

# CHINA'S HOUSEHOLD REGISTRATION (HUKOU) SYSTEM: DISCRIMINATION AND REFORMS

---

---

## ROUNDTABLE BEFORE THE CONGRESSIONAL-EXECUTIVE COMMISSION ON CHINA ONE HUNDRED NINTH CONGRESS FIRST SESSION

SEPTEMBER 2, 2005

---

Printed for the use of the Congressional-Executive Commission on China



Available via the World Wide Web: <http://www.cecc.gov>

---

U.S. GOVERNMENT PRINTING OFFICE

24-019 PDF

WASHINGTON : 2005

---

For sale by the Superintendent of Documents, U.S. Government Printing Office  
Internet: [bookstore.gpo.gov](http://bookstore.gpo.gov) Phone: toll free (866) 512-1800; DC area (202) 512-1800  
Fax: (202) 512-2250 Mail: Stop SSOP, Washington, DC 20402-0001

CONGRESSIONAL-EXECUTIVE COMMISSION ON CHINA

LEGISLATIVE BRANCH COMMISSIONERS

*Senate*

CHUCK HAGEL, Nebraska, *Chairman*  
SAM BROWNBACK, Kansas  
GORDON SMITH, Oregon  
JIM DEMINT, South Carolina  
MEL MARTINEZ, Florida  
MAX BAUCUS, Montana  
CARL LEVIN, Michigan  
DIANNE FEINSTEIN, California  
BYRON DORGAN, North Dakota

*House*

JAMES A. LEACH, Iowa, *Co-Chairman*  
DAVID DREIER, California  
FRANK R. WOLF, Virginia  
JOSEPH R. PITTS, Pennsylvania  
ROBERT B. ADERHOLT, Alabama  
SANDER LEVIN, Michigan  
MARCY KAPTUR, Ohio  
SHERROD BROWN, Ohio  
MICHAEL M. HONDA, California

EXECUTIVE BRANCH COMMISSIONERS

STEVEN J. LAW, Department of Labor  
PAULA DOBRIANSKY, Department of State

DAVID DORMAN, *Staff Director (Chairman)*  
JOHN FOARDE, *Staff Director (Co-Chairman)*

# CONTENTS

---

	Page
STATEMENTS	
Wang, Fei-Ling, professor, the Sam Nunn School of International Affairs, Georgia Institute of Technology, Atlanta, GA .....	2
Froissart, Chloé, Center for International Studies and Research, Paris, France; Center for Research on Contemporary China, Hong Kong, China .....	05
APPENDIX	
PREPARED STATEMENTS	
Wang, Fei-Ling .....	28
Froissart, Chloé .....	35



## CHINA'S HOUSEHOLD REGISTRATION (HUKOU) SYSTEM: DISCRIMINATION AND REFORMS

FRIDAY, SEPTEMBER 2, 2005

CONGRESSIONAL-EXECUTIVE  
COMMISSION ON CHINA,  
*Washington, DC.*

The roundtable convened, pursuant to notice, at 2 p.m., in room 2168, Rayburn House Office Building, David Dorman (Senate Staff Director) presiding.

Also present: John Foarde, House Staff Director; William A. Farris, Carl Minzner, and Keith Hand, Senior Counsels; Katherine Palmer Kaup, Special Advisor on Minority Nationalities Affairs; and Laura Mitchell, Senior Research Associate.

Mr. DORMAN. Well, let's get started. First of all, on behalf of our chairman, Senator Chuck Hagel, and co-chairman, Representative Jim Leach, I would like to welcome our two distinguished panelists today to this Commission roundtable to discuss the *hukou* system in China.

Before we proceed, I would like to make a short statement. After the statement, I will introduce each of our witnesses, invite each to deliver a 10-minute statement in turn, and then we will move into a procedure where each person on the dais has five minutes to ask a question and hear an answer from the witnesses.

We will continue asking questions and hearing answers until we reach 3:30, or we run out of questions. We have found that we do not really have much trouble filling 90 minutes, though, so I think we will be all right.

China's *hukou* 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 through 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.

The Commission encourages the Chinese Government to continue *hukou* reforms, building on positive steps already taken, by focusing on measures that would continue to liberalize urban *hukou* requirements, but emphasize non-discriminatory criteria and steadily eliminate current rules that link *hukou* status to public services.

I would like to note that Carl Minzner, a Senior Counsel on the Commission, has been monitoring and reporting on this issue for about two years now. It is an issue of great importance—I do not need to tell either of our witnesses that—both in terms of Chinese socioeconomic development in general and in terms of its impact on the lives of individual Chinese citizens.

We are very pleased that the two of you have agreed to participate in this roundtable today. This is an extraordinarily complex system, often difficult for Americans to understand, and we hope that this roundtable will help this Commission, and Congress, better understand the impact of the *hukou* system on human rights and rule of law development in China.

First, I would like to introduce Professor Fei-Ling Wang. Professor Wang is from the Sam Nunn School of International Affairs at the Georgia Institute of Technology in Atlanta. Professor Wang teaches international political economy, world politics, and East Asian and Chinese studies. He has published four books, two co-edited volumes, and over 50 journal articles, book chapters, and monographs in five languages. His most recent book is “Organizing Through Division and Exclusion: China’s *Hukou* System,” published by Stanford University Press in 2005. He holds a Ph.D. from the University of Pennsylvania. He has taught at the U.S. Military Academy at West Point, guest-lectured at 15 other universities in several countries, and held visiting and adjunct positions in four universities in China, Japan, and Singapore. He has appeared on many news media programs and has had numerous grants including, most recently, a Lectureship from the Fulbright Commission and an International Affairs Fellowship from the Council on Foreign Relations, a very distinguished panelist.

Thank you for coming today, Mr. Wang. You have 10 minutes to make a statement.

**STATEMENT OF FEI-LING WANG, PROFESSOR, THE SAM NUNN SCHOOL OF INTERNATIONAL AFFAIRS, GEORGIA INSTITUTE OF TECHNOLOGY, ATLANTA, GA**

Mr. WANG. Thank you. It is my pleasure to be here to appear before the Congressional-Executive Commission on China today to discuss China’s *hukou* system. I want to thank Mr. Minzner and others for making this possible.

I have prepared a written statement with the title of: China’s *Hukou* System: A General Survey. So what I would like to do here is to use a few minutes to highlight some of the main points in that statement and to make some additional comments on implications of the *hukou* system, and to propose some personal thoughts on what can be done about this system. Then I will be happy to answer any questions you may have.

Let me first emphasize that there are few other institutions more important than the *hukou* in defining and conditioning politics, social life, and economic development of the People’s Republic of China [PRC]. The *hukou* system can be traced back to the fifth century B.C. at least, during the Warring States period. It was an important part of the Chinese imperial political system for more than 2,000 years.

Both the Republic of China [ROC] and the PRC established a national *hukou* system. However, the system achieved an unprecedented level of uniformity, extensiveness, effectiveness, and rigidity since the 1950s in the PRC. Currently, this Chinese institution continues three crucial functions. It continues a politically determined resource allocation that clearly favors Chinese urban centers and discriminates against the rest of the country; it continues to regulate China's internal migration to exclude the majority of the population; finally, it continues to be a major pillar supporting the Chinese Communist Party's [CCP] one-party regime through a tight control of the Chinese people, especially through the so-called management of "the targeted people."

There have been noticeable reforms and changes of the system in the past two decades, as the Chinese reform has unleashed the forces of a market economy and population movement. Its resource allocation function has been considerably reduced, as the heavily subsidized urban rations have subsided greatly.

The control of internal migration is now reformed, relaxed, and localized, giving rise to increased mobility of the population. Some Chinese—mainly the rich, the powerful, and the talented or educated—have now achieved quasi-national mobility under various changes in the *hukou* system. Yet, the *hukou* system still regulates internal migration and its governing principles of migration regulation remain fundamentally unchanged. Freedom of movement is still an ideal for a majority of the Chinese people.

The *hukou* system's social control function, through the management of the so-called "targeted people," however, remains highly centralized, rigid, and forceful. The changes in this area so far are mainly technical and marginal. There are actually efforts to enhance this role of the system in the 2000s.

Since the 1980s, the PRC has largely completed a national computerization of the *hukou* system. In most police stations, now people's *hukou* files can be checked and used by the police with computers almost instantaneously. All hotels with 50 beds or more are now required to transmit guest information and their ID photos immediately to local police stations.

The new leadership of Hu Jintao and Wen Jiabao since 2003 has shown signs of recognizing the negatives of the *hukou* system as a political liability. However, the reform of the *hukou* system remains very much unaccomplished by mid-2005.

What to do about it? The *hukou* system has a complex role in China. The system facilitates a rapid, but very uneven, economic growth, creates significant social and regional disparities and injustice, stabilizes the PRC's socio-political order, and generates powerful tensions in the areas of human rights, equity of citizenship, and simple ethics.

At a time when there is a widely shared belief in the rise of China to be a world-class power, the United States and the international community need to pay more attention to the internal structure and dynamics of the PRC. The *hukou* system is clearly one of those key institutions there that deserve our attention.

To advocate, help, and facilitate the reform of the *hukou* system will help the advancement of human and civil rights for the majority of the Chinese people. It will also help to construct more internal

constraints to ensure that China's rise will result in a democratic, stable, and free society that can be more likely to live in peace with the rest of the world.

As I tried to outline in my written statement, the *hukou* system performs a host of crucial functions to Chinese economic development and socio-political stability. Therefore, the reform of the system is both highly difficult and extremely consequential. Ultimately, it is the job of the Chinese people to decide how, and how much, reform of the *hukou* system can be undertaken and accomplished. External help, however, especially American, is important.

In addition to the general objectives of promoting more balanced market-oriented economic development, establishing social safety nets, striving for a rule of law and more transparent governance, and fair and equitable citizen rights for all in China, I would like to highlight just three concrete things that the Chinese Government can do to mitigate the negative consequences of the *hukou* system.

First, a massive reallocation of resources is necessary, especially to make new investments in education, health care, and infrastructure in areas and regions outside of major urban centers. In many other countries such as Japan, this has happened because of a political democracy, the vote-chasing by national politicians. In the PRC, in the absence of a democracy, persuading and pressuring the central government on the grounds of economic and ethical rationales remain, so far, the only way.

Second, a more transparent *hukou* system in general and the so-called "targeted people" management, in particular, should be encouraged and demanded. Depoliticizing the *hukou* system and gradual phasing out of discrimination against selected groups of people should be included in the U.S.-China dialogues on human rights and political reform.

Third, a uniform national college admission policy should be implemented to ensure fairness in one of the very few open and competitive processes for social mobility in China. The strong discrimination in education opportunities based on the *hukou* system should be addressed seriously and effectively.

China cannot become a world-class economic power without social and horizontal mobility and the freedom of population movement to ensure creativity and innovation. China cannot be peaceful and stable with some regions of it ranked at the level of Greece and Singapore, while other regions are ranked with Haiti and the Sudan. China's rise is unlikely to be welcomed when it systematically discriminates and excludes a majority of its own people.

In conclusion, I believe that the PRC's *hukou* system now poses serious ethical, legal, and international questions that demand creative and effective solutions. The *hukou* system relies heavily on the political power of the CCP to continue, yet it is also highly crucial to the stability and continuation of the CCP political system. Ultimately, the fate of the *hukou* system will reflect and determine the fate of the current PRC's socio-political order and China's chance of realizing its enormous economic potential.

I want to thank you again for the opportunity to share my understanding and thinking about China's *hukou* system today. I now look forward to your questions. Thank you.



[The prepared statement of Mr. Wang appears in the appendix.]  
 Mr. DORMAN. Professor Wang, thank you for a very interesting and informative statement. I now have no doubt we will be able to fill 90 minutes with questions.

I would like to introduce our next distinguished panelist. Chloé Froissart is a Ph.D. candidate at the Institute of Political Science of Paris, which is affiliated with the Center for International Studies and Research in Paris. She is also a research fellow at the French Center for Research on Contemporary China in Hong Kong. Ms. Froissart is an expert on Chinese political issues, with particular focus on internal migration, the development of civil society and NGOs in China, as well as the history of political ideas. Her dissertation examines the development of social movements among migrant workers and the citizenship of migrant workers in China, namely, their evolving relationship with labor laws, access to education, and social security. Her publications include a translation of the Tiananmen Papers into French, and “The Hazards of the Right to An Education: A Study of the Schooling of Migrant Children in Chengdu” in *Chinese Perspectives*. She has also worked as a consultant for the UNESCO program, Urban Poverty Alleviation Among Young Migrants in China, and has undertaken voluntary work for Human Rights in China, the United Nations Human Rights Commission, and the French NGO, Solidarity China. She has been regularly interviewed about Chinese issues by French and international media.

Ms. Froissart, thank you very much for attending. You have 10 minutes for an opening statement.

**STATEMENT OF CHLOÉ FROISSART, CENTER FOR INTERNATIONAL STUDIES AND RESEARCH, PARIS, FRANCE; CENTER FOR RESEARCH ON CONTEMPORARY CHINA, HONG KONG, CHINA**

Ms. FROISSART. Thank you very much. I would like to begin today by expressing my sincere thanks to the Members of the Congressional-Executive Commission on China for the invitation. I am especially grateful to Carl Minzner for the help in arranging my visit.

I would like to take the example of migrant children’s access to education to illustrate the institutional exclusion created by the *hukou* system, as described by Professor Wang. My presentation will mainly draw on the field work I have been carrying out for four years in Chengdu, the capital of Sichuan province.

I will first recall the impact of the *hukou* system on migrant children’s access to education as it appeared at the beginning of the century, and is still prevalent now. But as education is a determining factor in a country’s development and involves individuals’ rights as much as state interests, there has been room for many recent improvements. I will thus give an overview of these developments, as well as the forces at stake in the evolution process, and I will finally endeavor to weigh the impact of the reforms.

Let us begin with the impact of the *hukou* system on migrant children’s access to education. Despite the fact that China recognized in its Constitution the right of every citizen to receive an education, the *hukou* system still prevails over the legislation and

prevents migrant workers' children from receiving a proper education. According to the system, local governments guarantee the education of children only for their own constituents, allocating resources according to the number of permanent residents. Migrant children were completely excluded from the urban education system until 1998, when they gained the right to enroll temporarily in urban schools on the condition of being registered with a host of administrative organs and paying "Temporary Enrollment Taxes" that can reach several thousand yuan a year. As the vast majority of the migrants are illegal immigrants who cannot afford such high schooling fees, private schools sprang up in response to the needs of these children in the major urban centers in the mid-1990s.

But due to very low enrollment fees, pupils had to put up with deplorable sanitary, security, and teaching conditions. Most of these substandard schools have no legal status and they cannot award certificates for courses completed. They are also frequently banned and demolished without the authorities worrying about placing the children in other schools.

These problems triggered a public outcry, supported by scholars, journalists, and also some political figures and organizations. Chinese authorities were particularly receptive to this public outcry because of the rising number of migrant children in the cities. There are now an estimated 7 million, up from 2 to 3 million in 1996. This large increase explains the evolution of the central government's policy.

We can distinguish three historical steps. First, from 1998 to 2002, the Chinese state acknowledged the problem of migrant children's schooling and opened the doors of public schools to them, but set very high administrative and economic conditions on their enrollment. The second step began in January 2003, when urban governments were held responsible for providing compulsory education to school-aged migrant children, mainly by accommodating them in public schools. Urban governments were also required to support private schools by helping them to improve their material and teaching conditions instead of eliminating them. Finally, Prime Minister Wen Jiabao put migrant children's access to education on the top of the agenda of the NPC annual session in March 2004. One of the most important decisions of this session was to announce the suppression of temporary enrollment fees in September 2004.

I will now look at how the central policy is enforced at the local level, by taking the case of Chengdu municipality. Chengdu municipality followed quite well the central guidelines and this is due to the favorable political climate in the Sichuan capital. I will leave the details at this point for the discussion period. There are always discrepancies between general and ideal principles devised by the central government and local implementation of these principles. As we will see, new public policies in China do not aim to accommodate all the children equally. As the fault line between urban and migrant children is still maintained, a new tiered management of different kinds of migrant children also appeared.

I will consider how Chengdu municipality implemented the three central government guidelines of enrolling migrant children in pub-

lic schools, suppressing temporary enrollment fees, and enhancing the management of private schools. Regarding enrollment of children in state schools, in December 2003, the Chengdu government announced that a public school for migrant children would be opened in each of the five urban districts within two years, and that the municipality will invest a great amount of money to finance these schools. In fact, however, public schools were opened in only two districts, where there were high concentrations of migrant children.

Thanks to public investments, enrollment fees in these schools are very low, ranging from 300 to 500 yuan a semester. Teachers are transferred from urban public schools and teaching and security conditions meet urban standards, but material conditions are of a lower standard than the ones in the schools for urban children. Very few children can enroll in these schools, because current enrollment is subject to the condition of having three certificates, namely, *hukou* booklets, temporary residence permits, and a work contract for one of the parents. A tax bill is also sometimes required.

What about the suppression of temporary enrollment fees? Beginning in September 2004, Chengdu municipality exempted some children from paying temporary enrollment fees, but under very stringent conditions. The three documents I've just mentioned are required, and the parents have to be registered with the Labor and Social Security Administration, which means that they have to contribute to social security. They also have to pay taxes. These conditions are often too difficult for migrant workers. That is why this policy, in fact, benefited white-collar workers from other cities, and the wealthier and more stable among the migrant elite.

Because public education still remains beyond the reach of migrant children, the vast majority of them are enrolled in private schools that number 70 now, up from 10 two years ago. In September 2004, the Chengdu government announced that it would support these schools, but in fact very few were legalized. At the beginning of 2004, only five schools had a permit, and there are now fewer than 10. A good indicator of the lack of public commitment toward these schools is that Chengdu municipality has still not issued directives about to which government office private schools for migrant children should apply to obtain permits.

I will now try to assess the impact of the reform and its limits. Public policies that favor migrant children's access to education do not eradicate the impact of the *hukou* system, but enable a more flexible management of this system. This policy, first, benefits the children of the wealthier, most stable, and legally registered "outsiders." Chinese rural migrants are treated in their own country in a way similar to how foreign immigrants in the United States are treated—they can obtain a "green card" according to their merits. Public policies in favor of migrant children's schooling thus function as a tool to filter this population and control urbanization by deliberately excluding the poorest and transients.

Another noteworthy consequence of this reform is that it creates a tiered management of the migrant population. We can now distinguish five categories of children with different access to education: (1) those who are integrated in urban schools because their

parents can afford to pay the Temporary Enrollment Fees; (2) those who are integrated in urban schools because they were exempted from paying these fees; and (3) those who are enrolled in substandard public schools; (4) those who are enrolled in licensed private schools; and (5) the vast majority, those who are enrolled in illegal, substandard private schools. These are children of poor illegal immigrants and pay a higher schooling fee and do not receive a proper education.

This typology clearly illustrates one of the key points made by Professor Wang in his book: institutionalized discrimination anchored in the *hukou* system remains while now being coupled with discrimination between the haves and the have-nots.

So a lot of progress has been made in only two years, and more children who are not urban residents can now receive an education. However, the issue is still exposed to institutional blockages and will not be solved without both political and administrative reforms, namely the abolition of the *hukou* system, followed by corresponding taxation and institutional reforms.

So given its actual administrative system and limited financial resources, the Chinese Government must take the following practical steps to address the discriminatory treatment faced by migrant children: First, to allow the existence of private schools for migrant children and subject them to state monitoring in order to help them meet the same standards of those available in state schools, and to prevent them from becoming mercantile. Second, to recentralize education expenditures in addition to substantially increasing resources for education.

I would like to finish with a special warning. One of the reasons stated by authorities for putting migrant children into special classes or "simplified schools," which are generally of lower quality, is that the children have not achieved the same academic standard of their urban counterparts. Such a reason should not be used as a means to discriminate against migrant children. These special schools or classes sometimes are a way to adapt teaching to the needs of the students; however, they also continue segregation against them and encourage further popular discrimination.

Thank you very much.

[The prepared statement of Ms. Froissart appears in the appendix.]

Mr. DORMAN. Good. Thank you.

I will begin the questioning and then invite each of the staff in turn to join the questioning. Each of us will have five minutes to ask a question and hear an answer. We will continue asking questions and hearing answers until we run out of time or run out of questions. Again, thank you both for very interesting and useful testimony.

I wonder if I could pose a question to both of you regarding the *hukou* reform process itself. Both of you have described a series of reforms over the past 10 years, or perhaps longer than that. To what extent is the discriminatory treatment against migrants, which you have described to us in your opening statements, an unintended outcome of *hukou* reform? Where does the government, at the central and local levels, stand on this? Is it your view that continuing reform will improve the treatment of migrants, or were these reforms designed to discriminate against migrants? One

problem for many of us in understanding the *hukou* system is that it is sometimes unclear whether the reform policy outcomes were intentional. Could both of you address this question, please? Thank you.

Ms. FROISSART. Some of the reforms intentionally create a tiered management of the population. For example, in Beijing and other big cities, you have a list of jobs that migrant workers cannot do. In the capital, migrants are listed into different types—A, B, C. Each category corresponds to a certain kind of permit that lets you have access to certain kinds of jobs and to certain kinds of public services. This is obviously a deliberate way of implementing a tiered management of the population.

But for other public policies such as the reform in education, and the reform of social security, I do not think that the main objective of the Chinese Government was to create different kinds of stages. It is a consequence of these policies, but I do not think it was the main aim of the Chinese authorities. What is certain is that the Chinese authorities tried to find a way to spend the least possible amount of money and to accommodate the people that they want to see in the cities, the talented, the educated, and the wealthiest people. They designed public policies according to this aim. Diversification of the stages among the social category of the migrant people is a subsequent consequence of these policies.

Mr. DORMAN. Good. Thank you. Professor Wang.

Mr. WANG. This actually is a very key question to allow us to try to understand what is going on in China in terms of reform. My understanding is that the reform process of the *hukou* system, similar to the overall reform process of China's economy in the past two and a half decades, is a combination of intended policies and unintended consequences by spontaneous activities or various actions of individuals in China.

The Chinese Government clearly intends to maintain the *hukou* system. I do not see any intention at all to abolish it, or even weaken it. But the unintended consequences of market-oriented economic reform have built up so much pressure that lots of changes have been forced on the *hukou* system. In that sense, much of the reform of the *hukou* system is a response, a reaction by the government to what has happened in the field rather than a designed, clear policy.

The latest round of reform that was started in 2001 is called "deep reform." That was designed, indeed, by the government, but clearly as a response to what is happening in the Chinese political economy. The consequence of the reform has been mixed, unfortunately, disadvantaging those who are discriminated against, those who are excluded. In other words, the life chances of those who were discriminated against have not really improved significantly under the reform of the *hukou* system, not necessarily because the *hukou* reform hurt them more, but because there are new things that are also happening at the same time.

There are two things I want to mention. One is advancement of the market system and the importance of money in China that makes people's livelihood much more dependent upon the material means they have. The new market system, plus the *hukou* system, make the poor, and also the excluded, at the same time, become

synonymous. In other words, being poor and being excluded becomes synonymous: if you are excluded, you are also poor; if you are poor, you are also excluded.

Second, the reform of the Chinese economy in the past two and a half decades has led to the general decay of the social welfare system. The social security network is gone. The public health care system under Mao Zedong, which was rudimentary, elementary, but nonetheless quite widespread, now is largely gone. So, therefore, those excluded people are having an even harder time getting by, especially in terms of meeting some basic needs such as health care and education.

So it is a combination of various factors, but I would not say right now that *hukou* reform has fundamentally changed the life chances of the excluded.

Mr. DORMAN. Good. Thank you.

I would like to pass the microphone now to my colleague, John Foarde, who is Staff Director for our co-chairman, Representative Jim Leach.

John.

Mr. FOARDE. Thank you, Dave. Thanks to both of our panelists for coming such a long way to share your expertise with us.

I know that you know, because you watch the news, that Americans are riveted by the calamity that has just hit the southern United States, and particularly the city of New Orleans. As I was reading your statement and thinking about these issues, I thought that we are in the process of moving a very large number of people from the affected areas to temporary or permanent homes elsewhere. Americans just understand that moving somewhere else in the United States is natural, that being able to pick up and go elsewhere is your right, but it is also relatively easy. If you should decide to establish a new residence somewhere else for tax purposes or for other purposes, there are certain procedures that you have to follow for the government, but you do not carry around a little residence permit book, and your ability to get social services, to have your children educated, by and large, does not depend on having household registration. So this American experience made me wonder, what happens in China and how does the *hukou* system come into play when there are natural disasters that require the evacuation of many dozens, many hundreds, or even many thousands, of people?

Is it possible, for example, under the *hukou* system as it exists today, for people to change their residence if they have been moved because of a natural disaster, or do people who have to move, refugees, in that sense, or evacuees, have the same sorts of difficulties that economic migrants have in China? If either of you have views, I would love to hear them. Thank you.

Mr. WANG. All right. Let me take the first crack at this. I think there are two kinds of movement of population in China under the *hukou* system. The one kind is the one that is authorized by the government, approved by the government, or sometimes ordered by government. That kind of relocation has happened all the time during the history of the PRC, since the 1950s.

The "Third Front" strategy, the "send-down" campaigns, and the reallocation population in case of huge projects, such as the Three

Gorges Dam, and also the relocated refugees as a result of disasters. That is accommodated by the *hukou* system. The government just reassigns you to a different location.

The other kind is an unapproved, spontaneous kind of migration by the people themselves. In this case, if you do not get permission, and you do not have authorization, you are considered illegal and you will be always treated as, at best, a temporary resident in a new place that you are in right now. By being categorized as a temporary resident, you do not have the full membership of a local resident, you do not have full access to local social services, education, health care, and job opportunities. As has been mentioned by Ms. Froissart, in some cities, certain jobs are simply declared not available to outsiders. So this kind of unauthorized migration, unfortunately for the Chinese Government, is taking place on a massive scale right now. It is estimated to be in the neighborhood of over 100 million people that are unauthorized, moving around. Some have lived in a different city for two decades, and yet still are considered a temporary resident, at best. Some simply are illegals. Those illegals, of course, are subject to harassment and repatriation by police. Only recently, starting in 2004, they started to change and relax the Repatriation Law a little bit.

So now if you are not causing any trouble in major cities, you can hang around for a while without papers. But if you cause any trouble, like begging or harassing tourists, whatever, you are still subject to repatriation, or what they call a "Helping Hand" from the state for those "blind migrants," as they say.

In terms of disasters, I would argue, actually, the *hukou* has really worked in many ways to allow for a fairly orderly relocation of refugees and the people who are migrating. For example, over a million people in the Three Gorges area have been relocated all over the country. Many of them have been sent as far away as Xinjiang province, a far away place, to become permanent residents in that area so as to make a place for the big reservoir that is almost finished right now.

So the *hukou* system is a very useful, functional, and administrative tool, but it fundamentally hinders spontaneous migration by the Chinese people.

Mr. FOARDE. Ms. Froissart, if you have a comment, fine. If not, we can go on.

Ms. FROISSART. About management of disasters, I think Professor Wang said everything.

Mr. DORMAN. I would like to turn the questioning over to Carl Minzner, who is a Senior Counsel on the Commission. Again, thanks to Carl for organizing this roundtable.

Mr. MINZNER. Thank you, both, to Fei-Ling and to Chloé for coming so far to participate in our roundtable.

Let me ask you a question related to an observation both of you made, that over the past 20 years or so, economic privatization has weakened many of the core aspects of the *hukou* system. In the 1960s and 1970s, *hukou* registration was linked to food rations. Of course, when it is linked to food rations, you really do not have that much opportunity to move. Nowadays, economic privatization has removed many of the links between *hukou* identification and allocation of resources, although not yet services. Is it plausible, as

we are looking forward, to think that the importance of the *hukou* system will simply be eroded by economic development? Is it possible that, in the field of education, or in other fields, that as China moves toward a more market-based system, the *hukou* system just will not be that important? To phrase the question a little more broadly, why should we be concerned about the *hukou* system on a long-term basis?

Ms. FROISSART. It is true that economic privatization eroded the *hukou* system. Market forces now allocate some goods like food or accommodation that were previously administratively allocated. This enabled people to move more freely.

The introduction of a market economy also created an appeal in urban areas for migrant workers, and that is why migration is now tolerated. However, there is still no free movement in China because of the high social and economic costs that migrating implies.

As urban public services are becoming privatized, there is an equalization of treatment between migrants and urban dwellers concerning their social rights. The difference of treatment between the wealthiest migrants coming from other cities and the urban elite is no longer so obvious as both are more likely to send their children to private schools or to subscribe to private insurance schemes that they deem of better quality than state schools or public social security. Hence, few rich migrants still care about obtaining an urban *hukou*. But discrimination between urban dwellers and migrants is more striking concerning poor people, as the Chinese state still pays for a minimum social insurance net to support unemployed, handicapped, or poor urban dwellers and from which migrants are excluded.

I would like to make clear, it is very important, that a market economy does not necessarily lead to the development of citizenship, and economic privatization alone is not a sufficient force to replace a residency system with a citizenship system. It needs both bold administrative and political reforms.

On the contrary, the development of a market economy, as I tried to illustrate in my presentation, leads to diversification of the stages among citizens. So we are going toward a development that is contrary to the principle that every citizen should have the same rights and same duties.

Why should we care about this issue? Because the situation is ethically worrying and puts China in contravention of the international covenants that it has signed, such as the United Nations Convention on The Rights of the Child or the International Covenant on Economic, Social, and Cultural Rights, for example. We should also care about this issue because it can potentially generate social instability and economic blockages.

The deepening of market-oriented reforms has an impact on people's mobility. When people move, they are supposed to have personal rights, which implies that those rights are not linked any more to the place where they are working or the place they are registered.

The deepening of social and economic contradictions can push Chinese authorities to further reform the *hukou* system. For example, the Pearl River Delta, which is the region that employs the most migrant workers from all over China, has been suffering for



two years from a lack of workforce. Fewer and fewer migrant workers are willing to go to Guangdong province because working and living conditions are not improving and are even deteriorating. Migrants are now moving to other places like the Yangtze Delta or to large cities closer to their residence.

In order to tackle this problem, the Guangdong authorities have already taken some measures that are slowly improving migrant workers' rights. Chinese authorities might also want to further reform the *hukou* system in order to curb growing social contradictions, as we now see more and more social movements among migrant workers.

Mr. WANG. In addition to what Chloé has already said very well, I would like to add a few points. I think, Chloé, you are absolutely right. The *hukou* system has been weakened by the reforms, and also by spontaneous migration of a hundred million people. There is great pressure to change it. Indeed, it has become less important in terms of allocated resources, especially in terms of rationing, as Chloé also mentioned, urban rationing of food and consumer goods.

But why are we concerned about it? Why do we still worry about it? I think, a couple of things. One, the *hukou* system, I think, is fundamentally a Chinese characteristic, if you will, that allows us to see the nature and the future of the rise of Chinese power.

Personally, I think the *hukou* system fundamentally limits Chinese creativity and innovation. Without that kind of innovation and creativity, China can hardly become a world-class power. So, therefore, the *hukou* system actually serves as kind of a fundamental check on how much power China can really amass, beyond being just a processing factory for the world. Because without economic mobility, without a kind of freedom of movement, a society cannot be very innovative.

The second reason why it is so important is that I think the *hukou* system has a lot to do with the future political development of China. Whether the Chinese can have kind of a transparent governance, that is, rule of law, and also possibly a democracy, has a lot to do with the fate of the *hukou* system.

As Chloé has already mentioned, under the *hukou* system the Chinese people do not have equal citizens' rights, let alone equal political rights or human rights. Third, I think the *hukou* system deserves our attention because it represents the kind of values and ideals that may not allow for a peaceful co-existence between China as a world-class economic power and the United States, because it may lay the groundwork for conflicts of ideas and values. I do not think it will be easy for the world to accept Chinese leadership when the government there has this system that systematically excludes people and categorizes and rates them according to where they are administratively. That is a challenge of values and ideals that may not be that tangible, but on the intangible level it is going to be very consequential and deserves the attention of decision-makers outside of China.

On the ground in China, I think the *hukou* system is not disappearing, rather only transforming and changing the way it functions. I see a combination now of two kinds of exclusions in China. One kind is still based on the *hukou* system, where you are, because you are from provinces versus coastal areas, from urban

centers versus the countryside. The other kind of discrimination is based on what you have, money, material wealth. So it is a combination. Therefore, in China you have a new social stratification that has emerged. You have a small elite living in urban areas that monopolize just about everything in China, including political power, economic resources, access, opportunity, and so forth. The majority that lives in the countryside or outside of major urban centers has lost out completely in all areas. That kind of system, in a country that is growing so fast and has so much potential to be a world leader, is posing serious questions to other countries to think about: "What does it mean to us?"

Mr. DORMAN. Good. Next, we will turn the questioning over to William Farris, who is a Senior Counsel on the Commission.

William.

Mr. FARRIS. Thank you. I follow freedom of expression issues for the Commission, and I would be curious to hear your thoughts about how the *hukou* reforms, the *hukou* situation, and various migrant issues are portrayed in the Chinese state-run media, if you have any experience with that. I would be particularly interested in hearing if you are aware of any dissenting voices or voices in the news media that try to speak on behalf of the migrants or the victims of issues raised by the *hukou* system, or if the media is primarily focused on simply echoing what the government policies are and what the government stances are with respect to these issues. Thanks.

Mr. WANG. In general, I think the Chinese media, by and large, is still controlled or is strongly influenced by the government. So, in general, the Chinese media is basically echoing what the central government is saying about the *hukou* system. So when they launched the reform in 2001, or slightly earlier, starting in 1998, 1999, and 2001, you see widespread media coverage about the alleged disadvantages or problems of the *hukou* system, primarily based on personal stories of how the *hukou* system limits mobility, strangles innovation, causes personal hardships and suffering, and so on. You do see that kind of coverage. But I suspect that was primarily echoing the reform. With reform, now the decision has been made, so let us talk about the nasty side of it.

But it is quite interesting that the Chinese news media, so far, has rarely talked about some very important aspects of the *hukou* system—for example, management of targeted people—the subjects have never been mentioned by the news media. Why? Because of decisions made at the top that this aspect of the *hukou* system shall remain internal, not for public discussion. The Chinese policemen actually are forbidden from talking about this function in public, pretty much because they know this does not fit into the general public image they want to have.

In terms of how much *hukou* is covered or discussed in the Chinese media or by the Chinese public, as I have noticed, the urban people, the privileged Chinese citizens, really do not want to talk too much about the *hukou* system, although they are all aware that the system is very important. If you interview urban residents these days, chances are they will say, "Oh, no, this system is not important. We are not even aware of that. It has become less and less important right now." But then if you talk to the migrants,

talk to the rural people, or talk to the people who live in smaller cities, remote areas who want to come to the bigger cities and could not, then they will tell you there is still a mighty presence of *hukou* and it is still a very important thing, and they have many personal stories to tell you.

Now, one exception to the general rule is that, on the Internet, in cyberspace, you do see some severe criticisms of the *hukou* system occasionally posted, before they were yanked off the Internet by the watchdogs working for the government. Sometimes we do have a glimpse of the kind of grievances that are out there, and they are pretty strong. Let me give you one recent example. There was a bus accident in Shanxi province that led to the death of many passengers, some of them urban *hukou* holders, some of them rural *hukou* holders. The insurance company paid compensation to the families for wrongful death, and they said, according to government policies, the victim who had the urban *hukou* would get twice to three times as much compensation than the rural ones. Then there was a very strong Internet posting attacking this decision, equating it to racial discrimination, equating it very strongly to India's caste system. How long did that posting last on the Internet? Very briefly, but it was posted for a time. So, therefore, you do see the strong grievances, but they do not get fully expressed at all.

The *hukou* system, finally, is one of those really taboo issues in the PRC. There are a few things in China that you do not touch. The Tiananmen event of June 4, 1989, is a taboo subject, and bad things about top leaders is also taboo, and *hukou* is also taboo, unless there is an orchestrated need to say, "all right, we are going to reform now, let us talk about this a little bit."

Before China joined the WTO, there was an orchestrated discussion about the *hukou* system for a particular reason, because with national treatment under WTO, everybody should have equal treatment, and there was discussion about the current inequities. Other than that, this issue is something urban elites would rather not talk about, or they are instructed not to talk about. So it is clearly an underexplored, underdiscussed issue in China, although everybody is aware of its heaviness, of its relevance, and also of its consequence.

Ms. FROISSART. Since the Chinese Government decided to accelerate the *hukou* reform in 2001, there has been wide criticism about the system in the official media and among Chinese academics.

The main critics are that, first, the *hukou* system is undermining the economic efficiency and is an obstacle to the rational allocation of the workforce. Second, it hinders administrative efficiency, since it is too much of a headache for the urban administration to deal with all the permits and all the illegal immigrants.

Third, another reason why the *hukou* is criticized is that it nurtures the socio-economic imbalance between rural and urban areas, between big cities and small cities, as well as between coastal and internal regions.

Since the 16th Congress of the CCP in 2002, addressing these imbalances became one of the national priorities. This new political orientation gave further incentives to critics of the *hukou* system.

The last reason why the *hukou* system is criticized is that Chinese authorities are increasingly referring to “*gongmin daiyu*,” which means “national treatment” or “equal treatment among citizens.”

We should not take too seriously the Chinese Government’s intention to grant true citizenship to all Chinese people. Chinese authorities also repeated many times that they would not eradicate the *hukou* system in the near future.

To be a bit provocative, one could say that the Chinese Government has now learned how to use the politically correct language of globalization. We can see now more and more references to values such as “citizen,” “citizenship,” or “civil society,” and “legal rights,” in media outlets as the Chinese Government is now referring to these concepts to justify some of the reforms. Namely, in 2003, the National People’s Congress Committee passed a bill that changed the name of the “residency identity card” to “citizenship identity card.”

The government justified this change by the fact that “the concept of residence linked to the private ID card is not constitutional, it simply refers to the residence, whereas, citizens are individuals with constitutional rights.” It was quoted in China News Daily, November 2002. Article 33 of the Chinese Constitution indeed provides that all citizens of the PRC are equal before the law.

So what is interesting now is that China’s government is playing a kind of game with the international community and with its own people by using this new language of globalization, publishing white papers on human rights, amending the Constitution, and waging political campaigns to foster the rule of law.

This is also a strategy to buy some time domestically and improve state legitimacy in the eyes of the public. Recently, populist tactics of the central government have had quite a strong symbolic impact on migrant workers, who were first thankful to the government for acknowledging their rights as citizens. However, those who found that those governmental statements made little change in their daily life are prone to lose their faith in the State’s ability to protect their rights. The Chinese Government is playing quite a dangerous game because it gives new legitimate bargaining tools to society and cannot control how people interpret these values and how they try to mobilize them.

There is now an increasing number of chat rooms on the Internet where people, especially migrants, directly call into question the *hukou* system in the name of “citizenship.” For example, they say that the system is in contradiction with international covenants signed by China, or with the government’s pledge to protect their legal rights, or with social equity as they pay taxes just as urban dwellers.

Mr. WANG. Could I add a couple of points?

Mr. DORMAN. Sure. Yes.

Mr. WANG. Thank you. One, I would like to echo what Chloé has mentioned. There has been a sophistication, an improvement in the Chinese news media, or, if you will, the Chinese propaganda machine, improvements that use modern language and new terms to at least portray a cosmetic change of the *hukou* system. For example, the difference between a “residence ID card” versus a “citizen-

ship ID card.” In Shanghai, for example, they have just launched a campaign to take away the distinction that used to be on *hukou* papers saying you are a rural or urban resident. They took it away and said, “You are all residents.” But that does not really mean that the system is gone, it just means that it is less intrusive, less ugly. For example, on the personal ID card, sometimes you cannot tell whether somebody is from a rural or urban area any more. The signs are gone. But by looking at the address, you can clearly tell, “All right, this person must be from the countryside, this person must be from a city,” and so forth. So the sophistication and improvement of propaganda and news media coverage in China, in general, and on the *hukou* system in particular, is clearly there.

I would suggest that this fact actually opens an opportunity for the United States to work on the issue, as long as they accept the terminology. Pretty soon, we could be forcing a lot of substance into this as well.

So, I would make another point here, Mr. Farris. You probably will want to use the *hukou* system as an indicator to see how much the Chinese news media is opening up and how much freedom of expression is developing in China by seeing how honest, how open, and how much the *hukou* system is being discussed, and how much the media is allowed to do that, and if there is any legislative effort in the National People’s Congress to pass, finally, a revised *hukou* law. Because, believe it or not, *hukou* is so important, but it is not in the Constitution. It is not in the civil code. There is no law about it. It is almost purely an administrative system based on only two regulations, one passed in 1959 regarding *hukou* registration, the other one, I believe, in the mid-1980s regarding personal identification cards. There is no fundamental *hukou* law. So if the *hukou* law is passed, then efforts to make this system more transparent might make great progress. The proposal has been raised by some deputies of the National People’s Congress since the 1990s. Almost every March someone was talking about it. But there is no effort at all to make that a law. If they make a *hukou* law, this would make it much more transparent and easy to follow. If they were to adopt modern legal language more in making that law, especially about its implementation, it would be a great opportunity for the international community to say, “Look, these are probably the things you ought to do.” It would also be a great indicator for Chinese freedom of expression. Thank you.

Ms. FROISSART. May I add something?

Mr. DORMAN. Sure.

Ms. FROISSART. I would just like to mention that the Chinese power is not monolithic. There are reformers who truly back bold reform of the *hukou* system and whose voices are more publicized, and there are also conservative people who seem to be more powerful.

For example, at the beginning of 2005, Chinese media announced that Beijing’s Municipal Congress would abolish discrimination against migrant workers in the capital, namely allowing them to access employment on equal footing with urban dwellers. In fact, a counter proposition was also made at the Municipal Congress that apparently won its favor and no significant changes have taken place since then.

Conservative people seem to be more numerous and more powerful at the moment, especially because they are backed by important state organs and ministries, such as the Ministry of Public Security.

The Ministry of Public Security is against any significant reform of the *hukou* because this system still plays an important role in managing and controlling the society. But there are other departments, such as the Ministry of Agriculture, that support this reform because it will benefit rural areas. Divisions can also be found inside the same ministry, as some officials support the reform and others are against it.

Mr. FARRIS. Good. Thank you.

Mr. DORMAN. I would next like to recognize Commission Special Advisor, Dr. Kate Kaup. Kate.

Ms. KAUP. Thank you. There seem to be some important inconsistencies in exactly who has the authority to set *hukou* policy in the ethnic autonomous areas. Article 43 of the Regional Ethnic Autonomy Law states that “autonomous governments have the right to control transient or migrant populations.” But the State Council issued Implementing Regulations this May that specifically require autonomous governments to “give preferential and convenient working and living conditions” to those who have come from outside of an autonomous area to work or establish businesses. Moreover, Article 29 of these Regulations mandates that autonomous governments should “give appropriate consideration in terms of employment and schooling to families and children of professionals of Han nationalities and other nationalities who go to work in national autonomous areas in remote areas and frigid zones where conditions are relatively harsh.”

It is interesting to compare *hukou* policy in autonomous areas versus in non-autonomous areas. It seems that in non-autonomous areas, *hukou* policy favors local residents and discriminates against migrants, whereas in autonomous areas, the outside migrants are actually given preferential treatment at the expense of the local residents.

So I am wondering if you could comment on two questions. First, to what extent does *hukou* policy differ in minority areas and non-minority areas? The second, and longer, question is who is determining *hukou* policy in autonomous areas? Is it the local government or central authorities? Specifically, which ministries are responsible for implementing core *hukou* policy decisions?

Mr. WANG. Well, very briefly, I will try to answer the second question first, and then I will take the first question. They are difficult questions.

Who is making the decisions regarding the *hukou* system? According to the regulation about household registration that was passed in 1959, and thus actually the only legal basis, the sole legal condition underpinning what was supposed to be just an administrative regulation but now has become a sole legal condition underpinning the whole system, the Ministry of Public Security or the police are the administrators of the system. But in practice, the Ministry of Public Security has become the decisionmaker as well, in order to change and fine-tune the system. So almost all of the major changes, overhauls, and adjustments of the system, if you look at the record over all these years, have always been initiated

either by the Ministry of Public Security or have been asked for by the Politburo, which directed the Ministry to work up a plan and resubmit. In other words, it has always come from the Ministry of Public Security. Very rarely do you see some changes initiated by some other organ of the government, such as the State Planning Commission, or others. Thus, the Ministry of Public Security, or the police, basically is the authority for making changes and running that system.

In that sense, the *hukou* system is actually one of very few systems in the PRC that are nationally uniform, if you will. But as I alluded to in my oral statement, recently the function of the *hukou* system in regulating domestic migration has become fairly localized, in the sense that the so-called entry conditions, that is, who can get into big cities, now varies from province to province, from city to city. It is subject to local decisionmakers, primarily local police departments, Public Security bureaus, and local Party commissions and local governments. But the principles are still being determined and decided by the central government in Beijing. So it is nationally uniform.

This is actually one of the few systems that is truly nationally equal in the sense that Mr. Hu Jintao himself, the president of the PRC, and from him all the way down to prison inmates, all have *hukou* somewhere, all have files kept somewhere. Although, if you are a deputy minister of the cabinet or higher, your *hukou* files are secret. People cannot access your files without special permission. If you are lower than that, your *hukou* file is open to all law enforcement agents. If you have good connections or if you bribe the right people, you can have access to many people's *hukou* files, but access to the ministers' *hukou* files is a different story.

So, in the sense of decisionmaking and also running the system, it is uniform nationally. The Ministry of Public Security and the police are in charge.

In minority areas, I actually only visited the Tibet—Xizang—Autonomous Region and the Xinjiang Uighur Autonomous Region before, but in Tibet I did not have much time to explore this particular issue. But in Xinjiang, I did ask around about who is managing this thing and who is doing that. Clearly, it is also the Bureau of Public Security. All *hukou*-related posters and public announcements were signed by the Bureau of Public Security, sometimes jointly with the Bureau of Labor and the *minzhengju*, the Bureau of Civil Affairs. But usually it is Public Security. So I would say the local governments in minority regions, in ethnic regions like Xinjiang, Guangxi, Inner Mongolia, or Tibet, really do not have too much power beyond that which is assigned to local provincial governments. So in that sense, the ethnic autonomy does not really have too much impact on the making of decisions or the implementation of the *hukou* system in minority areas.

Now, as to the first question you asked, how different, there are some provincial treatments authorized by the central government in the minority areas regarding *hukou*. For example, when we talk about discrimination, if you look at the college admission system in China, it is quite interesting. You see a clear preference given to urban residents in major urban centers such as Shanghai, Beijing, and Chongqing, Tianjin—all those areas. But another area that is

also heavily favored is Tibet. So you have had Tibet residents, especially Tibetans, that enjoy preferential treatment, too. So believe it or not, sometimes you hear anecdotal stories, kind of funny stories how people will artificially change their *hukou* registration to be from Tibet so they have a better chance to get into good colleges. So in that sense, there is some kind of preferential treatment in minority areas.

But beyond that, I think the mechanism, the process, the functions and the administration of the *hukou* system in minority areas is not too much different from Han areas, from the so-called “China proper,” the Han majority regions. I say that with some evidence—not complete evidence—because this system is still semi-secret, you know. All this data is not available to the outside. But there are published accounts about the Chinese authorities fighting against Muslim cells of terrorists or East Turkestan, pro-independence groups in Xinjiang, Muslim groups who are fighting for independence. By reading these brief accounts, and there are new stories published in the report, you clearly see the police in Xinjiang also use *hukou* files in the same fashion. They also will enter the houses of the suspects, and also mosques, in the name of “checking” *hukou* information. The Chinese police are authorized to go to civilians’ homes without a warrant, without court approval, without anything, to do what they call “verification” of *hukou* information. You read these reports and you see they use this very effectively in Xinjiang to fight the separatists by saying, “Oh, we are going to check your *hukou* information and see how many people are in your household now,” and they check the books. They use it very effectively for detective work to find out about terrorist activities in Xinjiang. So if you read those things, you would say, “Well, this is not different at all from in the Han majority regions.” In that sense, I would say the differences are not that great.

Incidentally, I would argue the ethnic autonomy or self-ruling in China, unfortunately, although it is pretty nice on paper, in reality, really is not that much.

Ms. FROISSART. I would like to add some comments about who is deciding on *hukou* reforms. The central state designs the general framework of the reforms, and local governments adapt it in their local regulations according to their financial resources and so-called “local conditions.” This is the reason why different emphasis or priorities can be found locally. In Chengdu the *hukou* reform basically follows two strategies. First, as in many cities, it aims to attract and keep the elite of the migrants. The second strategy is to extend the limits of the city by integrating the rural districts of the municipality into the urban area. Those who benefit from the reform are the peasants living in the suburbs and those who are left behind are the migrants coming from other parts of Sichuan province, or elsewhere in the country, and the ones who are transient.

Since we said much about the limits of the *hukou* reform, I would like also to mention that China has made a lot of progress in very few years. Especially since the custody and repatriation system was abolished in 2003 following the Sun Zhigang case.

The custody and repatriation centers were a kind of prison where migrants without an identity card, residential permits, and/or working permits, were detained. They were sometimes forced to



work to gain their liberty, or sent back to their villages. In April 2003, a migrant worker called Sun Zhigang was arrested in Guangzhou and taken by the police to one of these centers where he was beaten to death. The case triggered a public outcry that led eventually to the abolition of these centers.

Chinese police have now lost one of the most effective means to compel migrants to register with the administration. In Shenzhen and Guangzhou, fewer and fewer people have permits because the police do not have any rights to launch raids against migrants or “Strike Hard” campaigns with the motive of clearing up the cities of their non-residents.

So an increasing number of migrants are not registered with the police, which can lead to a false sense of citizenship. More and more people can just live like this for many years without having the feeling that they are discriminated against, until the day they have an industrial accident and cannot get proper medical or injury insurance coverage, or until the day they need to apply for administrative services.

For example, I became friends with a young migrant worker in Shenzhen and I invited her to come to Hong Kong to visit me. Although she had been working for many years in a foreign insurance company, her employer never took care of her residential permit or even asked for it, and without this permit she could not apply for a Hong Kong visa.

So many migrants just do not notice that they are discriminated against until they face a problem or want to send their children to school. In such cases, this is how people become aware of the role played by the *hukou* system.

Mr. DORMAN. Good.

I would now like to recognize Commission Senior Counsel Keith Hand. Since we only have about 12 minutes left, I will be more severe with time limits, because I am sure Carl wants to ask a final question.

So, Keith.

Mr. HAND. Thanks, David. Thanks to you both for your presentations.

A quick clarification on this last point about the custody and repatriation regulations. Since those regulations were abolished, have the police had any legal basis to detain and expel someone solely on the basis of their *hukou* status?

Ms. FROISSART. No. This is the point I tried to make.

Mr. HAND. Right.

Ms. FROISSART. No. They do not have any legal basis to do that any more, and in fact they never had. Repatriation of migrant workers was never stipulated in the law; it was an abuse of power by the police and a misuse of the custody and repatriation centers. This was publicly and forcefully denounced and led to the abolition of the system. These centers have now returned to their initial mission: providing relief to the poor and the vagrants.

Mr. HAND. So the only enforcement mechanism is restrictions on obtaining public services. It seems like a kind of de facto enforcement. But in theory they do not have any direct legal authorization to expel someone, correct?

Ms. FROISSART. However, it is not because the police do not have legal authorization to expel someone on his *hukou* basis that it won't happen again. Just wait for the Olympic Games in 2008, for example. I am sure we will see, again, a "Strike Hard" campaign. Once you have any kind of big political meeting or important events taking place in a city, it is always a good occasion to send back migrant workers to the countryside. However, urban authorities will potentially have to find another justification for the campaign other than chasing the "three withouts"—migrants without the three permits. They will, for example, say that they are improving security, hygiene, or traffic in the capital.

Since the abolition of the custody and repatriation system, there was no occasion to launch a significant "Strike Hard" campaign against migrant workers, but that doesn't mean that we will not see it again in the future. As you may know, it is not because the law in China prohibits something that the authorities are standing aside.

Mr. WANG. Yes. To answer that question very briefly, I think it is too soon to tell whether the new change made by Premier Wen Jiabao and the government just a year and a half ago will be fully and faithfully implemented. We do not know. It is too soon to tell. As Chloé was mentioning, we have to wait for the next "Strike Hard" campaign to come about to see what is happening.

My hunch is that it is not going to be implemented, even with what I understand about what is going on there, because you already hear some backlash this year, particularly in the summer. I heard so many complaints by Beijing and Shanghai residents about the sudden increase of beggars on the streets, for example, to the point that they grab tourists' legs, asking for money, because they are not automatically repatriated any more. But if they are caught begging, the police still have the legal authority to send them back, because they are not supposed to be begging in the street. If you wander around the street without papers that is fine, but you cannot beg.

Also, because the Olympics are coming around and a new major celebration is coming around next month on October 1 for National Day, and also the 40th anniversary of the establishment of Xinjiang, we will see what will happen in Beijing. After that, we will probably have a better sense as to how faithful the implementation of this law is once this change is made. Given the popular backlash, and given the magnitude, I think the local police are probably still doing the repatriation thing, but maybe under a different name, and that is very Chinese.

Mr. HAND. Thank you.

Mr. DORMAN. Thank you.

I would like to turn the questioning over to Commission Senior Research Associate Laura Mitchell.

Laura.

Ms. MITCHELL. Thank you. Thank you very much for being here.

You have both discussed inequalities in labor, particularly in urban areas. Could you elaborate a bit more on the inequalities that exist and talk about the kinds of jobs are given *hukou* status? What are the social repercussions?

Mr. WANG. To answer the question, very briefly, I think the discrimination, or exclusion, if you will, against the outsiders in Chinese urban centers, in terms of employment and work, can be understood in several ways. One way, is the availability of jobs. As we talked about earlier, in some localities, especially in big urban centers like Beijing and Shanghai, certain jobs are openly declared to be off-limits to outsiders. If you do not have local *hukou* residency papers, you cannot even apply. That is clearly the case.

As recently as 2001–2002, Beijing government officials listed only two kinds of jobs out of nine or seven—it is in my book, I do not remember exactly now—that are possibly available to outsiders, with proper permits, that is. One is garbage collection/recycling, and the other one is what they call “special industries” that include massage parlors, and the hotel business and the restaurant business. So it may have been changed a little bit, but I suspect that access is still a problem.

The second way to see that is in the area of pay. There is a clear inequality of pay between local hires and those from outside, and that is exactly why the Chinese products are found in so many American stores these days, because many of them actually are produced by cheap, outside laborers. In Shenzhen, for example, for almost 10 years, the average wages have not changed for these assembly line workers. American consumers love the low price of Chinese goods, but if the workers happen to be migrant laborers, their life chances basically are diminished.

The third way to see that is in social services, job security, and also the welfare system. Job training, and also all those benefits basically are not available to you if you are a migrant worker. Finally, the local community-funded benefits, such as housing subsidies, education, and public health services. Even cell phone service. For example, in major cities such as Shanghai and Beijing, if you do not have local *hukou*, you do not have local residency, you cannot get cheaper cell phone service. The alternative is a much more expensive cell phone service.

So, those are some different ways I think we can see the inequality in terms of labor and the treatment of labor in the China.

Ms. MITCHELL. Thank you.

Ms. FROISSART. Regarding labor rights, the *hukou* system enables discrimination in many areas. First, the migrant workers are the ones who are doing the “*zang, ku, lei*,” the most difficult, dangerous, and dirty jobs that urban people do not want to do.

Second, is the pay, as Fei-Ling just said. There are many studies showing that, for the same work, migrant workers are paid less than urban workers. They also have less access to trade unions and fewer opportunities to obtain promotions.

Although labor laws do not discriminate between urban and migrant workers, the latter are often denied in practice the right to become trade union members, whether because their employers do not want a trade union branch to be set up in their factories or because local trade unions do not feel concerned by non-residents’ fate. It is also even more difficult for them to lodge a complaint with the urban labor administration as it is for urban workers because of officials’ “local protectionism.” The All China Federation of Trade Unions launched a campaign in the summer of 2003 to call

for migrant workers' enrollment in trade unions. This is a way for the Federation of Trade Unions to gain more members, and to reassert the Party's control over this population.

According to my survey, however, migrant workers are reluctant to join official trade unions. First, they had so many experiences of being cheated by Party or state organizations that they really do not trust them any more. Second, they are also aware of how trade unions are connected with both political power and employers.

About promotions, I did not meet many migrant workers who were promoted by seniority or because their proficiency was acknowledged by their employers. Rather, if they receive any promotion, it is thanks to their personal efforts to learn more or to their strategies to get around the discriminatory practices of their employers. An increasing number of migrant workers take part in correspondence courses or attend night schools, especially training schools that are set up by NGOs.

Migrants also try to get a promotion by regularly changing their work. They try to use the experience they gained in their previous job to apply for a better job in another factory or another company. In the Pearl River Delta, thanks to new measures that aim to prevent employers from retaining migrants' ID or salaries, some workers just stay over the training period and then quit their job. But it is really rare for migrants to receive a promotion in the same factory or company.

Finally, migrant workers do not get any support when they are unemployed. Since they are expected to go back to their villages once jobless, they are not entitled to any unemployment subsidies and are not concerned by training and reemployment policies in urban areas.

These are, in my view, the main points where stronger discrimination between migrant and urban workers can be found regarding labor law. Recently there has been a growing number of riots and strikes, especially among migrants working in Southern China in joint ventures, but they seem to be less directly triggered by this particular discrimination than by the general lack of institutional guarantees of workers' rights, especially by the absence of an independent judiciary and trade unions. Discrimination can become a bone of contention under three conditions. First, if urban people and migrants are doing the same jobs or if they are working in the same places, but factories in the Pearl River Delta, for example, are mainly hiring migrant workers. Second, when migrating ceases to be profitable; discrimination is more bearable when migrants still earn more in the cities than they would in the countryside. Third, when there is no means to get around discriminatory practices, turnover is a way for migrant workers to protect themselves against such practices.

Mr. DORMAN. Good. Thank you.

Once again, our 90 minutes has flown by, but I think we have about a minute left. I would like to give Carl, who organized the roundtable, the last question.

But we will have to limit the responses to a minute or two, if we could. Thank you.

Mr. MINZNER. Thank you very much, David. Again, thanks to Chloé and to Fei-Ling.

As the last question, one of my concerns that I would ask you to comment on is the concept that the *hukou* system seems to be evolving into a set of societal divisions within Chinese cities. The *hukou* system used to be a division between rural and urban areas, but it now seems to be moving to a system of societal divisions within Chinese urban areas, hardening into a very tough division within the cities. Could you, first, just comment on that?

Second, one of the other things that strikes me is that this would be very bad for social stability within China. It would not seem to be a very good thing if you have very sharp societal divisions in your urban areas, rich, poor, haves, have-nots. Could you comment about that, also?

Mr. WANG. You are absolutely right. The *hukou* is solidifying lots of divisions, not just between rural and urban any more. Mostly it is between those who pop in and those who were originally there. In other words, in my book I describe China as a collection of many societies, many countries. You go from Sudan at one developmental level, to Singapore at another, with various different developmental levels in between. So that is why, in the recent paper I just finished and which will be published soon, I hope, I argued that the *hukou* system provided stability for the CCP, for sure, but is also brewing uncertainties and instabilities, precisely because it pits people against each other.

But the beauty of the *hukou* system, from Zhongnanhai's point of view, is that it does not create one-versus-the-other, kind of black-versus-white divisions. Rather, it creates multi-divisions, several divisions and it clearly cut in different ways. So that actually, dynamically, so to speak, may have helped stability itself. It looks like it brewed tensions, grievances, unhappiness, and anger, but because it is divided so many ways, it does not really create viable opposition to the leadership.

Ms. FROISSART. I completely agree. We spoke a lot about one of the core functions of the *hukou* system, which is to control urbanization. But I totally agree with Fei-Ling, that one of the functions of the *hukou* is to create divisions within Chinese society. These societal divisions are, indeed, helping the Communist Party to exert a tighter control over the society, just because they make it very hard for the people to unite on common claims. People just do not have the same rights and do not face the same situations. The different kinds of status and social stratifications created by the *hukou* system are as much a prop that helps the Communist Party rule over China as a factor of social instability.

Mr. DORMAN. Well, good. With that, I will have to call the roundtable to a close. But once again, I would like to thank our two witnesses for a very interesting and very important discussion.

I can tell by the number of questions still on my sheet, and the fact that I was only able to ask one question, that we will have to continue this discussion at some future date. There is much more to talk about.

But, again, thank you very much. This roundtable has concluded. [Whereupon, at 3:35 p.m. the roundtable was concluded.]



## **A P P E N D I X**

---

## PREPARED STATEMENTS

## PREPARED STATEMENT OF FEI-LING WANG

SEPTEMBER 2, 2005

I would like to first express my appreciation for the opportunity to appear before the Congressional-Executive Commission on China and discuss China's *hukou* (household registration) system today. I believe there are few other institutions more important than the *hukou* system in defining and conditioning politics, social life, and economic development of the People's Republic of China (PRC). Currently, this long-lasting and highly peculiar Chinese institution continues its crucial functions while demonstrating significant changes.

In this written statement, I would like to first briefly describe the current status of the *hukou* system and its leading functions. Then I will outline the major changes and reforms of the system in recent years. Finally, I would like to point out that the *hukou* system has a complex role in China that makes its reform both highly difficult and extremely consequential. In short, the *hukou* system facilitates a rapid but uneven economic growth, creates significant social and regional disparities and injustice, stabilizes the PRC sociopolitical order, and generates powerful tensions in the areas of human rights, equity of citizenship, and simple ethics.<sup>1</sup>

## HUKOU SYSTEM IN TODAY'S CHINA

Formally adopted in the 1950s, the *hukou* system can actually be traced back to the fifth century B.C. during the Warring States period. It was institutionalized and adopted with varied degrees of effectiveness and extensiveness as an important part of the Chinese imperial political system by the dynasties from the Qin (third century B.C.) to the Qing (1644–1911). The Republic of China (ROC) and the PRC both established a national *hukou* system. However, the *hukou* system achieved an unprecedented level of uniformity, extensiveness, effectiveness, and rigidity only in the PRC since the 1950s.<sup>2</sup>

On 9 January 1958, Mao Zedong promulgated The Regulation on *hukou* Registration of the People's Republic of China, formally creating the PRC national *hukou* system. Twenty-seven years later, on 6 September 1985, Beijing adopted its Regulation on Resident's Personal Identification Card in the People's Republic of China. These two regulations and their implementation procedures are the main legal basis for the PRC *hukou* system. Every Chinese citizen knows and is affected by the *hukou* system, yet the system has remained an administrative system, highly non-transparent, not mentioned in The PRC Constitution.

The PRC State Council and its ministries, mainly the Ministry of Public Security, and the local public security bureaus and police stations are the administrators of the *hukou* system. Specialized *hukou* police officers are assigned to be in charge of *hukou* matters in each *hukou* zone: a neighborhood, street, danwei (unit), or a township. The *hukou* system requires every Chinese citizen to be officially and constantly registered with the *hukou* authority (the *hukou* police) since birth, as the legal basis for personal identification. The categories of non-agricultural (urban) or agricultural (rural), the legal address and location, the unit affiliation (employment), and a host of other personal and family information, including religious belief and physical features, are documented and verified to become the person's permanent *hukou* record.

<sup>1</sup>For a comprehensive study of the *hukou* system, see Fei-Ling Wang, *Organizing through Division and Exclusion: China's Hukou System*, Stanford, CA: Stanford University Press, 2005. For the reforms of the *hukou* system, see Fei-Ling Wang, "Reformed Migration Control and New List of the Targeted People: China's *Hukou* System in the 2000s," *The China Quarterly*, (March) 2004, 115–132. For earlier studies of the system, see Tiejun Cheng, *Dialectics of Control: The Household Registration (Hukou) System in Contemporary China*, Ph.D. dissertation, SUNY-Binghamton, 1991. Tiejun Cheng & Mark Selden, "The Origins and Social Consequences of China's *Hukou* System," *The China Quarterly*, 1994. Dorothy J. Solinger, *Contesting Citizenship in Urban China: Peasant Migrants, the State, and the Logic of the Market*, Berkeley, CA, University of California Press, 1999.

<sup>2</sup>Solinger 1999; Delia Davin, *Internal Migration in Contemporary China*. New York, Palgrave, 1999; Michael R. Dutton, *Policing and Punishment in China: From Patriarchy to "The People"*, New York: Cambridge University Press, 1992; Lei Guang, "Reconstructing the Rural-Urban Divide: Peasant Migration and the Rise of 'Orderly Migration' in Contemporary China," *Journal of Contemporary China*, vol. 10–28, 2001, 471–493; Jianhong Liu, Lening Zhang & Steven F. Messner, eds., *Crime and Social Control in a Changing China*, Greenwood Publishing Group, 2001; Hein Mallee, "China's Household Registration System under Reform," in *Development and Change*, vol. 26–1 (January 1995).



A person's *hukou* location and categorization or type were determined by his mother's *hukou* location and type rather than his birthplace until 1998, when a child was allowed to inherit the father's or mother's *hukou* location and categorization.

One cannot acquire a legal permanent residence and the numerous community-based rights, opportunities, benefits and privileges in places other than where his *hukou* is. Only through proper authorization of the government can one permanently change his *hukou* location and especially his *hukou* categorization from the rural type to the urban one. Travelers, visitors, and temporary migrants must be registered with the *hukou* police for extended (longer than three days) stay in a locality. For longer than one-month stay and especially when seeking local employment, one must apply and be approved for a temporary residential permit. Violators are subject to fines, detention, and forced repatriation (partially relaxed in 2003). *hukou* files are routinely used by the police for investigation, social control, and crime-fighting purposes.

Officially and internally, the PRC *hukou* system has one common governance duty (to collect and manage the information of the citizens' personal identification, kinship, and legal residence) and two "unique missions:" to control internal migration through managing temporary residents/visitors; and to have a tiered management of *zhongdian renkou* (targeted people) in the population.<sup>3</sup>

In practice, the PRC *hukou* system has performed three leading functions. First, it is the basis for resource allocation and subsidization for selected groups of the population (mainly the residents of major urban centers). This function has shaped much of the Chinese economic development in the past half century by politically affecting the movement of capital and human resources. The government has been traditionally heavily favoring the urban centers since the 1950s with investment and subsidies.

Second, the *hukou* system allows the government to control and regulate internal migration especially the rural-to-urban migration. The basic principles of the PRC migration control have been to restrict rural-to-urban and small-city-to-large-city migration but encourage migration in the reversed direction. China's urbanization, as a consequence, is relatively small and slow compared to its economic development level. China's urban slums are also relatively small and less serious compared to those in many other developing nations such as Brazil or India. Third, the *hukou* system has a less well-known but very powerful role of social control especially the management of the so-called targeted people (*zhongdian renkou*). Based on *hukou* files, the police maintains a confidential list of the targeted people in each community to be specially monitored and controlled. Such a focused monitoring and control of selected segments of the population have contributed significantly and effectively to the political stability of China's one-party authoritarian regime.

In the 2000s, the *hukou* system still enjoys a strong institutional legitimacy in China. Unlike the similar but now disgraced and disintegrated *propiska* (residential permit) system in the former Soviet Union, the PRC *hukou* system is still both legal and strong. With some reforms and limited alterations, the *hukou* system continues to be a backbone of Chinese institutional structure and fundamentally contributes to the seemingly puzzling coexistence of China's rapidly developing market economy and the remarkable stability of the CCP's (Chinese Communist Party) political monopoly.

#### REFORMS AND CHANGES IN RECENT YEARS

The *hukou* system has been an administrative system with sketchy legal foundations. It has been governed and regulated by mostly "internal" decrees and directives.<sup>4</sup> There have been talks in Beijing about making a PRC *hukou* Law to firmly ground this important system in "modern legal languages" since the 1980s.<sup>5</sup> Yet, by 2005, this effort is still at a very early stage with no date of completion in sight.

The *hukou* system's much examined function of resource allocation and subsidization to the urbanites has now been reduced and even replaced by the advancing

<sup>3</sup>Jiang Xianjin & Luo Feng eds., *Jingca yewu shiyong quanshu-zhian guanli juan* (Complete guide of police works-volume on public security management), Beijing, Quinzhong Press, 1996, 218 & 220. BPT-MPS (Bureau of Personnel and Training-Ministry of Public Security), *Huzheng guanli jiaocheng* (The text book on *hukou* management), Beijing: Quinzhong Press, 2000, 5 & 161-173.

<sup>4</sup>Wang Huaian et al eds.: *Zhonghua renmin gongheguo falu quanshu* (Complete collections of the laws of the People's Republic of China), Changchun: Jilin Renmin Press, 1989.

<sup>5</sup>One Chinese National People's Congress (NPC) deputy did propose a bill for *hukou* law in March 2001. (Associated Press, Beijing, March 15, 2001). But it had no chance to be even included in the legislature agenda. Such symbolic actions were seen at the annual meetings of the NPC every March in 2002-05.

market forces, as the urban rations of food and many other supplies have now either disappeared or become insignificant.<sup>6</sup> Furthermore, there has been fairly extensive cosmetic reform efforts aiming at erasing the unsightly distinction between rural and urban residents.

The administration of the well-known function of internal migration control is now reformed, relaxed and localized, given rise to increased mobility of the population in general and the rural laborers in particular.<sup>7</sup> Since 1997 and especially since 2001, there has been so-called “deep reforms” of the *hukou* system, primarily concerning its migration-control function. Various schemes such as the so-called “blue stamp” *hukou* (functions like a “green card” issued to aliens in the United States), temporary residency (functions like working visas), and the locally defined “entry conditions” for permanent migration,<sup>8</sup> nicknamed “local *hukou* in exchange for talents/skills and investment,” have significantly increased the mobility of selected groups of people. Now, anyone who has a stable non-agricultural income and a permanent residence in a small city or town for at least two years will automatically qualify to have an urban *hukou* and become a permanent local resident.<sup>9</sup> Some medium and even large cities are also authorized to do the same, with a higher and more specific income, employment, and residence requirement.<sup>10</sup> Yet, the *hukou* system still demonstrates its remarkable continuity as the governing principles of internal migration regulation remain fundamentally unchanged. Other than the needed labor, especially skilled labor, and the super-rich, China’s major urban centers take in few “outsiders.”

Some provinces ventured further. Guizhou, one of the poorest provinces, decided to give a small city/town urban *hukou* to anyone who meets the income and residence requirements immediately, waiving the usual two-year waiting period. Shangxi, another less developed province, used urban *hukou* to reward migrant ruralites who have moved to those remote regions to reclaim desert land through tree-planting.<sup>11</sup> However, merely eight months into the reform, in mid-2002, this national wave to rename rural/urban distinction was ordered by Beijing to stop, pending “further instructions.” The suspension seems to be primarily the result of the lack of funding and infrastructure to quickly accommodate new urban residents’ massive need in education, health care, and social welfare.<sup>12</sup>

The third leading, albeit much less known but highly crucial, function of the *hukou* system, the management of the targeted people, however, remains to be highly centralized, rigid, and forceful, although its effectiveness has been declining steadily. The changes of the management of the targeted people function so far are mainly technical and marginal. There actually is a tendency for this sociopolitical control function to be improved and enhanced in the 2000s. In the summer of 2001, when the rural-to-urban migration quota was partially replaced in the PRC, one MPS senior official called for further “reducing the undue burden on the *hukou* system by getting rid of its economic and education functions” so to “enhance the *hukou* system” and “restore its original” main mission of population management and social control.<sup>13</sup> Indeed, the police has been internally calling for a further enhancement of the targeted people management in its battle against Muslim terrorist cells in the remote regions of Western China, where many non-Han ethnic groups live.<sup>14</sup>

<sup>6</sup>Urban *hukou* holders in major cities, however, still enjoy significant state subsidies in housing, healthcare, employment, and especially education. In 2001, for example, a Beijing resident can get into college with a minimum admission score 140 points (or 28 percent of the national average score) lower than that in Shangdong Province. Zhongguo qingnian bao (Chinese youth daily), July August, 2001.

<sup>7</sup>Kam Wing Chan & Li Zhang, “The *Hukou* System and Rural-Urban Migration in China: Processes and Changes,” *The China Quarterly*, 1999: 831–840.

<sup>8</sup>Renmin Ribao (People’s daily), Beijing, September 24, 2001, 9. South China Morning Post, September 29, 2001. Nanfang dushibao (Southern metro daily), Guangzhou, September 8, 2001. China New Agency News Dispatch, Guangzhou, September 24, 2001. Hunan ribao (Hunan daily), Changsha, January 20, 2002 and Renmin ribao-huadongban (People’s daily East China edition), Shanghai, January 9, 2002. Nanfang dushi bao (Southern urban daily), Guangzhou, September 8, 2001. Xinhua Daily Telegraph, Beijing, December 24, 2001.

<sup>9</sup>But “all the migration registration procedures are still to be followed strictly.” Zhongguo minzhen (China civil affairs), Beijing, No. 11 (November), 2001, 57.

<sup>10</sup>Renmin Ribao (People’s daily), Beijing, September 4, 2001.

<sup>11</sup>Xinhua Daily Telegraph, Beijing, August 9, 2001.

<sup>12</sup>China News Weekly, Beijing and Huaxi dushi bao (Western China metro news), Chengdu, September 5, 2002.

<sup>13</sup>Interviews reported by China Net’s News Center on <http://www.newsw.china.com>, August 20, 2001. Accessed on March 23, 2002.

<sup>14</sup>Cheng Zhiyong and Bo Xiao, eds. Qiangzhan yu qiangang (Gun-battles and gun-cases: selections of case reports on anti-terrorism in Xinjiang), internal publication. Beijing: Qunzhong Press, 2000, 129–130, 164, & 253–254.

To manage the massive files of the *hukou* system, the MPS started to establish electronic *hukou* data base in 1986 and got special funding for national computerization of the *hukou* system in 1992. By 2002, almost all (more than 30 thousand) police stations have computerized their *hukou* management. 1,180 cities and counties joined regional computer networks for file-sharing of the *hukou* records of a total of 1.07 billion people (about 83 percent of the total population), and 250 cities joined one single national *hukou* computer network to allow for instantaneous verification of *hukou* information covering 650 million people (about half of the total population).<sup>15</sup> In 2002, the MPS further required all hotels with 50 beds and larger to have computer links to instantaneously transmit the photos of all guests to local police station.<sup>16</sup>

The new leadership of Hu Jintao and Wen Jiabao since 2003 has shown signs of considering the negatives of the *hukou* system as a political liability and trying in certain way to ease further some of the rough edges of the system; however, the 2001 reform of the *hukou* system remained very much unaccomplished four years later, especially above the level of small towns and cities, and led to significant regional discrepancies. By mid-2005, the PRC *hukou* system has developed an even stronger character of regionalization.

On March 17, 2003, a young migrant from Wuhan of Hubei Province named Sun Zhigang was arrested for having no identification papers by the police in Guangzhou, where he was actually lawfully employed and registered. He was in typical manner abused by the police and brutally beaten to death three days later by fellow inmates during the repatriation process. The case was reported by influential Chinese news outlets and led directly to a public outcry against the irrationality and injustice generated by the *hukou* system, especially the practice of forced repatriation. A dozen perpetrators, including several police officers, were sentenced to death or long jail terms. As a result, the PRC State Council canceled the 1982 “Measures of Detaining and Repatriating Floating and Begging People in the Cities,” issued “Measures on Repatriation of Urban Homeless Beggars” on June 18, 2003, and “Measures on Managing and Assisting Urban Homeless Beggars without Income” on June 20, 2003, establishing new rules governing the handling and assisting of destitute migrants. Many cities, including the most controlled Beijing municipality, decided soon after that *hukou*-less migrants must be dealt with more care; they are no longer automatically subject to detention, fines, or forced repatriation, unless they have become homeless, paupers, or criminals.<sup>17</sup>

This change of repatriation policy was a much needed reform and has been widely praised as a humane move by the Hu-Wen “new politics.” However, as an interesting twist that vividly reveals the political reality in the PRC, the editor and the reporter of the newspaper, Nanfang Dushi Bao (Southern urban news), who broke the Sun Zhigang story, were soon arrested and sentenced to prison for multiple years under trumped up charges of bribery and corruption in 2004–05. Furthermore, empirically, perhaps as a good sign to show the complicated role of the *hukou* system, the relaxed measures of forced repatriation has seemed to cause the surge of paupers in places like Beijing’s Tiananmen Square in the two years afterwards. Hence the discussion of a “Latin-Americanization” and the concern about decay of the Chinese urban business environment emerged in the PRC’s relatively free cyber space by mid-2005.<sup>18</sup> To be sure, the latest *hukou* reform has relaxed and decentralized internal migration control mechanisms (mainly in the small cities and towns) but has not touched the sociopolitical control functions of the system. The majority of the over 100 million migrants or “floating population” still appear to be unable to change the location of their *hukou* permanently. In Ningbo of Zhejiang Province, a national model of the *hukou* reform, only about 30 thousand migrants, less than two percent of the two million migrants from the countryside (who constitutes one-third of the city’s total population) are expected to qualify for local *hukou* during

<sup>15</sup> DOP–MPS (Department of Politics–Ministry of Public Security), Gong’an yewu jichu zhishii (Basic knowledge of public security works), Beijing: Qunzhong Press, 1999, 75–76. Zhongguo qingnian bao (Chinese youth daily), Beijing, January 5, 2002.

<sup>16</sup> “E jingcha kaishi liangxian, huji dang’an jiang dianzihua” (E-police starts to emerge and *hukou* files will be electronic), www.news.china.com. Accessed on February 19, 2002. The police believed that several high profile criminal cases in 2002 were solved due to the *hukou* police’s routine but now faster gathering and monitoring of hotel registration information. Author’s interviews in Beijing and Shanghai, 2002.

<sup>17</sup> Zhang Yinghong, “Sun Zhigang zhisi yu zhidu zhier” (The death of Sun Zhigang and the evil of the [*hukou*] system), Apr. 28, 2003, www.mlcool.com; Caijing shibao (Financial and economic times), Beijing, June 15, 2003; Changsha wanbao (Changsha evening news), June 13, 2003; Xinhua Daily Telegraph, Beijing, June 21, 2004.

<sup>18</sup> Zheng Binwen, “China should carefully prevent Latin Americanization,” www.yannan.cn/data/detail.php?id=5889 May 29, 2005.

the reform.<sup>19</sup> In Shijiazhuang of Hebei Province, only 11 thousand migrant workers (out of 300 thousand in the city) were qualified to apply for local *hukou* in 2001. A key problem has been the difficulty for a migrant to find a stable job in the city, which has already been plagued by high unemployment for years.<sup>20</sup>

Limited and controlled, the latest *hukou* reform has started to change the unsightly and discriminatory legal distinction between rural and urban *hukou* holders. It is a major albeit highly symbolic victory of the advancing market institution and new norms of citizenship and human rights in China. However, “the *hukou* system has not been abolished but only enhanced and improved with scientific means,” declared a Chinese leading *hukou* expert associated with the MPS. The universal residential registration, the basic principles of internal migration control, and the uniquely Chinese style sociopolitical control through the management of targeted people all continue and will be further “strengthened.” The *hukou* reforms are to be “well-synchronized; must consider the rational flow and allocation of talents and labor, and guarantee the stability of socioeconomic order.”<sup>21</sup>

#### USEFULNESS VERSUS LIABILITY: THE FUTURE OF THE HUKOU SYSTEM

The PRC *hukou* system has been playing profound and complex roles in Chinese political economy. It has contributed significantly to China’s sociopolitical stability by creating an environment that is conducive to the perpetuation of an authoritarian regime, albeit still leaving some room for a possible elite democracy to develop. It has allowed the PRC to circumvent the so-called Lewis Transition and hence to enjoy rapid economic growth and technological sophistication in a dual economy with the existence of massive surplus labor, while producing tremendous irrationalities, imbalances, and waste in the Chinese economy and barriers to further development of the Chinese market. Finally, the PRC *hukou* system has created clear horizontal stratification, regional gaps, and personal discrimination that not only directly challenge social justice and equity but also potentially call China’s political cohesion and national unity into question.<sup>22</sup>

There are clear institutional and policy usefulness of this otherwise ethically clearly questionable system, which makes its reform a highly difficult and complicated mission. In a way, the “positive” economic impact of the *hukou* system in China may be viewed as similar to that of the Westphalia international political system on the world economy since the end of the Middle Ages. Under the Westphalia system, there is a political division of the sovereign nations, a citizenship-based division of humankind, and an exclusion of foreigners maintained by the regulation and restriction of international migration. These may have indispensably contributed to the development of the modern capitalist market economy that has brought unprecedented economic growth and technological sophistication in the “in” parts of the world, primarily the nations that today form the Organization of Economic Cooperation and Development (OECD). The world economy has developed spectacularly in the past few centuries, but in the 2000s, 80 percent of humankind still lives in the less developed nations, excluded from most of the world’s achievements.<sup>23</sup> China’s prosperous urban centers in its eastern and coastal regions, compared with the country as a whole, may be functionally viewed as roughly equivalent to the OECD nations in comparison with the world. A key difference, however, is that the citizenship-based institutional divide between the OECD nations and the rest of the world is much more rigidly defined and forceful, hence more effectively enforced than the *hukou* barriers that separate the urbanites in Shanghai and Beijing from the ruralites in the inland Chinese provinces. Furthermore, a central government in Beijing that regulates the *hukou* system and provides some cross-regional resource reallocation may have made the *hukou* system a bit more tolerable to the excluded.

The usefulness of the *hukou* system, especially seen in economic growth, is accompanied by tremendous negative consequences that are constituting increasingly heavy liability for the Chinese political system. A leading consequence of the PRC’s *hukou* system has been, not surprisingly, a relatively small and slow urbanization

<sup>19</sup>“Ningbo *hukou* bilei hongran daota” (The *hukou* barriers collapsing), in Nanfang zhoubao (Southern weekend), Guangzhou, August 31, 2001. Zhongguo qingnianbao (Chinese youth daily), September 17, 2001.

<sup>20</sup>Josephine Ma, “Farmers Turn Noses up at Life in the City,” South China Morning Post, Hong Kong, October 17, 2001.

<sup>21</sup>Wang Taiyuan’s interview with People’s Net News on October 1, 2001. Accessed on January 19, 2002.

<sup>22</sup>Fei-Ling Wang, *Organizing through Division and Exclusion: China’s Hukou System*, Stanford, CA: Stanford University Press, 2005) especially pp. 129–165.

<sup>23</sup>UNDP (United Nations Development and Planning), *Human Development Report 2001*, New York: Oxford University Press, 2001, 144 and 157.

in China. It almost stopped and even decreased for about two decades under Mao Zedong. During the reform era, China's urbanization has been significantly slower than its economic growth and industrialization rate, even though the adaptive measures and the practical relaxation of the *hukou* system have accelerated urbanization since the late 1980s. By 2000, China's urbanization was still only less than 30 percent, whereas countries in the same range of per-capita GDP had an urbanization of 42.5–50 percent. Although by some indicators China's economic development in the late 1990s was at the level that the United States attained from the 1950s through the 1970s, China's urbanization was comparable to that in the United States only in the 1880s and 1890s.<sup>24</sup>

Slow urbanization perpetuates a stable dual economy featuring a rural majority of the population and a stable, large, ever-increasing rural-urban disparity of income and resource distribution. Officially, the urban and rural incomes were disparate by a factor of about 2.2 in 1964, 2.6 in 1978, 2.7 in 1995, and 2.8 in 2000. Semiofficially, the urban-rural income gap was estimated to stand at a factor of about 4.0 in 1993.<sup>25</sup> Including indirect income in the form of state subsidies, the gap stood at a staggering 5.0–6.0 by 2001.<sup>26</sup>

A rigid and stable dual economy based on the exclusion of the rural population has systematically and artificially suppressed the rural Chinese market and may have severely limited the growth potential for the Chinese economy as a whole, which needs domestic demand to increase continually.

In addition to perpetuating a dual economy and retarding the rural consumer market, the *hukou* system has created significant irrationalities in labor allocation and utilization. A two-tier, well-segregated labor market for local urban *hukou* holders and outsiders exists in Chinese cities, leading to inequalities and inefficiencies within the same locality.

An obviously negative impact of the *hukou* system has been that it brews regional disparities and inequality. As a high price of *hukou*-assisted rapid growth, China has had a very uneven economic development across regions. A group of influential Chinese scholars concluded that "there are three main disparities in contemporary Chinese society: the disparities between the peasants and the industrial workers, between the urban and rural areas, and among the regions."<sup>27</sup> The PRC *hukou* system is fundamentally responsible for all three.<sup>28</sup>

Six provinces or metropolises in eastern China, out of 31, received 54 percent of all Chinese research and development funding in 1994; the eighteen provinces in central and western China got only 35.9 percent.<sup>29</sup> In 1990, Beijing had the highest per-capita government spending at 633 Yuan RMB, about 2.7 times the lowest, 106 Yuan in Henan Province, only a couple of hundred miles away. In 1996, Shanghai had the highest per-capita government spending of 2,348 Yuan, 8.45 times the lowest, 278 Yuan, still in Henan Province. In 1998, per-capita investment in the three metropolises Shanghai, Beijing, and Tianjin was 7.3, 5, and 3.1 times higher, respectively, than the national average, while the like in Guizhou Province was only 33 percent of the national average.<sup>30</sup>

At the end of the 1990s, per-capita annual GDP in Shanghai was over twenty-eight thousand Yuan RMB, twelve times higher than in Guizhou Province (merely 2,323 Yuan). The average annual wage in the coastal province of Guangdong was

<sup>24</sup> Robert W. Fogel, "Aspects of Economic Growth: A Comparison of the U.S. and China," a conference paper, Chengdu, China, 1999, 1–2.

<sup>25</sup> Zhong Yicai, "Chengxiang eyuan shehui de yonghe yu yingnong jingcheng" (The merging of the dual urban-rural societies and the pulling of the peasants into the cities) in *Shehui kexue* (Social sciences), Shanghai, no. 1(1995), 55–58.

<sup>26</sup> State Statistics Bureau, "Cong gini xishu kan pingfu chaju" (Gap between rich and poor based on the Gini index), in *Zhongguo guoqing guoli* (China national conditions and strength), Beijing, No. 97 (January, 2001), 29.

<sup>27</sup> Hu Angang, Wang Shaoguang & Kang Xiaoguang, *Zhongguo diqu chaju baogao* (Report on China's regional disparities), Shenyang: Liaoning Renmin Press 1995, 223.

<sup>28</sup> There are, naturally, many other factors responsible for the East-West gap in China. Dali Yang (Beyond Beijing: Liberalization and the Regions in China, London: Routledge, 1999) described a Chinese political system in which the PRC has been led by an east coast "oligarchy" and the interests of the East dominate.

<sup>29</sup> Guo Tong, "Keji tour: Dongzhongxibu bupingheng" (R&D investment: Uneven among the east, central and west), *Zhongguo xinxiabao* (China journal of information), Beijing, Aug. 3, 1995, 1.

<sup>30</sup> State System Reform Commission), *Gaige neichan* (Internal reference on economic reform), Beijing, internal publication. Selected issues, 1998# 273, 22. Hu Angang & Zou Ping, *Shehui yu fazhan: zhongguo shehui fazhan diqu chaju yanjiu* (Society and development: A study of China's regional gap of social development), Hangzhou: Zhejiang Renmin Press, 5.

twice that in neighboring Jiangxi Province (3,595 vs. 1,713 Yuan).<sup>31</sup> It is estimated that the east-west annual income gap grew from 48 percent in 1986 to 52 percent in 1991(2,283 Yuan in the east and 1,095 in the west). In 2000, urban *hukou* holders' highest per-capita annual income was 11,802 Yuan (in Shanghai); the lowest was only 4,745(in Shanxi). Rural *hukou* holders' highest per-capita annual income was 5,596 Yuan (again in Shanghai), and the lowest was only 1,331(in Tibet). By 2001, the highest per-capita urban income was 4.8 times greater in eastern than in western China.<sup>32</sup>

Politically, the regional gap is contributing to the rise of regionalism and regional protectionism that have already become major destabilizing factors in China in the early 2000s.<sup>33</sup> In response, Beijing has issued numerous decrees to tear down economic barriers erected by local corporatist and protectionist activity.<sup>34</sup> The central government's political stability and power and even the unity of the nation may be at stake.<sup>35</sup> In many ways, the Chinese economy is not just a dual economy of rural and urban sectors but more a collection of several regional economies that are at various stages of development, with hugely different degrees of economic prosperity, separated chiefly by the *hukou* system. In other words, developed societies and the poorest societies coexist within one Nation not only vertically but also horizontally.

Consequently, the *hukou* system had twisted the Chinese social life to create a peculiar horizontal stratification. This system may have provided organization and social stability to a large nation, especially in a time of rapid economic development and social and cultural change. It forms solid groupings and associations beyond family and employment relations. Ethically, however, institutional exclusion produces troubling questions about the equity and equality of the human and civil rights of citizens of the same nation. A slow urbanization naturally segregates the citizens and creates cultural biases against the excluded rural population.

Furthermore, institutional exclusion discourages and even hinders the development of creativity and ingenuity that often accompany people's horizontal and vertical mobility in a society. Chinese culture, social stratification, and social norms and values have all developed regional characteristics as well as a rural-versus-urban differentiation.

The excluded Chinese peasants still by and large accept their fate under the PRC *hukou* system as it is. The extent to which those who are excluded in the rural and backward areas, three-quarters to two-thirds of the total Chinese population, will continue in their role as the reservoir to hold the unskilled millions, hence to make a multigenerational sacrifice for rapid modernization of the Chinese urban economy, remains increasingly uncertain. Unemployment pressure alone, likely to be significantly worsened by China's new WTO membership, may make *hukou*-based institutional exclusion even less bearable. The hundred-million-strong migrant (*liudong*) population (registered holders of temporary *hukou* and unregistered *mangliu* (blind floaters) clearly a second-class citizenry outside their home towns in their own country, has already become a major source of the rising crime rate and even of organized crime in the PRC.<sup>36</sup> How much and how quickly trickle-down and spillover effects of prosperous, glamorous urban centers will be felt in rural areas will be key to the continuation of China's sociopolitical stability.

How long a *hukou*-based rapid but uneven economic growth can last, at the expense of excluding the majority of the population, remains a legitimate and profound question. Another leading concern is the running-away of vertical and horizontal social stratification of Chinese society. The combination of these two stratifications not only has affected the allocation of resources, opportunities, and life chances in general for every Chinese, but also has largely shaped Chinese values, behavioral norms, and culture that are not conducive for rule of law, equity of human rights, or individual freedom. A small, elitist, urban *hukou* holders living in major urban centers, are masters of this people's republic at the expense of exclud-

<sup>31</sup> Hu and Zou 2000, 3.

<sup>32</sup> State Planning Commission figures, *Jingji gongzhuzhe xuexi ziliao* (Study materials for economic workers), Beijing, no. 68(1994), 7. *Hunan ribao* (Hunan daily), Changsha, Apr. 18, 2001.

<sup>33</sup> Some provincial and prefecture governments set up and enforce quotas for shipping in goods from outside. Chen, Dongyou ed., *Zhongguo nongmin* (Chinese peasants), Nanchang: Jiangxi Gaixiao Press, 1999, 206. Even the official journals start to list various "striking" cases of regional and local protectionism that damages law enforcement and market development. Dadi (Earth), Beijing, no. 101(May 2001), 46–47.

<sup>34</sup> One early effort was the State Council's Directive on Breaking down Regional Blockade of the Market, Nov. 10, 1990. A later such effort was the almost identically titled State Council Decree 303 of Apr. 12, 2001.

<sup>35</sup> Hu Angang et al. 1995, 27–31, 90–97, and 258–78; Minxin Pei, "China's Governance Crisis," *Foreign Affairs*, Vol. 81–5, September–October, 2002, 96–109.

<sup>36</sup> Li Zhongxin 1999, 11–13 and 23–24.

ing and discriminating against the majority of the people, who are growing in discontent and rightfully angry.<sup>37</sup>

Clearly, the PRC *hukou* system right now poses serious ethical, legal, and international questions that demand creative and effective solutions. The *hukou* system has systematically created barriers against labor mobility, thus limiting the rationalization of a young market economy there and perpetuating poverty for the majority of the population living in the rural areas as the excluded under unfair treatment and naked exploitation. The lack of genuine vertical and horizontal mobility, in addition to the lack of freedom of speech and individual and property rights, has seriously impeded creativity and innovation in China. The system contributes to the growing regionalization of the Chinese political economy with profound consequences for the Chinese economic development, the capacity of the central government, and even the unity of the Chinese nation.

Yet, to Chinese leaders, the *hukou* system still appears to be a familiar, important, reliable, and effective statecraft. Currently, much of this system is still largely internalized as a part of the Chinese culture and enjoys a high degree of legitimacy, even among the excluded. Obviously, the *hukou* system relies heavily on the political power of the CCP to continue; yet the functions of the system have also become highly critical to the stability and continuation of the CCP political system. Mounting tensions the system brews and the resultant scrutiny and criticisms are likely to force more changes as the PRC state may have to retreat further. Ultimately, the fate of the *hukou* system will reflect and determine the fate of the current PRC sociopolitical order and China's chance of realizing its enormous economic potential.

---

PREPARED STATEMENT OF CHLOÉ FROISSART

SEPTEMBER 2, 2005

I would like to take the example of migrant children's access to education as an illustration of the institutional exclusion created by the *hukou* system as described by Professor Wang in his book.<sup>1</sup> My presentation will mainly draw on the fieldwork I have been carrying out for four years in Chengdu, capital of Sichuan province.

I will first recall the impact of the *hukou* system on migrant children's access to education as it appeared at the beginning of the 2000s and is still prevalent now. But as education is a determining factor in a country's development and involves individuals' rights as much as state's interests, there has been room for many recent improvements. I will thus give an overview of these developments as well as the forces at stake in the evolution process by citing concrete examples, and I will finally endeavor to weigh the impact of the reforms.

THE IMPACT OF THE HUKOU SYSTEM ON MIGRANT CHILDREN'S ACCESS TO EDUCATION

Despite the fact that China recognized in its Constitution (1982) the right to every citizen to receive an education and in 1986 introduced in its legislation a system of compulsory education lasting nine years for every child from the age of six or seven, the administrative system of the *hukou* still prevails over the legislation and prevents migrant workers' children from receiving a proper education.<sup>2</sup> According to this system, belonging to society is still a function of one's place of registration. Local governments guarantee the education of children, like all other social rights, only for their own constituents, resources being allocated according to the number of permanent residents. Migrants' children were completely excluded from urban education system until 1998, when they gained the right to enroll temporarily in urban schools on the conditions of being registered with a host of administrative organs and paying "Temporary Enrollment Taxes" that could reach several thousands yuan a year. As the vast majority of the migrants are illegal immigrants who cannot afford such high schooling fees, private schools, sometimes set up by migrants themselves, started to spring up in response to the needs of these children in the major urban centers in the mid-1990. In return of very low enrollment fees (300 yuan a semester for the first year of primary school in the mid-1990, 600 yuan now), pupils

---

<sup>37</sup>Incidentally, among my interviewees, privileged urban dwellers tend to take the PRC *hukou* system for granted and assert that the *hukou* system "really does not make much difference in life," while the excluded "outsiders," especially the ruralites, insist that the *hukou* system affects their lives personally and persistently.

<sup>1</sup>Fei-Ling Wang, *Organizing Through Division and Exclusion, China's Hukou System*, (Stanford: Stanford University Press, 2005).

<sup>2</sup>China also ratified the United Nations Charter on the Rights of the Child and signed—but not yet ratified—the International Covenant on Civil and Political Rights, both of which mention the right to an education.

had to put up with deplorable sanitary, security and teaching conditions. Moreover, as most of these substandard schools have no legal status, they cannot award certificates for courses completed, which is a considerable problem when the students wish to re-enter a state school or have the level of their studies recognized for the purpose of finding a job. Established out of the control of the state, these schools are routinely banned and demolished without the authorities worrying about placing the children in other schools.

#### PUBLIC OUTCRY

Education is not only an ethical question that recently crystallized the debate over citizenship in China; it also involves economic development and social stability, which are of great concern to the Chinese state. This is the reason why Chinese authorities were particularly receptive to the public outcry over this issue. Following the rising number of migrant children in the cities (two to three million in 1996, seven million now), solving their education problem became increasingly urgent. Over the past few years, this problem triggered a public outcry supported by scholars, journalists and also some political figures and organizations that warned against the economic, social and possibly political price the country might pay in a near future if this social injustice was not addressed. Preeminent scholars, some of whom belong to government think tanks, have over the past few years, published detailed reports submitted directly to the government.<sup>3</sup> Scholars' concerns have been echoed by some political figures. In 2002 and 2003, Chinese People's Political Conference members and National People's Congress representatives, especially the Communist Youth League, warned that if migrant children remained on the fringe of society and were not equally treated it would generate resistance to society. At that time indeed, many reports showing increasing criminality and delinquency among migrant workers were released. I also noticed through my fieldwork inquiries that migrant workers whose children faced unfair treatment tended to question *hukou's* legitimacy, saying that they were "Chinese citizens" or "Sichuanese citizens" just as urban dwellers and should be treated equally. At that time, the press started to support this point of view by publishing papers mentioning the need of equal treatment among citizens, especially as far as education was concerned.

#### EVOLUTION OF THE CENTRAL POLICY

As previously mentioned, the central state first acknowledged the necessity for migrant children to receive an education in 1998. In May 2001, the State Council published a Decision on the Reform and the Development of Basic Education, that mentioned the need to take account of the education of migrant children by making their acceptance in public schools a priority. But this document did not address the problem of temporary enrollment fees. In August 2002, the Chinese Ministry of Education convened a working session mainly devoted to the problem of private schools and called upon local governments' responsibility in better controlling and supporting these schools. However, these were more symbolic acknowledgments of the problem without any precise or compulsory directives and had little impact.

A major step forward was made in January 2003 with the issuing by the State Council of the Ruling on Successfully Managing the Employment of Rural Farm Workers in the Cities and their Access to Public Services. This document carried a clause stipulating that "the right to compulsory education for children of migrant workers must be guaranteed." Local governments are required to take steps so that these children can enjoy the same teaching conditions in state schools as city residents do and support any "substandard schools" by bringing them into the development plans for education and helping them to improve their material and pedagogical conditions instead of eliminating them. Finally, urban governments are required to devote a part of their budget to the education of these children. In September 2003, the State Council issued a more detailed document<sup>4</sup> providing that governments of destination cities will be responsible for the nine-year compulsory education of the children of migrant workers. The education of these children should be included in the general social development plan of the cities and local governments should channel more funds to run public schools where migrant children

<sup>3</sup> For example, Han Jialing of the Institute of Sociology of the Beijing Academy of Social Science published in 2001 an outstanding report called "Research report on the situation of migrant children of compulsory school age in the municipality of Peking" that had a great impact on Chinese authorities, but Wang Chunguang from the Chinese Academy of Social Sciences, as well as Cui Chuanyi and Zhao Shukai of the State Council's Research Center for Development also did a great amount of research and lobbying work.

<sup>4</sup> Propositions for Improving the Work on Compulsory Education of Children of Migrant Workers in the Cities.



should be mainly enrolled. Private schools should benefit from preferential conditions to obtain permits and enjoy special support and monitoring from local authorities.

Migrant children's access to education was made a main topic of the annual session of the NPC in March 2004 by Prime Minister Wen Jiabao. In February, in the wake of the session, all the media were told to report on the issue. This actually saved many private schools that were bound to be banned, such as Doushi School in Chengdu. This school, located in Jingniu district, opened its doors after the Chinese Festival holidays and immediately received a notice of closing issued by the district government. The parents of the 200 children already enrolled in the school spontaneously contacted the local press that published an article entitled: "Closure of Illegal School Leaves Migrants' Children Wanting To Be Treated as Citizens"<sup>5</sup> and stressed local authorities' responsibility in providing education to migrant children. China Central Television read the article and went to Chengdu to shoot a report on the school, followed by local television stations. The ban was immediately revoked and the school was promised to obtain a license very soon. The 2004 annual session of the NPC made two important decisions to improve migrant children's access to education: first it proposed to inscribe in the Constitution migrant children's right to receive an education and second it announced the suppression of the Temporary Enrollment Fees in September 2004.

#### ENFORCEMENT OF CENTRAL POLICY AT THE LOCAL LEVEL: THE CASE OF CHENGDU

Chengdu municipality followed quite well the central guidelines and did a lot recently to improve migrant children's access to education. These improvements are due to favorable political conditions in the Sichuan capital. First, as more than 90 percent of migrant workers in Chengdu are coming from Sichuan province, the municipal government's administrative responsibility toward Sichuanese migrants is much stronger than the responsibility of big cities toward migrants from all over China. At least, the provincial government can put pressure on the municipality and compel it to better protect migrant workers' rights. For this reason, conditions for migrants have been traditionally better in Chengdu than in big coastal cities. Second, Chengdu First Party Secretary Li Chuncheng made the "unification of urban and rural areas" the new motto of Chengdu municipality. During a public appearance on September 1st, 2004 he said this "unification" not only means that peasants are to become urban citizens but also that equal rights should be granted to them as far as social and medical insurance, schooling and employment opportunities are concerned. Finally, Chengdu scholars have been very much involved in promoting migrant workers "citizenship rights." Namely researchers from the Institute of sociology of the Sichuan Academy of Social Sciences set up a "Network for Social Support to Chengdu Migrant Workers" in 2002 in collaboration with the provincial Women's Federation and UNESCO. Their commitment in lobbying the authorities and in rising public awareness on this issue undoubtedly had a significant impact. Scholars managed to rally the support of the local media by convening regular meetings with journalists to explain to them the situation of migrant children. In 2004, they even launched a book collecting campaign and organized social activities for these children in collaboration with local newspapers and renowned companies. The result is that press reports now systematically support the interests of migrant children and almost always side with migrant schools whereas they use to voice local authorities' views in the past.

However, there are always discrepancies between the general and ideal principles devised by the central state and their local implementation. As we will see, new public policies in Chengdu do not aim to accommodate all the children equally: as the fault line between urban and migrant children is still maintained, a new tiered management between different kinds of migrant children also appeared. Let's consider how Chengdu municipality implemented the three central guidelines of enrolling migrant children in public schools, suppressing the Temporarily Enrollment Fees and enhancing the management of private schools.

#### *Migrant children's enrollment in state schools*

In December 2003, Chengdu government announced that a public school for migrant children will be opened in each of the five urban districts within two years and that the municipality will invest 20 million yuan to support the financing of these schools by the district governments. In fact, only two new schools were opened, the rest are urban schools that were enlarged to receive children of non-Chengdu *hukou* holders who can not be considered as migrant workers (often white

<sup>5</sup> Tianfu Zaobao (Tianfu Morning Paper), February 10, 2004.

collar workers from other cities). Honghuayan School in Chenghua district was the first to open its doors in September 2003 and can be held as a model. Its early opening was driven by the high concentration of migrant children in this district and the necessity for the local authorities to compete with the growing number of illegal private schools. It provides schooling for the whole compulsory education period from the first year of primary school to the third year of middle school. In October 2004, the school had 1464 students and 54 teachers. The district government invested 3 million yuan in the school and pays the teachers, who are transferred from urban schools. Thanks to these public investments, schooling fees are very low: 302 yuan a semester for primary school and 491 yuan for middle school. Although the material conditions are of lower standard than the ones of the schools for urban children (buildings are prefabricated, the school's acreage is too small for the number of its students, lack of computers etc.), teaching and security conditions meet the urban standards. The school can of course confer state certificates, but many pupils do not have the required level to pass the exams.

School enrollment is subject to the condition of having the "three certificates:" *hukou* booklet, temporary residential permit and the work contract of one of the parents. A tax bill is also sometimes required.

Wuhou district opened Jinghuazheng School in September 2004. The school only provides primary education and has three kindergarten classes. It received urban pupils<sup>6</sup> months after its opening, likely because it was not financially sustainable. Thus, among its 1331 primary students, only 467 were migrant children in November 2004. Among its 51 teachers, some come from urban schools, others are trainees or do not have the credentials to enter better urban schools. The district government invested 4 million, which enables this school to have slightly better material conditions than Honghuayan, but the schooling fees are higher: 551 yuan a semester for primary school. Migrant pupils who do not have the three certificates (which means most of them) have to pay 223 yuans more each semester. The ones who have the three certificates do not need to pay these "Temporary Enrollment Fees" since their education budget is transferred by the administration of their village of origin to the urban district administration and can cover part of the education costs in the city. Computer lessons are charged separately, although the fees are very low (30 yuan a semester). This school is thus more expensive than the previous one, does not cover the whole compulsory education period and have potentially slightly less qualified teachers but has the advantage of mixing urban and migrant children.

From these two examples, we can see that lack of public funding and teachers still remains the main obstacle to migrant children's equal access to education. Very few pupils can enroll in the public schools created for them. Conditions at these schools are lower than the urban ones and also vary from a district to another according to local government budget.

#### *Suppression of Temporary Enrollment Fees*

Starting from September 2004, Chengdu municipality exempted some children from paying Temporary Enrollment Fees. The most recent conditions<sup>7</sup> to meet in order to benefit from this policy were to apply for a "Certificate of Entitlement to Compulsory Education for Children of Migrant Workers" with the street committee to which one belongs. To obtain this certificate, one has to provide the following documents: temporary residential permit smart card of one of the parents and of the child, original of the *hukou* booklet of one of the parents and of the child, recent labor contract, employment certificate and salary slip, proof of registration with the Labor and Social Security Bureau at the municipal and district level, tax bill, schooling certificate of the previous year and school transfer certificate. These conditions are of course too high for migrant workers, most of them working in the informal economic sector, not having work contracts or high enough salaries to pay taxes and being usually not registered with any administration. Even urban people cannot, most of the time, meet these conditions. This policy in fact benefited white-collar workers from other cities or the wealthier and more stable among the migrants' elite, who thus had an incentive to legalize their situation. However, official statistics show that quite a significant number of "foreign" children benefited from this policy. According to an official in charge of education in the Chenghua district, in October 2004, 17,000 children were exempted of Temporary Enrollment Fees in this district. According to a press report,<sup>8</sup> Jingniu district government allocated 2.5 mil-

<sup>6</sup> These pupils are in fact children of former peasants leaving in Chengdu suburbs who recently obtained an urban *hukou* (nongzhuanfei), that is why mixing these urban children with migrants is less problematic.

<sup>7</sup> Published in May 2005.

<sup>8</sup> Tianfu Morning Paper, December 10, 2004.

lion yuan for compulsory education subsidies to exempt 13,867 migrant children from paying Temporary Enrollment Fees, 89.64 percent of them were enrolled in public schools.<sup>9</sup> For those who cannot produce these certificates, Temporary Enrollment Fees still amount between 800 and 1,600 yuan a year in primary school and 2,000 to 3,600 yuan in middle school according to the standing of the school and the class attended.

*Migrant children's private schools management*

Because public education still remains beyond the reach of migrant children, the vast majority of them are enrolled in private schools that are around 70 now, up from 10 two years ago. In September 2004, Chengdu government acknowledged that the financial efforts it could bare to enroll these children in public schools were insufficient<sup>10</sup> and announced that it would closely monitor twenty private schools without permit to help them to improve their conditions. The ones that would meet the standards after the trial period would receive a license. But very few schools were legalized. At the beginning of 2004, only five schools had a permit, they are now less than ten. In fact, the local authorities' position toward these schools did not change. They are reluctant to channel more funds and appoint more staff to monitor these schools, they are apprehensive being held responsible in case of accident or if school directors turn out to be comen. Above all, they are very hostile to schools that look dreadful and are perceived as an element of depreciation in the urban landscape. A good indicator of the lack of public commitment toward these schools is that Chengdu municipality has still not issued directives to which private schools for migrant children should abide to obtain a permit. Once the spotlights of the NPC Congress were turned off, Doushi School was never granted a permit and was even demolished last May after a developer bought its plot.<sup>11</sup> Many other private schools, and even Honghuayan public School, are bound to face the same problem in a near future: for local authorities, economic development prevails over migrant children's education.

ASSESSMENT OF THE IMPACT OF THE REFORMS AND THEIR LIMITS

Public policies in favor of migrant children's access to education do not eradicate the impact of the *hukou* system but enable a more flexible management of this system. These policies first benefit to the children of the wealthier, most stable and legally registered "outsiders" who are held to contribute the most to the economic development of the city, but many of whom cannot be considerate as migrant workers *stricto sensu*. Chinese rural migrants are thus treated in their own country in a very similar way to foreign immigrants in the United States, who can be granted with a green card according to their merits and the tax amount they pay. Public policies in favor of migrant children schooling—just like many other recent policies targeting migrant workers—thus function as a tool to filter this population and control urbanization by deliberately excluding the poorest and the transients. Whereas this reform does not erase completely the difference of treatment between urban and migrant children, it has a noteworthy consequence: it creates a tiered management of the migrant population and thus generates new social stratifications within this social category. We now can distinguish five categories of children with different access to education:

1. Those who are integrated in urban public schools because their parents can afford paying the Temporary Enrollment Fees. These children need a temporary residential permit but no other documents.
2. Those who are integrated in urban public schools because they were exempted from paying the Temporary Enrollment Fees. In this case, economic

<sup>9</sup> However, we should keep in mind that official statistics are often not reliable. For example, according to the municipal authorities, there are 1.5 millions outsiders in Chengdu, 80 percent of whom are migrant workers. Among their 70,000 children, 50,000 are enrolled in public schools and 20,000 in private schools. The first figure is certainly exaggerated and should encompass children of outsiders who cannot be considered as migrant workers. Besides, according to my interviews, one of the most famous principals in Chengdu (Mr. Zhou Yongan) set up eleven private schools that have already enrolled 20,000 children and a few other private schools enroll several thousands children each (Caiying School has around 6,000 pupils). I estimate the number of children enrolled in private migrants' schools at 40,000.

<sup>10</sup> According to official figures released by Chengdu authorities, the municipality spends annually 2,000 yuan on each pupil of compulsory school age. Based on 70,000 migrant children to be enrolled in public schools, the municipality has to increase its education budget by 140 million yuan in a year. Chengdu also lacks teachers, who are only 3,000 according to the number of children permanently registered.

<sup>11</sup> Land in China still mainly belongs to the state but authorities now start to sell it to developers. Hence, owning real estate is not a guarantee against expropriation.

discrimination has been apparently replaced by more stringent administrative discrimination (see *supra* the list of documents that have to be provided), but in fact the conditions to meet in order to enjoy fees exemption favor the wealthier migrants. Children belonging to these first two categories receive the same education as urban pupils but are still discriminated against, whether economically or administratively, not mentioning popular discrimination.

3. Those who are enrolled in substandard public schools. These are the children of legally registered and quite wealthy migrants since a work contract and sometimes also a tax bill are required to register in these schools. But the list of documents to be provided is not as long as the one required to enter a public school for urban children.

4. Those who are enrolled in licensed private schools. These children do not need to be legally registered but tuition fees are higher than in public schools for migrant children. Children belonging to these last two categories do not enjoy as good conditions for education as urban pupils from whom they are generally segregated. However, pedagogy in these schools often better match the needs of these children. At least, their education has official recognition and they can receive course certificates.

5. The vast majority of those who are enrolled in illegal substandard private schools. These are children of poor and illegal migrants. They pay more than the children of categories 2 and 3 enrolled in public schools and are not receiving a proper education.

This typology clearly illustrates one of the key points made by Professor Wang: institutionalized discrimination anchored in the *hukou* system remains while being now coupled with discrimination between the haves and the have-nots. The children who receive State's support are the wealthier and better integrated while the needy children are still denied proper schooling and will likely go back to the countryside to continue their education. The reforms hence nurture social stratifications and rural-urban socio-economic imbalances.

I should also mention that the children who are enrolled in public schools thanks to state subsidies are only temporarily integrated until the end of the compulsory education period. Entering high school is subject to very high tuition fees and Temporarily Enrollment Fees, and very few migrant children can afford it. Even those who can complete high school in urban areas will have to go back to their villages to take the university entrance exam, which is much more difficult than in the cities, as Professor Wang demonstrates in his book.

Reforms thus do not acknowledge education as a universal right and do not fundamentally call the *hukou* system into question. The proposition made by NPC representatives in March 2004 to inscribe in the Constitution and in the law migrant children's access to education as a personal right to be granted wherever they are living was not followed up with any effects. Both central and municipal governments are opposed to this idea. The central government disagrees because it would have to greatly increase its education expenditures. Indeed, the cost of migrant children's education in the cities could not be simply covered by the transfer of education budgets from the villages, these budgets being much lower than the urban ones. Municipal governments do not favor this proposal because they do not want cities to be flooded with migrant workers who will increase their expenditures and generate the economic blockages analyzed by Professor Wang.

#### RECOMMENDATIONS

A lot of progress has been made in only two years as more children who are not urban residents can now receive an education. However, the issue is still exposed to institutional blockages and will not be thoroughly solved without bold political and administrative reforms, namely the abolition of the *hukou* system followed by corresponding taxation and redistribution reforms.

However, in accordance with its international and domestic commitments to fully realize the right to education, China should stop using restricted access to education as a way to control urbanization. Given its actual administrative system and limited financial resources, China must take the following practical steps to address the discriminatory treatment faced by migratory children:

(1) To allow the existence of private schools for migrant children and subject them to state monitoring. It is the duty of the state to regulate the adequacy of administration, teaching and content of education offered by these schools and to prevent them from mercantilism. Furthermore, providing monitoring and support to private schools is financially less demanding than to accommodate all the migrant children in state public schools or setting up new public schools for them. Central and local governments should expeditiously draft clear and consistent regulations under which mi-

grant schools that can meet certain basic criteria can quickly, cheaply and easily obtain legal status. Governments should provide support to these schools to help them meet the same standards of those available in the state schools.

(2) To reverse the education's decentralization policies that took place in China during the 1980s and the 1990s, and thus recentralize education expenditure in addition to substantially increase resources for education.<sup>12</sup> One of the reasons why only wealthy and stable migrant families can have access to education is that allocation of resources is still decided locally depending on the number of people legally registered. Recentralization of education expenditure should follow the acknowledgment of increased mobility among Chinese people and enable them to choose the location of the schools their children will attend. Recentralized and increased expenditure for education is the only means to insure that education is granted as a personal right, and should not depend on the status of the parents, such as whether they have any "out-of-plan" children or possess the required permits.

(3) Special warning: One of the reasons cited by the authorities for putting migrant children into special classes or "simplified schools," which are generally of lower quality, is that the children have not achieved the same academic standards as their urban counterparts. Such a reason—a function of the low level of funding provided to rural schools—should not be used as a means to discriminate against migrant children. These special schools or classes sometimes are a way to adapt teaching to the needs of the students. However, they also continue segregation against them and encourage further popular discrimination.



---

<sup>12</sup>The Chinese state currently allocates only 2.5 percent of the GDP to education, which represents one of the lowest rates in the world.