

Gu C and Shen J, 2003, Transformation of Urban Socio-Spatial Structure in Socialist Market Economies: the Case of Beijing, *Habitat International*, 27(1), 107-122.

[http://dx.doi.org/10.1016/S0197-3975\(02\)00038-3](http://dx.doi.org/10.1016/S0197-3975(02)00038-3)

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**Transformation of Urban Socio-Spatial Structure in Socialist Market Economies:  
the Case of Beijing**

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**Abstract**

Different from the socialist model of urbanization in the pre-reform period, Beijing is going through a more divergent path of urban change bearing similarities to western cities and cities in other developing countries. Urban sprawl and spatial segregation are taking shape along with the social polarization and the inflow of millions of rural migrants. One significant force of urban change is the large-scale inflow of rural migrants in the reform period. Migrants from various origins are typically specialized in particular activities and business. Spatial concentration of rural migrants has formed many migrant villages. This paper examines the above urban changes in Beijing and calls for a re-consideration of whether there is a unique mode of urbanization in China.

*Keywords:* Social polarization, Urban spatial structure, Urban transformation, Beijing

**Introduction**

Social polarization, urban poverty and deprivation, and spatial segregation have been common problems in western cities. Post-fordist economic restructuring and globalization have been identified as the main forces of social and spatial polarization (Kesteloot, 1995; Kempen, 1994; Walks, 2001; Wessel, 2000; Jordan and Redley, 1994). The cities of socialist countries such as China used to have little socio-spatial disparities in comparison with the capitalist cities (French and Hamilton, 1979; Chan, 1994; Sit,

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1995).

However, the socialist countries like China have been on a transitional path toward a market economy since the 1980s. China has implemented profound economic reform and open-door policy since 1978 and is increasingly linked with the globalizing world economy (Yeung and Li, 1999; Gu *et al.*, 2001; Shen *et al.*, 2000). Internal urban reforms and globalization process have been shaping the transformation of Chinese cities at an unprecedented pace (Fan, 2001; Chan, 1996; Ma and Fan, 1994; Shen, 1995; 2000; 2002a; Shen *et al.* 2001; 2002). Initial urban reform was experimented in a few selected cities such as Shashi in Hubei province and Changshu in Jiangsu province in 1981. Nationwide urban reforms have been introduced in China since 1984. The urban reform in China is a comprehensive process involving the transformation of the operation and administration of urban enterprises, migration, land use and urban planning. Economic liberalization and the inflow of foreign investment have created a new elite class in Beijing. This elite class consists of top managers, private business owners and expatriates in joint ventures or TNCs (Transnational Corporations). Their affluence is well indicated by expensive cars and villas owned by them.

The relaxed policy on rural to urban migration is also influential in the transformation of urban social and spatial structure, especially the formation of a poor migrant class in the city (Chan, 1996; Shen, 2000; 2002a; Shen and Wang, 2000; Wang and Shen, 2001). A large number of floating population began to migrate from rural areas to urban areas due to the erosion of migration control such as household registration (*Hukou*) system. In the pre-reform China, the socialist China was successful in establishing a classless urban society without significant income inequality among its members (Sit, 1995; 2000). However, such socialist equity in Chinese cities has been shaken due to social-economic transformation and significant rural to urban migration mentioned above.

As a result, Chinese cities have experienced significant transformation in their socio-spatial structure in the reform era. Such transition is especially rapid and substantial in the capital city - Beijing. Social polarization and spatial segregation, a phenomenon rarely found in socialist countries before - has occurred in Beijing since the introduction of the urban reforms in 1984. Earlier studies have revealed the rapid urban change in Beijing in the reform era but the issue of transformation in urban socio-spatial structure in the transitional market economy has not been systematically examined (Gaubatz, 1995; Sit, 1995). Ma and Xiang's (1998) study on the migrant

enclaves in Beijing focused on the migrant networks and the successful migrant economy but the social, environmental and housing problems were largely ignored.

A key argument of this paper is that Beijing is going through a more divergent path of urban change bearing similarities to western cities and cities in other developing countries with increasing social polarization and spatial restructuring. Thus the paper is focused on the key factors and processes of social-spatial transformation based on extensive field observation, survey and empirical analyses of economic change, urban renewal and construction, and migrant settlements. Detailed analysis of the arrival and spatial concentration of a particular social group, the massive number of rural migrants as a vivid example, is used to illustrate the social-spatial polarization. Thus a macro approach is adopted in this study. Detailed statistical analysis of high and low income groups among small urban areas would be useful. Such analysis will be the scope of further research when such systematic demographic data for small areas become available.

### **Forces of urban transformation in post-reform era**

The growth of the service sector and the internationalization of the urban economy are two fundamental aspects of the changing environment in which urban social polarization has been taking place in both developed and developing countries in recent decades (Friedmann and Wolff, 1982; Sassen, 1991; 2000). Dramatic transformations that have taken place in Beijing are linked to both internal and external forces such as the change in the urban function, the open door policy and the in-flow of international capital and floating population (Shen, 2000; 2002a; Wong and Shen, 2002).

#### *Urban Function Change*

The change of the urban function from a traditional manufacturing base to a center of service is a major force of social polarization in Beijing. The introduction of economic reforms in 1978 marked the restoration of Beijing as a major service center in the country (Table 1). After 1949, under the influence of Maoist industry and production based urban policy, Beijing was transformed into a major manufacturing base by 1978 with secondary sector accounting for 71.10% of the GDP. Then after 1978, the share of the tertiary sector increased dramatically to 56.58% by 1998 while that of the secondary industry was reduced to 39.12%.

(Table 1 about here)

In the period 1978-1998, the number of employees in the tertiary industry grew dramatically from 1.40 million to 3.25 million while the number of employees in the

secondary industry only increased slightly from 1.78 million to 2.26 million (Table 2). By 1998, the tertiary industry employed the largest number of people in the city. Dramatic changes in the economic structure provide plenty of opportunities for both high or low income jobs resulting in growing income gap among different social groups.

(Table 2 about here)

### *Inflow of International Capital*

China began to attract foreign investment with the implementation of the open door policy in 1978 (Gong, 1995; Shen, 2002b). China has become the largest host country of foreign investment among LDCs and second only to the US in the world as a recipient country of foreign investment since 1993. In 1997 only, China received US\$52.4 billion FDI (foreign direct investment) (State Statistical Bureau, 1998). The growth of FDI in Beijing was faster than in many other cities. The total amount of actually utilized foreign investment of the city increased from US\$177.25 million in 1987 to 2869.73 million in 1998 (State Statistical Bureau, 1999a: 160).

The inflow of FDI has significant impact on the spatial structure of Beijing. FDI is focused on the service sector and high-tech industries and it may not move to old industrial areas. In recent years, Chaoyang and Haidian have become the main destinations of FDI resulting in sustained economic boom in these two inner suburb districts (Figure 1). The growth of new assembly industries related to the production of colour TV sets, refrigerators, washing machines, air conditioners, computers, automobile and micro-electronic industries, etc., has generated many jobs for both skilled and unskilled workers. On the other hand, FDI in the service sector has concentrated in the CBD (Central Business District) area, *i.e.*, East city district and West city district. As a result, spatially, a new rich urban zone has been formed consisting of Chaoyang district, Haidian district and the booming CBD area. Meanwhile other two inner urban districts, Chongwen and Xuanwu, have received much less FDI. Indeed, Chongwen district, Shuanwu district and Fengtai district form an old residential and manufacturing zone of Beijing. This is a backward zone and is in sharp contrast to the rich zone.

(Figure 1 about here)

The inflow of FDI also has important impact on the social structure. There are simultaneous growth of high skilled and well-paid jobs at management level and the growth of unskilled and low-paid jobs in the FDI-induced manufacturing industry in

Beijing.

### *Rural to Urban Migration*

Beijing's process of labour migration can be divided into two different stages. The first stage is the migration of urban residents (1949-1984). Rural to urban migration was under the strict control of the government plan. Most migrants moved to and from Beijing were urban residents. With the absence of a labor market, people were allocated to specific areas according to labour needs of the state economic plan (Kesteloot, 1992). The number of people moving into Beijing was very small due to policies that favored industrialization with limited urbanization. Urban non-agricultural population was stagnant in Beijing in the period 1960-1978. It was 4.56 million in 1960 and still only 4.67 million in 1978 in contrast to the rapid growth of China's population in the period. In the period 1978-1984, urban non-agricultural population was increased by about one million and it reached 5.58 million in 1984. Majorities of these were the returned migrants of former urban residents in Beijing who had been sent to rural areas and other parts of China during the infamous "cultural revolution" in the period 1966-1976.

The second stage is the migration of rural peasants (1985-present). Migration of rural peasants to Beijing in the reform era is a result of three interrelated factors. First, overall economic growth and the new wave of urban construction generate huge demand for labour especially in the construction sector. Second, the inefficient state owned enterprises (SOEs) in Beijing have left a huge market for more competitive small private business which have thrived in the 1990s. Third, the tight migration has been relaxed since the early 1980s marked by the registration of temporary population in 1985 (Shen, 2000; 2002a).

The new wave of rural to urban migration to Beijing is dominated by farmers. This is the result of direct contesting between rural migrants and the urban government. Initially, rural migrants entered the city without the approval of government regulations and have to face waves of expulsion by urban authority. Gradually, the urban government changed its policy from exclusion to accommodation by allowing rural migrants to stay in the city and to be registered as temporary population in 1985. But even after 1985, large cities like Beijing continued to use various measures to drive rural migrants out of the city in various occasions (Liu and Liang, 1997). Other factors are also conducive to the inflow of rural migrants. The opening of the grain market in 1982 helped them to circumvent the constraint of grain rationing. The restoration of the private ownership of housing, the commercialization of urban public housing and the

consequent emergence of housing markets made it possible for rural migrants to rent and purchase housing in cities (Gu, 1995).

With economic liberalization in the city, many jobs such as construction workers, baby-sitters, family servants, restaurant and repairing services workers have become available with the expansion of the service sector. While many SOEs are over-staffed and running under production capacity, most of the rural migrants have been successful in finding their jobs. The number of rural migrants has increased dramatically in Beijing since 1984 (Table 3). There was only a floating population of 0.2 million in 1984. By 1998, the number of urban floating population reached 3 million, accounting for about 30% of the total population of the capital. It is noted that the number of floating population in Beijing has been stabilized around 3 million since 1994 as the labour market was saturated at this point.

(Table 3 about here)

### **Emerging urban socio-spatial structure in Beijing**

Since the implementation of the economic reform and open-door policy in 1978, Beijing has entered a new stage of urban development. The major changes in Beijing's urban socio-spatial structure in the reform period are examined in the following.

#### *Urban Renewal and Reconstruction in the Inner City*

In order to adapt to the rapid socio-economic development, globalization and the increasing scale of foreign investment in the capital, Beijing has implemented an ambitious program of urban renewal and reconstruction to equip the city with excellent infrastructure and good environment for business, investment and living.

In 1990, Beijing Municipal Government launched its urban renewal plan for the inner city (Figure 2). Three main considerations of urban renewal in the inner city are as follows. First, Beijing did not have a CBD historically so that most of the financial and business buildings were located and dispersed in areas outside its second ring road. To lift Beijing's service industry to a status equivalent to that of an international metropolitan, there was an urgent need to develop high quality office space to accommodate new institutions and business such as international and government institutions, liaison offices of TNCs (Transnational Corporations) and joint ventures' in Beijing. Many international institutions and TNCs chose Beijing as their first base in China. Second, a real estate market had emerged in the capital. The implementation of the compensation policy of urban land-use also speeded up the process of urban renewal. Old factories and residential blocks could be relocated elsewhere using such

compensation policy. Third, the old inner city was mainly consisted of old one-store courtyard houses made of wood and bricks of the *Ming* and *Qing* dynasties. Basic utilities such as tap water, toilet, kitchen and heating were inadequate. Such residential areas were clearly in need of renewal.

(Figure 2 about here)

Eight urban renewal projects have been completed in the inner city. Some important shopping centers and squares which are key to Beijing' urban function such as Wangfujin, Dongdan, Xidan, Xisi, Xingjiekou, Beixingqiao, Caishikou, Zhushikou and Ciqikou have been redesigned and reconstructed with traditional styles. Beijing is increasingly westernized on its outlook but still embedded with long traditions, a good example of local embeddness in the globalization process.

#### *Urban Sprawl in the Urban Fringe and Concentric Spatial Structure*

With rapid growth of the urban economy and population in the reform era, there has been a clear trend of urban sprawl in Beijing. The whole city is expanding outward along the main radial roads to the inner suburbs and the urban fringes (Figure 3). The urban non-agricultural population increased from 4.67 million in 1980 to 7.34 million in 1998. The built-up area of the city increased from 335 sq. km in 1978 to 488 sq. km in 1998 (State Statistical Bureau, 1999a; 1999b). This is almost 50% urban expansion in 20 years. Significant expansion has taken place toward the east, northeast and southeast of the old city. As a result of urban renewal in the inner city and urban expansion in the urban fringe, a new urban spatial structure has emerged which can be outlined in the following.

(Figure 3 about here)

Due to rapid expansion and development of Beijing, its metropolitan area now consists of 16 districts and 2 counties (Figure 1). Four concentric zones have been formed. The first zone is the city proper, consisting of 4 districts (West city district, East city district, Xuanwu district and Chongwen district). 30% of the urban population in Beijing are concentrated in this area.

The second zone is the area between the city proper and the boundary of the built-up area. It is the urban fringe inside the fourth ring road. It consists of the built-up area in 3 suburb districts (Chaoyang district, Haidian district and Fengtai district). It has a built-up area of 310 square kilometers mainly hosting new residential areas, industrial areas, universities and offices built after 1949. Many new residential areas have been built in various places of these districts such as Hepingli, Yuetan, Tuanjiehu, Jingsong

and Anhuili. Each such residential area occupies 60-100 hectares of land and accommodates about 30,000-40,000 people in 10,000 dwelling units.

The third zone is the inner suburb involving areas of 4 districts (Shijingshan district, and non built-up areas of Chaoyang district, Haidian district and Fengtai district) beyond the boundary of built-up area. It has an area of 943 square kilometers. Many industrial enterprises groups and the principal vegetable gardens and orchards are located in this zone.

The fourth zone is the outer suburb, consisting of 8 districts and 2 counties. It has an area of 15,438 square kilometers and functions as the supplying base of grain, fruit, dairy products and poultry for the urban population in the capital.

In the reform period, both domestic and global functions of Beijing are enhanced. At the same time, a dual spatial structure corresponding to the distribution of two population groups has gradually emerged in Beijing. The senior native Beijing people usually live in the old inner city (city proper) demonstrating the features of the traditional Chinese urban landscape. The new Beijing people refer to migrants who are not born in Beijing and the recent generation of the local population. These migrants have moved to Beijing together with their household registration and are different from the rural migrants who are registered as temporary population. Majorities of the new Beijing people are employees working in the SOEs, joint-ventures, institutions and governmental departments. They tend to settle down in the suburbs where new housing, provided by or rented from their work units or increasingly bought from the private housing market, are located.

Many people employed by foreign companies or joint ventures often live in four or five-star hotels or high quality apartments owned by joint-ventures. Some new rich businessmen and professionals emerged in the reform era have also begun to buy luxurious villas in the outer suburbs. A new villa zone for the rich residents is being formed along the Jingtang Road from the Asian Game Village to Xiao Tangshan in Beijing's northeastern suburb.

On the other hand, a poor unskilled and low-income migrant class, the floating population, and migrant villages have been formed in the Capital (Chan, 1996). The next section will focus on this issue.

### **Rural migrants and migrant villages in Beijing**

Large scale rural to urban migration, especially the temporary population, is a major cause of social polarization in Beijing. Except for a small proportion of rich rural



migrants who run their own business, millions of floating population are engaged in unskilled, insecure and low paid jobs.

While other social groups including the recently displaced local workers in the state-run manufacturing sectors may also be poor, rural migrants represent a new poor social group in Beijing. Rural migrants tend to depend on simple, unstable, unskilled and poorly paid jobs. Their demographic characteristics, education levels, occupation structure and the institutional constraints on their rights to live and work in the city all have contributed to their poor economic situation. On the other hand, the emergence of large scale informal settlements in migrant villages especially in the "Zhejiang village" in the south of the capital sends an alarming signal to the municipal government and the public. There have been intense conflict and confrontation between the unleashed market forces for land acquisition, speculation and conversion and the rigid and inadequate institutional set-up of urban land use planning and control. It is clear that rural migrants need to be granted the equal employment and living rights in Chinese cities but these migrants as well as the government behaviour have to be brought under the rule of law (Shen, 1999). A new form of urban governance has to be (re)constituted in the cities of transitional economies.

#### *Characteristics of Rural Migrants*

Distance and the migration tradition at origins are important factors determining the source of floating population in Beijing. Generally, size of migration flow declines rapidly as the distance involved in the migration increases. According to the survey of floating population conducted in November 11, 1994 by the municipal government (hereafter 1994 survey), over 21% of rural migrants in Beijing came from the neighboring Hebei province. However, 20.8% of rural migrants came from Zhejiang province, 12.9% from Henan province and 11.2% from Anhui province. These provinces are far away from Beijing but people in these regions have a well-established tradition of migration to other regions.

Most rural migrants in Beijing are very young with an average age of 28.5 years for males and 26.4 years for females. This was 6.6 years younger than that of the local urban residents. The rural migrants in Beijing have a lower education level than the local urban residents. According to the 1994 survey, only 3.1% of the floating population had college level education while 79.7% had middle and primary school education. Illiterate or semi-illiterate migrants accounted for 5.5% of the floating population. As a social group with a low education level, migrants are hard to secure

high-income jobs in the urban labor market, not to mention the institutional constraints on their employment opportunities.

Rural migrants often engage in several kinds of jobs in Beijing. The first kind is formal but high labor intensive and low income jobs. Rural migrants often get less than half of the salary that urban residents may get for the same job. Thus there is a tendency that rural migrants are employed to replace the local workers in the industrial sectors. The jobs taken over by the rural migrants are low-paid with unpleasant working conditions.

The second kind is stable but temporary contract jobs. Some migrants are employed as manual labors in small firms and households as domestic servants, housekeepers, baby-sitters, workers or helpers for house decoration, furniture repairing, cleaning of household electrical appliance, household removal, goods delivery, and street cleaning.

The third kind is unstable, temporary and insecure jobs. Some migrants provide outdoor street services such as repairing of shoes, bicycles and watches and waste collecting. Many work as hawkers, rickshaw boys and key makers on their own.

The fourth kind of job is either as employee or employer in small business. In recent years, some successful migrants have started to set up small business such as restaurants, factories and shops themselves. However, only a few migrants are really successful in business while majorities only make a low to modest income. The New Ajing restaurant is one of a few successful migrant-owned enterprises. This is a Cantonese food restaurant chain established by a woman migrant from Guangdong province. It has expanded quickly after initial success and currently owns four branch restaurants in Beijing.

In the reform period, the spatial barrier between urban and rural areas has been broken and rural peasants can move to cities. However, the household registration system still acts as an invisible wall separating rural migrants from local urban residents socially and economically. Compared with local urban residents, the floating population from the rural areas does not have access to government schools for their children's education, low-cost public health services and housing, and equal employment opportunities in the labour market (Chan, 1994; Shen, 1999). The municipal government in Beijing has introduced tight regulations and restrictions on temporary population's access to certain good occupations. Migrants from outside are prohibited to take jobs in over 36 occupations such as administrators and accountants in

Beijing in 1998 (Yu and Hu, 1998; Solinger, 1999).

As a result, rural migrants generally have a low level of living standard in Beijing. Many rural migrants regard Beijing as a place to make quick cash income and to save as much as possible for their family based in the rural areas. According to the 1994 survey, over 63% female migrants were married women with 1.3 children on average. Most of these women left their husbands and children in rural areas. These women have to earn enough money to feed their rural families. In addition, for most males and unmarried female migrants, their goal is to make quick money for their marriage expenses or for building new houses in rural hometowns. As a whole, rural migrants have a high saving ratio and lead a low living standard of life in Beijing.

#### *Migrant Villages as a Special Form of Social-Spatial Segregation*

Slums, ghettos and more generally social segregation are common in Western cities (Marcuse, 1997; Rhein, 1998). Owing to liberalization of migration and the concentration of rural migrants in Beijing, some migrant enclaves have also been formed in Beijing creating new urban landscape with sharp social-spatial segregation in the capital of socialist China.

There is a social division of labour among rural migrants in Beijing based on their rural origins. The rural migrants from particular origins tend to concentrate in particular occupations and places in Beijing to form various migrant villages with different specialization. The dependence of migrants on origin-based migration networks is the key cause for such occupational division and spatial concentration. Old migrants will introduce new migrants from their hometown to similar activities they engage and similar places for living. New migrants from rural areas will also naturally turn to migrants from their own hometowns for help as natives are considered to be more trustable than other strangers. There is a close relationship between the place of origin and the occupation of migrants in Beijing (Table 4). Male migrants from Jiangsu, Shandong and Hebei provinces mainly engage in the construction industry as carpenters, brick-layers and plumbers. Migrants from Henan mainly engage in occupations such as waste collection. Most female migrants from Anhui work in households as maids, baby-sitters and housekeepers. Migrants from Sichuan and northeastern China work mainly in the catering and hotel service industries. Migrants from richer provinces are likely to establish small business themselves while those from poorer provinces may run small local food restaurants or street stalls. For example, the main occupations of the floating population from Zhejiang are garment making,

wholesaling and retailing of garment. Some migrants from Fujian and Guangdong set up small trade firms of construction materials such as wood, cement and alloy materials. Migrants from Xinjiang and Ninxia often run restaurants specializing in Muslim food while migrants from Tibet or Qinghai engage in the trading of medicinal materials and herbs.

(Table 4 about here)

The inner suburb of Beijing, just outside of the city proper, is the most favourable destination for rural migrants. In 1994, about 66.6% of the floating population lived in three inner suburb districts, i.e., Chaoyang, Haidian and Fengtai. The ratio of migrants to local residents was as high as 1:6 in the inner suburb in comparison with 1:10 in the inner city. Such kind of spatial distribution of the floating population has much to do with the unique transitional urban housing system in Beijing. The floating population generally does not have access to cheap public housing in Beijing and has to rely on the private housing market. Location and housing rents become key considerations.

The private housing sector can be divided into three segments. In outer suburbs, developers build villas and quality housing, which are the most expensive on the market. In the inner city, the local residents often own their family dwellings but such housing units are usually small, lack of basic utilities and in poor quality. Some local residents may have got better housing units from their work units (*dan wei*) and can rent out their old units. Some other local residents may rent part of their unit to poor migrants who need a location close to their workplace. This is the second segment of the private housing sector. Given the poor quality of these old housing units, only migrants in need of a central location may rent them and live in these areas. It is estimated that 20% of the floating population lives in such housing units.

A third segment in the private housing market is the houses in villages near the urban fringe owned by local farmers. Rural migrants from other provinces may rent such houses which are cheaper than other kinds of housing in Beijing but are also close to the city center. It is estimated that 60% of the floating population lives in such village houses in outer urban fringe. In these villages, local farmers or successful migrant entrepreneurs may also build new and quality housing units to cater for the increasing demands for housing. 5% of the floating population can afford renting more expensive but better houses. This has serious complications for infrastructure provision and urban planning as most such development projects are without approval of the urban authority (see below for the case of Zhejiang village).

As a result, the floating population usually finds their cheap shelters either in outer urban fringe (inner suburbs) or in the old inner city (Gu, 1995). According to the 1994 survey, approximately 80% of migrants who engaged in small business and public or private services lived in the old inner city; 84% of construction workers lived at construction sites in the urban fringe. Poor housing areas have appeared in Beijing due to the spatial concentrations of these migrants.

Migrants from the same geographic origin (native places) are often concentrated in particular villages. Many migrant villages (migrant enclaves) can be identified in Beijing. Geographical relationship (*diyuan*) or common places of origin (*laoxiang guanxi*) are the root of the formation of migrant villages. The Zhejiang village around Muxuyuan has become one of the biggest migrant enclaves in Beijing. Other noticeable migrant villages include Anhui village, Xinjiang village, Henan village and Fujian village located around the urban fringe of Beijing. Zhejiang village and Xinjiang village will be examined below.

Zhejiang village is located in the Dahongmen area of Nanyuan Xiang (*township*). The area is attractive to migrants as it is close to the large consumer market in the capital but the houses owned by farmers in the villages are relatively cheap. By mid-1998, an estimated floating population of 70,000–80,000 lived in Zhejiang village. Majority of the residents in the Zhejiang Village are businessmen/businesswomen and their employees from Wenzhou, Zhejiang Province. Most migrants in the village engage in garment-making, garment wholesale and retailing.

The population size in Zhejiang village is so large that many kinds of services can be provided in the village. Within the migrant village, all kinds of service facilities and markets, which mainly serve the garment trade and the migrants, are developed. Such facilities include the wholesale and retailing markets of the raw materials, intermediaries and final products for the garment industry such as garments, cloth and silk, button and zipper. There are also grocery stores, restaurants, clinics and kindergartens for the migrants living in the village. The village has become a relatively self-contained community.

The Zhejiang village is established and planted in the urban fringe of the capital without formal urban planning control. In some cases, the housing quality in the village is improved. Several successful Zhejiang businessmen may purchase some old houses which are demolished and replaced by better new houses.

The most striking problem in the Zhejiang village is the abundant illegal extensions

of old houses and structures in the village. Increased population density has caused congestion, environmental pollution and problems of waste disposal due to inadequate urban infrastructure such as water supply, underground sewerage and drainage system in the area (Li and Liang, 1997; Xiang, 2000). One outstanding example of large-scale construction is a joint project between a village-based local company and a company run by 25 Wenzhou migrants as shareholders. The project constructed over 1000 rooms occupying an area of 4 hectares of farmland involving a total investment of 8 million Yuan. Over 3000 migrants could be accommodated in this Liujia "big courtyards" (*da yuan*). Such construction did not get formal approval from the urban authority and was disguised as temporary buildings. The village-based local company was interested to make huge profit by converting farmland for "temporary" residential development which was in great demand by rural migrants.

The above case shows bold disregard of laws and regulations by both the local people and migrants in Zhejiang village. This has induced strong actions of the municipal government. In the period from 3 November to 18 December, 1995, the Fentai District organized about 2000 people to clean up the area and 22 out of 47 illegally built "big courtyards" were demolished. Such strong measures could only solve the problem for a short period of time and the Zhejiang village returned to its previous condition by March 1996. A long-term strategy would be the establishment of formal land control and urban planning regulations which could not only respond to the increasing demand for land but also oversee the provision of infrastructure in the urban fringe.

The Xinjiang village is one of the most distinctive among all migrant enclaves in Beijing. It is established since the later 1970s by some Uygurians, a minority nationality in China (Gu and Kesteloot, 1997). Initially, Xinjiang migrants engaged in interregional trade. After 1984 when the nationwide urban reform began, some Uygurians started to open Xinjiang-style restaurants. Two large Xinjiang villages have emerged in Beijing. One is located in Zengguang Street, Ganjiakou, and the other is located at Weigong Cun. The two villages are two kilometers away from each other. But their internal structures are quite similar. Each village has dual functions of business and residency and develops along the axis of a downtown street forming a unique business pattern of Muslim foods.

The Xinjiang village at Zengguang Street around Ganjiakou market has a favourable location. It is close to the government agency of Xinjiang Uygur

autonomous region in Beijing with convenient transportation. Many cheap houses are also available for rent at Beishagou, which is adjacent to Ganjiakou Market. The site has become one of the largest temporary Uygur settlements in the city. According to the field survey in January 2, 1994, there were 27 Uygur restaurants and nearly 1000 residents in this Xinjiang village. It has become a distinctive food-cultural quarter in the capital attracting Muslims, locals in Beijing as well as foreign tourists due to the delicious foods, low prices and attractive Uygur characteristics.

### **Conclusion**

The capital of China, Beijing, has restored its prime status as a service center in the nation through economic restructuring and upgrading of urban functions in the reform period after 1978. Urban renewal and urban construction are key projects behind the urban changes in Beijing. A number of projects have been implemented to equip the city with excellent infrastructure and good environment for business.

Economic transformation, liberalization and large-scale inflow of international capital and rural migrants have caused increasing social-spatial polarization. In some sense, many problems well-known in other western cities and developing countries have emerged in Beijing in its transition toward market economy.

Many rural migrants have been attracted by abundant demand for cheap labour and the huge market in the capital. Some migrants have become rich while majorities only have low incomes. Rural migrants have adopted a strategy of migration network and spatial concentration to break into the niche of labour market in Beijing. Migrants from various origins are typically specialized in particular activities and business so that reliance on the local host society is reduced.

Spatial concentration of rural migrants has formed many migrant villages and Zhejiang village is perhaps the most significant and controversial. Migrants in the Zhejiang village dominate the garment market in Beijing and north China contributing significantly to the local economy. But there are also serious social, environmental and land-use problems in the Zhejiang village. Working with local villagers who are keen to make huge profit by providing farmland for the construction of informal temporary settlement, illegal building and structures are abundant in Zhejiang village which put lots of pressure on the inadequate urban infrastructure.

There is a clear gap between the traditional urban management system and the market demand for cheap housing in the village. Simple outright demolition of informal buildings cannot solve the problem in the long term based on the experience in

Zhejiang village. On the other hand, it is also not justified to tolerate chaotic illegal construction by rural migrants. The right way forward is for the municipal government to put more resources in planning and regulating the land and urban development in various migrant villages to accommodate the social and housing needs of rural migrants.

Social and spatial polarization in socialist cities like Beijing is a new problem and a new challenge to the urban authority. The new evidence calls for a re-consideration of whether there is a unique mode of urbanization in China. Beijing itself is moving from a simple social-spatial structure toward a more divergent one which, simultaneously, is a process of convergence to the urban trends in western and other developing countries.

Acknowledgement --- This paper was based on research funded by the State Natural Sciences Foundation of China (NSFC Grant 40025102 and 49871031), the Chinese Academy of Sciences (1995-2000 key research project: K8952-J-206) and by the Chinese University of Hong Kong (Direct research grant project code 2020659).

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Table 1 *Percentage Share of Primary, Secondary and Tertiary Industries in GDP in Beijing 1952-1998 (%)*

| Industry  | 1952  | 1957  | 1965  | 1975  | 1978  | 1980  | 1988  | 1991  | 1993  | 1994  | 1998  |
|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Primary   | 22.20 | 10.60 | 12.50 | 6.60  | 5.20  | 4.30  | 9.00  | 8.10  | 6.20  | 6.90  | 4.30  |
| Secondary | 38.70 | 47.80 | 59.00 | 66.60 | 71.10 | 68.90 | 53.90 | 52.20 | 48.00 | 46.10 | 39.12 |
| Tertiary  | 39.10 | 41.60 | 28.50 | 26.80 | 23.70 | 26.80 | 37.10 | 39.70 | 45.80 | 47.00 | 56.58 |

Sources: Planning Commission of Beijing (1990); State Statistical Bureau (1993-1996); State Statistical Bureau (1999a).

Table 2 *Employment Growth in Three Sectors in Beijing 1978-1998 (million)*

| Sector\Year | 1978 | 1990 | 1998 |
|-------------|------|------|------|
| Primary     | 1.26 | 0.91 | 0.71 |
| Secondary   | 1.78 | 2.82 | 2.26 |
| Tertiary    | 1.40 | 2.55 | 3.25 |

Source: State Statistical Bureau (1999a: 141).

Table 3 *Growth of Floating Population in Beijing 1984-1998*

| Year | Floating Population | Share of total Population(%) |
|------|---------------------|------------------------------|
| 1984 | 200,000             | 2.26                         |
| 1985 | 312,000             | 3.26                         |
| 1986 | 600,000             | 6.18                         |
| 1987 | 800,000             | 8.10                         |
| 1988 | 900,000             | 8.99                         |
| 1989 | 1,310,000           | 11.90                        |
| 1990 | 602,131             | 6.02                         |
| 1991 | 1,200,000           | 10.9                         |
| 1994 | 3,295,000           | 29.9                         |
| 1998 | 3,200,000           | 29.5                         |

Sources: Capital Planning Committee (1992); State Statistical Bureau (1990-1991). The survey of floating population in Beijing on November, 1994 and November, 1998 conducted by the municipal government of Beijing.

Table 4 *Main Occupations of Floating Population by Main Origins in Beijing*

| Province of origin | Male                                               | Female                                             |
|--------------------|----------------------------------------------------|----------------------------------------------------|
| Hebei              | Construction, business                             | Business, restaurants, domestic maids              |
| Zhejiang           | Business, garment making, shoes, repairing service | Business, garment making, shoes, repairing service |
| Henan              | Construction, waste collection, business           | Business, restaurants, domestic maids              |
| Anhui              | Construction, business, manufacturing industry     | Domestic maids                                     |
| Sichuan            | Construction, business, restaurants                | Restaurants, domestic maids, hotels                |
| Jiangsu            | Construction, repairing service                    | Repairing service, small business                  |
| Shandong           | Construction, small business                       | Repairing service, small business                  |

Source: Field surveys in 1998 and the survey of floating population by Beijing municipal government in 1994.



Figure 1. Districts and counties in Beijing in 2002

Note:

- |                |              |              |               |              |
|----------------|--------------|--------------|---------------|--------------|
| 1. Shijingshan | 2. East city | 3. West city | 4. Chongwen   | 5. Haidian   |
| 6. Chaoyang    | 7. Xuanwu    | 8. Fengtai   | 9. Mentougou  | 10. Fangshan |
| 11. Daxing     | 12. Tongzhou | 13. Shunyi   | 14. Changping |              |
| 15. Huairou    | 16. Pinggu   | 17. Miyun    | 18. Yanqing   |              |
- (All are districts except two counties of Miyun and Yanqing)



Figure 2. Urban renewal of the inner city in Beijing

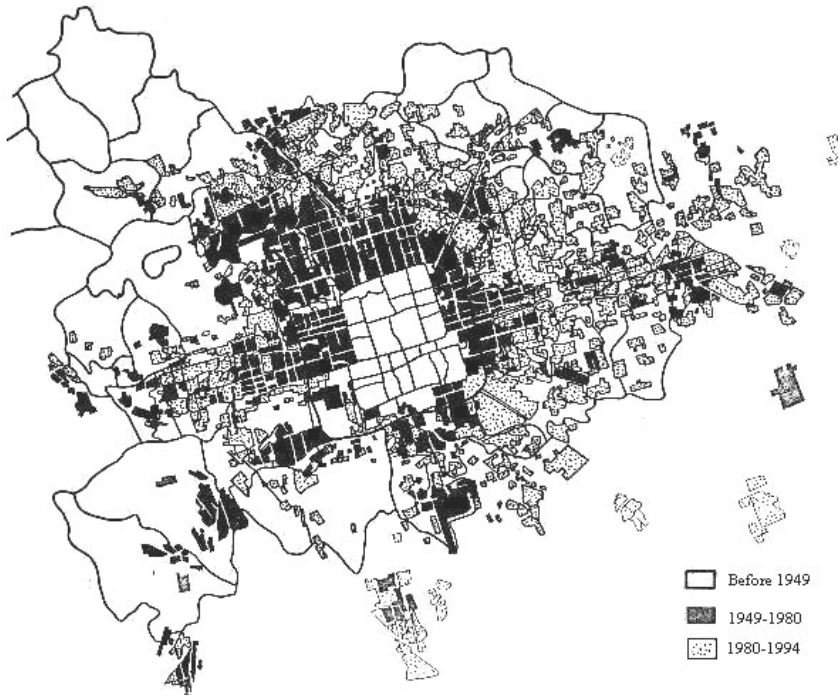


Figure 3. Rapid urban sprawl in Beijing