

The Impact of Housing Policy on the Settlement Intentions of Rural-Urban Migrants in China: Revisiting the Welfare Magnet Hypothesis

Abstract

Do generous welfare benefits attract and retain low-skilled migrants? Although the “welfare magnet hypothesis” has long been debated, rigorous empirical studies from non-Western contexts are very rare. As China enters a new phase of urbanization, it has begun to adopt more inclusive policies to extend local social welfare to internal migrants. Combining the data from five waves of the China Migrants Dynamic Survey (CMDS) and city-level housing policy data constructed from original policy documents, this study examines the impact of housing policies on the long-term settlement intentions of rural-urban migrants in China. We find that housing policies do not affect migrants’ settlement intentions and housing outcomes (e.g., homeownership and rent-to-income ratios). It does, however, affect migrants’ sense of belonging to destination cities. Cities with greater housing policy efforts (*citizenship-oriented approach*) increase migrants’ sense of belonging more than their counterparts with less effort (*residual approach* and *rental approach*).