

- *Hukou system – Temporary rural-urban migration – China*

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The Hukou System as China's Main Regulatory Framework for Temporary Rural-Urban Migration and its Recent Changes

Das Hukou-System als Chinas wichtigstes Steuerungsinstrument der temporären Land-Stadt-Migration und seine jüngeren Wandlungen

With 1 Table

More than 50 years ago China's government established the *hukou* system in order to prevent rural urban migration, requiring people to stay in the area where they were registered. Migrating to the city without being registered as 'urban' implied that the migrants had no access to education, food, housing, employment and a variety of other social services. In 1982, when unskilled labour was in short supply in the booming cities, a programme of gradual reform was started which eased the strict regulations. However, the level of liberalisation varied from one province to another and from one metropolis to the other, creating remarkable differences in the regulatory framework. The paper describes the history of the *hukou* system and its consequences as well as its reforms from the early beginnings to the present day and discusses the need for further reform.

1. Background

In most developing nations, economic development has promoted massive and uncontrolled migration from the countryside into urban areas (*Kasarda and Crenshaw 1991*). Rural-urban migration is a pervasive feature in the developing countries.

In China, the *hukou*¹ (household) registration system was set up in 1958. The *hukou* system

operates like a boundary between rural area and urban area and divides the population into rural households and non-rural households (two-tiered boundaries of belonging); individual interests and rights, such as education, healthcare, housing and employment, are linked to the household registration. Under this system, rural citizens have no access to social welfare in cities, even though they may live and work there. Originally, the idea of the *hukou* system was to severely restrict rural-to-urban migration (*John-*

son 1988; Yang 1993); it formed the central mechanism to regulate population flows and, until the onset of China's reform in 1978, effectively tied Chinese citizens to their place of residence.

In general, urban areas are centres of development. Incomes tend to be higher and economic opportunities greater. Driven by real or perceived differentials in economic opportunities (Lee 1966; Todaro 1969), the needs of families to diversify risk in the absence of formal insurance mechanisms (Portes and Böröcz 1989) and social network connections with others who preceded them (Massey et al. 1993) drive peasants to the cities in search of better lives. Thus, rural-urban migration is also an important channel of social mobility.

In the past 30 years, the huge labour force in the rural areas has made a great contribution to China's economic growth, urbanisation and modernisation as internal rural-urban migrants. The number of migrants has dramatically climbed from 6.6 mill. in 1982 to 211 mill. in the year 2009 (National Population and Family Planning Commission 2011). Now, China is experiencing the largest magnitude of internal rural-to-urban migration in the history of mankind.

On the other hand, however, the two-tier *hukou* system has failed to take into account the real process of urbanisation in the country and has throttled the healthy development and a rational flow of China's labour market. This is why it was necessary to change the system and adapt it to changing circumstances. These changes in the regulatory framework of the *hukou* system over the past 30 years shall be summarised in the following section.

2. A Brief Historical Review of the *Hukou* System before China's Reform (1958-1981)

In 1958, the Chinese government began using the family register system 'PRC Regulations on

household registration' (Regulations, 1958) to control the movement of people between urban and rural areas. Individuals were broadly categorised as 'rural (agricultural)' or 'urban (non-agricultural)'. Supported by employment, rationing and housing allocation instruments, these regulations effectively constrained rural-urban migration until the early 1980s. During these decades, people were required to stay in the small area where they were born (where their *hukou* was), and stay there until they died. They could not move. They could travel, but there was no access to jobs, public services, education, or even food in other places.

3. Objectives of the *Hukou* System

First of all, through the resident registration, the system can help uphold the citizens' civil rights and provide basic information when the government is drawing up national economic and social-development plans and arranging the rational distribution of the workforce. The household registration system is an important, even fundamental part of the state administration. For public security departments, such a system plays a major role in safeguarding public security and combating crime.

The second reason for establishing the *hukou* system was central control over employment. After the introduction of the people's communes in the countryside, work and income were allocated by the production team (or sometimes the brigade) to its members, thereby effectively tying the peasants to their home villages. With its commitment to full employment, the socialist state controlled all urban employment.

A third factor related to the enforcement of the registration rules was the supply of daily commodities, especially staple foods. In the course of the 1950s, the state monopolised the distribution of virtually all goods, and most free markets disappeared. Of course, the peasants grew their own

food, but the state procurement left them with little more than a bare minimum, and that again was allocated on the basis of team membership. The food products procured from the peasants served to feed the urban population. The state supplied the cities with grain and other food at low prices.

Two other factors that contributed to the effective enforcement of the registration regulations were the severe shortage of urban housing and a climate of strict social and political control².

Basically, at that time, without *hukou*, people could not move. There were very few people moving around in the country, but their status was practically that of illegal immigrants.

As a matter of fact, moving from one place to another as a household was very hard indeed. Migrant workers required six different passports to work in provinces other than their own. People who worked outside their authorised domain or geographical area did not qualify for grain rations, employer-provided housing or health care (Pines et al. 1998: 334). Compared to rural-urban migration, which was as difficult as getting permanent residence in EU countries, rural-rural migration was relatively easier.

For all kinds of administrative purposes, the entire country was divided into a hierarchy of places, very much in a Christallerian mode. In this context, only moves between communities of the same rank or to communities of a lower rank were permitted without going through special procedures.

4. Impacts of the *Hukou* System

Institutionally, the *hukou* regulations divided China into two systems, with an 'invisible wall' between them: the urban and the rural system (Chan 1994). The *hukou* System was also an obstacle to the shifting boundaries of economic and social participation. Before the economic re-

form in the early 1980s, China's urban residents enjoyed a range of social, economic and cultural benefits, while China's 800 million rural residents were treated as second-class citizens.

Social welfare benefits, including food rations – in the not-so-distant past! – and, even now, access to subsidised housing, education, medical care, retirement benefits, and the right to employment in all but menial jobs, are available mainly to those with an urban *hukou*. An urban *hukou* confers great advantages in life chances. The *hukou* system created two classes of citizens differing sharply in living standards and income (Chan 1994; Knight and Song 1999). These disparities cannot be attributed to the difference between the agricultural and non-agricultural sectors, as even within the non-agricultural sector returns to human capital are much lower in rural than in urban China. The institutional boundary between rural and urban China created by the household registration system seems to prevail over other institutional distinctions in the Chinese social stratification system.

The effectiveness of the *hukou* system in restricting internal migration relied on two other administrative systems, through which rationing was carried out. At the rural side, the commune system enabled local governments to tie peasants to the land. All adults had to participate in agricultural production to receive food rations for their households (Parish and Whyte 1978) and migration was generally prohibited except with the permission of the local government. At the urban side, the principal administrative units for most urban residents were the workplace organisations (*danwei*), which administered most social services for their employees (Bian 1994; Naughton 1997; Walder 1986). Without a work unit, it was very difficult to survive in a city because housing, food, and other social services were unavailable through the market. Moreover, because employment quotas in all urban work units were tightly controlled by the

government labour administration (Walder 1986), even rural residents willing to risk losing food rations by leaving their home villages would have little chance of getting a job in a city. This tight administrative control on both sides virtually eliminated unauthorised rural-to-urban migration in the pre-reform era.

In this situation of a large rural population of poor farm workers, *hukou* limited mass migration from the land to the cities to ensure a certain degree of structural stability. The *hukou* system was an instrument of the planned/command economy. By regulating labour, it ensured an adequate supply of low-cost workers to the plethora of state-owned businesses. For some time, the Chinese Ministry of Public Security continued to justify this *hukou* system on public order grounds, and also provided demographic data for government central planning (Laquian 2005: 320f.). Under the system, rural citizens had little access to social welfare in cities and were excluded from receiving public services such as education, medical care, housing and employment, regardless of how long they may have lived or worked in the city.

5. The First Few Steps towards a Reform of the *Hukou* System since 1982

There can be no doubt that population mobility in China has increased tremendously since the Third Plenary Session of the Central Committee in late 1978 which signaled the beginning of the reforms; in particular, on January 1, 1982, the Central Committee of the CPC released the 'Summary of the National Working Conference on Rural Work'. Firstly, the introduction of the 'family responsibility system', which made individual families responsible for particular plots and allowed producers to sell any surplus products remaining after paying the grain tax on the open market, greatly improved the efficiency of agricultural production, creating a large labour

surplus in rural areas. The abolition of the commune system freed peasants to seek work in the industrial and service sectors. At the same time, both push and pull factors increased the propensity to migrate from the countryside into the cities. Since the late 1980s, the rush of millions of peasants from other provinces to Guangdong after the Chinese New Year Festival, creating massive traffic congestion and turning open spaces in Canton into large squatter and slum areas almost overnight, has become something of a seasonal feature of national life. Secondly, the erosion of the rigid *danwei*-based rationing system in urban areas created social space for rural migrants (Liang and White 1997: 322).

In October 1984, the State Council announced that peasants working in towns would be granted the 'self-supplied food grain' (*zili kouliang*) *hukou*, marking the first opening in the rigid division between city and countryside. The starting point was that grain coupons (*liangpiao*) were no longer required to buy food. This made it possible for many migrant workers to leave their land and go to cities to seek labour-intensive work. Typical jobs were work in textile factories, construction work, and jobs as nannies. In 1985, the Ministry of Public Security issued a new regulation for rural migrants to obtain 'temporary residence permits' (*zanzhuzheng*). It even became possible for some to unofficially migrate and get a job without a valid permit. In practice, *hukou* was no longer enforced as rigidly as before. In the same year the National Congress allowed citizens to use their identity cards as proof of identification (before 1985 only the *hukou* could be used).

To enhance the development of the service sector in cities, the government allowed peasants to enter cities and establish small urban businesses such as shoe-repair shops, barbershops and restaurants. In addition, millions of young peasants were hired in the growing market sector outside the redistributive system. Even some state-owned work units preferred to hire rural peasants because

they had no obligation to provide housing and other social benefits for peasant workers or because the jobs were unattractive to urban workers.

It should be emphasised, however, that the largest part of this increased mobility was due to ‘temporary migration’³, i.e. migration without transfer of *hukou*. Permanent or official migration did not show any revolutionary changes. In the censuses of 1982 and 1990 people were counted as permanent residents of the place they were staying at when the census was taken if they had their *hukou* in that place or if they had been away from their place of registration for over one year. In 1982, this second group, which can be regarded as long-term unofficial migrants, comprised 66 million people or 6.5 % of the total population; in 1990 their number had grown to about 200 million (18 %), indicating that in only eight years, long-term migration without *hukou* transfer had more than tripled (*Fan* 2005). No national figures are available for mobility for less than one year, but this group is no doubt several times larger than the group of long-term migrants.

Although geographic mobility and employment change became easier, the social concomitants of *hukou* status persisted. No matter how similar their jobs were to those held by urban workers, employees with rural *hukou* status were still classified as ‘peasant workers’ (workers who come from rural areas) and thereby were not entitled to the many labour rights and benefits enjoyed by employees with urban *hukou*. As *Chan* (1994: 135) asserted, “Chinese reform socialism has created, structurally, a sizable ‘second class’ of urban citizens without permanent urban household registration status. This informal segment of urban labour and population is an extension of the rural segment, which was largely bottled up in the countryside under *Mao*.” In the reform era the *hukou* system remained largely in force and continued to shape socioeconomic status and life chances.

Beginning in the late 1980s, many city governments started charging migrants high fees – ranging from several thousand to tens of thousands of Yuan – in exchange for a *hukou* in towns and cities. City governments justified this practice on the grounds that they should be compensated for extending urban benefits to migrants. At the same time, in order to boost employment, collective and private enterprises were not only allowed but were actively encouraged. Peasants could go to cities to sell their surplus products, and after decades of socialist neglect, the service sector was expected to grow, both reducing unemployment and improving the quality of life. The reforms led to an enormous construction boom, both in cities and in the countryside, and most of the physical work was actually taken over by peasant workers (*Guo and Zhang* 2010).

6. Gradual Relaxation of the Hukou System since the 1990s

There are a number of practical circumstances which made the emergence of this temporary migrant population possible. With improved supplies and a free market, rationing lost much of its former importance and most products could be bought with money. Following good harvests and dietary changes, many provinces completely abolished grain coupons in the early 1990s.

The system underwent further relaxation since the 1990s. Beginning in the mid-1990s, large cities, such as Shanghai and Shenzhen, and many small cities and towns began to offer ‘blue-stamp’ *hukou* to migrants who met high skill requirements and were able to make sizable investments. The practice of charging migrants high fees in exchange for urban *hukous* continued. On the one hand, the relaxation allowed rural residents to buy a temporary urban residency permit, which meant that they could work legally; fees for these permits decreased gradually to a fairly affordable level.

On the other hand, people from rural areas could buy urban residents' registration on many township levels all around China. *Yu* (2002) estimated that by the end of 1993, three million rural migrants had purchased a *hukou* in a city or town, raising 25 billion Yuan in local government revenues. The principal criteria for obtaining a *hukou* in small cities and towns were a permanent and legal place of residence and a stable source of income.

In 1998 the State Council approved four guidelines that further relaxed the urban *hukou*:

- (a) Children could choose to inherit a *hukou* from the father or the mother (previously, the *hukou* was inherited from the mother). This means that discrimination against rural women has been alleviated since 1998, when the *hukou* became inheritable through either the father's or the mother's line (*Au et al.* 2007).
- (b) Rural residents who had lived in the city for more than one year and whose spouses held an urban *hukou* were eligible to be granted an urban *hukou*. [Source?]
- (c) Elderly parents whose only children lived in cities were able to receive an urban *hukou*. [Source?]
- (d) People who had made investments, established enterprises or purchased apartments, had permanent jobs and accommodation, and who had been living in a city for more than one year were eligible for a local *hukou*. [Source?]

7. The *Hukou* System in the Wake of China's Accession to WTO, 2001-2010

Although the *hukou* system as it was in operation was widely regarded as unfair and inhumane,

reforming the residency system was a very controversial topic. There was some recognition for some time that *hukou* was an impediment to economic development (*Macleod* 2001). China's accession to the World Trade Organisation (WTO) forced the government to embrace this reform to liberalise labour mobility, speeding up its economic reform (*Yao* 2002). For example, in 2001, the Beijing government began to issue three types of temporary permits, which determined the services migrants had access to and the extent of government control and monitoring.

In 2003, after the uproar surrounding the death of *Sun Zhigang* had alarmed the authorities, the laws on 'Custody and Repatriation' were repealed (*Au et al.* 2007). The State Council issued a directive affirming the rights of rural migrants to work in cities. Adherence to these guidelines and directives was, however, left to individual city governments which is why the extent and specifics of the *hukou* reform in large cities vary greatly. In general, the larger the city, the more difficult it is to obtain a local *hukou*. A number of large and medium-sized cities, such as Nanjing, Xi'an and Zhuhai, have relaxed their criteria for granting a *hukou* (*Cai* 2002). By 2004 the Chinese Ministry of Agriculture estimated that over 100 million people registered as 'rural' were working in cities. For instance, Shijiazhuang, in Hebei Province, is among the most advanced cities, having granted 450,000 new *hukous* between August 2001 and June 2003 (*Wang* 2003). However, *hukou* reform has been minimal in most of the large cities. Beijing, Guangzhou and Shanghai, where the *hukou* was still a primary gatekeeper, have been especially resistant to a *hukou* reform. For example, university graduates who wish to apply for government jobs in Beijing must obtain a *hukou* for Beijing city. Many enterprises in Beijing only hire candidates holding a Beijing *hukou*. To quote another example, the hope to give an incentive to the property market prompted Shanghai to offer a so-called 'blue *hukou*' to certain

Tab. 1 Timeline of reforms in China's hukou system / *Zeitliche Abfolge von Reformen im chinesischen Hukou-System*

Time	Cities	Reform
March 2008	Changchun, Jilin province	Applicants with ID cards can apply for the residence permits at local police offices.
April 1, 2008	Jiaxing and Cixi, Zhejiang province	A new rule is issued in the two cities stipulating that from Oct. 1 2009, qualified migrants can file for Zhejiang residence permits.
Aug. 1, 2008	Shenzhen, Guangdong province	The new residence permits grant the best social welfare benefits compared with other cities. Apart from medical care, education, employment and social security, Shenzhen grants its migrants more welfare such as career and financial advice, free vaccinations for children, the ability to travel in and out of Hong Kong and Macao.
Aug. 1, 2009	Taiyuan, Shanxi province	All migrants can get residence permits after registration with local police, and can file for permanent residence five years later.
Dec. 25, 2009	Dalian, Liaoning province	Migrants older than 16 are entitled to file for residence permits once their temporary residence permits expire.
Jan. 1, 2010	Foshan, Guangzhou, Zhuhai and Dongguan, Guangdong Province	The three cities cancelled the temporary residence permit. People holding temporary residence permits can change them into residence permits and file for permanent residence seven years later.

Source: China Daily, 01/09/2010

migrants in 1994, a programme that was geared towards buyers of property in the city. Some 42,000 *blue hukous* had been issued by the time the programme was suspended in 2002 to help calm down the surging property prices. The legacy of the *blue-stamp hukou* and the logic of creaming, however, persists. Only an extremely small minority of rural migrants – who satisfy stringent criteria concerning educational attainment, skills, financial ability, and health – are awarded local *hukou* and given access to urban benefits.

In 2006, six teams composed of members from 14 central government departments, including the Ministries of Education, Health, Labour and Social Security, were dispatched to 12 provinces to research how to implement a significant *hukou* reform process in the best possible way. In the meantime, twelve provinces, including

Hebei, Liaoning, Shandong, Guangdong provinces, the Guangxi Zhuang Autonomous Region, and Beijing, Shanghai and Chongqing municipalities, have launched pilot programmes to experiment with a system that narrowed the differentiation between rural and urban residents. In some provinces, such as the economically well-developed Jiangsu province, governments allow migrants with stable jobs and a safe place of residence to register where they live and work rather than at their birthplaces, so that they can enjoy the urban welfare system. Gansu province in western China (an underdeveloped area) also allows rural migrant workers who have lived in a stable city residence for three years to register as non-rural citizens (Xinhua News 2006).

However, the central government has not set a time frame for national reform. In May 2007, the

Ministry of Public Security completed a report on the *hukou* reform, highlighting the legal place of residence as the basic criterion for an urban *hukou* but once again affirming the autonomy of city governments to establish their own criteria for granting the *hukou* (Sun 2007).

Between 2008 and 2010, at least ten cities in the country abandoned the temporary residence system. Instead, the residence permit was established in these places, with people enjoying more benefits, such as social security and employment (see *Tab 1*).

On August 21, 2008, the Beijing City Government published a new regulation which stipulated that migrants whose monthly income was lower than 1,600 Yuan would not be issued a *living and working permit*, which is reserved for those with diplomas and/or with specialised skills required in key industries. The Beijing *living and working permit* allows bearers the same rights as Beijing residents. Those who cannot meet the new requirements will only get *temporary residence cards* with restricted rights. The primary purpose of the *living permit* is population control. The government aimed to keep the population of Beijing below 16 million by 2010 in order to achieve a gradual increase in population so as not to overload the city's already stretched resources. It has recently been reported that Beijing is going to remove the restriction which says that only people with a Beijing *hukou* can buy cars. This means that in future, non-locals will also be able to purchase cars in Beijing and will no longer have to use the name of another Beijing local or company when buying a car.

In 2009, Shanghai, the east coast metropolis of 19 mill. inhabitants, announced that more of the 6 mill. people from elsewhere in China would be permitted to live in Shanghai and become local citizens. The *hukou* requirements will be relaxed for an increasing number of talented Chinese from elsewhere in the country. The new policy outlined modified criteria for applying for a

Shanghai *hukou*: seven years in town as a legal resident, payment of social security taxes over seven years, full payment of income and other taxes, at least mid-grade professional or technical degree and no crime record or violation of birth control policies. Shanghai is now hoping to attract young migrant workers of the age between 25 and 35 years to the financial capital, in order to "replenish a labour pool that has begun drying up" (stated by *Xie Lingli*, a director of the Shanghai Municipal Population and Family Planning Commission; *Lam* 2011) in a rapidly aging population coupled with low birth rates. It is predicted that by the year 2015, there will be an almost 8 % drop in the availability of able-bodied workforce in the city. But not only does the *hukou* status affect the benefits received by the employees, this is also a pressing issue for the employers, who are ultimately responsible for covering the employees' urban social insurance (as stated by *Xie Lingli*, see above, on July 12, 2011).

Other major cities in China also impose strict residence permit systems to control the migrants' living, working and welfare conditions. Chengdu was one of the first cities to announce a pilot programme eliminating the differences between urban and rural *hukou*. China's central government is planning to create the world's largest urban area in the Pearl River Delta by connecting no less than nine cities together, which will undoubtedly have an impact on the *hukou* system. For example, in Guangzhou, the capital of Guangdong Province and the central city in the Pearl River Delta, which has not extended residence and working permits to non-locals, all people who have migrated from other parts of the country hold the same temporary residence card, no matter how long they have been living there or how much tax they pay to the city. A large number of migrants cannot enjoy the same rights as Guangzhou citizens, even though they are leading a sometimes luxurious life in the city (China Daily 2004).

China's floating population of migrant workers reached a record 211 million in 2009 and will

hit 350 million by 2050 if government policies remain unchanged. This is bound to cause more pressure on the government to reform its management and service policies for the migrant population in order to ensure their livelihood.

8. Discussion: The Need for Continuous Reform of the *Hukou* System

The *hukou* registration system is important in three aspects which are interrelated: It is an instrument of development policy, aimed at keeping the urban populations small while fostering industrial development; it is a social institution which rigidly divides Chinese society into a rural and an urban segment; and it is an instrument of state control which the state employs to cultivate clientelism.

One may wonder how many farmers have found loopholes within the limitations of the *hukou* system. For example, residents from China's Western Provinces have become *nóngmíngōng* (rural migrant workers) or are labelled as *dàgōngzǎi* (young household member who leave home to work) when settling in the cities of the East. In addition, the *floating population* (*liudong renkou*) is a unique concept in China that is tied to the *hukou* system (Goodkind and West 2002). Individuals who are not living at their *hukou* location are considered *floating*. Regardless of when the actual migration occurred, a person is counted as part of the floating population as long as his or her usual place of residence is different from the *hukou* location. In practice, the definition of the floating population is defined by the duration of the migration⁴.

Combining intercounty and intracounty migrants, the 2000 census reported a floating population of 144.4 million (11.6 % of China's population). This number is consistent with most published sources, which estimate that the floating population was about 30 million in the early

1980s, 70-80 million in the early and mid-1990s, 100-140 million in the late 1990s (NBS 2002). The 2005 national one-percent population sample survey reported an increase of the floating population to 150 million in 2005 (NBS 2006). By now, the total floating population encompasses more than 210 million migrants. Among the total floating population, 42.8 % were born after 1980. The younger generation is becoming the majority of the floating group. They have increasing demands for public services such as prenatal and postnatal care and reproductive health check-ups. In the next three decades, another 300 million people from rural areas are expected to find work and take up residency in cities. At the same time, more and more migrant workers are flocking to inland cities, partly reversing a trend in which waves of people had moved to coastal regions in search of jobs. More than half of the floating population have been living in a city for more than three years and 66 % brought their spouses, children or parents to live with them.

The 2010 Census data show that the urbanisation rate in China has already reached 49.71 %, and China's cities are likely to continue to grow considerably. New research by the McKinsey Global Institute projects that by 2025 China's cities will add 325 million more people, including about 230 million migrants. Following the current trend, the country's urban population will reach 926 million by 2025 and will exceed 1 billion by 2030 (Devan et al. 2008). Mass migration to the cities is leading to urban sprawl, the loss of arable land, and spiralling demand for energy and natural resources, as well as contributing to the challenge of providing social services. It is time for policy makers to rethink their approach to these problems and to the direction that urbanisation has taken so far.

Between 2007 and 2008 the author was the team leader of a survey of the Chinese Academy of Social Sciences conducted in four big cities – Shenzhen (South), Huhhot (North), Qingdao

(East), and Kunming (West), representing four different parts of the country. The total valid sample comprised 573 urban migrants. The research methods included personal life histories, in-depth interviews, focus group discussions and participant observation as well as formal questionnaires. Generally speaking, the survey revealed that 53 % of the respondents had stayed in the city for over three years. But this varied considerably between the four cities, for example, Qingdao (81.2 %), Shenzhen (79.4 %), Huhhot (34.9 %), and Kunming (31.9 %). 26.5 % were able to gain urban *hukou* in the four cities. 58.6 % of them had temporary registration *hukou* only. Over 65 % brought the whole family to the city. Our research showed that a growing number of migrants who relocated to find better jobs in cities tended to stay longer or even resettle with their entire families (Zhang 2007, 2009a). Moreover, they have formed hundreds of concentrated communities of all sizes in the cities (Zhang 2003, 2009b).

As China is struggling with the social effects of a widening rural-urban divide, there have been growing calls to reform the *hukou* system, owing to the fact that millions of farmers have illegally started moving to towns and cities in order to find work. *Hukou* has played an important role as a basic data provider and for population registration in certain historical periods, but it has become irrational given the irresistible trend of migration. China needs to propose a way to deal with the inequalities across the Chinese society and bridge the divide. Many scholars have suggested to eliminate the two-tiered household registration system and to allow freer migration between the countryside and the cities.

In another survey, 92 % of 11,168 respondents stated that the *hukou* system was in need of reform. More than 53 % said that restrictive policies attached to the system, such as limits on access to education, healthcare, employment and social insurance, should be eliminated. More

than 38 % called for the system to be abandoned entirely (based on a week-long poll conducted in March 2007 by website Sina.com and Social Survey Center of China Youth Daily).

Others argue that migrant labour is still important for stimulating the urban economy and boosting the expansion of urban industries and services. Because most rural-urban migrants engage in low-paid manual and services types of work, they fill jobs that are shunned by most urbanites who can specialise in more prestigious jobs. Migrants in cities also increase consumption, which creates employment for others.

Rural-urban migrants live outside their areas of official registration, with much less access to education and government services, and in several respects occupy a social and economic status similar to illegal immigrants. For example, the children of 'peasant workers' are not allowed to enter city schools at their parents' place of residence, even now they have to live with their grandparents or uncles in order to go to school in their local hometown in the rural areas. They are called *home-staying children* by Chinese government departments. Chinese researchers reported that there are about 130 mill. home-staying children without parents year by year (Cai 2002).

For stratification and mobility studies, the very fact that an urban *hukou* status is so difficult to achieve for those of rural origin, and is so selective in favour of the best and the brightest of the rural population, provides a possible explanation for the weak association between parents' and children's occupational status in urban areas. A high rate of inter-generational mobility and a weak zero-order association between parent's and offspring's occupational status found in early studies of social mobility and status attainment in urban China (Bian 1994; Blau and Ruan 1990; Parish 1984; Whyte and Parish 1978) led some scholars to claim that China was an exceptionally 'open'

society in which state egalitarian policies effectively eliminated inherited class privileges. An important message from our analysis of *hukou* mobility is that status attainment and social mobility research based on urban samples makes little sense, since it is likely to be subject to a severe selection bias (*Winship and Mare* 1992). The urban population includes both those who were born into urban families (or whose villages were incorporated into towns and cities) and those from peasant origin who acquired urban status through their own efforts and hence achieved extremely high-status urban occupations. The extreme upward mobility of the latter group clearly has the effect of reducing the inter-generational occupational status correlation.

Examples of lifting *hukou* limitations for the sake of market development have actually not been rare in the recent past, for instance the lifting of restrictions on home buying when the housing market was depressed. It seems that non-locals will not have access to all the usual resources and services until they are abundant in the market. For example, migrant workers used to be required to use 'employees' cards' until the floating population was brought under greater control. Migrant workers construct and contribute to our cities. The taxes they pay go into the government's public finances. Therefore, the migrant workers should be treated as fairly and equally as the locals.

Regarding migration and the *hukou* system, the government has adopted many reforms on population migration which enable rural residents to settle in towns more freely. The reforms introduced an identity card system, speeded up the development of small cities and towns and perfected the rural household registration system. Since the adoption of the policy of reform and of opening up, China has witnessed an explosion of migration of rural labour to urban areas in search of work opportunities. Today, there are more than 210 million migrant workers from rural areas in

the cities who have moved there in search of work. China's rapid economic development over the past 30 years has become one of the economic wonders of the modern world. But behind China's economic boom are its urban migrants. They work in the construction industry, in manufacturing, in food and domestic services, providing a source of abundant, cheap and exploitable labour for China's economic boom (*Guo and Zhang* 2010).

At least two quantitative targets in the 11th five-year plan (2006-2010) suggested that the government encouraged migration. First, the level of urbanisation was expected to increase, from about 43 % in 2006 to 47 % in 2010, indicating that a moderate pace of rural-urban migration was predicted and encouraged. Second, by 2010, an additional 45 million rural workers were expected to have shifted from rural to urban sectors. The 11th five-year plan has legitimised a development trajectory of increased urbanisation and rural-urban labour transfer that will certainly have to result in further *hukou* reform.

9. Conclusion

From what has been discussed above, it becomes clear that the *hukou* system is one of China's most complex, most studied and most controversial social policy element and relates directly to the Communist era's state control of most aspects of a citizen's life. The household registration system, though it played a positive role in the past, now to some extent stands in the way of China's modernisation, which is essential for the country's further urbanisation and industrialisation. In the past 30 years, China's economic success is evident, with a forest of construction cranes permeating almost every major city. This, however, has only exacerbated the problem of urbanisation and industrialisation by drawing more and more rural inhabitants off their farms and into the city in search of a better life. The subsequent

expansion of the service industry in the cities, in line with the expanding middle class, has created a vacuum in the secondary sector that rural labourers hope to fill.

Reform of the *hukou* system began in 1982, and the system has gone through several progressive stages. At the beginning, the reform was a top-down project (handed down from central government to local government), however, since then, many modifications have been added by provinces and large cities, and even some smaller cities. We also find that in the past few years local governments had a stronger motivation to revise the *hukou* system than the central government.

As China's 12th national five-year plan (2011-2015) plans to "ensure and improve the people's well-being" as well as to "promote long-term, steady and rapid economic development and social harmony and stability", providing the appropriate means for citizens to become more mobile socially and geographically within the country has become more of a priority than in the past. The government will continue to adjust its policies concerning the settlement of rural residents in cities based on legal and permanent residence, stable occupation or income. China's government should gradually change the current system to a unified household registration system which will eventually eliminate the rural/non-rural division.

The *hukou* system may have served as an effective policy instrument at its time, but it is definitely outdated. On the other hand, it is far from being dead. The reform of the *hukou* system has not yet reached a satisfactory end, largely because it has many complicated policies attached to it, and any steps into the wrong direction could result in social problems. Future research on both spatial and social mobility in China still needs to attend to the *hukou* system as a central stratifying agent in contemporary Chinese society.

Notes

¹ 'Hukou' has been adopted by English-language audiences to refer to both the *huji* system and an individual's hukou. A *hukou* or *huji* refers to the system of residency permits which dates back to ancient China, where household registration was required by law in mainland China and Taiwan. A *hukou* can also refer to a family register in many contexts since the household registration record is issued per family and usually includes the personal information of all members in the family. In China, family registers were in existence as early as the Xia Dynasty (BC. 2100-1600). In the centuries which followed, the family register developed into an organisation of families and clans for purposes of taxation, conscription and social control. A similar household registration system exists in Japan (*koseki*), Vietnam, and North Korea (*hoju*). In South Korea the *hoju* system was abolished on 1 January 2008.

² From around 1953 to 1976, police would periodically arrest those who were found without valid residence permit, place them in detention centres and expel them from cities (Waddington 1999). Administration regulations issued in 1982 known as 'custody and repatriation' authorised police to detain people, and 'repatriate' them to their permanent residency location.

³ The policy requires from migrants to the city three prerequisites: temporary residence registration, employment permit, and family planning (birth control). *Hukou* has caused migrants endless troubles. People had to apply for a temporary residence permit issued by the local government to stay in the area.

⁴ The 1990 census specified that a person must have left the *hukou* location for at least one year before he or she is considered part of the floating population. In the 2000 census, the period was shortened to six months. The spatial criterion was also changed: In the 1990 census, the floating population included people who had moved from one county (or county-level city or urban district) to another; in the 2000 census, the spatial criterion was changed to sub-county units (townships, towns and streets). The 1990 census thus counted only the inter-county floating population, while the 2000 census counted both the inter-county and intra-county floating population.

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- Summary: The Hukou System as China's Main Regulatory Framework for Temporary Rural-Urban Migration and its Recent Changes*
- The massive and uncontrolled migration from rural areas to the cities is typical for most developing nations. An exception is China, which established the *hukou* (household registration) system in 1958 to regulate migration, employment and the supply of essential food. According to this system people were required to stay in the area where they were born. In this sense the *hukou* system operated as a strong boundary between rural and urban areas. In order to get access to education, food, housing and a variety of other social services in the city, it was necessary to be part of a working unit; but only residents registered as urban dwellers were allowed to join such a unit. In the last 30 years, China's government has introduced numerous reforms of the *hukou* system, mainly to meet the growing demand for low-qualified labourers in the booming cities. Nowadays even migrants with rural *hukou* are allowed to live in the city if they fulfill certain conditions. However, the level of liberalisation varied from one province to another and from one metropolis to the other, creating remarkable differences in the regulatory framework. The total number of migrant workers in China has grown to an all-time peak of 211 million in 2009 and is projected to increase further in years to come. Therefore, in the author's view further reforms are necessary to create equal living conditions and pave the way for continuous economic growth – or else the whole *hukou* system might become obsolete.

Zusammenfassung: Das Hukou-System als Chinas wichtigstes Steuerungsinstrument der temporären Land-Stadt-Migration und seine jüngeren Wandlungen

Massenhafte und ungesteuerte Zuwanderung aus ländlichen Räumen in Städte ist typisch für die meisten Entwicklungsländer. China dagegen führte 1958 das *Hukou*-System (System der staatlichen Haushaltsregistrierung) ein, um die Migration zwischen ländlichen und städtischen Räumen, die Beschäftigung und die Versorgung mit Gütern des täglichen Bedarfs zu kontrollieren. Demnach musste eine Person ihr Leben lang in der Region wohnen bleiben, wo sie einmal registriert worden war. Damit wurden eindeutige Grenzen zwischen Stadt und Land gezogen. Um in der Stadt Zugang zu Bildung, Nahrungsmitteln, Unterkunft und einer ganzen Reihe an sozialen Dienstleistungen zu erhalten, musste man Mitglied einer Brigade sein, der nur Arbeiter mit einem städtischen *Hukou* beitreten konnten. In den vergangenen 30 Jahren wurde über verschiedene Reformen eine Lockerung des strengen *Hukou*-Systems herbeigeführt, hauptsächlich um den Mangel an Arbeitskräften für minderqualifizierte Arbeiten zu kompensieren. So kann heute auch ländliche Bevölkerung unter bestimmten Bedingungen in der Stadt wohnen. Landesweit gibt es jedoch von Provinz zu Provinz und von Metropole zu Metropole erhebliche Unterschiede im Grad der Liberalisierung und Lockerung des *Hukou*-Systems. Die große Anzahl von 211 Millionen Wanderarbeitern im Jahr 2009 zeigt deutlich, dass dieses System weiterer Reformen bedarf oder sogar ganz abgeschafft werden muss, um gleichwertige Lebensverhältnisse zu schaffen und der weiteren wirtschaftlichen Entwicklung des Landes nicht im Wege zu stehen.

Résumé: Le système de Hukou en Chine comme le cadre réglementaire le plus important pour les migrations rurales-urbaines temporaires en Chine et ses changements récents

La migration massive et incontrôlée des zones rurales vers les villes est courante dans la plupart des

pays en développement. La Chine, instaurant le système de *hukou* (enregistrement des foyers) en 1958 pour réguler la migration, l'emploi et la fourniture de produits alimentaires essentiels, représente une exception. Selon les règles de ce système, les individus étaient tenus de rester dans la zone où ils étaient nés. En ce sens, le système de *hukou* établissait une frontière claire entre zones rurales et urbaines. Afin d'accéder à l'éducation, à la nourriture, au logement et à différents services sociaux de la ville, il était nécessaire de faire partie d'une unité de travail, mais seuls les résidents enregistrés comme citoyens étaient autorisés à rejoindre une telle unité. Au cours des 30 dernières années, le gouvernement chinois a introduit de nombreuses réformes du système de *hukou*, principalement pour répondre à la demande croissante de travailleurs peu qualifiés dans les villes en pleine expansion. De nos jours, même les migrants enregistrés comme ruraux sont autorisés à vivre dans la ville s'ils remplissent certaines conditions. Toutefois, le niveau de libéralisation varie d'une province à l'autre et d'une métropole à l'autre, créant ainsi des différences notoires dans l'application du cadre réglementaire. Le nombre total de travailleurs migrants en Chine a atteint un pic inédit de 211 millions en 2009 et devrait encore augmenter dans les années à venir. Par conséquent, selon l'auteur, de nouvelles réformes sont nécessaires pour créer des conditions de vie plus équitables et ouvrir la voie à une croissance économique continue. Dans le cas contraire, c'est l'ensemble du système de *hukou* qui risquerait bien de devenir obsolète.

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