

ACTIVITIES AND ACHIEVEMENTS QUESTIONNAIRE

1. Non-Technical Summary

A 1000 word (maximum) summary of the main research results, in non-technical language, should be provided below. The summary might be used by ESRC to publicise the research. It should cover the aims and objectives of the project, main research results and significant academic achievements, dissemination activities and potential or actual impacts on policy and practice and highlight where the project has been successful in building capacity.

Since the late 1990s Chinese cities have been swamped with low skilled rural migrants living in marginal conditions. Their numbers are added to by the millions of laid-off workers resulting from large-scale industrial restructuring and enterprise reforms. The resulting poverty problem is two fold. First, migrants moving into the cities are disenfranchised from rights bound up in rural collective land ownership. Second, laid-off workers are disenfranchised from rights conferred by former state enterprises. The new urban poor in China are confronted with systematic institutional constraints, discriminative policies and many administrative as well as economic and social assimilation difficulties.

We have examined the mechanisms of urban poverty generation in Chinese cities and the concentration of poor groups in poor neighbourhoods. We have reviewed how the redistribution of property rights occurring through urbanisation have impacted the poor. We examined three major types of poor neighbourhoods: workers' villages developed in the centrally planned economy; pre-1949 old neighbourhoods; and urban villages.

We conducted a survey of 25 poor neighbourhoods in six Chinese cities (Xi'an, Guangzhou, Nanjing, Wuhan, Harbin, and Kunming). We chose to survey the poorest neighbourhoods in these cities in order to conduct the first systematic analysis of profile of China's emergent urban poor and the processes of impoverishment.

Finding include the following:

- High poverty rates (average of 22.4% using minimum living support level) are found in these poor neighbourhoods. This is well above nationally reported levels since official statistics only count registered urban households.
- The poverty level is the highest for laid-off and unemployed groups living in inner and old city neighbourhoods.
- Rural migrants are more active in selling their labour, often for a lower price than their urban counterparts would accept. They are thus better able to survive their poverty. But they are concentrated in urban villages with poorer living conditions than their urban counterparts. They are more deprived of public services and social welfare (including minimum living support) by virtue of their lack of urban rights.
- There is a need to adopt a pinpointed rather than broad-brush approach to poverty alleviation. Policies focused on poor neighbourhoods would address personal, housing and urban service poverty. The regeneration of pre-1949

and industrial neighbourhoods and provision of low-income housing is a way forward.

- Depending on the timing of development, some farmers have been able to retain some *de jure* land rights and *de facto* rights to build and rent private housing to migrants. This has given some a rental income that has helped them avoid poverty. However, the majority of landless farmers have experienced vulnerability to poverty. Clarifying the set of rights they receive in exchange for expropriated land rights would benefit them. Currently they gain rights to various compensatory transfers. Consideration should be given to additional rights to urban services.
- Poverty concentration at the neighbourhood level has a negative impact on vulnerable population. Holding other socio-economic features constant, living in poverty-stricken neighbourhoods raises the chance of a household being poor. For every 1% increase in the neighbourhood poverty rate, the chance of living poverty is increased by 4.4% for all households.
- The underlying mechanism of poverty concentration is found to be related to the development history of neighbourhoods. This is different from the ‘culture of poverty’ arguments in the West, which attribute poverty to an underclass culture. Instead, the neighbourhood effect is built upon residential geography. Old city neighbourhoods have the greatest concentration of poor people because they did not benefit from housing sector reform during the centrally planned era. The poor standard of buildings means these are locations of last resort, where the lowest rents are bid (relative to other neighbourhoods of similar centrality). Income and housing poverty coincide.
- Urban villages are under a unique property rights regime that confers collective village ownership over of islands within the city. Village co-owners have an incentive to build informal dense and low standard accommodation to rent. Again, housing poverty coincides with income poverty.
- The role of the state in poverty generation is significant. Among official urban residents, the state has removed the all-inclusive entitlements of the work-unit into a minimum living standard entitlement.
- For rural migrants, it not only constrains the expansion of spontaneous low cost housing provision (by outlawing densification of urban villages) but actively reduces the supply by demolishing these housing areas.

The project’s findings have been disseminated through invited talks; conference presentations; a series of journal articles; a forthcoming book entitled *China’s Urban Poverty*; and an edited volume drawn from the Workshop on Comparative Urban Poverty Studies.

The potential academic impact of the work lies in its scrutiny of poverty processes in the context of market transition – where the majority of studies on urban poverty are conducted for Anglophone ghettos and slums and squatters in developing countries. The study reveals how the legacy of socialist institutions and newly introduced market forces work together to create social vulnerability. We also enrich the understanding of ‘neighbourhood effect’, as in this transitional context it is not the ‘culture of poverty’ but rather urban institutions and historical patterns of property rights that have led to the concentration of poverty.

Potential policy impacts including deepening the insights of the UN Habitat Global Report on Human Settlements (2003) *The Challenges of Slums* by providing detailed case studies of low-income neighbourhoods in China. Our findings are consistent with the idea that policy should go beyond traditional approaches to demolishing slums and improving physical conditions. The study provides important evidence for formulating the policies of urban village redevelopment in China.

Researchers at partner institutions in China have received three Chinese National Science Foundation projects to continue our research on a) gentrification and redevelopment, b) urban poverty, and c) multiple deprivation. Through involving partner researchers in publication, our research has enhanced the career development of a group of promising researchers, which shows the benefit of the ESRC/DFID program to the research capacity in the destination country.