

CONGRESSIONAL-EXECUTIVE COMMISSION ON CHINA

CHINA'S HOUSEHOLD REGISTRATION SYSTEM:Sustained Reform Needed to Protect China's Rural Migrants

EXECUTIVE SUMMARY

China's *hukou* (household registration) system has imposed strict limits on ordinary Chinese citizens changing their permanent place of residence since it was instituted in the 1950s. Beginning with the reform period in the late 1970s and accelerating during the late 1990s, national and local authorities relaxed restrictions on obtaining urban residence permits. While these moves are a step forward, recent reforms often contain high income and strict housing requirements that work against rural migrants who seek to move to China's cities. Migrants who do not meet these requirements usually cannot obtain public services such as health care and schooling for their children on an equal basis with other residents.

These uneven reforms to the *hukou* system discriminate against poor migrant workers in favor of the wealthy and educated. Rural migrants who obtain housing and jobs in cities still may not meet legal requirements for a "stable source of income" and a "stable place of residence." Official Chinese press statements portray recent *hukou* reforms as eliminating discrimination in the household registration system. Instead, these reforms have shifted the *hukou* system from a method of restricting changes in permanent residence to a barrier preventing some of China's most vulnerable citizens from receiving public services.

The Commission encourages the Chinese government to continue *hukou* reforms, building on positive steps already taken, by focusing on measures that would protect the interests of China's poor migrants and enhance their upward mobility. The Commission recommends that the Chinese government:

- Continue to liberalize urban *hukou* requirements, but emphasize non-discriminatory criteria;
- Steadily eliminate current rules that link *hukou* status to public services;
- Support private efforts to provide social services to migrants;
- Engage in international dialogue on internal migration and *hukou* reform;
- Eliminate *hukou* restrictions that contravene domestic and international law;
- Remove structural barriers limiting the voices of migrants and rural residents.

The [United Nations Committee on Economic, Social, and Cultural Rights] notes with deep concern the *de facto* discrimination against internal migrants in the fields of employment, social security, health service, housing, and education that indirectly result[s], inter alia, from the restrictive national household registration system (*hukou*) which continues to be in place despite official announcements regarding reforms.

United Nations Committee on Economic, Social, and Cultural Rights, Concluding Observations of the Committee on the Initial Report of the People's Republic of China (including Hong Kong and Macao), May 13, 2005, pg 3.

1. INTRODUCTION

1.1 Origins of the PRC Hukou System (1950s to 1970s)

Since its establishment in the 1950s, the Chinese *hukou* system has categorized citizens according to both place of residence and eligibility for certain socioeconomic benefits (the latter via designation as either "agricultural" or "non-agricultural" residents). Authorities issue citizens *hukou* identification through a registration process administered by local authorities. Parents pass their *hukou* status to their children, solidifying these administrative categories into inheritable social identities.³

The *hukou* system traditionally served three main purposes: resource distribution, migration control, and the monitoring of targeted groups of people. To assure the economic livelihood and political loyalty of China's industrial workers, the Chinese government provided non-agricultural *hukou* holders with food rations and grain subsidies and granted non-agricultural and urban residents greater employment opportunities, subsidized housing, free education, medical care, and old-age pensions. Regulations prevented rural residents from obtaining many public services their urban counterparts received and forced agricultural *hukou* holders to sell their agricultural products at a discounted rate to the government, as a means of financing national development plans. The *hukou* system also imposed strict controls on internal migration. Rural residents who wished to permanently move to an urban area had to separately apply to change

¹ For a detailed discussion of the Chinese *hukou* system and related reforms, see generally China's Household Registration (*Hukou*) System: Discrimination and Reform, Staff Roundtable of the Congressional-Executive Commission on China, 22 June 05; Fei-Ling Wang, Organizing Through Division and Exclusion, (Stanford: Stanford University Press, 2005).

² Rural and urban *hukou* holders were usually designated agricultural and non-agricultural statuses, respectively. Yu Zhu, "Changing Urbanization Processes and In Situ Rural-Urban Transformation: Reflections on China's Settlement Definitions," in New Forms of Urbanization: Beyond the Urban-Rural Dichotomy, eds. Tony Champion and Graeme Hugo, (Ashgate: Aldershot, 2004), 207.

³ Children initially inherited the *hukou* status of the head of the household (huzhu). Regulations of the People's Republic of China on *Hukou* Registration [Zhonghua renmin gongheguo hukou dengji tiaoli], issued 9 January 58, art. 5. Since 1998, children can choose to inherit either their mother or father's *hukou* location and type. Opinion on Resolving Several Outstanding Problems in the Present Administration of Hukou Work [Guanyu jiejue dangqian hukou guanli gongzuo zhong jige tuchu wenti de yijian], issued 23 June 98, art. 1.

⁴ Ibid., 117.

⁵ Kam Wing Chan and Li Zhang, "The *Hukou* System and Rural-Urban Migration in China: Processes and Changes," 160 China Quarterly 818, 822 (1999); Li Zhang, "Spatiality and Urban Citizenship in Late Socialist China," 14(2) Public Culture 311, 315 (2002).

both their place of permanent residence and their agricultural status. Additional regulations required travelers to obtain authorization from their place of residence and temporary registration at their destination. These limits effectively blocked upward social mobility for most rural citizens. By the 1970s, the system became so rigid that "peasants could be arrested just for entering cities." Police also employed *hukou* registration as a tool to monitor certain suspect citizens or groups, including political opponents and certain classes of common criminals. Such groups faced greater police scrutiny and often became the targets of political campaigns.

1.2 Changes From 1970s to 1990s

Privatization of farming in the 1970s and 1980s led to a surplus of rural labor. Concurrently, economic development increased labor demand in urban areas. To accommodate these pressures, Chinese authorities implemented reforms that enhanced the mobility of rural residents. The extension of the temporary residence system to towns and small cities provided legal channels for rural laborers to move between their rural homes and unskilled jobs in urban areas. Beginning in 1984, the introduction of the "self-supplied food grain" *hukou* allowed rural residents to obtain residence status in market towns if they had local employment and housing and could provide their own food rations. ¹⁰

The government also encouraged the liberalization of residency restrictions for wealthy and educated individuals. Introduced in 1992, the "blue stamp" *hukou* policy permitted wealthy individuals to buy an "urban" designation by investing large sums of money in urban areas. Local governments competed to attract wealthy, educated, and highly skilled individuals by offering local *hukou*.¹¹

Apart from the legal procedures described above, millions of rural Chinese migrants also migrated to urban areas without any formal registration. Gradual abandonment of rationing increased the ability of unregistered migrants to purchase food in urban markets, facilitating unregistered migration. According to one estimate, only about half of the 80 million migrants (as of 1995) were formally registered as temporary residents. ¹²

Despite these reforms, both unregistered migrants and those holding temporary residence permits faced severe limits on their ability to obtain public services such as subsidized health care or education for their children on an equal basis with established urban residents. Authorities also employed an administrative detention regime, the custody and repatriation system, to hold and deport those rural migrants lacking fixed housing, stable jobs, or proper documentation. ¹³

¹⁰ Kam and Zhang, "The *Hukou* System and Rural-Urban Migration in China," 831-36. The new *hukou* lasted only as long as workers resided in the city, and migration to another urban area still required a change to both place of residence and labor status.

⁶ Yu, "Changing Urbanization Processes and In Situ Rural-Urban Transformation," 208.

⁷ Joe Young, "*Hukou* Reform Targets Rural-Urban Divide," The China Business Review, May—June 2002, 32.

⁸ Wang, "Reformed Migration Control and New Targeted People," 126.

⁹ Ibid.

¹¹ Ibid., 836-838.

¹² Ibid., 833.

¹³ Human Rights in China, Institutionalized Exclusion: The Tenuous Legal Status of Internal Migrants in China's Major Cities, 6 November 02, 23-34.

2. RECENT REFORMS

Since the late 1990s, Chinese authorities have deepened and expanded prior *hukou* reforms. These efforts have occurred sporadically, most recently in 2001 and 2003-4, and have been followed by central directives to slow down the pace of change. Reforms include: relaxing limitations on migration to small towns and cities, streamlining *hukou* registration in some provinces and large cities, and instituting many individual reforms aimed at addressing the abuse of migrants. Since late 2004, central authorities have also made efforts to eliminate discriminatory local regulations that limit urban employment prospects for migrants.

First, in 1997, the State Council initiated an experimental program to allow rural migrants in designated small towns and cities to obtain local *hukou*. These reforms required migrants seeking to transfer their *hukou* status to have (1) a "stable job or source of income" and (2) a "stable place of residence" for over two years. Applicants who satisfied these criteria could obtain *hukou* registration in the given small city or town and receive education and other public services on equal terms with other local residents. In 2001, the State Council expanded this program to include all small towns and cities.

Second, since 2001, many provinces and large cities have also begun to allow migrants who satisfy certain criteria to obtain local *hukou* in urban areas. As with the State Council decision on small cities and towns, these measures generally require that applicants possess a "stable place of residence" and a "stable source of income." Many provincial and municipal regulations define these terms stringently. For example, Nanjing municipal regulations define "stable place of residence" as private ownership of a house, or residence in corporate- or government-owned housing. Hebei provincial regulations bar migrants living in rented apartments from receiving local *hukou*. Many regulations interpret "stable source of income" to mean formal employment by a private enterprise or government bureau, or establishment of a private enterprise with a stable source of income, rather than the unskilled jobs held by many migrants. ¹⁹

¹⁴ A chart surveying various local, provincial, and national *hukou* reforms through the end of 2004 is available on the Freedom of Residence page of the Commission's Web site.

State Council Notice on Approving the Public Security Bureau's Experimental Plan on Reforming the Management System for Residence Permits in Small Towns and Cities and [the State Council's] Opinions on Perfecting Rural Residence Permits Management System [Guowuyuan pizhuan gong'an bu xiaochengzhen huji guanli zhidu gaige shidian fang'an he guanyu wanshan nongcun huji guanli yijian de tongzhi, issued 10 June 97, art. 3.

State Council Notice on Approving the Public Security Bureau's Opinions on Promoting Reform of the Management System for Residence Permits in Small Towns and Cities [Guowuyuan pizhuan gong'an bu guanyu tuijin xiaochengzhen huji guanli zhidu gaige yijian de tongzhi], issued 30 March 01. Under these rules, migrants to small cities or towns are permitted to keep their land rights in their villages of origin. Ibid. This principle appears to have been incorporated in drafts of a national property law currently under consideration, although families which migrate to larger urban areas would be required to give up such rights. This linkage of *hukou* status with land rights is not new. Kam and Zhang, "The *Hukou* System and Rural-Urban Migration in China," 835-6.

¹⁷ [Nanjing] City Government Notice Approving the Public Security Bureau's "Nanjing City Temporary Residence Permit Registration System," [Shi zhengfu pizhuan shi gong'an ju guanyu "Nanjing shi huji zhunru dengji zanxing banfa"] issued 19 June 04, art. 9.

¹⁸ Li Zhanyong, "Hebei Releases Implementation Details on Residence Status Reform" [Hebei chutai huji gaige shishi xize], People's Daily [Renmin ribao], 26 September 03, www.people.com.cn>.

¹⁹ Implementation Details Regarding Certain Decisions on Xiamen City Residence Permit Management Decisions, [Xiamen shi huji guanli ruogan guiding shishi xize], issued 18 June 03, art. 16. For similar regulations, see Notice Regarding the Issuance of Yangzhou City's Temporary Regulations for Obtaining Local Hukou, [Guanyu yinfa]

Many local regulations expressly exclude low-income workers with salaries under officially-determined limits. ²⁰

Many provincial and municipal regulations grant local *hukou* in urban areas based on educational or financial criteria. Zhejiang province directs large and medium-sized towns to grant local *hukou* to individuals who purchase homes of a certain size or price. Non-local residents with higher educational levels enjoy similar benefits.²¹ Chongqing municipality grants local *hukou* to persons with a 2-year college degree (*dazhuan*) or higher who purchase a house or apartment that measures 30 square meters or more.²²

Regulations such as those listed above provide preferential *hukou* treatment for the wealthy and educated, while maintaining significant barriers against migrant workers performing low-wage jobs. Even if rural migrants obtain housing and employment in urban areas, these may still be insufficient for the purposes of the "stable source of income" and "stable place of residence" requirements. In some cases, low-income migrants who do meet financial requirements suffer additional discrimination. According to the regulations of one Zhejiang city, unskilled laborers must possess both a stable place of residence and a stable source of income and also must reside in the city for five years in order to qualify for a local *hukou*. In contrast, business owners who satisfy residential and income criteria may receive a local *hukou* after paying two years of taxes totaling more than 5,000 yuan. Skilled and educated individuals do not have to reside in the city for a specified period of time in order to qualify for a local *hukou*.

As a result of these restrictions, the impact of these reforms has been limited. In the city of Ningbo in Zhejiang province, officials expect 30,000 people out of a total migrant population of 2 million to meet the stable income and permanent residency requirements set in 2001 for obtaining a local urban *hukou*.²⁴ After similar reforms in Shijiazhuang city in Hebei province, 11,000 applicants out of a total migrant population of 300,000 migrant workers filed

Yangzhou shi zhunru zanxing guiding de tongzhi], issued 1 June 04; Jilin Provincial People's Government Notice Regarding Issuance of the Public Security Bureau's Opinion Regarding Reform of the System of Transferring Hukou Registration and Advancing the Process of Urbanization [Jilin sheng renmin zhengfu guanyu pizhuan sheng gong'an ting guanyu gaige hukou qianyi zhidu tuijin chengshihua jincheng yijian de tongzhi], issued 7 September 01.

The limit often set is the locally-determined minimum standard of living (zui di shenghuo baozhang xian). Li
Zhanyong, "Hebei Releases Implementation Details on Residence Status Reform" [Hebei chutai huji gaige shishi

Zhanyong, "Hebei Releases Implementation Details on Residence Status Reform" [Hebei chutai huji gaige shishi xize], People's Daily [Renmin ribao], 26 September 03, www.people.com.cn; Danyang Municipality, Basic Requirements for Obtaining Local *Hukou* [Danyang shi hukou zhunru jiben tiaojian], Danyang Municipal Web site, 29 June 05, art. 1(4) www.danyang.gov.cn; (Experimental) Plan on Taking Steps to Relax Municipal *Hukou* Policy [Guanyu jin yi bu fangkuan wo shi hukou zhengce de banfa (shixing)], Yining Municipal Government Web site, 12 December 04, art. 2(5); www.ynszf.gov.cn.

Notice of the Zhejiang Provincial People's Government's Office Regarding the Issuance of the Provincial Public Security Bureau's Opinions Regarding the Deepening of Reform of the Residence Permit System, [Zhejiang sheng renmin zhengfu ban'gongting zhuanfa sheng gong'an ting guanyu shenhua huji guanli zhidu gaige yijian de tongzhi], issued 29 March 02, art. 2.

²² Chongqing City Government Notice of Issuance of the City Public Security Bureau 'Opinions Related to the Speeding Up of Municipal Urbanization and Steps Regarding the Reform of the *Hukou* System' [Chongqing shi renmin zhengfu ban'gongting zhuanfa shi gong'an ju 'Guanyu jiakuai woshi chengzhenhua jincheng jin yi bu shenhua huji zhidu gaige de yijian' de tongzhi], issued 29 July 03, art. 1. Applicants must additionally demonstrate that they have a stable profession or income as well.

Open Content of Official Affairs of the Jinhua City Public Security Documentation Center, [Jinhua shiqu gong'an banzheng zhongxin zhengwu gongkai neirong], issued 16 August 01, arts. 5, 6(4), 8(2).

²⁴ Wang, Organizing Through Division and Exclusion, 192.

applications.²⁵ Municipal plans to grant local *hukou* on the basis of investment criteria have also had limited impact. More than two months after the Beijing municipal government reformed its hukou policy in 2001 to grant local hukou to wealthy investors, only one applicant applied who could meet the requirements.²⁶

Local Chinese government officials often portray these reforms as eliminating hukou discrimination against rural residents and migrants because they have ended distinctions between different *hukou* types.²⁷ For example, Jiangsu province announced in March 2003 that it planned to end the labeling of hukous as agricultural, non-agricultural, blue-stamp, and other types, thereby "breaking" urban-rural divisions. 28 Other provinces have announced similar reforms. 29 These changes do not abolish hukou identification entirely, however. They leave intact the remaining component: registration by permanent residence. As a result, migrants must still satisfy the criteria set by local authorities to obtain a local *hukou* in a given urban area.

Third, in addition to the general trends discussed above, Chinese authorities have adopted a variety of measures to address abuse of migrants. Some measures reflect public concern with police abuses.³⁰ In 2003, the State Council abolished the coercive custody and repatriation system often used to detain unregistered migrants after a young migrant was beaten to death in police custody, sparking a national outcry. 31 In Hangzhou city in Zhejiang province, the public security bureau announced an end to mass dragnet sweeps to round up undocumented migrants.³² In Shenyang, police announced the elimination of the temporary residence permit system and all associated fees (reducing the ability of police to extort additional payments from migrants) in favor of an automatic "sign-in" registration system for migrants arriving in the city.³³

²⁵ Ibid., 192-93.

²⁶ Ibid., 189.

²⁷ See, e.g., "Chongging Municipality Reforms Existing *Hukou* System, Implements Unified Urban-Rural *Hukou*," [Chongqing shi gaige xianxing huji zhidu, shixing chengxiang hukou yitihua], People's Daily [Renmin ribao], 6 August 03, <www.people.com.cn>.

²⁸ Yu Jindong, "Important Reforms in the Jiangsu Residence Permit System" [Jiangsu huji zhidu zhongda gaige], China News [Zhongguo xinwen wang], 28 March 03, <www.chinanews.com.cn>.

²⁹ See, e.g., the relevant regulations for Gansu, Gansu Provincial Public Security Bureau, Opinions on Further Deepening of Hukou System Reform [Guanyu jin yi bu shenhua huji guanli zhidu gaige de yijian], issued 30 September 03, and Shandong, Shandong Provincial Public Security Bureau, Opinions on Further Deepening of Hukou System Reform [Guanyu jin yi bu shenhua huji guanli zhidu gaige de yijian], issued 26 June 04. Local government reforms which purport to equalize the status of rural and urban hukou holders sometimes exacerbate economic and social discrimination faced by rural residents. For example, in the fall of 2004, Shenzhen announced the unification of hukou identification for rural and urban residents. However, as a corollary to this measure, all collectively owned village property would become state-owned land. As Chinese commentators noted, this proposal would effectively seize the property rights of rural residents without paying the compensation required by law. Xu Xunlei, "The Limited Meaning of Shenzhen's Complete Elimination of Rural Hukou" [Shenzhen wanquan quxiao nongcun hukou de youxian yiyi], People's Daily [Renmin ribao], 5 July 04, <www.people.com.cn>.

³⁰ Public security officials have also undertaken reforms aimed at centralizing and computerizing hukou records in order to strengthen police monitoring. Wang, Organizing Through Division and Exclusion, 107-12, 228 n95.

31 Congressional-Executive Commission on China, 2004 Annual Report, 5 October 04, 18; Congressional-Executive

Commission on China, 2003 Annual Report, 2 October 03, 19, 21.

^{32 &}quot;Hangzhou Eliminates Migrant Sweeps" [Hangzhou quxiao wailai renkou qingcha xingdong], Southern Metropolitan Daily [Nanfang dushi bao], 31 October 03, <www.nanfangdaily.com>.

³³ Zhang Jing, "Shenyang Eliminates Temporary Residence Permits, Leads Nation in Proposing Reporting Mechanism for Temporary Residence" [Shenyang quxiao zanzhuzheng, zai quanguo shuaixian tuichu shenbao zanzhuzheng jizhi], Xinhua, 22 July 03, <<u>www.xinhuanet.com</u>>.

Fourth, in December 2004, the State Council issued a directive to eliminate discriminatory measures that limit employment prospects for migrants in urban areas.³⁴ This policy has already had some impact. In the spring of 2005, the Beijing municipal government abolished long-standing regulations that prohibited migrants from renting apartments and office space and excluded them from certain occupations.³⁵

3. HUKOU DISCRIMINATION

As one Chinese academic has noted, "the current reforms do represent a reform, but they ignore the forest for the trees . . . [T]he truly critical problem in *hukou* reform is how to peel away the political, economic, and cultural rights that are associated with the residence permit." While recent reforms loosen the *hukou* system for the privileged, they do not address the primary problem still facing poor migrants: the continued linkage of *hukou* registration to public services. Restrictions on public services often apply both to unregistered migrants as well as to long-term residents who have complied with the procedures for acquiring a temporary residence permit.

Educational barriers illustrate this problem.³⁷ Until 1998, children lacking local *hukou* were barred from attending local public schools. National regulations placed the responsibility for their education on the local government of their *hukou* registration rather than that of actual residence. Recently, national authorities have taken positive steps to ameliorate this problem. A 2003 State Council directive (unaccompanied by additional funding) instructed local governments to make efforts toward providing education for migrant children within their jurisdiction.³⁸ Some local governments, however, have interpreted this directive in ways that minimize their responsibility for the education of migrant children. For example, 2004 Zhejiang provincial regulations require that children holding non-local *hukou* generally be educated in the place of their *hukou* registration. Only in cases where no "guardian" (including grandparents and

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³⁴ State Council Office Notice Regarding Improving Employment Prospects for Migrants in Urban Areas [Guowuyuan ban'gongting guanyu jin yi bu zuo hao wanshan nongmin jincheng jiuye huanjing gongzuo de tongzhi], issued 27 December 04. In addition, the directive instructs local governments to work on improving employment assistance programs, resolving outstanding violations of migrants' rights (such as back wage complaints), and regulating labor markets more tightly (by, for example, increasing government supervision of labor contracts). Ibid.
35 "Beijing Eliminates Regulations on the Management of Migrants" [Beijing feizhi wailai renyuan guanli tiaoli], Xin Jingbao [Beijing News], 26 March 03, www.thebeijingnews.com. For an English analysis of the abolished regulations, see Human Rights in China, Institutionalized Exclusion, 99.

³⁶ "The Crux of *Hukou* Reform is Peeling Away the Rights Behind [the Residence Permit]" [Huji gaige guanjian zai boli beihou de liyi], 21st Century Business Herald [21 Shiji jingji baodao], 6 August 03, <<u>www.nanfangdaily.com.cn</u>>.

³⁷ For a comprehensive survey of the issues associated with the discrimination faced by migrants regarding access to

³⁷ For a comprehensive survey of the issues associated with the discrimination faced by migrants regarding access to education, see Human Rights in China, Shutting Out the Poorest, Discrimination Against the Most Disadvantaged Migrant Children in City Schools, 8 May 02.

³⁸ This directive instructs local authorities to "take steps toward" providing equal treatment to migrant and local children. State Council Notice on the Opinion of the Education and Other Ministries Relating to Further Work on Migrant Children's Compulsory Education [Guowuyuan ban'gongting zhuanfa jiaoyubu deng bumen guanyu jin yibu zuohao jincheng wugong jiuye nongmin zinu yiwu jiaoyu gongzuo yijian de tongzhi] (Hereafter State Council Education Notice), issued 17 September 03, art. 6.

extended family) resides in the place of registration may parents seek discretionary approval for their children to enter local public schools.³⁹

Both national and local regulations permit the levying of additional educational fees on migrant children based on their *hukou* status. 40 Government-established schedules often set these fees at several hundred yuan per semester, representing a significant fraction of an average migrant's annual income. 41 Shandong authorities officially charge students without local *hukou* 300 yuan and 500 yuan per semester in additional school fees (beyond those paid by students holding local *hukou*) at the elementary and junior high levels, respectively. 42 In practice, however, public schools often view migrants as a source of additional income, charging them unauthorized fees amounting to several thousand yuan per year. 43 Some authorities have made efforts to curb such practices, but these have encountered resistance from local governments unwilling to bear the financial burden for educating migrant students absent additional funding. 44

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³⁹ Zhejiang Provincial Government Opinion Regarding Improving Compulsory Education of Migrant Children [Zhejiang sheng renmin zhengfu ban'gongting guanyu jin yi bu zuo hao liudong ertong shaonian yiwu jiaoyu gongzuo de vijian], issued 16 November 04, art. 3.

gongzuo de yijian], issued 16 November 04, art. 3.

The most recent State Council directive implicitly allows some degree of unequal treatment of migrant students. State Council Education Notice, art. 6. Provincial authorities have interpreted this to allow the charging migrant families "temporary schooling fees" (*jiedufei*). Notice of the Zhejiang Education, Pricing, and Finance Bureaus Regarding the Issuance of the "Opinion of the Ministry of Education, National Development and Reform Commission, and the Ministry of Finance Regarding Implementing the "One Fee System" in Compulsory Education, [Zhejiang sheng jiaoyuting zhejiang sheng wujiaju zhejiang sheng caizhengting zhuanfa "Jiaoyubu guojia fazhan he gaige weiyuanhui caizhengbu guanyu zai quanguo yiwu jiaoyu jieduan xuexiao tuixing 'yifeizhi' shoufei banfa de yijian" de tongzhi], issued 12 August 04, art. 1(2); Zhejiang Provincial Meansures on Compulsory Education Fees [Zhejiang sheng yiwu jiaoyu shoufei guanli banfa], issued 19 June 03, art.8.

⁴¹ The average monthly income of Chinese migrants varies between different regions. A 2005 study indicates that migrant workers in the Pearl River Delta earn an average of 600 yuan per month. Shi Jianjian, "Numbers Show Trend of Migrant Workers Transferring from Pearl to Yangtze River Delta," [Shuju xianshi zhusanjiao mingong you zhuantou changsanjiao qushi], China Human Resources Development Network [Zhongguo renli ziyuan wang], <www.chinahrd.net>. In Nanjing, the income of migrant laborers is roughly 400 yuan per month. Tao Sunjin, "The Income of Migrant Workers has not Increased Substantially Over the Past 5 Years," [Mingong shouru 5 nian lai jihu meiyou zengzhang], Jiangsu Xinhua [Jiangsu xinhua wang], 11 May 05, www.js.xinhuanet.com>.

All Notice of the Zibo Municipal Government Regarding the Issuance of the "Notice of the Shandong Provincial Government Regarding the Issuance of the Provincial Educational, Pricing, and Finance Bureaus Opinion on the Implementation of the "One Fee System" for Compulsory Education in the Province" [Zibo shi renmin zhengfu ban'gongting zhuanfa "Shandong sheng renmin zhengfu ban'gongting zhuanfa sheng jiaoyuting sheng wujiaju sheng caizhengting zai quansheng yiwu jiaoyu jieduan xuexiao shixing yifeizhi shoufei banfa yijian de tongzhi" de tongzhi], 29 September 04, art. 1(2)(3) (setting the additional fees for migrants at 500 yuan a semester for junior high school students, 300 for elementary students); "What is the Plan of the Harbin Municipal Education Bureau for Implementing the 'One Fee System'" [Harbin shi yiwu jiaoyu jieduan zhongxiaoxue shixing "yifeizhi" shoufei banfa shi shenme?], 20 October 04, art. 2(1), <www.harbin.gov.cn> (setting the additional fees for migrants at 230 a semester for elementary school students, 300 for junior high school). For the chart of allowable educational fees in Beijing, see "'One Fee System' Implemented in Compulsory Education," [Yiwu jiaoyu shoufei shixing "yifeizhi"], Beijing municipal Web site, <www.beijing.gov.cn/zhuanti/zw/yfz/default.htm>.

⁴³ Chloe Froissart, "Restrictions on the Right to Education in China: An Investigation into the Education of Migrant Children in Chengdu" [Les Aléas du Droit à l'Éducation en Chine: Enquête sur la Scholarisation des Enfants de Travailleurs Migrants à Chengdu], 77 Chinese Perspectives [Perspectives Chinoises], (2003), <www.cefc.com.hk>.
⁴⁴ On March 17, 2004, national education, development, and finance officials issued a joint directive on the implementation measures for the "one-fee system" (*yifeizhi*) in primary schools and junior secondary schools nationwide, under which schools cannot charge textbook fees, exercise book fees, and miscellaneous fees in excess of government-determined standards. Ministry of Education, National Development and Reform Commission, Ministry of Finance Opinion Regarding the Carrying out of the *Yifeizhi* Fee Measures in the Period of Compulsory Education [Jiaoyu bu, guojia fazhan gaige wei, caizheng bu guanyu zai quanguo yiwu jiaoyu jieduan xuexiao

Local authorities often oppose private efforts to form schools to educate migrant children. Although the State Council's 2003 directive on migrant education gives a degree of central support to the establishment of such schools, it applies stringent physical and financial requirements that are difficult for these schools to meet in practice. In some urban areas, private migrant schools are often targeted for elimination by local governments. In others, they lead a precarious legal existence. A study of five privately-run migrant schools in Chengdu municipality revealed only two with formal authorization to operate, one of which was in the process of having its status revoked. Motives behind local government hostility toward such private schools include fear of competition with revenue-generating local public schools, unwillingness to assume formal responsibility and liability for migrant schools, and general discriminatory attitudes toward migrants.

Official discrimination against migrants on the basis of their *hukou* status exists in the provision of other public services as well. Many localities condition access to their health insurance programs on local *hukou* registration. Local plans aimed at expanding coverage tend to retain these limits. For example, when Lucheng city in Shanxi province announced that it would allow

tuixing "yifeizhi" shoufei banfa de yijian], issued 17 March 04. Implementation of the policy remains problematic. First, the *yifeizhi* policy does not regulate all fees faced by migrant students, particularly "school selection fees" (zexiaofei), "assistance fees" (zanzhufei), or temporary schooling fees (jiedufei). Moreover, some localities continue to apply different fee standards for students with local hukou and those without for fees theoretically covered by the vifeizhi policy. In the city of Zhongshan, the standard for miscellaneous fees for migrant children is set at RMB 500-600 higher than for local children. "Happy to Hear the Removal of Temporary Schooling Fees: Pearl River Delta Migrant Children Worried About the Difficulties of Enrollment" [Xiwen quxiao jiedufei: zhu sanjiao wailai zinü danxin ruxue nan], Guangzhou Daily [Guangzhou Ribao], reprinted in Southern Daily [Nanfang wang], 27 March 04, <www.southcn.com>. Some national and local authorities have made some efforts to exempt rural children from "temporary schooling fees," "school selection fees," or mandatory "educational donation and assistance fees" (juanzizhuxue). Ministry of Finance Notice Regarding Furthering the Work of Cleaning Up Excessive Educational Fees [Guanyu shenru kaizhan zhili jiaoyu luan shoufei gongzuo de tongzhi], issued 25 March 03, art. 3; Zhejiang Provincial Meansures on Compulsory Education Fees [Zhejiang sheng yiwu jiaoyu shoufei guanli banfa], issued 19 June 03, art. 23. These efforts have also encountered problems. With no financial incentive to enroll migrant children, some schools simply refuse to accept them. Zhao Guangquan, "Disease of Charging Excessive Fees is Serious: Difficult to Cure by Compulsory Education 'Yifezhi'" [Luan shoufei bing de buqing: yiwu jiaoyu "yifeizhi" yifei nanliao], People's Daily [Renmin ribao], 3 September 2004, <www.people.com.cn>. In others, school fees are simply transformed into "voluntary" educational donation and assistance charges. Wang Dianxue, Wang Kala, and Liu Yingcai, "We Did Not Receive the 'Yifeizhi' Plan" [Women mei jiedao 'yifeizhi' fangan], Beijing News [Xin jing bao], 3 September 04, < www.thebeijingnews.com>.

⁴⁵ Chloe Froissart, "Restrictions on the Right to Education in China"; State Council Education Notice, art 8.

⁴⁶ Hou Wenzhuo, "Privately Run Migrant Schools in Beijing Vital Community Resources Existing on Sufferance" Human Rights in China, 24 February 03, www.hrichina.org>.

⁴⁷ Chloe Froissart, "Restrictions on the Right to Education in China."

⁴⁸ Ibid. Some officials seek to close ill-equipped private schools out of honest concern for health and safety code violations. Others use these arguments as pretexts to rid their neighborhoods of the perceived "evils" of migrant youth. Wan Lixia, "Where Have Beijing's Schools For Migrant Youth Gone?" [Beijing dagong zidi xuexiao dao nali qu le], 21st Century Business Herald [21 shiji jingji baodao], 18 February 04, <<u>www.nanfangdaily.com.cn</u>>.
⁴⁹ These issues are comprehensively surveyed in Human Rights in China, Institutionalized Exclusion, 53-75.

⁴⁹ These issues are comprehensively surveyed in Human Rights in China, Institutionalized Exclusion, 53-75 Migrants face a wide range of social discrimination as well. Ibid., 76-108.

⁵⁰ "Can Agricultural *Hukou* Residents Apply for Medical Insurance" [Nongcun hukou jumin shifou neng banli yiliao baoxian], Mayor's Mailbox [Shizheng xinxiang], 09 January 05, <www.21js.com>. More than 55 percent of China's urban population enjoyed health insurance in 2003, compared to only 21 percent of the rural population. Zhang Feng, "Lack of Medical Insurance, High Cost Deter Poor Patients," China Daily, 09 Dec 04.

local residents to participate in a municipal cooperative health care program beginning in 2005, it limited access to local hukou holders.⁵¹

Discrimination against rural hukou holders in the provision of public services is exacerbated by other structural and political barriers. Two examples include: inadequate rural representation in local people's congresses (LPCs) and skewed university admission requirements.

Although lacking in significant power, LPCs allow a limited form of popular political participation in China. But the LPC electoral structure disadvantages rural hukou holders, including migrants.⁵² By law, rural LPC deputies represent four times as many constituents as their urban counterparts, leaving migrant and rural interests underrepresented.⁵³ In addition, voting rights are commonly linked to hukou registration. Migrants lacking local hukou are often required to vote in their place of registration. Some localities, including Beijing, have undertaken reforms aimed at allowing migrants to vote in their place of actual residence. However, these reforms generally require migrants to first return to their place of hukou registration and obtain official approval to vote in their place of actual residence.⁵⁴ Such voting requirements pose considerable obstacles to poor migrants exercising their voting rights.

Educational opportunities are similarly skewed, limiting the upward mobility of rural residents and migrants. The Ministry of Education employs a strict system of hukou-based quotas to allocate available spaces for college admission. These quotas are biased in favor of the residents of large cities. In 2000, authorities allocated Beijing (with 10 million permanent residents) 25,000 college admission slots, and Shandong province (with nearly 100 million permanent residents) 80,000 slots. Such quotas limit educational opportunities available for rural hukou holders. A Chinese student with a Beijing hukou can score nearly 150 points lower than a rural Chinese student in Shandong province (on a test with a maximum score of 750), but the former can still receive a college admission slot while the latter is refused.⁵⁵

^{51 &}quot;Lucheng Residents With Urban Hukou Can Receive Reimbursement for Medical Expenses" [Lucheng you chengzhen hukou jiu neng bao viyaofei], Shandong News [Shandong xinwen wang], 16 December 04, <www.sx.xinhuanet.com>. Not all hukou discrimination is directed at the very poor. Until 2005, Beijing barred the sale of automobiles to individuals lacking a local Beijing residence permit. Wang Shu, "Temporary Residents Can Register Cars In Beijing" [Waidiren zai jin ke mai chepai], Beijing News [Xin jing bao], 3 March 05, <<u>www.thebeijingnews.com</u>>.

⁵² Wang, Organizing Through Division and Exclusion, 115-17.

⁵³ PRC Election Law of the National People's Congress and Local People's Congresses, [Zhonghua renmin gongheguo quanguo renmin daibiao dahui he difang geji renmin daibiao dahui xuanju fa], enacted 1 July 1979, amended 27 October 04, art. 12.

⁵⁴ Amendment to the Implementing Regulations for Beijing City District, County, Township, National Minority Township, and Town LPC Elections [Beijing shi qu, xian, xiang, minzuxiang, zhen renmin daibiao dahui daibiao xuanju shishi xize de xiuzheng'an], issued 5 September 03; Shaanxi Provincial Implementing Regulations on County and Township LPC Elections (Amended) [Shaanxi sheng xian xiang liangji renmin daibiao dahui daibiao xuanju shishi xize], issued 30 August 95, art. 35(5). Note that at least one recent set of provincial regulations has taken a particular liberal stance, allowing migrant voters to register to vote in their place of residence upon merely presenting their identity card. Decision of the Anhui Provincial LPC Standing Committee on Amending the "Anhui Provincial LPC Election Implementing Regulations" [Anhui sheng renmin daibiao dahui changwu weiyuanhui guanyu xiugai "Anhui sheng geji renmin daibiao dahui xuanju xize" de jueding], issued 21 April 05, art. 25. ⁵⁵ Wang, Organizing Through Division and Exclusion, 143.

4. **RECOMMENDATIONS**

Rural-urban migration, continuing discrimination against rural *hukou* holders in the provision of public services, and recent reforms that liberalize restrictions for the wealthy and educated are helping create an excluded migrant underclass. The *hukou* division between haves and have-nots, previously a rural-urban divide, has been exported to China's cities.⁵⁶

China's *hukou* policies are not the sole cause of the difficulties confronting China's migrants, but the *hukou* system exacerbates existing problems. First, by limiting labor mobility, *hukou* policies contribute to growing income disparity between China's urban and rural areas. ⁵⁷ Second, official policies reinforce prevailing negative social attitudes toward poor migrants. Third, they have led to the emergence of officially sanctioned discrimination against migrants in urban areas. The *hukou* divide reinforces the gap between urban haves and migrant have-nots, imposing a hereditary legal barrier on top of a yawning economic divide. This barrier risks hardening into a permanent societal division within China's urban areas, threatening both migrant welfare and political stability. ⁵⁸

Reform efforts face considerable practical obstacles. The socioeconomic benefits linked with *hukou* registration help China's government assure the loyalty of China's urban population and maintain a firm grip on society. Hukou restrictions have helped support the economic growth of China's urban (but not rural) areas by slowing the influx of migrant labor into cities. Hukou reform will require significant political commitment. Reform may also encounter resistance from an increasingly vocal urban middle class that has grown accustomed to these benefits and fears being overrun by rural migrants.

A lack of resources also limits the ability of Chinese authorities to carry out *hukou* reform. According to some estimates, China's migrant population totals 140 million, nearly one-third the size of China's total urban population. Rural residents total 760 million, almost 60 percent of China's total population. ⁶² Providing migrants or all rural residents full access to public services on an equal basis with urban residents poses a formidable economic challenge.

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⁵⁶ Kam and Zhang, "The *Hukou* System and Rural-Urban Migration in China," 843.

⁵⁷ Kam Wing Chan, "China's *Hukou* System Reform and Rural-Urban Migration" [Zhongguo huji zhidu gaige he chengxiang renkou qianyi], China Labor Economics [Zhongguo laodong jingji] 108, 121 (2004). See generally John Whalley and Shunming Zhang, "Inequality Change in China and (*Hukou*) Labor Mobility Restrictions," National Bureau of Economic Research, (2004).

⁵⁸ This risk is heightened because existing *hukou* policies bind the vested interests of the urban population and industrial sector with that of the Chinese government. The *hukou* system provides an authoritarian government with a tool for social stability, factories access to low-cost migrant labor, and China's growing urban population preferential access to public services. Wang, Organizing Through Division and Exclusion, 114-23.

⁵⁹ Chinese authorities have also used *hukou* policies to keep the migrant population atomized. Ibid., 114-17.

⁶⁰ Ibid., 119-27. The *hukou* system has helped perpetuate a dual urban-rural economy with significant irrationalities in labor allocation. Ibid. 125-7.

⁶¹ As one Chinese academic put it, "the rights of agricultural *hukou* holders and migrants are difficult to be expressed under the current system" because "all of those who issue and implement the rules are themselves non-agricultural *hukou* holders." Lu Yilong, "The Chinese *Hukou* System after 1949: Results and Changes" [1949 Nian hou de zhongguo huji zhidu: jiegou yu bianqian], Journal of Peking University (Humanities and Social Sciences), [Beijing daxue xuebao (zhexue shehui kexue ban)] 129 (2002).

⁶² PRC Bureau of Statistics, 2004 National Statistical Report on Economic and Social Development [2004 Nian guomin jingji he shehui fazhan tongji gongbao], 28 February 05; Associated Press (citing Xinhua), "Migrant Population Hits 140 Million," 6 January 05.

However, the Chinese government can take several practical steps now to address the discriminatory treatment faced by migrants, limit the potential for social instability, and set the foundation for the steady dismantling of the *hukou* system.

• Continue to Liberalize Urban Hukou Requirements, But Emphasize Non-Discriminatory Criteria

Over the past two decades, Chinese authorities have taken gradual steps to liberalize the *hukou* system. But recent reforms are effectively merging a system of institutional exclusion based on place of residence with one based on individual wealth.

The Chinese government should experiment with reforms that grant local *hukou* status based on criteria that do not discriminate economically. One such measure might be to grant local *hukou* status based on the length of residence in urban areas. Another might be to automatically grant urban *hukou* to the children of long-term migrants, such as those holding temporary residence permits. Either of these criteria would still allow authorities to ration limited urban public services by controlling the number of recipients. However, they would help prevent the emergence of a socially excluded population of long-term urban migrants. They would also serve anti-corruption ends by constraining the ability of local authorities to sell local residence permits. ⁶⁴

• Steadily Eliminate Hukou Barriers Linked to Public Services

Chinese public security officials have themselves stated that "the focal point in [hukou] reform is to peel away the rights and functions that have become attached to hukou registration." Some Chinese authorities have taken positive steps toward this goal by eliminating hukou barriers facing migrants. Beijing's abolition of discriminatory housing and work restrictions in the spring of 2005 is one example. Articles in the state-sponsored media have called for the abolition of educational barriers to migrant children. The impact of other measures is mixed. For example, recent Ministry of Civil Affairs guidelines suggest that authorities may begin providing disability benefits to rural and urban hukou holders on an equal basis. However, the same guidelines

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⁶³ Such reforms would require limiting the ability of Chinese municipal authorities to use grants of urban *hukou* as an economic development tool to encourage preferential immigration. These practices have been criticized by even those Chinese scholars who support the general objectives of the *hukou* system. Hou Dongmin, "Correctly Recognize the Limited Utility of Urban *Hukou* Reform" [Keguan de renshi chengshi huji zhidu de you xian zuoyong], 6 Population and Economics [Renkou yu jingji] 51 (2003).

⁶⁴ Large demand and tightly controlled supply have created a thriving underground market in local, urban *hukou*. This has also given rise to numerous incidents of corruption. Shen Jianli, "Sale of Beijing *Hukou* Quotas Can Be Reported To Authorities" [Daomai jinjing zhibiao faxian ke jubao], Beijing News [Xin jing bao], 10 May 05, www.thebeijingnews.com.

⁶⁵ Li Ming, PSB chief of Wuhu city, Anhui province, quoted in Wang Zhengzhong and Zhou Limin, "Breaking Through the Rural-Urban Barrier, China Presses *Hukou* Reform" [Lipo chengxiang fanli zhongguo tuijin huji gaige], Xinhua, 1 December 03, reprinted in www.china.com.cn>.

gaige], Xinhua, 1 December 03, reprinted in < www.china.com.cn>.

66 "Fair Schooling Rights for All," China Daily, 08 January 05; Fan Ligang, "Hukou Status Is Last Hurdle to Migrant Children Receiving Education [Huji shi mingong zinu shou jiaoyu de zuihou fanli], China Youth Daily, reprinted in Sina.com, 20 April 05, < news.sina.com.cn>.

suggest authorities are also considering using the place of *hukou* registration as a new discriminatory tag to provide preferential disability benefits to prior urban *hukou* holders. ⁶⁷

As the national economy grows, Chinese authorities should steadily eliminate *hukou* discrimination linked to public services. Local governments should begin to assume responsibility for providing public services to migrants on an equal basis with established urban residents.

• Support Private Efforts to Provide Social Services to Migrants

Hukou barriers exclude migrants from many urban public services. Private efforts to provide these services are a natural response. The growth of private schools for migrant children is one example. While some authorities have taken positive steps to support such schools, many local authorities continue to view them as an annoyance and seek to close them, rather than appreciating that they fill an important social niche. ⁶⁸

The Chinese government should embrace private efforts to provide services to migrants. As the PRC State Council has noted, Chinese authorities should support the establishment of independent migrant schools and lend assistance to improving their quality.⁶⁹

• Engage in International Dialogue on the Hukou System and Migration Issues

Perhaps because of the historical origins of the *hukou* system as a tool of political control, Chinese authorities have been reluctant to engage in substantive international exchanges regarding its reform.⁷⁰ This wastes a valuable opportunity to exchange useful knowledge and experience. The issues facing China are not unique, and many other developing countries face problems resulting from internal rural-urban migration. Foreign scholars and governments are grappling with problems similar to those confronting China: how to avoid the emergence of disadvantaged migrant populations, and how to address migrant needs.⁷¹

Chinese authorities should engage in international exchanges regarding the *hukou* system, rural-urban migration trends, and potential policy reforms.

• Eliminate Hukou Restrictions That Contravene Domestic and International Law

The legal basis for China's *hukou* system is questionable. Existing national *hukou* regulations date back to 1958 and reflect an outdated economic model dependent on central planning. As the state-controlled China Youth Daily has pointed out, these regulations impose restrictions on

⁶⁷ Gu Lei, "Research Report Regarding The Impact of *Hukou* Reform on Veterans' Disability Benefit Work and Possible Responses" [Guanyu huji zhidu gaige dui youfu gongzuo chongji ji qi duice de diaoyan baogao], 10 November 04, <www.mca.gov.cn>.

⁶⁸ "The Problem of Educating Children of Migrant Workers" [Jincheng wugong renyuan zinu jiaoyu wenti], Xinhua, 18 December 03, <<u>www.xinhuanet.com</u>>.

⁶⁹ State Council Education Notice, art. 8. International NGOs have made this point as well. See Human Rights in China, Shutting Out the Poorest, supra note 37, 39-40.

⁷⁰ Commission Interview.

⁷¹ For a comparison of different forms of social and political exclusion in a range of countries, including Brazil, China, India, and Russia, see Wang, Organizing Through Division and Exclusion, 150-78.

the freedom of movement that conflict with the International Covenant on Civil and Political Rights (ICCPR), as well as with the broad guarantees of personal freedoms enshrined in China's Constitution. Actual operation of the *hukou* system is guided by conflicting provincial and local rules. It is also influenced by non-transparent administrative guidelines. Chinese commentators have argued that many of these directives violate China's own legal standards, such as the Administrative Licensing Law. Officials and academics have periodically raised demands for national legislation to streamline the *hukou* system and protect the rights of rural *hukou* holders. Such legislation has yet to be passed.

Chinese authorities should set out the limits of the *hukou* system in regulations and law. These rules should be transparent and open. They should comply with Chinese domestic law and China's international treaty commitments. They should specify both the rights of rural *hukou* holders and migrants, as well as the channels by which individuals may protect these rights.

• Remove Structural Barriers Limiting the Voices of Migrants and Rural Residents

Barriers that limit the ability of rural *hukou* holders to enjoy provision of public services on an equal basis with urban *hukou* holders may require years of development to overcome. However, Chinese authorities should focus in the near term on eliminating educational and political barriers that limit the voices of rural *hukou* holders.

Elimination of structural biases against China's rural *hukou* holders in university admission requirements and local people's congress representation would gradually increase the upward mobility of migrants and rural residents and improve their ability to protect their rights.

⁷² "Freedom of Movement: The Ultimate Goal of *Hukou* Legislation" [Qianxi ziyou: huji lifa de zhongji mubiao], China Youth Daily [Zhongguo qingnian bao], 1 March 05, <<u>zqb.cyol.com</u>>. The Chinese government signed the ICCPR in 1998 but has not yet ratified it. In 1975, the National People's Congress (NPC) removed the explicit guarantees of freedom of residence that were written into the 1954 Constitution.

⁷³ Li Kejie, "Temporary Residence Permits: Easy to Eliminate, Hard to Restore" [Zanzhuzheng: quxiao rongyi huifu

⁷³ Li Kejie, "Temporary Residence Permits: Easy to Eliminate, Hard to Restore" [Zanzhuzheng: quxiao rongyi huifu nan], Legal Daily [Fazhi Ribao], 26 April 05, <<u>www.legaldaily.com.cn</u>>.

⁷⁴ "Migrants Who Settle in Beijing Still Need Help: '*Hukou* Law' in the Process of Being Drafted" [Waidi ren luohu Beijing hai xu tiaojian: 'huji fa' zhengzai zhiding zhong], Beijing Youth Daily [Beijing qingnian bao], 26 February 02, <<u>www.bjyouth.com.cn</u>>; "ACFTU Proposes Promulgation of a Migrant Worker Rights and Interests Protection Law" [Quanzonghui jianyi zhiding "Nongmingong quanyi baohu fa"], China Youth Daily [Zhongguo qingnian bao], 10 November 04, <<u>zqb.cyol.com</u>>.