



## **Income mobility amidst China's urbanization – The case in Shenzhen**

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A country or city's urbanization is a strong driving force of its residents' income mobility. As a major city in China, Shenzhen has achieved fast development and urbanization in the past three decades. The income sources of Shenzhen residents have broadened. The general income level has improved but income inequality has remained prominent. While urbanization will continue to be an important driving force for China's economic growth, a more thorough understanding of the changes of individuals' income in the process of urbanization is essential for a more balanced development and urbanization. This paper focuses on income mobility, providing measurement of the dynamic changes in income distribution. We apply the method of transition matrix and relevant indicators to examine the income mobility in Shenzhen during 2009-2013, using data from both a regular household survey and a supplementary dedicated survey. The study finds that while there is generally considerable income mobility in Shenzhen, income mobility barriers are apparent in some income quintile groups, demonstrating some significant extent of income stability. More in-depth analysis is made of a number of determinant factors, including residence registration and education.

**Keywords:** urbanization, income mobility, Shenzhen