

**THE DECELERATION OF INFORMAL
MIGRATION AND URBANIZATION
IN CHINA**

ZHAO Min, CHEN Chen & WU Dan

EAI Background Brief No. 936

Date of Publication: 18 July 2014

Executive Summary

1. Informal migration in China refers to the migration of workers from rural to urban areas without the “hukou” residency rights, the Chinese household registration system.
2. Massive informal migration began in the early 1990s, as surplus rural labor migrated mainly from Central and Western China to the economically more advanced provinces in Eastern China.
3. The regional concentration of informal migration to coastal cities has been due in part to the disparities in regional economic development.
4. Since 2008, however, the attractiveness of the eastern regions has waned, causing a slowdown in informal migration.
5. The slow inflow of informal migration to Eastern China is attributed largely to economic re-structuring and changes in demographics and in the region’s development mode. The limits in employment opportunities and social welfare are also a deterrent.
6. The supply of young workers is projected to decline as China becomes an aging society. The frequent labor shortages in China suggest that the pool of surplus low-cost rural labor is depleting.
7. Informal migration plays an important role in China’s urbanization process. A slowdown in informal migration will impact negatively on China’s urbanization momentum.
8. The “National New Type of Urbanization Plan” has set urbanization rate at 60% by 2020, a much lower pace as compared to that of the previous growth pattern.

9. A decelerating urbanization rate for China does not necessarily mean setbacks in its urbanization process. It could present China with a good opportunity to adjust its development mode and achieve better urbanization quality.