as destinations. More than half of the male inter-state migrants came from less developed states such as Uttar Pradesh, Bihar, Odisha in the north and West Bengal in the east (Ministry of Housing and Urban Affairs, 2017). Urbanized and industrial regions such as Delhi, the northern states of Punjab and Haryana, the western states of Gujarat and Maharashtra, as well as the southern states of Kerala and Tamil Nadu are magnets attracting rural migrants.

Most rural-to-urban migrants work in the informal sector without job contracts and employee benefits. The semi-skilled and unskilled migrant workers have been struggling to achieve economic footholds in cities, and they also face barriers in accessing affordable housing, basic services, and social welfare schemes as many can't secure local identity documents which are often required to access these benefits and services (Mukhopadhyay & Naik, 2017). For example, only 23 percent of migrants possess ration cards, which are required to access India's public distribution system for subsidized food. Only 57 percent of migrants have voter identification cards, without which one cannot vote. As many rural migrants cannot vote in cities where they work, they tend to be neglected by politicians (Mukhopadhyay & Naik, 2017). Moreover, language barriers pose challenges in the education of migrant children and cultural differences often create social tensions and animosity between migrants and locals.

### **Migrant Housing in China and India**

Many rural migrants in China and India settle in urban villages and slums in destination cities. In Mumbai, for example, nearly half of the city's population lives in slums, and in Guangzhou, a mega city in south China, more than 40 percent of the city's population lives in urban villages (called *chengzhongcun* in Chinese) (Liu, Ran and Jia, 2021). Slums and urban villages are often referred to as informal settlements in the urban scholarship. In India, slums are "informal" settlements as residents do not have legal ownership of the land they occupy; in China, informality does not mean lack of land ownership—urban village land is collectively owned by villagers; it suggests violation of urban planning codes and construction regulations, such as lack of space between buildings and extra floors beyond the legally permitted height. Many slums and urban villages occupy prime locations, and they have become predictable targets for speculative property development.

The dominant approach to redeveloping urban villages in China is removal and new construction by enlisting private capital. The removal-based policy has been driven largely by municipal revenue structures centered on land-based financing. Cities in China depend heavily upon land leasing to generate revenue. But the model of land-based financing has become increasingly unsustainable, as most urban land parcels have already been leased out. The lack of transferrable urban land prompted the city government to reexamine existing land use patterns to squeeze out more developable land. When redevelopment happens, compensation is calculated based on hukou status, land ownership, and

membership in village companies (many urban villages in China, especially in the south of the country, are incorporated as share-holding companies with village households as shareholders). In spite of some regional variations, the winners and losers in urban village redevelopment across the country remain the same. The city governments, developers, and village landlords are poised to divide the windfall profit from increased land value. Migrant workers, who are the majority of the resident population in most urban vilalges, are excluded, evicted, and relocated to other urban villages on the urban periphery, where they have to rent all over again.

In Indian cities, slum demolition and redevelopment has also accelerated in recent years. Policies for compensation vary from city to city. In Mumbai, for example, the eligibility for compensation is based on an arbitrary cut-off date—slum dwellers who can prove their residency by January 1, 2000 are eligible to receive a 25-square-meter flat. The cutoff date is controversial as it excludes those who have not continuously lived in their community since 2000. As slums are demolished, many must relocate to urban peripheries where infrastructure is poor and employment opportunities are few.

### **Policy Recommendations**

China and India can learn from other countries on how to devise and implement urban policies to improve family well-being, especially among the most vulnerable, such as migrant families. However, one bottleneck for such policy making and implementation is the capacity of municipal governments. In India, municipal governments lack revenue and decision-making authority to make policies, as state governments are often reluctant to share power with local municipal corporations. For India, empowering local governments is the first step for improving family wellbeing. For China, municipal governments are in financial stress, especially after two and a half year of the Covid-19 pandemic. Land revenues have shrunk, and in addition, mass testing, snap lockdowns, and Covid-19 related restrictions have further deepened the local debt crisis. To be able to provide for vulnerable families such as migrants, the central government would have to share some of the expenditure responsibilities with local governments and increase central transfers. China's hukou reform hinges upon the fiscal health of municipalities.

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