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Sören Gottschalch

Abstract

As it has rightfully been recognized by China's central government, successful urbanization will be decisive for the nation's future development. Key challenges will be to realize urbanization economies, improve production and innovation capabilities, direct urban and suburban growth and improve a more equal distribution of benefits of economic growth to the population. This paper contributes to the discussion with illuminating the main drivers of urbanization: (i) migration and (ii) in situ urbanization, and the housing necessities for migrants that evolve from them. It attempts to support the establishment of an integrated and sustainable urbanization path by considering migrants urban housing demand in China's socio economic transitional environment and indicating proper match. Migrant's housing choices are driven by underlying priorities determined by their characteristics and their exposure to the immediate socio economic environment. Therefore, both, migrant's characteristics as well as their immediate socio economic environment are put in relation to urban growth and its spatial features. The result is a set of housing supply forms and a set of distinctive migrant housing demands. Urban housing outcome and the match of housing supply and demand reveals housing preferences and housing market constraints. Based on these findings further housing recommendations can be given.

Keywords: Urbanization, Migration, Urban Housing Situation, Migrant Groups, Housing Demand, Housing Program

JEL classification: D03, D14, D40, D52, D63, H53, J61

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1. Introduction

Since China's reform process started in the late 1970s the country has experienced tremendous changes. The transition from a planned to a market economy resulted in notoriously high GDP growth rates. The whole country is about to change its outlook leaving behind many constraints of a socialist legacy. However, along its economic achievements rural and urban development has increasingly been drifting apart. China's shockingly high Gini coefficient at 0.61 in 2010¹ (Caixin Online, 2012) shows, urban areas have profited the most from the socio economic shift. The unequal development has led to surging masses of internal migration. In fact, without the millions of migrant workers, China's economic success would have barely taken place. As the Asian Development Bank (2007) is reporting, migrants account for nearly 25% of the urban population and will contribute about 80% of future growth. Their contributions and sacrifices ease transitional tensions, but make them to a highly vulnerable group. In cities they face socio economic stratification, being discriminated in the urban employment market and excluded from urban public and social services. Their housing situation mirrors their miserable status. Being denied affordable housing by the government many live on construction sites in sheds or low quality dormitories and in overcrowded accommodations without basic facilities. Neighborhoods have turned to 'migrant enclaves' where living conditions are grim. The surge of migrants and lacking coordination of their housing resulted in unbalanced urban growth development.

Urbanization has occurred in an accelerating pace since the transition has been initiated. During the reform process, cities have played a central role in China's social and economic development. Since the 10th Five Year Plan (2001-2005), the central government promotes urbanization and rural-urban integration as part of China's overall development strategy. Best estimates for enhanced urbanization are a 50% increase in the urban population and a doubling of current urban areas by 2020 (Asian Development Bank, 2007). The great majority of the increase in the urban population will be rural residents who either migrate to the cities or are living in peripheral villages which become incorporated into the main urban areas. Their integration will be crucial for a successful urbanization progress as promoted by the central authorities.

¹ The number was reported by the Chinese Household Finance Survey Center of Chengdu's Southwestern University of Finance and Economics (SWUFE). The coefficient of all countries monitored by the World Bank averaged 0.44 for 2010. The Gini coefficient measures the wealth gap on a scale of 0 to 1. The higher the figure, the greater the inequality. Usually above 0.4 marks strong inequality.

In this regard, there is an urgent need for strategic planning particularly concerning urban growth and infrastructure provision. The demand for affordable housing will remain significant for the foreseeable future. Future planning has to explicitly include the needs of migrants and rural residents on the urban fringe in the urban policy, especially in terms of housing, to achieve effective urban growth.

The following section 2 gives a description of urbanization and migration and their interrelations for a general understanding of China's current transition dynamics and the resulting situation migrants find themselves in urban areas. Section 3 illustrates the actual current urban housing situation of migrants. Following, section 4 illuminates the development of migrant's housing demand based on their characteristics and socio economic environment. Section 5 indicates the match of urban housing supply and migrant housing demand as well as is referring to government responses. Finally, section 6 puts forward housing suggestion for migrants and concludes the topic.

2. Urbanization

Urbanization can be referred to as the process, where rural areas become urbanized as a result of economic development and industrialization. In demographic terms it constitutes the redistribution of populations from rural to urban settlements.

In China it is a multidimensional process, largely explained by the context in which the transformation of the Chinese economy took place as well as by other historical, political and institutional factors. Considering China's current stage of economic development with an urbanization level of around 50%, urbanization becomes decisive for future growth and prosperity. The urbanization process is thought to accelerate over the following years and will continue over the next decade (Henderson, 2009). For the years 2025 and 2050, the United Nations (2012) predict an urbanization rate for China at around 65% and 77% respectively.

Drivers of Urbanization

There are two forces that drive urban growth in China: (i) the growth of existing cities through in situ urbanization and (ii) rural urban migration. They both differ in their contribution to urbanization.

In situ urbanization

Since the 1980s, a major force behind urbanization is the rapid expansion of cities built up areas, with which local governments convert agriculture land into suburban areas and transform nearby local towns and villages into integral parts of the urban area. This suburbanization accelerated particularly with the development of the urban property market since 1999 and goes in line with China's compulsory land acquisition known as 'zhengdi'². Traditional urban communities have been joined by newly transformed urban villages, which traditionally were rural communities.

Migration

In China's pre reform era (till the late 1970s), migration was strictly limited. With gradual reformation of the household registration system (hukou system) and introduction of market reforms in combination with rising rural urban inequality and huge rural labor surplus migration started to accelerate since the early 1980s.

The regional disparities determine the direction of migration flow. Thus, labor transfer from low productivity to high productivity sectors was and continues to be predominant, resulting in large migration flows especially from rural to urban areas.

The hukou system, after fundamental reforms, rather than stopping migration, works now as an entitlement distribution system. It separates the two aspects of internal migration: the actual movement and the granting of full community membership at the destination. Rural as well as urban migrants are allowed to move to and work in the/another city or town. However, in general, for an ordinary person it is very difficult to change hukou registration from rural to urban areas³ or from smaller to larger cities (Chan, 2013).

Thus, a vast majority is not eligible for a local registration at their migration destination and remains with their previous, e.g. rural hukou, excluding them from respective hukou benefits and entitlements. They are considered as temporary residents and often described as floating population (renkouliudong), indicating a temporary stay. Because of the floating population's nature, it is only measurable as stock.

² Article 10 of the Chinese Constitution states that "[the] state may, in the public interest, requisition land for its use in accordance with the law." (Chan, 2003, p. 183) Under the authority of the constitution, there are separate laws governing the acquisition of farmland and urban land.

³ The rural urban classification distinguishes between agriculture (rural) and non agriculture (urban) hukou and comes with certain state provisions and entitlements. Generally, residents of village committees (cun wei hui-村委员会) own an agriculture hukou whereas neighborhood committees (ju wei hui-居委会) own non agriculture hukous.

The other category of migration is receiving local residency rights (bendihukou), usually only accessible by a small privileged group (rich, highly educated or certain family relations) and can be measured as flow. Their migration rate has declined slightly in relation to the Chinese population, with about 17 to 21 million people annually since the early 1980s. (Chan and Buckingham, 2008; Chan, 2013)

The floating population, on the other hand, has grown rapidly in numbers as shown in table 1. The number is expected to surpass 300 million and may reach 400 million by 2025 (Hays, 2012).

Table 1: Trend of floating population in China between 1982 and 2010

1982	1990	1995	2000	2010
6.6 mio	21.6 mio	43.1 mio	78.8 mio	221 mio

Source: Liang, (2012)

Simultaneously, the floating population's share of China's total population has increased significantly between the years 2000 and 2010, from 6.34% to 16.58% respectively. (Liang, 2012) The biggest share of the floating population is made up by rural urban migrants. Their numbers have increased largely during the last years. In 2010, the number of rural migrant workers stood at 160 million (Xinhua, 2012), which makes up 72.4% of the floating population. The increasing share is a distinctive sign for the high rural urban disparity. More than 100 million more farmers will move to urban areas over the next decade (Hays, 2012).

Reasons for migration

China's industrialization, market reforms, urbanization and hukou reformation have stimulated classic push and pull factors⁵ for migration (OECD, 2010). Economic gains from wage differentials and job opportunities in urban areas are now the most important driving forces.

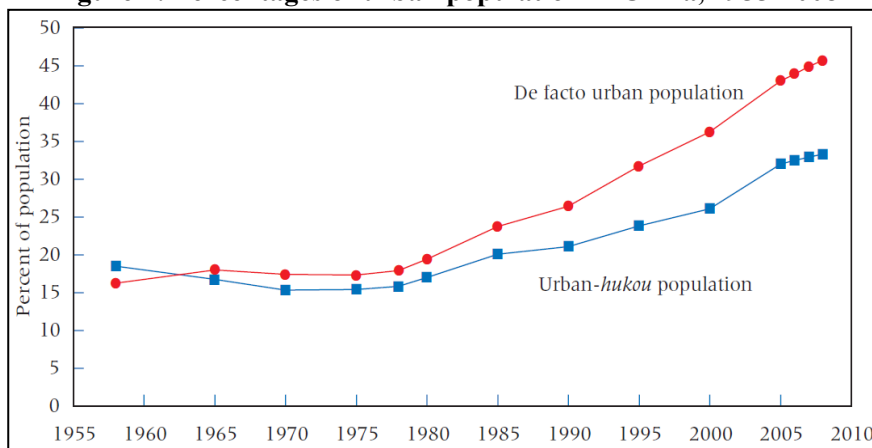
The older generation tends to be driven more by push factors such as land shortage or difficult living conditions. Rural women often are driven by push factors determined by difficult social and work environments. (Tuñón , 2006) Migrants from the younger 'second' generation (born after 1980), in particular those from rural areas, tend to be more influenced by pull factors, including higher earnings, urban lifestyle and personal development aspiration. They have directly been influenced by China's rapid urbanization and reform policies, inspiring many for a city life. Young migrants not only go for higher earnings, but increasingly desire to follow career steps at their place of destination. For many years the older generation has been associated with the image of being tolerant to any work. The younger ones are more reluctant regarding accepting overloaded work and are tired of being looked down upon.

Impact of urbanization drivers

As the urban population grew at around 4% annually from 1981 to 2008, the corresponding figure for the urban built-up area was 6%. This rapid expansion meant a fivefold of urban areas between the respective years. (Yeh et al., 2011) Considering that the number of cities remained stable from 1998 onwards (Li and Piachaud, 2006), urbanization was increasingly driven by rapid urban area expansion. This has led to significant changes of the city's urban structure, away from city based urbanization to sprawling cities and to less clear distinctions between urban and rural settlements. This development occurred predominantly in densely populated coastal areas (Zhu et al., 2007).

Urban population growth has largely been fueled by rural urban migration. Between 1978 and 1999 rural urban migration constitutes 75% of the total increase in urban population (Zhang and Song, 2003) whereas most migrants remain with their rural hukou. Currently more than 70% of the population of China has rural hukou, and of the rural hukou workforce 22% are working in urban areas (Meng, 2012). Thus, due to this distortion, the proportion of China's urban population has changed, with an increasing share of a de facto urban population against those with an urban hukou status, as shown in figure 1. The de facto population in the figure is following the definition of the National Bureau of Statistics (NBS) and is stated with migrants with minimum residence duration of 6 months or one year, and can be referred to as the just introduced floating population.

Figure 1: Percentages of urban population in China, 1955-2008



Source: Chan (2010)

In the early 2000s, in export centers such as Shenzhen and Dongguan, migrant labor accounted for the great majority (70% to 80%) of the workforce (Chan, 2013). Without rural to urban migration urbanization and the rapid economic growth would barely have taken place. When excluding the floating population from urban population statistics, China's current urbanization rate would be significantly lower.

Between 1979 and 2009 China's urban population has increased by 440 million, of which 340 million was attributable to net migration and urban in situ growth (Chan, 2013).

However, the large scale of migration has challenged the absorption capacity of non-agriculture sectors and cities. Migration has caused social tensions and urban society stratification undermining a comprehensive balanced urban development.

Integration barriers to new urban arrivals

Migrants face criticism from public and officials, often channeled in open discrimination. Particularly rural migrants are criticized for overstraining urban infrastructure such as transportation and housing, increasing the crime rate, violating birth control policy and spreading sexually transmitted diseases. In face of the rise in laid off urban employees of state owned enterprises (SOEs), migrants are blamed for increasing urban unemployment, which animated cities to tightened migration control. Though studies indicate that migrant labor and urban local labor are rather complementary than competitive⁶. In China's large cities, the social and economic segregation of rural migrants, the status hierarchy based on geographic origin, and the segmentation of the urban labor market persist. (Fan, 2008) Here, most rural migrants occupy the lowest social levels and occupations and are treated as outsiders rather than being integrated. They work for low pay, often under horrendous conditions in the informal sector, not having established a stable contractual relationship with the enterprise causing unstable occupation and income. Frequently they work in jobs the urban population dislikes to occupy, characterized by the 4 Ds, "dirt, drain, danger and disgrace." (Shi, 2008, p. 4) When compared with urban hukou residents, rural migrant workers are more disadvantaged in the urban labor market in terms of occupation, earnings, working intensity, and social protection. Many are treated as second class citizens and taken advantage of. (Meng, 2012; Frijters, 2011)

The de facto urban residents go not through the urban registration process. The floating population's volume, hence labor mobility, is steadily increasing but urban hukou quotas missed to expand properly to accommodate migrants. China's economic reforms enabled rural people to work in urban areas but they are confined to their rural hukou, were the state's social obligations are still minimal or not effective. For most rural migrants urban opportunities are very limited, especially in larger cities. Urban migrants moving from smaller

⁶ Workers laid off from state-owned enterprises are more experienced and skilled than the average rural urban migrant. Some studies nevertheless warn that the competition between migrants and laid-off workers in cities may have increased. Never the less, rising urban unemployment is strongly related to the privatizations of SOEs as part of economic transition.

towns to bigger cities face similar situations. Among urban residents, various hukou registrations reflect not as much residential variance as status difference (Chan and Zhang, 1999). The dual urban structure constitutes a huge difference in economic opportunity and social position which may also raise questions of discontent⁷. In the cause of urbanization rural urban migrants became a vulnerable group.

The central government has recognized a deficit in integration in its attempt to support sustainable economic growth and a stable society. Therefore, local governments are given authority to gradually expand urban services⁸ to migrants. Steps include gradual lifting of hukou restrictions, labor market reforms and increased social and public service provision.

In 2004, the 16th Party Congress thought to support the ‘socialist harmonious society’ through a coordinated urban-rural development (chengxiangtongchou 城乡统筹). To achieve this goal the 11th Five-Year Plan (2006-2010) proposed a ‘new socialist countryside’ (shehuizhuyixinnongcun 社会主义新农村). In 2008, the state council called for more rural urban integration. In the latest 12th Five-Year Plan (2011-2015), coordinated urban-rural development and new socialist countryside policies were further stressed.

However, particularly for rural migrants in cities, the prospect of moving upwards and become accepted and integrated remains barely attainable. In this regard, the opportunity structure remains greatly defined by the social stratification that has emerged during the socialist period and persisted in the reform era.

3. Urban housing situation

With China’s transition from the early 1980s onwards, the housing system underwent a process of fundamental change. The changes have resulted in rapid development of an urban housing market and fueled urban redevelopment, expansion as well as delimitation of housing areas. Exposed to these developments, migrant’s vulnerable position pushed them into poor housing conditions.

⁷ “Generally, rural migrants demonstrated much submissiveness and obedience [however] one has to note that not all rural migrants have readily accepted the unfair treatment. Several kinds of responses and resistances have been observed.” Among are committing suicide, resort to crime and acting in unison. Besides, “the current rural-urban migrants are now more likely to fight back when their rights and interests are infringed.” (Lin and Chui, 2011, p. 18). See also Hays (2012).

⁸ Social urban services include basic health provision and social benefits such as pension and unemployment support or work injury insurance. Public services include access to the urban education system and government social housing schemes.

Property rights and the development of the urban housing market

Section 8 of the People Republic of China Land Administration Law of 1986, and amended in 1998, establishes a legal framework with two different land systems: the State owns all urban land, while farmer collectives own all rural land. Land users may use the land and own the buildings and improvements on it, but the sovereignty of the land remains in the hands of the State or farmer collectives. (Chan, 2003)

There is no rural market for transferable leaseholds. Instead, farmers only make contracts with the collective which gives them land use rights. On the other hand, urban housing reforms led to the emergence of a transferable urban leasehold market and a rapid development of the urban real estate market. By 1998, the reforms terminated urban welfare based housing allocation and established a market based system of housing provision. The nature of urban housing was transformed from public goods and services to commodities that were privately owned and largely provided by the private sector, with rights to be traded in the market. (Naughton, 2007)

Investments in real estate development and residential housing increased both over 20% annually, newly built floor area and total square meters of sold housing space exploded. Home ownership climbed to over 80%. (Man, 2011) The housing sector has become a significant segment of economic activity (Hongyu et al, 2002; Lubin, 2010) and housing conditions of urban residents have greatly improved. However, housing prices skyrocketed between 2007 and 2010 by 140%. (Lubin, 2010) Affordable housing experienced relatively great loss due to urban renewal and expansion⁹. Housing affordability and housing poverty are becoming an acute problem for med-low income households, particularly affecting migrants.

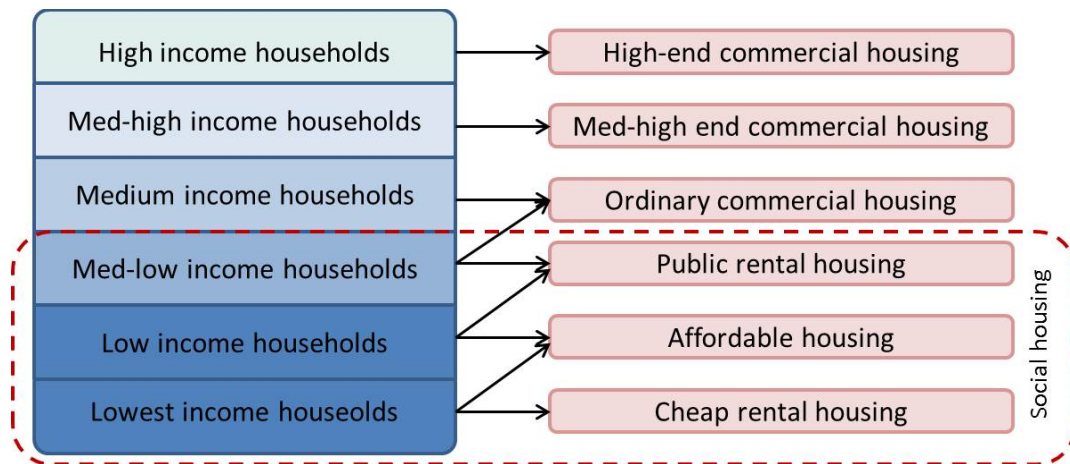
The housing indemnity system and the shift in housing policy

In 2007, after failed rounds of regulations to tackle the rising prices on the real estate market, the central government has set ambitious plans for providing subsidized housing to low and middle income households with the housing indemnity (zhufangbaozhang 住房保障) system. Its framework features three facilities: (i) economically affordable housing (jingjishiyong fang 经济适用房, now referred to as EAH), (ii) cheap rental housing (lian zu fang 廉租房, now

⁹ For instance, the redevelopment in Beijing in the 1990s demolished about 2 million sq m of public housing. The great number of low-cost private rental and owner-occupied houses were also involved. Over 4 million sq m of old housing were demolished and 12 million sq m floor space of new housing was built. The process affected 184 thousand households, of which 81.3 thousand had been re-located to peripheral housing estates and only 55.4 thousands moved back to new houses in inner-city neighbourhoods. (Qian, 2009)

referred to as CRH) and, since 2010, (iii) public rental housing (gonggongzulinzhufang 公共租赁住房, now referred to as PRH). (Yao and Yanxiang, 2011; Huang, 2012) Thus, the urban housing market can be divided into two segments, commercial based housing distribution by the private market and social housing provision by the housing indemnity system, as featured in figure 2.

Figure 2: Segmented housing provision in urban china



Source: Yao and Yanxiang (2011)

EAH was introduced in 1994 to stimulate housing consumption. However, in 2007 it has been redefined as housing for low income households with housing difficulty only. EAH state programs provide a land price subsidy to developers, who are then supposed to sell homes at discount prices to qualified households. CRH refers to housing subsidies in the rental sector provided to lowest income households with housing difficulty. PRH is developed for households that did not qualify for CRH, yet cannot afford to purchase EAH, or cannot afford commodity housing, yet are not qualified for EAH, thus, is targeting low middle income households. Under strict conditions, migrants are also eligible.¹⁰

Additionally, the housing provident fund (HPF), a long-term, compulsory, indemnificatory and mutual aid housing fund, were both the work unit and the individual would contribute to a common account, can assist home financing as a form of involuntary savings. (Chen et al., 2006) However, excluded are self-employed workers, freelancers, migrant workers and peasants.¹¹

¹⁰ According to the Ministry of Housing and Urban Rural Development migrants who have stable jobs and who have lived in cities for a number of years may be eligible to apply for PRH. In a few cities, such as Chongqing and Xiamen, migrants are allowed to apply for all types of low-income housing. (Huang, 2012)

¹¹ Logan (2009, p. 914) summarizes the segmented housing market with referring to the socialist legacy: "Housing rental or purchase at a full market price remain among the least common forms of tenure,

During the last decade, China's housing policy has shifted from pushing privatization and commercialization to providing subsidies to households and has established a housing framework for lower middle income households and commodity housing for the rest¹².

However, social housing provision by the government is facing many problems regarding implementation and impact. In many cases EAH has missed its target groups. Deng et al. (2009) argues that the program's units are often purchased by wealthy households, pushing both development standards and housing prices beyond the reach of middle- and lower-income families. Furthermore, specific income limits set by local governments are often too high and they are reluctant to support the EAH development. Huang (2012) describes problems of CRH caused by the lack of clear goals and policy frameworks for low income housing, resulting in confusion about eligibility. Moreover, the funding and performance evaluation system as well as the policy design and implementation on local government level result in low commitments to CRH. Thus, state council's official building targets are often missed.

A disadvantage inherent in each of the social housing programs is the systematic exclusion of migrants without a local urban registration, hindering a coherent urban development and housing provision. Not until recent years, the central government took notice of this circumstance.

Spatial features of Chinese housing policy

The massive spatial expansion of China's cities, the surged influx of migrants and the rapid development of the urban housing market has had significant impact on the city's appearance. China's larger cities undergo significant spatial restructuring, affecting housing provision and conditions through city center redevelopment, expansion of development zones and the emergence of urban villages:

City center redevelopment

Since the mid-1990s, the urban policy of China has been kept in line with the transition to a market oriented economy, hence has a major focus on modernizing cities to get rid of the

while renting from public sources and purchasing at a subsidized price are still the most common. [...] the current system relies heavily on descriptive characteristics of people to determine who will have privileged access to a place to live and who will be thrown to the market. Not surprisingly, therefore, the system maintains insider advantages [for urban locals] inherited from the socialist era.”

¹² Referring to the state council announcement (2011), new housing program guidelines are stated, which aim to bring subsidized housing coverage to 20% in China's urban areas by 2020.

socialist planning legacy¹³. Consistent with the property value orientated urbanization this includes relocation or demolishing of substandard areas of old housing and relocation or removal of former SOEs for the sake of new industries, retail and financial and commercial space. For many inhabitants it meant relocation to different areas. The majority of redevelopments is planned and conducted by property developers. Market pressure and investment opportunities determine most of their redevelopment projects as argued by Qian (2009) and He and Wu (2005). Though it promotes urban and economic growth and leads to improved housing conditions, it has negative socio economic impacts on local communities such as broken social networks or lost job opportunities, which, in return, could lead to a decrease in housing quality of new homes in the mid run as often perceived in Beijing.¹⁴

Compensation related to redevelopment and planned development zones

Compensations are subject to people affected by development zones and redevelopments. They follow broad principles of the central government. Downstream authorities are encouraged to provide details for implementations. Compensations are applied for (i) farmland loss through 'zhengdi', (ii) redevelopment and (iii) government acquisition of land use rights. (Chan, 2003)

However, in many cases it lacks the consideration of social networks and the people's needs and intentions. Often people on the lower end of the socioeconomic scale are the last to benefit from those projects. Hence, it is important to understand the distribution effects of the renewal strategies.

Planned development zones

To support the national urbanization strategy, local governments are to be encouraged to provide land for urban expansion. They acquire land from rural collectives and resettle or compensate the peasants. The rural land is then converted to urban use, in most cases to

¹³ The legal foundation has been established with the Urban Buildings Demolition Relocation Administration Regulations of 2001 (UBDRAR) "Buildings on land covered by a city plan may be compulsorily acquired under the UBDRAR for urban development schemes. Regulation 3 of the UBDRAR requires that demolition and relocation of buildings must conform to the relevant city plan and be beneficial to urban renewal, ecological environmental improvement, and the protection of cultural relics." (Chan, 2003, p. 140)

¹⁴ „ ...although the housing quality was improved in a short time, the quality of the new buildings and public facilities have not achieved the desired standard. Housing maintenance service in general was as bad as before; in some cases they became worse, especially for the low-income households who cannot afford the high cost of the maintenance service provided by private companies. Besides, the changes in local employment, education, healthcare and other services, as well as in public security, are not so positive and have become worse. Although many of these are not "visible" problems in the renewed neighborhoods, they could lead to a further round of decline." Qian (2009, pp. 248 and 249)

provide public services and urban infrastructure such as land grading, electricity, gas, water and roads. The public service provision is followed by industry, commercial developments or residential estates, frequently assigned for households relocated due to city center redevelopment. These suburban estates increasingly take place in most Chinese cities, however, more in cities with higher density than with lower. Though, development zones' rapid expansion has led to certain degrees of inefficient urban growth as described by Deng and Huang (2004)¹⁵, the Asian Development Bank (2007) and China's authorities generally regard it as providing suitable, because plan able, urbanization options.

However, over-requisition is evident in many cities caused by financial incentives given with the land reform¹⁶. For local governments it became one of the main sources to finance their services, as they have to generate most of their revenues locally and land prices increased over long periods.

Farmers are strongly disadvantage through their loss of farmland, in many cases source of life existence. The impoverishment of existing occupiers and the lack of pre consultation when they lose land while not being absorbed into urban labor markets led to an increase in mass demonstrations during the last years, as reported for instance by the Asian Development Bank (2007) and the Atlantic (2012).

Another drawback of development zones is their targeting at middle and upper income groups, greatly excluding housing provision for lower income groups, particularly migrants.

Urban villages

The so called urban villages (*chengzhongcun* 城中村) constitute a special feature of rapid urbanization and surging migration in China. Referring to the segmented urban housing market, for migrants, cheap rental market housing provided mostly the only affordable opportunity next to being accommodated by the employer.

¹⁵ In their paper on 'Uneven land reform and urban sprawl' p. 223 they summarize: "Development zone is a type of leapfrog development at macro level. Their planned density is not low, but their locations are often discontinuous from existing cities and concentrated in one direction. Many people who work in these development zones still live in the old cities, or vice versa, and their commuting is not short based on available transportation modes (mostly buses and bicycles). One spatial consequence of large-scale development zones is that many cities now look like 'twin cities' with an old city and a new development zone miles away."

¹⁶ "The acquisition of farmland is following general legal instructions by the People's Republic of China Assignment and Transfer of Use Rights of State Owned Land in Urban Areas Temporary Regulations, 1990 (PRCLUR). Under the PRCLUR, domestic and foreign firms, enterprises, organisations, and private individuals may obtain land use rights (LURs) from the government (Reg. 3) that are subject to the payment of an assignment premium (Reg. 8) by way of agreement, tender, or auction (Reg. 13)." (Chan, 2003, p. 137)

The greatest part of the rental housing market is based on private housing in urban rural transitional areas that used to be or still are agricultural within the city district. Usually, with the expansion of the city, local governments convert agriculture land into suburban areas and leave the residential land of the village intact. Hence, village sites remain as ‘rural enclaves’ isolated within built up urban areas. Being left without farmland, village residents have little choice but to lease their houses to make a living. Deng and Huang (2004) describe the growing numbers of peasants that build illegally more houses to lease to migrants. Changqing et al. (2007) mention the informal elements of the uncontrolled growth and refer to the historical context, in which rural residents have more flexibility in building their own houses, compared to urban residents who relied on public housing¹⁷.

With the increase in migration, these villages scattered around the city underwent significant change in terms of population composition and density, being increasingly populated by migrants. Eventually they were referred to as ‘migrant enclaves’ (Jiang, 2006, p. 723). As these areas are categorized as rural, they are beyond urban governance, “a vacuum of public administration” (Changqing et al., 2007, p. 28) per se. The unauthorized constructions reflect an unplanned urbanization which captures public space and diminish general living condition in the villages¹⁸. Despite growing, the villages’ infrastructure remains rural, with no basic urban improvements such as paved roads, tap water or canalization system. The location is pre-determined by existing villages in the urban fringe and cannot be considered as expansion of existing urban areas. Even though most residence are engaged in non-agricultural activities and pursue an urban lifestyle, they still live in an environment that is not fully urbanized in terms of physical environment and urban services (Deng and Huang, 2004). Migrants and local peasants form a special subsystem within the large cities, with different land ownership, resident or social hukou status and legal rights. Thus, rural urban migration in this case does not necessarily mean further urbanization in terms of urban infrastructure and service development. Migrants remain peasants in terms of residential location and live together with local peasants in the existing rural villages on the urban fringe.

¹⁷ After the economic reform, rural households in the urban periphery were allocated ample land to build private living quarters. They tended to occupy more floor space and larger housing than urban households. An average household of four persons was entitled to 8 to 10 rooms, providing ample opportunity to participate in the rental market.

¹⁸ In some cases, in the attempt to regain planning authority, the government issued policies to legalize the unauthorized housing inside urban villages, as happened in Shenzhen in 2001: “After paying the relevant penalties and fees, village households could register their property with the housing authority and claim their property ownership certificates. At the same time, they were required to sign the contract for using public land with the government. This process brought to an end the collective ownership of land inside urban villages.” (Wang et al., 2009, p. 963) However, this policy led to another wave of illegal house building in urban villages.

Overall migrant housing situation

The overwhelming majority of migrants participate either in the informal rental market that has developed with the liberalization of the housing market and providing relatively cheap rental opportunities for low income groups (urban villages) or live in dormitories provided by their employers, in factories or on construction sites, which mostly constitute the worst conditions. Migrants working for state and township enterprises or in the construction sector are often accommodated on site in dormitory housing. For smaller businesses, such as hotels or apartment blocks, employers provide apartments, which, however, are shared with other employees and mostly lack of basic facilities. (Abramson, 2002; Jiang 2006; Mahadevia, 2010)

Many studies have confirmed that the living conditions in these locations are to the largest part difficult, being overcrowded and lacking of sanitation (Jiang, 2006; Mahadevia, 2010; Ma and Xiang, 1998). Housing conditions of migrant households are significantly inferior to those of urban households, in terms of the size and type of dwelling, privacy, and access to public utilities (Chan, 2006).

A great part of the urban population could benefit from urban housing privatization and commercialization. However, the transition has created affordable housing shortage not only for migrants, but for urban locals too. In situ urbanization and migration has caused a segmented housing market and an immature overstrained rental housing sector. Housing problems are thought to be addressed with government housing programs, which do not consider non locals. Not being particularly addressed, migrants appear stuck between miserable housing conditions, city restructuring and redevelopment.

4. Migrant housing demand

Current housing situations do not necessarily reflect the actual housing needs and demands of migrants, but rather outcomes of socio economic stratification. Migrants are a very vulnerable group and can do very little to nothing when it comes to unacceptable housing situations and in most cases lump or simply accept the status as sacrifice. Surveys confirm that even though migration resulted in a drop of living conditions, migrants generally thought their quality of life had improved (Wang, 2004) and are particularly satisfied with their commute distance (Wu, 2004).

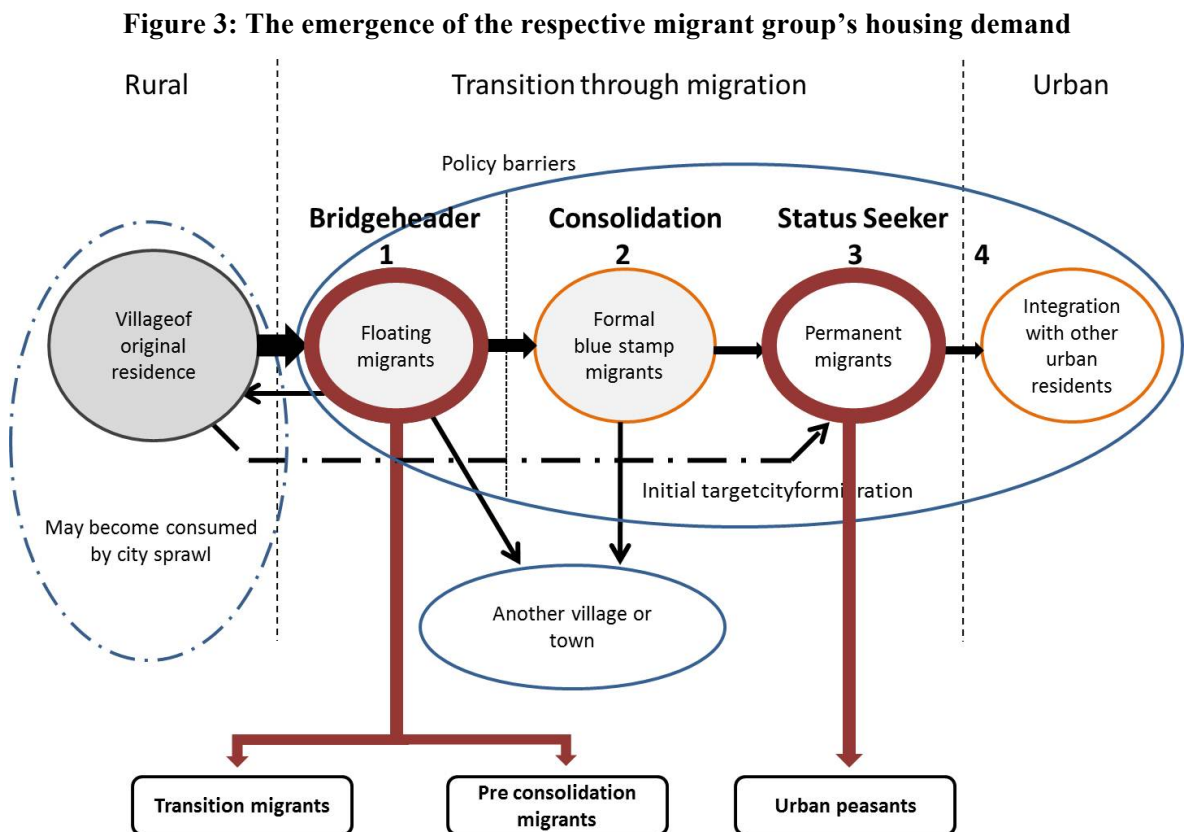
Never the less, at the current stage, migrant housing conditions mirror the lack of perspectives in the city. In this way, sustainable urban growth with migrant integration will not be achieved.

It becomes necessary to include them in the urban development process by considering and appreciating their actual housing needs. To meet migrant’s essential housing demand, it is crucial to analyze what characteristics and pattern can be assigned to the migrants and drive their housing demands.

To be addressed properly in the dynamic environment of China’s socio economic transition, they have to be put in context to the progress of the migrant’s transition in the urban society.

Regarding migration and the following rural to urban transition of migrants John Turner identified three levels of housing and household life cycle: “...the lowest is that of the ‘bridgeheader’ seeking a toehold in the urban system and hoping to achieve the intermediate level of the ‘consolidator’, who has obtained a relatively firm foothold but is in danger of losing it unless he can consolidate his newly achieved socio-economic status; the third level is that of the higher income (insured or professionally secure) ‘status seekers’...” (Wang, 2004, pp. 97 and 98). Figure 3 constitutes an adjusted model according to China’s migration and urbanization patterns.

Along the model, different housing priorities and needs emerge dependent on the immediate stage resulting in distinctive migrant groups. Under the consideration of the variety of migrant characteristics and housing priorities, distinctive migrant groups with their respective housing demands can be introduced.



Two migrant groups emerge from the floating population at Turner's 'bridgeheader' stage: (i) transition and (ii) pre consolidation migrants. One other group establishes through the process of expanding cities and rural settlements affected by it, producing (iii) urban peasants as permanent migrants at the 'status seeker' stage. All three groups and their respective housing priorities and demands are introduced in the following.

Housing priorities of new urban arrivals are different from those of local urban residents, and are grounded in their current stage of transition at a 'bridgeheader' position of Turner's transition model. Among migrants, many come to the city with the intention to work for one or more years and then return to their home place or remain in a circulation pattern in between. They stuck in the form of transition and continue circulating. Liyue and Yu (2008) found that the migrants 'sojourners' mentality, the double residential status and the resulting circulation pattern, is identified as the most significant impact causing the differences between permanent resident's and migrant's housing conditions in the city. Various studies, such as in Li (2007), relate to the low intention of migrants to spent their income on housing, thus tend to endure poor quality housing in order to save more money to send home. They are reluctant to spend money on housing as they do not have a sense of belonging to the cities they are working in and have little incentive to invest in stable and higher quality housing in the destination city because of limited socio economic opportunities. For instance, migrants who stay for a shorter period of time are more likely to be accommodated by dormitory housing provided by the employer (Abramson, 2002).

Their housing priorities reflect both, migrant's coping strategies in the face of enormous change and uncertainty about the future, and the temporary nature of many opportunities they perceive. Studies of Li et al. (2009) revealed a set of housing preferences among migrants: (i) employment priority, i.e. migrants tend to make certain types of combined housing-employment choices, such as living in the housing offered by an employer, in order, for example, to maximize time available for work; (ii) saving priority, i.e. diversifying risk across urban and rural income sources in the transitional economic environment; migrants work in the city but consume in the country, or minimizing current consumption for the future; (iii) mobility priority, i.e. in pursuit of employment opportunities, migrants are mobile; migration affects migrants' propensity to buy homes and makes them unwilling to commit to long term rental contracts, both of which tend to reduce the quality of the housing they occupy relative to that of urban natives who are more connected to particular locations and (iv) family priority, i.e. housing decisions of migrants are highly attuned to and reflective of choices related to family situation.

There are conclusions that can be developed based on these priorities. First, employment is closely linked to housing decisions made by migrants. This, however, is dependent on the magnitude of the employer's housing provision, which differs significantly between industries¹⁹. Further, the propensity to improving housing conditions due to increased income is low, because of savings priority. Moreover, migrants tend to live in housing linked to employment to the extent that it is available. Finally, migrant families are either left at home, whereas the migrant worker can act independently, or the migrant family has moved together to the new destination, in which case migrants tend to live in the privately provided rental housing.

In the transitional economic environment, most migrants do not consider long term housing commitments at their place of destination and remain in a very unsettled nature without being covered by urban public and social services. Most households are split between place of origin and work and remain in a state of transition. The high level of uncertainty in social and economic terms features a very vulnerable 'transition group' at risk of being exploited.

Table 2: Transition migrants housing priorities

Characteristics:	Housing priorities:	
Mostly rural urban migrants, new arrivals, remaining in circulation pattern, less formal employment, less educated, low income, separated households	1	Employment priority
	2	Saving priority
	3	Mobility priority
	4	Family life priority

On the other hand, there are migrants that look for more urban integration and tend to remain longer at their place of destination ('985' Program, 2008).

Moreover, surveys indicate that homeownership is dependent on whether the migrant wants to settle down in the city (Abramson, 2002). This, however, is highly dependent on perspectives given. For instance, a truck driver interviewed from Jiangxi "would like to buy a new housing unit primarily to get the blue stamp household registration [that may allow him to settle in Shanghai]" (Wu, 2004, p. 1297), but, as this seems very unlikely, homeownership as well as a permanent stay in the city must be disregarded. Many feel that they do not belong to the city and remain as transition migrants.

¹⁹ Most of employer housing in China is provided by the construction and manufacturing industry, occupied greatly by rural migrants.

Perception of not belonging to the city

Most migrants feel that they do not belong to the city, as a comment of a middle aged nanny stated: “as the saying goes, farmers are always farmers. I do not dream of becoming a Shanghainese”. As a result, many migrants tend to invest savings at home, as concluded by a shipyard worker in Shanghai: “eventually I will go home to Shandong and will remodel and decorate my house at home rather than [the] one [in Shanghai]” (Wu, 2004, p. 1297)

Urban village residents’ perception of their place of staying is also mixed. On the one hand, staying close to fellow migrants can provide a supportive social environment and a sense of community. However, mixing with locals provides possibilities of interaction, learning and adapting, more suitable for the process of urban integration, as stated in a young Sichuan woman’s reasoning: “Staying with other migrants will not help my own career growth because I will not blend into the local culture and social connections” (Wu and Rosenbaum, 2004, p. 20).

Different studies have different findings regarding the willingness of migrants to stay. According to a survey conducted by a China Urban Labour Employment and Labour Flow research team, 50% of the floating rural population wanted to stay in the city, and less than 10% wanted to return home. A study conducted in Fujian province indicated that only 20.6% had the intention to settle at their place of destination. (Mahadevia, 2010)²⁰

The findings show a socio economic divide that hinders the further development of migrant housing demand in the cities.

However, the central government attempts to gradually expand urban services to migrants. Steps include gradual lifting of hukou restrictions, labor market reforms and increased social and public service provision. Furthermore, migrant incomes increased steadily over the years and are expected to continue to increase (Shi et al., 2011; Fang and Meiyang, 2010). Central government’s actions and income increases support broaden socio economic perspectives of migrants, shifting more migrants to a group that strives to a phase of consolidation as described in Turner’s model which, however, is yet out of reach. Thus, these migrants can be concluded as a pre consolidation group. Their housing priorities mirror a greater desire for urban integration. Instead of extracting financial capital from housing (saving priority), the potential of financial commitment in housing increases because initial uncertainty of the transition diminishes (investment priority), their commitment to long term decisions becomes

²⁰ Regarding the study in Fujian, it is stated that migrant’s “lack of desire to settle down in the destination areas was because of their unsteady jobs [and their] incomes being low, the migrant population were incapable of living an average life in a city and hence were not willing to move their whole family to the city” (p. 8), which shows the importance of employment for long term city orientation.

less reluctant in accordance with the propensity to invest and increased participation in formal employment, including longer contract agreements and more stable work relations (integration priority).

Table 3: Pre consolidation migrants housing priorities

Characteristics:	Housing priorities:	
Longer duration of stay, mostly urban migrants, higher educated, more formal employment, increased income, tendency to family settlement	1	Employment priority
	2	Investment priority
	3	Integration priority
	4	Family life priority

Next to the floating population, it is estimated that in the entire process of urbanization, 600 million farmers are losing their land (Qi, 2004). The urbanization will generate a large number of unemployed farmers. Having lived with family and farming they now lack other skills, amounting to a situation of no farm, no employment and no minimal safeguard. Rural people are usually less educated than urban locals, have lower income and face minimal public and social service provision. With the approach of the city sprawl, urban villagers face significant change with modifications of labor opportunities and urban culture influences. They become urban residents at the stage of a ‘status seeker’ in Tuner’s model without any time of acclimatization and (human) capital urban hukou receivers usually have and in many cases must have, to integrate properly in the urban labor market and social environment. Therefore, they can be addressed as urban peasants.

At present, one time off compensation limited to life support functions is the most usual compensation for farmers whose land is resumed. The compensation standards for resettlement payments are low, scientific methods of calculation lack and situation related compensation is missing, which leads to the circumstance that the peasants are disadvantages in many cases. Compensation rarely involves pension, health care, employment and other social security functions. Therefore, peasant’s resettlement and transition will become a major concern of the communities. One time off compensation makes it difficult for farmers to maintain their life sustainably during their transition when social welfare cannot be guaranteed. A field research by Ling-ling and Yong-ming (2010) has questioned farmers whose land was resumed and either having been resettled or received monetary compensation, about their concerns and needs. Stable income has shown up as most urgent, followed by high costs of living and employment. A secured outcome (income or job security) is thought to be needed to compensate disregarded employment and social network. Three priorities emerge from urban peasants as stated below.

Table 4: Urban peasants housing priorities

Characteristics:	Housing priorities:	
Strong socio economic ties to former immediate environment, compensation demand, family settlement, low income and education	1	Security priority
	2	Employment priority
	3	Family life priority

Housing demand sets

At this stage, referring to the descriptions of different housing priorities, demands for housing can be listed. The transitional group, in accordance with maximizing accessibility and time for work as well as saving opportunities and split households, tends to housing provided by the employer as well as to basic quality rental housing.

On the other hand, in accordance with the intention to further integrate and participate in the urban environment, additionally with family/relatives which follow, the pre-consolidation group is increasingly considering homeownership as option and improved housing conditions in the rental sector. Their housing priorities may tend to those of permanent migrants.

Housing demand of urban peasants differ from the previous groups' demand as they are forced to assimilate. The demand is determined by compensation claims to counter insecurity as well as the loss of own housing and/or farmland. Hence, a secured outcome and/or reasonable replacement of the former home are desired, which is: (replaced) homeownership and/or improved housing conditions in combination with provided income opportunities (cash payments or/and job attainability). The following scheme summarizes the emergence of the respective migrant group's housing demand.

Table 5: Housing demand sets

Housing demand	Transition group	Pre consolidation group	Urban peasants group
1	Housing provided by employer	Homeownership	Own housing with income opportunities
2	Rental housing (basic standard)	Rental housing (medium standard)	Rental housing with income opportunities

5. Match of migrant housing demand and urban housing supply

Homeownership: Owning a home in urban areas is barely attainable for migrants. Further, they are generally excluded from the housing provident funds and related mortgage loans, thus, from supportive financing options. Homeownership remains attainable for only a few. Additionally they are denied subsidized housing purchases as part of ECH. The pre consolidation migrant's demand for homeownership is clearly rejected.

Private rental sector: The immature private Chinese rental market in urban areas serves as a platform for rental housing demands of transition and pre consolidation migrants. Migrant priorities face the danger of exploitation, resulting in poor housing conditions.

Social rental sector: Public rental housing is available for migrants under strict requirements, hence, could only be met by few migrants from the pre consolidation group. Migrants in the transition group will be totally excluded. The same accounts for low rental housing provision, from which migrants are excluded in general.

Work related housing: Working related housing provision can fairly match transition migrant's tendency to maximizing accessibility and time for work as well as saving opportunities in a non-market based housing environment. However, migrant priorities face the danger of exploitation again. Dormitory housing conditions may not meet anymore demands of pre consolidation migrants.

Redevelopment housing: During urban area expansion urban peasants become resettled, other migrants, however, are left out. Public rental housing may provide adequate housing conditions, however, it is missing additional planned support regarding securing a proper environment, such as schooling, nursing and in particular employment accessibility and opportunities. Distribution effects for migrants are generally neglected.

An overview of urban housing supply and demands and their consensuses is given in Table 6.

Urban housing supply		Availability to migrants		Housing demand		
Type of housing	Qualification	Own	Rent	Transition group	Pre consolidation group	Urban peasant group
Market based						
Commodity housing	Anyone, but only those with local urban hukou can qualify for housing provident funds and related mortgage loans	Yes			Homeownership	
Private rental housing	Anyone can rent already purchased commodity housing, purchased resettlement housing and private housing.		Yes	Rental housing	Rental housing	
Non market based						
Social housing						
Economic and comfortable housing	Local urban residents with low or medium income can purchase at subsidized price				Homeownership	Homeownership
Low rent housing	For rental to local urban residents with the lowest income			Rental housing		
Public rental housing	Low middle income residents, migrants with stable jobs and longer duration of stay, resettlement migrants	Yes		Rental housing	Rental housing	Rental housing
Work related housing						
Dormitory housing	Housing managed by local enterprises or institutions	Yes		Housing provided by employer		
(Re)development housing						
Resettlement housing	For local urban residents/peasants relocated from areas undergoing (re)development			Compensation demand	Compensation demand	Compensation demand

Table 6: Migrant urban housing demand and supply match overview

Available Available under restrictions Not available

Central government response

The central government has recognized a deficit in migrant and rural urban integration in its attempt to support sustainable economic growth and a stable society. In March 2006, China's National People's Congress officially promoted to "build a new socialist countryside". Part of the program is the expansion of social welfare, and accelerated urbanization. (Ahlers and Schubert, 2009).

In line with the new program the central government has put forward general principles and guidelines for housing policies of migrants aiming at improved and secured housing conditions for migrant workers provided by the employer and giving directions for local governments to actively consider migrants, and in particular low income migrants, in the urbanization process (Mahadevia, 2010). In 2008, a low rent housing program with a multibillion yuan budget was initiated. Premier Wen Jiabao specifically addressed in his State Council Announcement (2008) the necessity to provide affordable housing to rural migrants to improve their living conditions.

In June 2007, Chongqing and Chengdu were chosen as national comprehensive coordinated urban rural development experimental zones. The initiated programs target a burning issue. They attempt to comprehensively meet migrant's essential housing demand for low rent housing and employer provided housing.

6. Housing suggestions for migrants

Based on the findings in urbanization and migrant demand, as well as referring to the central government's conceptual approach to address serious deficits in the field of urban planning and migrant housing, the following concludes some suggestions for migrant accommodation.

Migrant housing decisions are generally dependent on employment considerations. Social housing policy, hence, must not stand in the way of migrant's ability and mobility to occupy or/and change work and should encourage urban integration for sustainable housing conditions. Housing related to the employer remains as most appealing to transition migrants. To intervene in this segment, the connection between migrant housing and employer has to be controlled or replaced and changed to migrant housing provided by the public sector without relatively sacrificing employment priorities. PRH or CRH has to consider migrant's employment situation regarding self-employment as well as being employed and its related commuting effort. Further integration has to be aligned by established services that secure

migrants in their respective vulnerable position and, regarding further urbanization, helps to integrate them into the urban environment ensuring sustainable quality housing. According to these findings, social housing priorities should: (i) ensure basic living conditions, (ii) ensure migrants access to work and (iii) integrate migrants in the urban structure. These can be applied accordingly to each of the three groups.

Transition group

Housing of transition migrants must be closely related to their work respectively employer to achieve sustainable housing conditions. Housing can be ensured through contracts between authorities and employer, whereas both benefit, the employer ensuring manpower and authorities controlling housing standards while main responsibilities and housing management remains with the employer. Migrants can stay committed to their work, while receiving secured housing and saving opportunities. Further policies could address more urban integration and the migrants need to stay with their families by replacing housing by employers through actively managed housing projects set up in cooperation with nearby enterprises, whereas administrative and planning responsibility would remain with local authorities. Such did partly already take place in China and may also provide housing possibilities to migrants engaged in small businesses for a sustained period of time as indicated by Wu (2006). It can provide an opportunity of urban employment (re)orientation for migrants. Moreover, local authorities integrated in work related housing decisions provide valuable urban planning opportunities that can be used to channel urban planning more coordinated and avoid urban villages.

Providing PRH and CRH to migrants is a major breakthrough regarding China's former housing policy. It symbolizes a shift to more migrant integration. Here as well, local authorities regain planning authority regarding further urban growth, providing cheap and affordable rental housing options next to urban villages. However, a sustainable formal housing policy has to be put in the right framework. To gain tenants and keep housing and living conditions on a sustainable level, firstly migrant employment opportunities have to be considered, followed by education, healthcare and other services, as well as public security. In line with urban growth further labor market as well as public and social service integration will be crucial.

Urban peasant group

The current widespread one time off compensation and resettlement for urban peasants requires further support. Their immediate change from a rural to urban environment implies great challenges and adjustments for them which take time. The burden must be lifted through providing security during the process of transition.

Chongqing and Chengdu provide two different resettlement models: (i) on the one hand urban household registration and hence provision of urban services and (ii) on the other hand remaining peasants with farmland plus new homeownership close by. Both have their advantages and disadvantages dependent on their registration status.

Table 7: Resettlement programs of Chongqing and Chengdu

	Chongqing (Hukou transfer)	Chengdu (No hukou transfer)
Pro	Access to urban public and social services	Keeping farm land, secured working situation, new homeownership
Contra	Rural land loss, difficult urban employment situation	No access to urban public and social services

In the case of Chongqing, labor integration is forced with hukou transfer, which may result in difficult employment situations due to former peasant's lack of suitable skills for the urban labor market. This, however, may be made up by access to urban public facilities and services, lifting cost burdens and supporting the immediate integration of the whole household into the urban community.

On the other hand, the concept of Chengdu provides the farmers with longer time to adjust to an urban environment by leaving them their basis of existence. However, they remain excluded from urban public and social services.

The compromise between both can be that: peasants are geographically resettled under the conditions of the Chengdu model, and receive urban hukou, while retaining their rural residential land for a couple of more years before converted, extending the time available for rural urban transition. Since 2010, the retaining land practice is applied in Chongqing for chosen rural hukou holders, which must own commodity housing in the urban area to receive urban hukou, to avoid farmers to go 'naked' into the city (State Council Announcement, 2010).

Overall, the existent income insecurity and education gap has to be addressed by providing school opportunities in the near neighborhood and adequate infrastructure for job accessibility.

Labor integration and job support can be facilitated by actively managed housing projects as previously described as well as by skill training.

Another consideration can be to disregard resettlement and regard urban villages as an important stage of urbanization and as preservation of cultural diversity right from the beginning. Urban villages can be strategic locations which provide cheap rent, access to economic opportunities and public traffic, however, dependent on the village's location and development stage within the city boundaries. They can provide diversified opportunities to many different social and economic groups. Urban villages could be gradually improved with support of public authorities in cooperation with village administration. Urban villagers could become integrated in the urban environment step by step. It would not artificially interrupt naturally grown socio economic ties while guiding migrants and peasants to an urban life.²¹

Pre consolidation group

The experimental zones and their integrated urban social housing policy have the potential to change the migrant's perception not to belong to the city. It shows recognition to migrant workers and families that they make most important contributions to the urban society and development. An increasing number of pre consolidation migrants provide a great opportunity for sustainable urban growth.

Pre consolidation migrants have more housing opportunities as they work in industries that usually do not require or provide onsite accommodation and provide formal labor occupation. Social housing is further very welcomed as it takes off pressure of consolidating attempts in the heated market based housing segment. Prospects for a long term settlement in the city will be increasingly facilitated. However, homeownership for migrants is not specifically addressed or encouraged by the state, though it may provide migrants the opportunity of investments. Instead, urban peasants may acquire homeownership, though they are not as socio economically integrated as pre consolidation migrants. However, in face of the current situation on the housing market, the central government rather tends to avoid increasing market activity and thus focuses on affordable housing policies and ensuring basic living conditions for migrants. Opportunities for homeownership will remain related to blue stamp

²¹ An overview of urban villages' gradual development steps with their respective social and economic activities and functions is given by Wang et al. (2009). Stage one represents an initial transition of agriculture areas at suburban locations; stage two the forming of urban villages in inner-city areas; and stage three the development towards full integration, in which the village begins to integrate in the formal urban system, whereas the focus lies on real estate development and environmental and social management.

registrations and higher cash investments. However, with increasing formal and long term employment, migrants could be given the possibility to join the household provident fund scheme to assist them to accumulate savings for home purchase, which could channel long term settlements and private urban investments.

7. Conclusion

China is striving for the harmonious society. Core of this program is further urbanization of China's economy and society. The development implies huge socio economic shifts. Those have to be integrated into comprehensive and coordinated urban planning. Crucial for its success is regaining planning authority regarding urban development, particularly for people that are not yet fully integrated in the urban structure. Thus, much will depend on meeting the housing demands of migrants. To a large part, the commercialized and privatized housing market cannot serve the demands of urban housing. The urban socio economic divide and stratification still prevails and migrants remain exploited and discriminated in many cases. To approach their concerns and needs now in China's great time of change is owed to them and not less than a fundamental pre condition of successful urban growth. This implies greater effort of the authorities regarding government provided and regulated housing. Public led projects and broadened personal choice to be accommodated eventually lifts the meet of migrants housing supply and demand on a level that can ensure proper living standards and more sustainable urban growth. The elaborated housing options all indicate an active and regulatory role of the central and local governments. Further study is required regarding the sustainability of affordable housing concepts for migrants in relation to urban labor market integration or public and social services. Moreover, implementation, financing and coordination of migrant housing projects remain great challenges.

The new president Xi Jinping is evoking the vision of a Chinese dream, which may be "A dream of a strong nation...a dream of a wealthy people" (Economist, 2013). For the future, authorities are to be encouraged to consider migrant's housing situation and demand. Eventually housing will always remain as a visible expression of the society's socio economic opportunities.

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