Smooth or Troubled Occupation Transition? Urbanization and Employment of Former Peasants in Western China*

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Abstract

Given recent urbanization and land development projects in western China, this study examines how rural villages became part of the expanding municipality of Yinchuan, Ningxia, by focusing on former peasants’ occupation transition—their transition into urban employment. Based on the survey and interview data in the outskirts of Yinchuan in 2014 and 2015, the study finds an increase in unemployment rates and the changing distribution of job categories. Quantitative findings highlight the importance of age, gender, and education after land expropriation when agriculture ceases to function as a “safety net,” and illustrate the significant effect of pre-expropriation employment but not compensation from land development per se. Such findings are...
explained and enriched by analyses of in-depth interviews, that most available jobs for older and less educated peasants are unstable and low-end work in construction and service sectors created by urbanization. There are also limited chances to establish and develop one’s career, either for those who had prior market experiences and financial capabilities to start private businesses, or for those received heavy education investment from their families in a hope of obtaining clerical or professional jobs. Men are more active in pursuing private businesses and formal white-collar jobs by pooling together the family resources, and women are underrepresented in both sectors. Speaking to the debates on the labor market outcomes for former peasants in urbanization, this study illustrates the emerging opportunities of entrepreneurship and economic mobility and the prevalent segregation and discrimination in labor markets.

China has witnessed rapid economic development in the past decades, in which urbanization has been increasingly an important growth engine and one of the key features of modernization. The construction of infrastructure and the introduction of growth-inducing investments have led to the fever of land development throughout the country, although the western region has been lagging behind the eastern region in urban growth. Under the nation’s Develop the West Strategy since 2000 and the Belt and Road Initiative (the Silk Road Economic Belt and the 21st-Century Maritime Silk Road) since 2013, many local governments in western China have initiated land development projects to expand the built-up areas and to modernize the landscape of the localities. The urbanization rate in western China increased from 28 percent in 2000 to 36 percent in 2008, and in this “accelerated development stage,” the urban landscape and the urban population had increased rapidly. Along with the expropriation of rural land in peri-urban areas, many rural villages have been subsumed into the expanding cities and villagers have been relocated into urban residential neighborhoods over a short period of time.

Many of the previous studies have focused on economic compensation and living space for affected residents in land development and redevelopment, particularly about the negotiation of their rights and entitlements over land and housing. But in order to evaluate the consequences of the urbanization process in the former rural areas, there is another important dimension—occupation transition—which so far has