

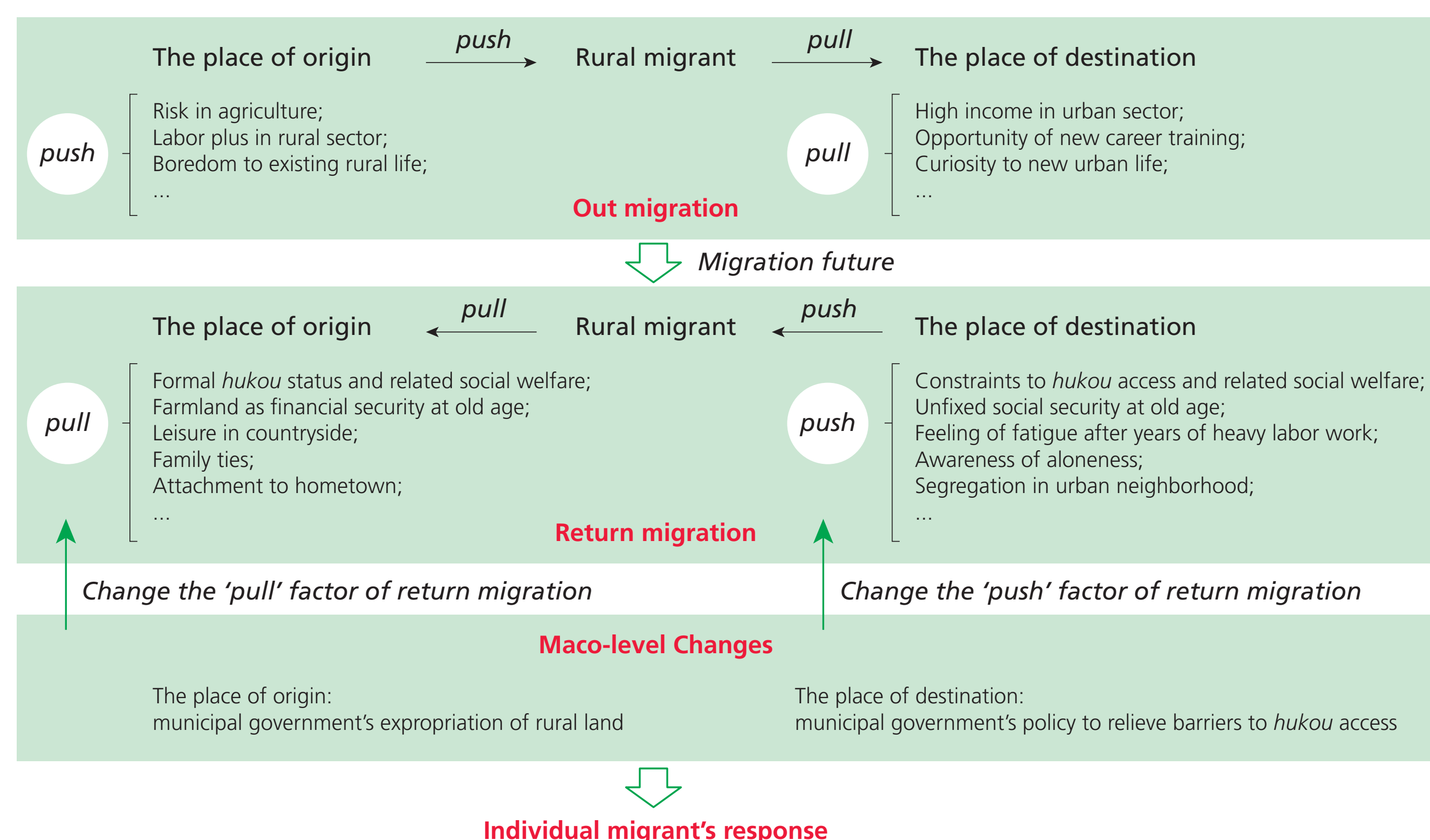


Remittance, farmland, rural housing and rural migrants' urban housing expectation in China

Context

- China has about 150 million rural-urban migrants. Without local hukou, rural migrants have not got access to the pension insurance in the place of destination. Rural migrants therefore eventually migrate back to the place of origin and rely on farmland at old age. That has slowed down the pace of urbanization. However, China intends to speed up the pace for the development of real estate industry, thereby maintaining current rate of the economy growth. In addition, the shortage of labor force due to the one-child policy in urban areas drives the national government to reform the hukou system to promote permanent rural-urban migration.
- In practice, municipal governments in the place of destination implement a new hukou access policy that: applicant who owns a urban dwelling of a certain size is able to obtain a local hukou. It encourages rural migrants to purchase urban market-sector dwellings. Meanwhile, municipal governments in the place of origin endeavor to expropriate more farmland for new industrial zones, in order to accelerate economy growth. It disrupts the function of farmland as the financial security to return migrants at old age, so that rural migrants have to take the loss of farmland into account when making a plan for migration future.
- The effectiveness of these governments' policies largely depends on rural migrants' response in the field of migration intention and future housing choice in the place of destination. However, with the increase of housing price, the purchase of an urban dwelling will be a heavy burden to most of rural migrants. They therefore need to adjust their spending plans in the fields of remittance, investment in rural housing and farmland.
- The literature contains few empirical studies to evaluate the effects of these macro-level changes on individual rural migrant, especially of studies that take rural migrants' remittance, farmland and rural housing into account. This study intends to fill in the gap, with the emphasis on rural migrants' expectation to home ownership at their destination.

The conceptual model of "push-pull" factors to rural migrants' migration intention



Map City of Suzhou, Jiangsu province, China

Central research question

What are the effects of the remittance, expropriation of farmland and the dispose of rural housing on rural migrants' expectation to home ownership in the place of destination?

Case area and research design

City of Suzhou, Jiangsu province, China (see map).

- A multinomial logistic regression model is employed to explore the determinants of rural migrants' urban housing expectation. The dependent variable includes three categories: expectation to home ownership, expectation to other tenure and uncertain expectation.
- Independent variables include rural migrants' demographics, migration characteristics, expropriation of farmland, the dispose of rural housing and the remittance. To avoid impacts of the dimension of continuous variables on the result, the model transforms continuous variables into standardized variables through the function 'zcore'.

Preliminary findings

With regard to rural migrants who hold a certain urban housing expectation, the model shows that (see table)

- The higher-educated and higher-income migrants are more likely to plan to purchase urban market-sector dwellings in the place of destination.
- Long duration at Suzhou and family migration are significantly positive variables to rural migrants' aspiration for homeownership.
- The sale of rural housing plays a positive role: rural migrants might sell the cottage to prepare for the purchase of the urban housing.
- Expropriation of farmland is statistically insignificant, probably because individual rural family could not obtain adequate compensation from municipal government in the expropriation, without an entire ownership of farmland.
- Rural migrants who remit are less likely to plan to purchase urban housing.

For hesitating rural migrants, almost all independent variables are statistically insignificant.

Table Multinomial Logistic regression model for rural migrants' housing expectation at Suzhou

Independent variables	Expectation to home ownership ('home ownership' vs. 'other tenure')			Uncertain expectation ('uncertain' vs. 'other tenure')		
	B	Exp(B)	Wald Chi-square	B	Exp(B)	Wald Chi-square
zcore (Age)	-0.043	0.958	0.143	-0.077	0.926	0.322
Gender						
Female (dummy)	0.095	1.100	0.295	-0.219	0.803	1.257
Education ('less than 9 years'=ref)						
Medium (dummy, 9-12 years)	0.174	1.190	0.747	0.425*	1.530	3.785
Higher (dummy, 12 years or above)	0.490*	1.633	2.982	-0.568	0.567	2.208
zcore (annual income)	0.358***	1.431	11.106	0.210	1.233	2.388
zcore (hometown distance)	-0.051	0.950	0.247	0.124	1.132	1.460
zcore (duration at Suzhou)	0.396***	1.486	11.268	-0.116	0.891	0.417
Family migration (dummy) (single migration=ref)	0.531**	1.701	5.943	-0.039	0.962	0.024
Dispose of rural housing (None plan to sell=ref)						
Plan to sell (dummy)	-0.003	0.997	0.000	0.353	1.423	0.435
Sell out (dummy)	0.771*	2.162	3.363	-1.421	0.242	1.788
Expropriation of farmland (None expropriation=ref)						
Planned expropriation (dummy)	0.195	1.216	0.167	-0.332	0.718	0.317
Expropriation (dummy)	-0.123	0.885	0.226	-0.254	0.776	0.835
Remit (dummy) (non-remit=ref)	-0.327*	0.721	3.303	-0.236	0.790	1.408
Constant	-0.711***			-0.676**		
df	26					
Nagelkerke R square	0.181					

Significance levels: * <= 0.10; ** <= 0.05; *** <=0.01.