

# China's Urban Poor – Comparing Twice Poverty between Residents and Migrants 2013 and 2018

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In this paper we have contrasted twice poverty among two categories of people living in urban China: Those with rural hukou (residents permit) and those with urban hukou. Some of the people belonging to the latter category were actually born with a rural hukou, but have thereafter received an urban hukou. We have defined a person as poor in case she or he lives in a household that fulfilled two criterions. One is to have received an income per capita lower than 60 percent of the median income of urban residents as observed the same year. The other criterion is that the household in which the persons' lives own wealth per capita that is less than 60 percent of median for net wealth per capita among urban residents as observed the same year. We applied those criterions to data from the China Household Project collected for 2013 and 2018 to find out how many and who are "twice poor". Between those two years investigated changes that can be supposed to have affected the risk of being twice poor occurred. One is that incomes, mainly wages of rural to urban migrants grew more rapidly than among urban residents. Another is policy changes reducing or even abolishing the importance of hukou (resident permit) in cities of lower and medium rank.

One key result of this study is that migrants with rural hukou who live in urban China were more prone to twice poverty than urban residents in 2013. This is in agreement with what some, but not all, results from previous studies on income or consumption poverty. We also show that in contrast people who were rural born but thereafter have had their hukou status converted to an urban are not more prone to twice poverty than those who received an urban hukou at birth. Another key result is that the difference in twice poverty rates between rural to urban migrants with rural hukou and urban residents narrowed rapidly between 2013 and 2018. Actually, in 2018 we did not find a higher twice poverty rate among rural to urban migrants than among urban residents. As consequence the composition of poor people living in urban China changed rapidly. While in 2011 almost half of all twice poor people living in urban China were rural to urban migrants, in 2018 a vast majority were urban residents.

In the paper we also show that a number of factors are related to the probability of being twice poor among people living in urban China in an understandable way. However, even when considering a number of such factors did a rural hukou status increased the probability of being

twice poverty in 2013. In contrast, such an over-risk of being twice poor among rural to urban residents disappeared in cities of middle and low rank. However, rural to urban migrants residing in high rank cities still face a higher risk of being poor than urban residents with the same characteristics. The difference across years is consistent with more rapid increase of incomes among rural to urban migrants and that different from cities of lower and middle rank restrictions for rural to urban migrants still are prevail in the highest rank cities.

While we claim that the “twice-poverty” definition here applied is substantial step forward in comparing poverty among rural to urban migrants having a rural hukou and urban residents it also has limitations. Our definition does not consider that urban residents might meet different prices than rural to urban migrants. One example thereof is that many rural to urban migrants do not have access to subsidized healthcare. Being relatively newcomers migrants can also meet higher housing prices than urban residents. Furthermore, our definition of twice poverty does not consider that rural to urban migrants typically work longer hours during a work-week and thereby have more limited possibilities than urban residents to meet an economic chock. From this discussion follows that our definition of “twice poverty” rather underestimates the “real” disadvantage of rural to urban migrants compared to urban residents than the opposite.