Is China Abolishing the *Hukou* System?*

Kam Wing Chan and Will Buckingham

ABSTRACT In recent years, China has instituted a variety of reforms to its *hukou* system, an institution with the power to restrict population mobility and access to state-sponsored benefits for the majority of China's rural population. A wave of newspaper stories published in late 2005 understood the latest round of reform initiatives to suggest that the *hukou* is set to be abolished, and that rural residents will soon be "granted urban rights." This article clarifies the basic operations of the *hukou* system in light of recent reforms to examine the validity of these claims. We point out that confusion over the functional operations of the *hukou* system and the nuances of the *hukou* lexicon have contributed to the overstated interpretation of the initiative. The cumulative effect of these reforms is not abolition of the *hukou*, but devolution of responsibility for *hukou* policies to local governments, which in many cases actually makes permanent migration of peasants to cities harder than before. At the broader level, the *hukou* system, as a major divide between the rural and urban population, remains potent and intact.

The Chinese household registration system (*hukou* 户口 or *huji* 户籍), having passed its 50th birthday this year, has had a significant impact on many aspects of life for people living in the People's Republic. Today it is quite common for students of China to consider the *hukou*, along with gender, age and income, as one of the main variables defining exogenous constraints on individual behaviour in social and economic studies.[1] In comparison with the residence recording systems bearing the same name in Taiwan or Japan, the Chinese system serves far more important functions, broadly dividing citizens into two classes for a variety of purposes essential to the function of the state and seriously affecting the livelihood of hundreds of millions of ordinary people. Under this system, some 800 million rural residents are treated as inferior second-class citizens deprived of the right to settle in cities and to most of the

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1 For example, Kam Wing Chan, Ta Liu and Yunyan Yang, "*Hukou* and non-*hukou* migration: comparisons and contrasts," *International Journal of Population Geography*, Vol. 5, No. 6 (1999) pp. 425–48. Youqin Huang and William Clark, "Housing tenure choice in transitional urban China: a multi-level analysis," *Urban Studies*, Vol. 39, No. 1 (2002), pp. 7–32. Zhiqiang Liu, "Institution and inequality: the *hukou* system in China," *Journal of Comparative Economics*, No. 33 (2003), pp. 133–57.

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basic welfare and government-provided services enjoyed by urban residents, ranging from small benefits like being able to buy a city bus pass, to much more important matters such as enrolling their children in public schools in cities where their parents work.[2] The system also keeps peasants out of many urban jobs, except for those considered "dirty," dangerous or very low-paying.[3] China's long-standing policy of "incomplete urbanization," as practised in the reform era, allows peasants to move to the city but denies them permanent residency rights and many of the associated social benefits.[4] As is well established, the *hukou* system is a cornerstone of China's infamous rural–urban "apartheid," creating a system of "cities with invisible walls."[5] It is a major source of injustice and inequality,[6] perhaps the most crucial foundation of China's social and spatial stratification,[7] and arguably contributes to the country's most prevalent human rights violations.

From at least the mid-1990s, journalists have been interpreting official statements on "reforms" of the *hukou* system as presaging an end to the system as we know it. For example, as early as February 1994, Hong Kong's *South China Morning Post* published an article entitled "Registration system set to be abolished," reporting a Chinese proposal to drop the classification of agricultural and non-agricultural populations.[8] Many other pieces carrying similar messages were published in the Hong Kong and Western press between 1994 and early 2005.[9] These messages seem to be consistent with hundreds of

2 Dorothy Solinger, *Contesting Citizenship in Urban China: Peasant Migrants, the State, and the Logic of the Market* (Berkeley: University of California Press, 1999). It should also be noted that a few previous state-provided privileges are no longer granted to urban residents. In some cities or city districts, migrant children can go to urban public schools, but most of them have to pay school fees several times higher than local residents.

3 A telling hypothetical example of what a rural migrant worker will typically face is given in Fei-Ling Wang, *Organizing through Division and Exclusion: China's Hukou System* (Stanford: Stanford University Press, 2005).

4 Kam Wing Chan, "The fundamentals of China's urbanization and policy," *The China Review*, forthcoming.

5 Peter Alexander and Anita Chan, "Does China have an apartheid pass system?" *Journal of Ethnic and Migration Studies*, Vol. 30, No. 4 (2004), pp. 609–29; Tim Luard, "China rethinks peasant 'apartheid'," *BBC News*, 10 November 2005, http://news.bbc.co.uk/2/hi/asia-pacific/4424944.stm, accessed 3 April 2006; Kam Wing Chan, *Cities with Invisible Walls: Reinterpreting Urbanization in Post-1949 China* (Hong Kong: Oxford University Press 1994).

6 See Fei-Ling Wang, *Organizing through Division and Exclusion*, p. xiii. In addition, it has been a source of corruption for local officials approving *hukou* conversions. Yu Depeng, *Chengxiang shehui: cong geli zouxiang kaifang* (*Urban–Rural Society: From Segmentation to Openness*) (Jinan: Shandong renmin chubanshe, 2002), pp. 56–57.

7 Li Yi, *Structure and Evolution of Chinese Social Stratification* (University Press of America, 2005). Fei-Ling Wang, *Organizing through Division and Exclusion*, tables 5.7 and 5.8. John Knight and Lina Song, *The Rural–Urban Divide: Economic Disparities and Interactions in China* (Oxford: Oxford University Press, 1999). Xiaogang Wu and Donald J. Treiman, "The household registration system and social stratification in China: 1955–1996," *Demography*, Vol. 41, No. 2 (2004) pp. 363–84. Dorothy Solinger, "The creation of a new underclass in China and its implications," *Environment & Urbanization*, Vol. 18, No. 1 (2006), pp. 177–93.

8 *South China Morning Post (International Weekly)*, 5 February 1994, p. 7.

9 Examples: *Ming Pao* (Hong Kong) carried an article on 21 June 1996 with a similar title: "Xiayue qi quxiao chengxiang huji chabie" ("Urban–rural *huji* differences to be eliminated next month"). More recently, similar articles appeared in *Singtao Daily* (Hong Kong-based, Overseas Edition) on 3 July 2003 and 8 March 2005, in *South China Morning Post* on 13 December 2002 and 12 February 2003, and in *The New York Times*, "China eases rules binding people to birth regions," 23 October 2001.

news items in the same period, mostly from China's officially sanctioned web sites, with celebratory, but often misleading, headlines proclaiming a new era of freedom for peasants or the collapse of city walls.[10] The latest round of news stories on the forthcoming demise of the *hukou* appeared after Chinese domestic media carried a report by the Ministry of Public Security (MPS) on eliminating the classification division between agricultural and non-agricultural *hukou* at a meeting convened by a central committee on public order in late October 2005.[11] On 2 November, China's official English newspaper *China Daily* reported this news under the title "Rural dwellers to be granted urban rights," and hailed the move as a "landmark initiative to abolish the division of 'rural residents' and 'urban residents'" in eleven provinces.[12]

Drawing on the Chinese state media (probably the *China Daily* piece), a chorus of international media printed the same story with what might be called "interpretative extrapolation," and further stretched the thesis of *hukou* abolition. For example, a few hours after the *China Daily* report was released, Reuters dispatched the story entitled "Rural migrants to get more rights in China" in the *International Herald Tribune*.[13] The next day, *The New York Times* repeated the message in an article headlined "China to drop urbanite-peasant legal differences."[14] Another version of the story was posted on 10 November by the BBC under the heading, "China rethinks peasant 'apartheid'."[15] The first "outside press" to cover this story appears to be Hong Kong's *South China Morning Post* on 27 October, with an eye-catching title "Migrants win urban resident status; hukou system overhauled to narrow divide between rural, non-rural areas."[16]

This flurry of announcements from reputable international media suggested that the new initiative was tantamount to the abolition of the notorious *hukou* system, with possible far-reaching consequences for Chinese society and, in particular, China's 100 million or more *mingong* (民工 rural migrant labour) and

10 Examples: "Chengshi tuidao huji weiqiang 2003 zhongguo ren xiangyou gengduo qianyi ziyou" ("Cities tear down hukou barriers in 2003: Chinese to enjoy more migration freedom") 19 December 2003 at http://china.com.cn/city/zhuanti/hjgaige/txt/2003-12/19/content_5464858.htm, accessed 12 December 2006. "Woguo quanmian tu jin huji zhidu gaige renkou heli liudong bu ke zudang" ("China pushes comprehensive reform of the *hukou* system. Rational flows of population cannot be resisted"), 14 August 2002, at http://china.com.cn/city/zhuanti/hjgaige/txt/2002-08/14/content_5188092.htm, accessed 12 December 2006. While those titles may be upbeat, the texts are usually less sanguine and often contain useful facts, if not interpretations.

11 "Quanguo shiyige shengshi kaishi tongyi chengxiang hu kou" ("Eleven provinces/municipalities to begin unified hukou system," *Beijing wanbao*, 28 October 2005, http://www.china.org.cn/Chinese/kuaixun/1012501.htm, accessed 16 November 2005. *Fazhi ribao*, 26 October 2006, p. 2.

12 *China Daily*, 2 November 2005, p. 3.

13 "Rural migrants to get more rights in China," *International Herald Tribune*, 2 November 2005.

14 Joseph Kahn, "China to drop urbanite–peasant legal differences," *The New York Times*, 3 November 2005. A few local newspapers in North America also carried the same story: "A present to peasants: distinctions will be gone," *Seattle Post-Intelligencer*, 2 November 2005, p. A2; "Migration in China spawns urban class of poor outsiders," *The Vancouver Sun*, 7 November 2005, p. D3.

15 Luard, "China rethinks peasant 'apartheid'."

16 *South China Morning Post*, 27 October 2005. Similar articles also appeared later in other Hong Kong-based papers: see "Gongmin ziyou qianyi kewang yuanmang" ("The dream of free migration for citizens hopes to be filled"), *Sing Tao Daily*, 31 December, 2005, p. A12.

the remaining rural population. These news stories implied that the *hukou* system could, in fact, soon be irrelevant to studies of Chinese society. For instance, *The New York Times* wrote that "the program would eliminate a cornerstone of the population control policies begun by Mao in the 1950s." The *International Herald Tribune* piece also hypothesized that "the reforms would theoretically end the pattern of unfair treatment, including regular denial of payment to migrant workers, who have fueled much of the country's rapid economic development by providing the work force for its factories and its construction boom." The BBC reporter went much further, saying that "the proposed abolition of the system … is expected to promote further growth by encouraging a new influx of labour from the poorer western regions." He further reasoned that "more remarkable is the leadership's apparent determination to push ahead with the changes in the face of opposition from those in charge of security."[17] The media frenzy on this clearly heralded the arrival of a new age of equal rural and urban rights and free migration, a dream for hundreds of millions of Chinese peasants over the past half century. If these reports are to be taken seriously, China appears on track towards solving one of its knottiest and fundamental social, economic and political problems by simply decreeing the abolition of the *hukou* system. Indeed, this interpretation has begun to make it into the general, more serious China scholarship in the West.[18]

These descriptions stand in stark contrast to the analysis provided by scholars working on this topic. One of the present authors argued in 2004 that the abolition of the *hukou* system could come only if there was a fundamental shift in China's rural–urban relations,[19] and we do not believe that there has been any such shift in the past three years. Similarly, Fei-ling Wang's latest diagnosis of the *hukou* system also concludes that "this omnipresent and powerful, albeit adapted and adjusted, system is alive and well."[20] In fact, just weeks before the *New York Times* story appeared, a US Congressional-Executive Commission on China published a report on the progress of China's *hukou* reforms and concluded that the reforms were doing very little to ameliorate the situation of rural-to-urban migrants and much more comprehensive reform was needed.[21]

17 Luard, "China rethinks peasant 'apartheid'."

18 For example, Andrew Nathan has remarked that the Chinese government's announcement of the abolition of the household registrations system was one of the major things that it has done right. See his review of M. Pei's book in *Foreign Affairs*, July/August 2006, accessed through http://www.foreignaffairs.org, 27 November 2006.

19 Chen Jinyong (Kam Wing Chan), "Zhongguo huji zhidu gaige he chengxiang renkou qianyi" ("Chinese *hukou* reforms and rural–urban migration), *Zhongguo laodong jingji* (*China Labor Economics*), No. 1 (2004), pp. 108–24.

20 Fei-Ling Wang, "Reformed migration control and new targeted people: China's hukou system in the 2000s," *The China Quarterly*, No. 177 (2004), p. 129. His newer publication in 2005 (*Organizing Through Division and Exclusion*) holds the same view. Zhao and Li also question the interpretations put forward in *The New York Times* (Zhao Litao and Li Jianying, "China transforming its *hukou* system: path dependence and local interests," *EAI Working Paper*, No. 128, National University of Singapore, 2006, p. 1).

21 See Congressional-Executive Commission on China, "China's household registration system: sustained reform needed to protect China's rural migrants," 7 October 2005 at http://www.cecc.gov/pages/news/hukou.pdf. Accessed 25 January 2007.

Are the flurries of news reports simply a hoax, or another seemingly careless reading of China by inexperienced observers? Despite the scholarly naysayers, is there, in fact, a miracle in the making? These questions have prompted us to look into the topic of *hukou* reform more carefully.

In the wake of the November report by the MPS, there was indeed a moment of hope in some quarters in the Chinese press, web articles and blogs.[22] However, as we looked beyond stories about the *hukou* system's imminent demise, we were baffled by many of the same old, mostly unfortunate, tales of peasant migrants' plights, and their unequal treatment under the *hukou* system.[23] We have found no substantive change in peasant migrants' struggle for equality and the right to the city in 2005, 2006 or 2007.[24] The most ironic piece we discovered – and perhaps the one most telling of the prognosis for the latest round of *hukou* reforms – was an announcement by Shenzhen, China's largest and most famous city of migrants, that called for tightening of admission of migrants' children to local public schools on the same day the *New York Times*' eye-catching story on abolition of the *hukou* hit the streets.[25]

Arising from the media reports of late 2005, the primary concern of this article is the question: is China abolishing the *hukou* system? The answer is significant because such abolition would definitely be a major signpost on China's path to a modern open and equal society. Building on the rich scholarship by Cheng and Selden, Solinger, Chan and Zhang, Mallee, Yu, and Wang,[26] the next section will recap some essential nuts and bolts of *hukou* operations in the context of the latest reforms, and explicate the nuances of the *hukou* lexicon, especially in relation to reform of *nongzhuanfei* (农转非) – the core process for transferring rural to urban *hukou* in China for at least three decades. We then elucidate the recent changes to the *hukou* system, drawing on various pronouncements, reports and research articles systematically gathered from major databases and relevant web sites (including many reputable ones),[27] decipher their meanings

22 Examples are: "Quxiao huji xianzhi, tian ta bu xialai" ("The sky will not fall by abolishing the *huji* system"), *Zhongguo qingnian bao* (*China Youth Daily*), 2 November 2005, and "Huji qishi qineng jiufu" ("*Huji* discrimination cannot last long"), *Guoji jinrong bao* (*International Finance Post*), 4 November 2005, both accessed through search at http://isearch.china.com.cn on 16 November 2005.

23 A recent and relatively accurate report of migrants' plight in Shenzhen is in Howard French, "Chinese success story chokes on its own growth," *The New York Times*, 19 December 2006, at http://www.nytimes.com/2006/12/19/world/asia/19shenzhen.html?_r=1&oref=slogin, accessed 23 December 2006.

24 Similar latest findings of no major change in this respect are reported in Zhongwei Zhao and Fei Guo (eds.), *Transition and Challenge : China's Population at the Beginning of the 21st Century* (Oxford: Oxford University Press, 2007), chs. 12 and 13.

25 *Nanfang dushibao*, 2 November 2005, http://www.china.org.cn/, accessed 5 November 2005.

26 Tiejun Cheng and Mark Selden, "The origin and social consequences of China's *hukou* system," *The China Quarterly*, No. 139 (1994), pp. 644–68; Solinger, *Contesting Citizenship in Urban China*; Kam Wing Chan and Li Zhang, "The *hukou* system and rural–urban migration: processes and changes," *The China Quarterly*, No. 160 (1999) pp. 818–55; Hein Mallee, "Migration, hukou and resistance in reform China," in Elizabeth Perry and Mark Selden (eds.), *Chinese Society: Change, Conflict and Resistance* (New York: Routledge, 2000), pp. 83–101; Yu Depeng, *Urban–Rural Society*; Fei-Ling Wang, *Organizing through Division and Exclusion*.

27 This is done through reading more than 300 news articles collected in the last few years, including many retrieved from systematic title searches using Chinese Academic Journals and Core Chinese Newspapers databases run by East View and keyword searches using Baidu.com.

and evaluate the significance of the new changes, including a look at the well-publicized Shijiazhuang *hukou* reforms. We point out that there has been a significant misreading of recent *hukou* reforms, especially with regard to *nongzhuanfei*, in the Western press. The concluding section answers the central question of whether China is abolishing its *hukou* system. We also comment on the progress, if any, China has made in the last three to four years in this area, and highlight some of the difficulties outsiders face in accurately reading today's rapidly changing and increasingly complex, albeit more open, China.

The *Hukou* Dual Classification

Modelled after the Soviet *propiska* (internal passport) system and with roots also in imperial China,[28] the *hukou* system differs substantially from other systems of household registration commonly found, for example, in Japan or Taiwan. There, household registration primarily serves as little more than a statistical/recording system. The Chinese *hukou* system, instead, is a state institution that regulates and restricts population mobility, and it was one of three key instruments used by the Chinese government to push crash industrialization in the Maoist era.[29] Today, it is one of the most important mechanisms determining entitlement to public welfare, urban services and, more broadly, full citizenship. In its application, it is the basis for the most serious form of institutional exclusion against mainly rural residents. To understand the significance of the latest reforms, one needs to carefully decipher the *hukou* lexicon to understand how it functions in regulating China's population mobility and its related components.

In mainland China, all PRC nationals' personal *hukou* was categorized, and still is for many, by two related parts: one by socio-economic eligibility and one by residential location.

Socio-economic eligibility: ''agricultural'' and ''non-agricultural'' hukou

The first classification of *hukou* registration is the *hukou* "type" (*leibie* 类别) or "nature" (*xingzhi* 性质), commonly referred to as "agricultural" (*nongye* 农业) and "non-agricultural" (*fei nongye* 非农业) *hukou*.[30] In the 1960s and 1970s, this classification determined entitlement to state-subsidized food grain (called

28 Michael Dutton, *Policing and Punishment in China: from Patriarchy to ''the People''* (Cambridge: Cambridge University Press, 1992); Mervyn Matthews, *The Passport Society: Controlling Movement in Russia and the USSR* (Boulder, CO: Westview Press, 1993); Kam Wing Chan, *Cities with Invisible Walls*, ch. 3.

29 Justin Yifu Lin, Fang Cai and Zhou Li, *The China Miracle: Development Strategy and Economic Reform* (Hong Kong : Chinese University Press, 1996).

30 The latter is also often called *chengzhen hukou*, literally meaning "urban" *hukou* (see further below). In China, the term "agricultural/non-agricultural population" often refers to the *hukou* type, not necessarily the population dependent on agriculture or not. For a detailed study of this, see Kam Wing Chan and Kai Yuen Tsui, "'Agricultural' and 'non-agricultural' population statistics of the People's Republic of China: definitions, findings and comparisons," University of Hong Kong, Department of Geography and Geology, *Occasional Paper*, No.1 (1992) p. 41.

"commodity grain") and other prerogatives. The *hukou leibie* originated from occupational divisions in the 1950s, but as the system evolved the distinction did not necessarily bear any relationship to the actual occupation of the holders.

Prior to recent reforms, it was this distinction between agricultural and non-agricultural status that basically defined one's relationship with the state and eligibility for an array of state-provided socio-economic benefits (especially in the 1960s, 1970s and 1980s). The designation of non-agricultural status entitled the bearer to state-provided housing, employment, grain rations, education and access to medical care as well as other social welfare benefits (a simple test of a person's *hukou* status in this period was whether he or she held the entitlement to state-supplied commodity grain).[31] The agricultural population was expected to be largely self-sufficient, receiving very limited, if any, state beneficence. Those with non-agricultural status, regardless of their physical location or whether they resided in a town, small city or large city, were automatically entitled to these benefits because they were distributed and funded by the central government, making non-agricultural status highly desired throughout the country.[32] Those with agricultural status had no legal means by which to obtain these resources either inside or outside their registered location. This mechanism served to curb migration outside the state plan. Moreover, transferring status from agricultural to non-agricultural was subject to strict regulation and control by the central government through *nongzhuanfei* (converting *hukou* from agricultural to non-agricultural, examined in the next section); the process was utilized largely as a tool for labour allocation within the centrally planned economy.[33] As examined below, *nongzhuanfei*, along with the agricultural and non-agricultural *hukou* distinction, has gradually been abolished in a number of locales. We refer to this process as the "*nongzhuanfei* reform."

Residential location: local and non-local hukou

In addition to the *hukou leibie*, all individuals are also categorized according to their place of *hukou* registration (*hukou suozaidi* 户口所在地). This is one's official or "permanent" residence. Under *hukou* regulation each citizen is required to register in one and only one place of permanent residence. In other words, in addition to the agricultural and non-agricultural classification, everyone is also distinguished by whether or not they have a local (*bendi* 本地) *hukou* with respect to an administrative unit (such as a city, town or village).[34] The local regular *hukou* registration defines one's rights for many activities in a specific locality. Before the *nongzhuanfei* reform, the *hukou leibie*

31 Cheng and Selden, "The origin and social consequences of China's hukou policy"; Kam Wing Chan, *Cities with Invisible Walls*; Fei-Ling Wang, *Organizing through Division and Exclusion*.

32 Yu Depeng, *Urban–Rural Society*.

33 Chan and Zhang, "The *hukou* system and rural–urban migration," pp. 818–55.

34 Starting from the mid-1980s, in order to deal with the increase in internal migration, a few temporary (non-local) *hukou* categories have been officially used, the most common of which is the *zanzhu hukou* ("temporary *hukou*"). See Dorothy Solinger, "'Temporary residence certificate' regulations in Wuhan, May 1983," *The China Quarterly*, No. 101 (1985), pp. 98–103.

defined the *type* of services and welfare available to individuals (usually stipulated by the central government), and the *hukou suozaidi* determined *where* individuals would receive them.[35] Beginning in the 1980s, there was increasingly greater variation among different urban jurisdictions in the amount and types of services and privileges available to local *hukou* holders.

Since the two classifications mean different things, cities and towns have both non-agricultural and agricultural *hukou* population living in them and, conversely, agricultural *hukou* population may exist in the countryside and in the cities. Therefore, until recently, in any city there were four types of people, excluding foreign nationals, based on the above dual classifications of *hukou*. This distinction is important for understanding *hukou* reform, because changes to the system will have varying impacts on people based on their classification under this system. To clarify this point, we use Nanjing (as one "local" place) to provide an illustrative example of these four types of people: first, those holding local (Nanjing) and non-agricultural *hukou* (including most Nanjing "urban residents," as they are commonly known); second, those holding local and agricultural *hukou* (most of whom live in Nanjing's outlying districts and counties[36]); third, those holding non-local (non-Nanjing) and non-agricultural *hukou* (mostly migrants from other cities); and finally, those holding non-local and agricultural *hukou* (mostly migrants from the countryside outside Nanjing; a great majority of the *mingong* are in this category).

With China's equally complicated and changing "urban" definitions and city designation criteria, the fine differences in the terminology – especially after translation – can easily be overlooked, leading to confusion and misunderstanding, particularly regarding the processes of urbanization and migration.[37] For an accurate reading of China's latest *hukou* and *nongzhuanfei* reforms, it is essential to differentiate these terms carefully and understand them accurately.

35 Chan and Zhang, "The *hukou* system and rural–urban migration."

36 In recent years, many outlying counties under the administration of the city have been converted to "districts." In some large cities, such as Guangzhou and Wuhan, all former (rural) counties under their administration have now been converted to districts or county-level cities.

37 This is another topic with a vast body of literature; readers are referred to the voluminous literature, notably Kam Wing Chan and Xueqiang Xu, "Urban population growth and urbanization in China since 1949: reconstructing a baseline," *The China Quarterly*, No. 104 (1985), pp. 583–613; Kam Wing Chan and Kai Yuen Tsui, "'Agricultural' and 'non-agricultural' population statistics of the People's Republic of China: definitions, findings and comparisons," University of Hong Kong, Department of Geography and Geology, *Occasional Paper*, No. 1 (1992); Kam Wing Chan and Ying Hu, "Urbanization in China in the 1990s: new definition, different series, and revised trends," *The China Review*, Vol. 3, No. 2 (2003), pp. 49–71; Yixing Zhou and Laurence Ma, " China's urban population statistics: a critical evaluation," *Eurasian Geography and Economics*, Vol. 46, No. 4 (2005), pp. 272–89. An updated comprehensive review is in Kam Wing Chan, "Misconceptions and complexities in the study of China's cities: definitions, statistics, and implications," *Eurasian Geography and Economics*, Vol. 48, No. 4 (2007), pp. 383–412.

The System of Approving *Hukou* Migration and the *Nongzhuanfei* Reforms

In the realm of (rural-to-urban) migration, it is imperative to differentiate *hukou* and non-*hukou* migrants based on whether or not local *hukou* is conferred by the receiving city or town as a result of the move. There are broadly two categories of migration: that entailing a formal transfer of local residency (*hukou* migration); and that with no *hukou* change and thus no formal right of residency in the destination (non-*hukou* migration). In China, only *hukou* migration is officially considered as *qianyi* (迁移 migration). Anything else is merely *renkou liudong* (人口流动 population movement or "floating"), implying a low degree of expected permanence. The non-*hukou* migrants are considered transients who are not supposed (and are legally not entitled) to stay at the destination permanently, and therefore they are often termed "temporary" migrants, although many have been at their destination for years. They are also outside state welfare obligations at the destination. *Hukou* migrants, on the other hand, are provided with state resources and fall into the "planned" migration (*jihua qianyi* 计划迁移) category.[38] For the last 25 years or so, the majority of the floating population are people with agricultural *hukou* going into cities, falling into the final category described in the previous section.

Before the nongzhuanfei reform in the late 1990s

Prior to the late 1990s, any officially permanent migration required approval from the state to convert *hukou* status from agricultural to non-agricultural *and* to change the place of *hukou* registration (from a village to a particular town or city). That is, any rural-to-urban migration involving permanent *hukou* change required both a conversion in entitlement status – the *nongzhuanfei* process – and a geographical change in residential place[39] (see Table 1). In applying to change the place of regular *hukou* registration, applicants needed to present appropriate documentation to the public security authorities to obtain a "migration permit," which entitled them to a *hukou* at the new location. The migration permit was based on successfully completing the *nongzhuanfei*. In other words, *nongzhuanfei* was a critical, necessary step in rural-to-urban *hukou* migration.

The qualifications for *nongzhuanfei* were stipulated by the central government and were designed to serve the needs of the state. In the past (especially in the 1970s and 1980s), *nongzhuanfei* was conferred mainly on: those recruited as permanent employees by a state-owned enterprise (*zhaogong* 招工); those displaced due to state-initiated land expropriation (*zhengdi* 征地); those recruited for enrolment in an institution of higher education (*zhaosheng* 招生); those promoted to administrative positions (*zhaogan* 招干); those relocated

38 Kam Wing Chan, "Internal labor migration in China: trends, geographical distribution and policies," *Proceedings of United Nations Expert Group Meeting on Population Distribution, Urbanization, Internal Migration and Development*, ESA/P/WP206, United Nations (2008), pp. 93–122.

39 Chan and Zhang, "The *hukou* system and rural–urban migration."

Table 1: **Approval Procedures for *Hukou* Migration**

Process	Approving authority (and fiscal responsibility for the migrants)	Significance	
		Before the *nongzhuanfei* reform	After the *nongzhuanfei* reform
Step 1: *nongzhuanfei* (from "agricultural" to "non-agricultural" *hukou*)	Central government	Critical	Not needed
Step 2: obtaining local *hukou* (from non-local to local)	Local government	Usually followed *nongzhuanfei* approval	Critical

because of exceptional family circumstances (such as moving to a city to live with and look after a sick parent); those who joined the army (*canjun* 参军) and got demobilized to cities; and those deemed to belong to special categories (either recipients of compensation for past policy mistakes or people who had endured personal sacrifices and hardships because of their work for the state).[40] In a few instances, non-agricultural *hukou* has been rewarded for acts of extra bravery and outstanding work behaviour in the factory. Conversely, people who committed certain crimes were stripped of non-agricultural *hukou* status.[41] For each locale, the annual quota of *nongzhuanfei* was controlled by the central government at 0.15 to 0.2 per cent of the non-agricultural population. In understanding the recent changes to this process, it is important to note that it was the central government which not only regulated and approved the annual *nongzhuanfei* quota for the nation and for each locale, but also bore the main fiscal responsibility for the non-agricultural *hukou* population and all increases.

The nongzhuanfei reform

Beginning in the early 1980s, China has gradually implemented various programmes to devolve fiscal and administrative powers to lower-level governments. This trend has included changes to management of the *hukou* system. Local governments have had more control in deciding the levels of both *hukou* and non-*hukou* migration to their respective administrative jurisdictions, especially since the late 1980s. This can be seen in 1992 and 1998 MPS directives (approved by the State Council) permitting city authorities, among many other things, to grant (permanent or quasi-permanent) local *hukou* to investors and to others, mainly professionals, who had a stable job and place of residence in the city.[42] In fact, many local governments took advantage of the new power by

40 See details in *ibid.*; Fei-Ling Wang, "Reformed migration control and new targeted people."
41 Yu Depeng, *Urban–Rural Society*, pp. 54–57.
42 State Council directives, August 1992 and July 1998. See Chan and Zhang, "The *hukou* system and rural–urban migration."

''selling'' local *hukou* as a way of raising revenue, sometimes to the dismay of the central government.[43]

Market-oriented reforms in the 1980s, along with much greater geographical mobility of the population, put a lot of pressure on the traditional *hukou* system and its management. At the same time, there was mounting criticism of the many problems created by the system from both inside and outside China.[44] The central government finally began to pay more attention to those problems in the early 1990s.[45] In 1992 a working group involving officials from several ministries and commissions was set up under the State Council. In June 1993 the working group circulated a draft proposal of reforms suggesting, among many other things, an abolition of *nongzhuanfei* and simplification of dual classification into a single system based on permanent residence-location, simultaneously increasing local management of the *hukou* system.[46] This new scheme proposed to categorize an individual's *hukou* through three main administrative distinctions: permanent *hukou* (*changzhu hukou* 常住户口), temporary *hukou* (*zanzhu hukou* 暂住户口) and visitor *hukou* (*jizhu hukou* 寄住户口). The plan also recommended giving local government complete control in determining a quota for the annual intake of permanent migrants.

Although this proposal has never been formally endorsed by the State Council,[47] many of the points have been used as guidelines for new *hukou* policies nationally and in selected locales. Measures put into effect include easing *hukou* transfers to small towns (in 1997 and 2001); permitting transfers for family cases that involve either children or elderly parents, whose parents or children, respectively, are already urban citizens (in 1998); and offering local *hukou* status to those who have money (investors and home buyers) or occupational skills fitting the requirements stipulated by local governments.[48]

The localization of *hukou* management and classification was also gradually put into practice. In the 1990s, for example, an array of permanent or semi-permanent local *hukou* under various names (including the ''blue-stamp'' *hukou*,

43 See *ibid.*; Fei-Ling Wang, *Organizing through Division and Exclusion*; Solinger, *Contesting Citizenship in Urban China*.

44 This is well documented in Fei-Ling Wang, *Organizing through Division and Exclusion*, ch. 7.

45 Yan Zhijing and Yu Qihong, *Zhongguo huji zhidu gaige* (*Reform of the Chinese Household Registration System*) (Beijing: Zhongguo zhengfa daxue chubanshe, 1996).

46 ''Guowuyuan guanyu huji zhidu gaige de jueding'' (''Decisions of the State Council concerning reform of the *hukou* system''), see Yu Depeng, *Urban–Rural Society*, p. 382. Yan and Yu, *Reform*, also has a detailed report of the deliberations.

47 The then Premier, Li Peng, indicated in his diary that the State Council had planned to issue a policy document on this in 1995 and carried out pilot programmes in some provinces. See *Shichang yu tiaokong: Li Peng jingji riji* (*Market and Management: Li Peng's Diary of the Economy*), Vol. 2 (Beijing: Xinhua chubanshe and Zhongguo dianli chubanshe, 2007), p. 1083. Yu Depeng, *Urban–Rural Society* points out that there are many, perhaps irreconcilable, internal contradictions in that proposal.

48 See, for example, this directive issued in 1998 by the State Council: ''Guanyu jiejue dangqian hukou guanli gongzuo zhong jige techu wenti de yijian'' (''Opinions on addressing several critical questions of current *hukou* management work''), http://www.calaw.cn/include/shownews.asp?newsid=1304, retrieved 19 December 2006. More sources are in Chan and Zhang, ''The *hukou* system and rural–urban migration.''

"green cards" and so on[49]) was created by many cities. The central government had devolved the management of *nongzhuanfei* quotas and totally delegated the power to admit migrants to most cities by the mid-1990s.[50] With the end of food grain rationing in 1992 in almost all parts of China,[51] the *nongzhuanfei* label lost much of its substantive and symbolic significance in *hukou* migration. The new form introduced by the MPS for recording *hukou* in 1995 did not include the non-agricultural and agricultural *hukou* classification,[52] though population data categorized by agricultural and non-agricultural *hukou* status still continue to be reported in various official statistical yearbooks (some based on proxies),[53] including publications of the 2000 Census.

The proposed abolition of *nongzhuanfei* was also experimented with in a few places in the late 1990s. Most prominently, numerous news releases in the early 2000s reported that a few provincial administrative units, such as Guangdong, Zhejiang, Guangxi, Shanghai, Hebei, Henan and Jiangsu, had announced that they were beginning to eliminate *nongzhuanfei* quotas in regulating the urban *hukou* in some cities and all towns. This new measure meant that these provinces would abolish the "agricultural" and "non-agricultural" *hukou* distinction within individual jurisdictions, mostly towns and county-level cities.[54] In 2001, the Ministry of Commerce also terminated the use of the "urban food-grain ration transfer certificate" (*shizhuanzheng* 市转证),[55] an essential document for

49 Hein Mallee, "China's household registration system under reform," *Development and Change*, No. 26 (1995), pp. 1–29. Linda Wong and Huen Wai-Po, "Reforming the household registration system: a preliminary glimpse of the blue chop household registration system in Shanghai and Shenzhen," *International Migration Review*, Vol. 32, No. 4 (1998), pp. 974–94. See also "Quanguo ge dachengshi lanyin hukou zhengce jianjie" ("An introduction to the blue-stamp *hukou* in large cities in China"), 26 October 1999, at http://dailynews.sina.com.cn/china/1999-10-26/25840.html, accessed 21 December 2006.

50 Li Ruojian, "Difang wailai renkou guanli fagui chubu tantao" ("A preliminary discussion of the local management regulations of outside population") *Renkou yu jingji*, No. 5 (2001), pp. 17–22.

51 Wang Feng, "The breakdown of the Great Wall: recent changes in the household registration system in China," in T. Scharping (ed.), *Floating Population and Migration in China: The Impact of Economic Reforms* (Hamburg : Institut für Asienkunde, 1997), p. 159.

52 See Ministry of Public Security, *Guanyu qiyong xinde changzhu renkou dengjibiao he jumin hukouben youguan shixiang de tongzhi* (*Circular on Some Issues Relating to Usage of New Form of Regular Population Registration and Hukou Book*), issued on 19 December 1995. Also, *Sing Tao Daily*, 8 July 1997, p. A7.

53 The latest official MPS publication on annual population statistics has now made explicit that its agricultural and non-agricultural *hukou* population statistics for eight provinces such as Hebei and Jiangsu are simply based on administrative rural and urban population. See MPS, *Zhonghua Renmin Gongheguo quanguo fen xianshi renkou tongji ziliao 2005 nian* (*Statistical Materials on County and City Population for the People's Republic of China 2005*) (Beijing: Qunzhong chubanshe 2006). The latest Beijing statistical yearbook, *Beijing tongji nianjian 2006*, still includes population data for 2004 and 2005 classified by agricultural and non-agricultural *hukou*, at http://chinadataonline.org, accessed 21 August, 2007.

54 "Shiyige shengshi kaishi tongyi chengxiang hukou, Beijing zan wei lieru qizhong" ("Eleven provinces to begin unified urban–rural *hukou*, Beijing tentatively excluded "), 28 October 2005, www.china.org.cn/chinese/kuaixun/1012501.htm, accessed 16 November 2005. More details are in Fei-Ling Wang, *Organizing through Division and Exclusion*, ch. 7. Gu Chaolin and Kam Wing Chan, "Dachengshi huji yinggai jubu fangkai" ("The *hukou* in large cities should be gradually open"), *Chengshi fazhan yanjiu* (*Urban Development Research*), No. 6 (2001), p. 31.

55 "Shangyebu guanyu qiyong xinde 'shizhen jumin liangshi gongying zhuanyi zhengming' ji youguan shiyong guiding de tongzhi" ("Memo by Ministry of Commerce on the use of new 'urban residents food supply transfer' certificate and its regulations"), http://www.chinalawlib.com/20486838.html, accessed 14 December 2006.

obtaining the "migration permit" necessary for completing the *nongzhuanfei* in the past, as pointed out above. Under the new initiative, the issuance of local *hukou* based on "entry conditions" (*zhunru tiaojian* 准入条件) stipulated by individual governments (cities and towns) would become the only mechanism for regulating *hukou* migration. In short, what used to be a two-step process was simplified to a one-step procedure, as shown in Table 1, and a number of localities in the provinces mentioned above planned to phase out *nongzhuanfei*.

So, then, what was the substance of the MPS statement of 25 October 2005? The statement was basically a progress report of *nongzhuanfei* reforms over the preceding years, *not* a new policy change. In his account, Deputy Minister of Public Security, Li Jinguo, stated that eleven provinces (including Shangdong, Liaonign and Fujian) had begun or would soon begin to implement a unified urban-rural household registration system (*chengxiang tongyi hukou dengji zhidu* 城乡统一户口登记制度), removing administrative distinctions between agricultural and non-agricultural households.[56] The *hukou* unification he referred to was or would be done within individual administrative jurisdictions. The report was consistent with what had been going on in the country since the late 1990s. There was nothing truly monumental in the MPS statement, as is explained in the next section. Interestingly, though, it was this report that fuelled the excitement of the international press and sparked the rush of media pronouncements over the imminent death of the *hukou* in the following weeks.[57]

The Significance of the Abolition of *Nongzhuanfei*

There are two major aspects to the latest ongoing *nongzhuanfei* reform initiative that has been under way since the late 1990s. The first is the localization of *hukou* management, particularly pertaining to the criteria for admitting "outsiders" to the local *hukou* population category in cities. The second deals with eliminating the agricultural and non-agricultural *hukou* classification among the local *hukou* population.

Localization of hukou management

Many local governments (cities and towns) have now received full power and discretion to set their own admission criteria and the number of new permanent *hukou* each unit will accept each year; there is no longer a quota imposed by the central government. As shown earlier, this practice has been gradually

56 "Eleven provinces to begin unified urban–rural *hukou*, Beijing tentatively excluded." Li also announced that the leading committee for *hukou* reform in tandem with the Ministry of Public Security was continuing to examine methods to lower migration restrictions to large and medium cities.

57 The latest update by the MPS, released on 30 March 2007, repeated the same points and included a list of 12 provincial-level units. See "12 shengshi quxiao nongye he fenongye eryuan hukou huafen" ("12 provinces abolish agricultural and non-agricultural hukou classification"), at http://news.qq.com/a/20070330/000042.htm?qq=0&ADUIN=28713256&ADSESSION=1175222466&ADTAG=CLIENT.QQ.1595_SvrPush_Url.0, accessed 29 March 2007.

implemented in many local urban centres since the late 1990s. The 2005 MPS statement is a report and reiteration of that practice. As our main concern is with equal rights for migrants from the countryside, the key question is whether or not the new, locally-decided, entry conditions have any relevance for rural migrant labourers working in various cities, whose typical profile is an ordinary peasant aged 15 to 34, with a junior-middle school education and an agricultural *hukou*.[58]

From a sample of large cities, the destinations of tens of millions of peasant migrants and about which we have reasonably good information (Beijing, Shanghai, Guangzhou, Shenzhen and Nanjing), city governments grant local permanent *hukou* mostly to those who are very rich (millionaires, for example, able to purchase a top-end apartment in the market or make large investments to open a company) or highly educated (usually with a degree or professional qualification), and to those who are immediate family members (usually spouses and children) of existing urban residents.[59] To illustrate, in its 2005 regulations for obtaining the city's permanent *hukou*, Shenzhen stipulates that the following three groups of people living in the city are eligible to apply for a local *hukou*: professionals and those with university degrees; major investors; and those eligible for migration to cities under national special policies (such as members of "split" families where their families hold local *hukou* and reside in Shenzhen, and demobilized servicemen).[60]

The third category does not usually apply to ordinary peasant migrants, and the requirements of the other two categories are clearly beyond their reach, with the exception of a very few. Therefore, the answer to our key question is no: the locally set entry requirements in these cities have no relevance to the great majority of rural peasant migrants. As pointed out above, in the past, *nongzhuanfei* was conferred, albeit extremely selectively, to those whose circumstances fit the criteria for *zhaogong*, z*hengdi, zhaosheng, zhaogan* or *canjun*; or those with exceptional family conditions; and those in special categories. Ordinary peasants had a very slim chance of admission, chiefly via *zhaogong*, as compensation for land expropriated by the state, or for having made a "contribution" to or "sacrifice" for the country by working in a hazardous job (such as in a state-owned mine for several years).[61] The present new practice, however, is almost totally geared towards the super rich and the highly educated and is irrelevant to the ordinary peasant. In other words, the change from a centralized *nongzhuanfei* mechanism to locally decided entry

58 Kam Wing Chan, "Recent migration in China: patterns, trends, and policies," *Asian Perspectives*, Vol. 25, No. 4 (2001), pp. 127–55.

59 A useful source of information is *Chengshi gongzuo juzhu guiding* (*Employment and Residence Regulations in Cities*) (Beijing: Zhongguo fazhi chubanshe, 2003).

60 Details are in "Shenzhen shi huji qianru ruogan guiding (shixing)" ("Shenzhen *hukou* in-migration regulations (provisional)") (2005) http://law.chinalawinfo.com/newlaw2002/slc/slc.asp?db=lar&gid=16842419, accessed 20 December 2006.

61 This would qualify under the special categories of "hardships" and "sacrifices" (doing dangerous work for the state) in the past.

conditions has very little effect on rural migrant labour in these cities.[62] It will definitely not end the pattern of differential treatment of peasant migrants at large. Nor is the new practice designed to promote the growth of the coastal region by encouraging a new influx of labour from the inland regions, as the BBC story suggested.

Localization means practice can vary from place to place. As expected, many large cities where there are more government-provided benefits (including better public schools) tend to put up the most stringent entry conditions, whereas small towns with far fewer or almost no social benefits have the lowest threshold of entry.[63] A very small gain rural migrants may have under this round of initiatives is the possibility of obtaining a *hukou* in a small urban centre (mostly towns but also some county-level cities). This has been made substantially easier since the late 1990s. But small urban centres are not where most peasant migrants want to go, because of the relative lack of job opportunities and social welfare and amenities in comparison with major urban centres.[64] Moreover, those accepting a *hukou* in small towns are required to give up their entitlement to land in their home village, a potentially huge financial loss in some areas.[65] Despite the apparent ease of migrating to small urban centres under the initiative in 1997, the official account indicates that until 2002, just 1.39 million new *hukou* were granted in these small towns and cities nationwide.[66]

Elimination of agricultural and non-agricultural distinctions

The second aspect of the new initiative calls for the elimination of the agricultural and non-agricultural *hukou* classification. Most outside journalists have interpreted this to mean that all agricultural and non-agricultural populations in the country will be treated the same. Obviously, this is not the case and *cannot* be the case given the enormous resource and fiscal implications, as some analysts have pointed out.[67] The nuance missed by the journalists is that this ''equalization'' occurs only *within* some selective locales (usually cities) and not across locales, or nationwide. In the selected cities or city districts in which this initiative is being implemented, agricultural and non-agricultural *hukou* are being ''unified'' into one single category called *jumin hukou* (居民户口 resident household registration) without the past agricultural and non-agricultural

62 Cai Fang and Wang Meiyan, ''Huji zhidu gaige: kaiqi chengshi jingjide yuantou huoshui'' (''Household registration system reform: opening up the source for urban economy''), *Guihuashi* (*Planners*), Vol. 18, No. 10 (2002), pp. 5–7.

63 See *ibid.*; Fei-Ling Wang, *Organizing through Division and Exclusion*, table 5.7.

64 Yang Yunyan, Cai Fang, Kam Wing Chan and Wang Dewen, *Chengshi jiuye yu laodongli shichang zhuanxing* (*Urban Employment and Transition of Labour Market*) (Beijing: Zhongguo tongji chubanshe, 2004), p. 274.

65 Ministry of Public Security, *Xiaochengzhen huji guanli zhidu gaige shidian fang'an* (*Pilot Schemes for Reforming Hukou Administration System in Small Towns*), proposed on 20 May 1997 and approved by the State Council on 11 June 1997. See also Chan and Zhang, ''The *hukou* system and rural–urban migration,'' pp. 840–41.

66 Tian Bingxing, *Zhongguo diyi zhengjian* (*China's No.1 Document*) (Huizhou: Guangdong renmin chubanshe, 2005).

67 Fei-Ling Wang, *Organizing through Division and Exclusion*.

distinction.[68] All those holding the *jumin hukou* in a particular place supposedly have the same rights and status.[69] Thus, those to be incorporated into this unified category include, chiefly, people with local *hukou* living in outlying areas that were already under the jurisdiction of the pertinent city.

The units chosen for this initiative usually have an agricultural *hukou* population that is already "urbanized": most of them are no longer engaged in any farm production. If there are still some agriculturalists, they are a very small percentage of the locally registered population. An example of this is the Shijingshan district of Beijing, an industrial outlying district where the agricultural *hukou* population constituted only 4.6 per cent of the total before the change.[70] Another example is the Guangzhou outlying districts where most of the agricultural *hukou* holders no longer work on the farm as their main job. This was already quite common in the Pearl River Delta in the late 1990s.[71] More importantly, these are primarily units already urbanized or rapidly urbanizing, and the remaining land originally owned by the collectives of the agricultural *hukou* population is needed for urban and industrial construction; the *hukou* conversion to city resident status is often, in effect, a partial compensational arrangement to expropriate the remainder of peasants' land.[72]

In fact, in recent years, there have been hundreds of complaints and even protests by peasants who are dissatisfied with the compensation and settlements of land expropriation by local governments because the compensation for the requisitioned land was far below market value.[73] Many people in those areas would actually prefer to keep their agricultural *hukou* status so they can continue to draw financial benefits from their land (such as from rental housing) and other rural "benefits" (such as the extra birth allowance for rural population under the current family planning policy, and the annual "dividends" derived from their "collective" enterprises in their home areas), while simultaneously enjoying many advantages of urban life because of their proximity to the city. Indeed, in many so-called "villages" (places administratively classified as villages, but highly urbanized, including some in the middle of the cities) in the

68 See "Zhongguo huji gaige tiaojian yijing jiben chengshu" ("Conditions for *huji* reforms are ripe in China"), at http://china.com/policy/txt/2007-05/09/content_8222503_2.htm, 9 May 2007, accessed on 9 May 2007. Using the example of Nanjing, the population holding a Nanjing agricultural *hukou* and those holding a Nanjing non-agricultural *hukou* are now merged into one category called "population holding Nanjing *jumin hukou*."

69 After the "unification," some former agricultural residents are still treated as second-class citizens. See comments in *ibid.*

70 See "Beijing jinqi chuxian diwuge wu nongye huji renkou chengqu" ("A fifth district without agricultural *hukou* now emerges in Beijing"), at http://news.xinhuanet.com/newscenter/2002-12/01/content_645903.htm, accessed 9 December 2006.

71 See Gregory Guldin, "Desakotas and beyond: urbanization in southern China," in Guldin (ed.), *Farewell to Peasant China* (Armonk, NY: M.E. Sharpe, 1997), pp. 47–67.

72 Unlike in the pre-reform era, peasants with land expropriated by the state at present are not automatically entitled to a conversion to a non-agricultural/urban *hukou*.

73 Albert Keidel, "China's social unrest: the story behind the stories," *Policy Brief*, Carnegie Endowment, No. 46 (2006). Chen Yingfang, *Zhengdi yu jiaoqu nongcun de chengshihua – Shanghaishi de tiaocha* (*Land Expropriation and Urbanization of Villages in the Suburban Region – A Survey of Shanghai Municipality*), (Shanghai: Wenhui chubanshe, 2003).

Pearl River Delta, the agricultural *hukou* population has enjoyed living standards similar to those holding non-agricultural *hukou* in neighbouring towns owing to the financial benefits derived from the use of land.[74]

This agricultural/non-agricultural equalization is also being experimented with locally in the *dibao* (低保 minimum living subsidy) programmes in some coastal cities, such as Xiamen and Nanjing,[75] which, like most other large cities, also administer a number of semi-urban or urbanizing "districts" or counties. Because land was requisitioned by the state, many of the original peasants have also lost their means of livelihood and social security based on land. Though still at an early stage, in 2006 some county-level units in Guangdong (such as Shunde, Huazhou and Dianbai) were considering equalizing some social welfare benefits (such as those for veterans) for both their local agricultural and their non-agricultural populations.[76] But again, there is little doubt that these changes apply only to those who already hold local *hukou* in the jurisdiction, and not those from outside the jurisdiction. In all the cases we know of, the equalization of rural and urban services does not mean anything to the migrant population who do not hold a local *hukou* at the destination. Thus, it is clear that this initiative does absolutely nothing to change the standards of public welfare for the "agricultural" population at large. Nationally, the rural and urban *dibao* systems, for example, remain two disparate systems having still vastly different standards.[77]

To recap, the main effects of the recent abolition of the *nongzhuanfei* are twofold. First, the authority for deciding the size of local *hukou* population and admission requirements has been moved from the central government to the local governments. Second, a number of cities have implemented a scheme to eliminate the distinction between agricultural and non-agricultural *hukou within* each individual city (including some or all of its outlying county-level units). The equalization applies only to those already holding a local *hukou* and is not simply a newly added benefit for the former local agricultural population at the urban fringes. In most cases, those people are included in the city's social welfare

74 Examples of these highly valued local agricultural *hukou* are found in Dongguan, Guangdong: see "Guangzhou Humen xixianshi: nongye hukou techixiang" ("News from Humen, Guangdong: agricultural *hukou* is hot") at http://dailynews.sina.com.cn/c/202530.html, 8 March 2001, accessed 20 December 2006.

75 Personal communication with Philip O'Keefe of the World Bank, who is involved in studying *di bao* in China. Also Phillip O'Keefe, "Social assistance in China: an evolving system," unpublished paper, delivered at a conference at Australian National University, Canberra, Australia, 27 August 2004.

76 Rong Xihong, "Huji zhidu gaige dui youfu gongzuo de yingxiang ji duice" ("The implications and policies of *hukou* reform for veteran work"), at http://www.gdmz.gov.cn/luntan/2006/0303_7.htm, accessed 14 December 2006.

77 See "Zhongguo 28 ge shengqu shi zhiding gongbu le xin de nongcun wubao gongyang biaozhun" ("China's 28 provincial capitals announce formulations to standardize the five guarantees for the surrounding countryside"), 25 January 2007, at http://china.com.cn/economic/txt/2007-01/23/content_7701389.htm, accessed 29 January 2007. Also "Guangdong tiaogao chengxiang dibao biaozhun yao zai qunian jichu shang ti gao 10 yuan" ("Guangdong adjusts last year's standard for rural and urban minimum living subsidy by 10 yuan"), 14 November 2006, at http://china.com.cn/city/txt/2006-11/14/content_7354709.htm, accessed 29 January 2007.

system in exchange for their loss of land permanently, an asset which usually can derive far greater present and future financial benefits in the urbanizing region.[78] Some critics have considered this "equalization" an indirect pillaging of peasants' property.[79]

It can be seen that under the first effect of abolition, the locally determined entry requirements in many large cities are set so prohibitively high that the change will have absolutely no relevance for the great majority of rural migrant workers. The second effect does not apply to these people either because they do not have a local *hukou* at their migration destination. In other words, the new initiative does nothing to close the gulf between the rural and the urban population at the broad national/regional level; it does not apply beyond the level of a particular urban locality where all those affected already reside.

Signs of Progress?

Before concluding this article, we would like to examine briefly several recent events that highlight the pace of progress in reforming the *hukou* system in broad terms, especially regarding the rights and welfare of rural migrant labour. In 2003 in Guangzhou, Sun Zhigang, a college student migrant from Wuhan, died as a result of police brutality triggered by his failure to carry a temporary resident ID as he did not have a local (Guangzhou) *hukou*.[80] This case illustrates clearly the continued vulnerability of even the well-educated "undocumented" migrants and prompted widespread outrage in the media. The silver lining in this tragedy was an almost immediate change in the relevant Chinese law, to curb the police's abusive power (detention and fines for those failing to produce a valid ID) and better protect migrants. Further study is needed to discover whether this legal change has had any real impact on protecting migrants from police abuse. Later that year Premier Wen Jiabao initiated by accident a national campaign to help migrant workers get back their wage arrears – a serious problem for many migrant workers throughout the country – when he provided assistance to one peasant family in recovering the (migrant) breadwinner's wage arrears during an impromptu detour to a village in his visit to Chongqing.[81] This campaign has been ongoing since then, indicating the tenacity of the problem.[82]

78 Su Hong and Kam Wing Chan, "Tudi zhengyong yu defang zhengfu de xingwei" ("Land expropriation and local government behaviour"), Hong Kong Baptist University, The Centre for China Urban and Regional Studies, *Occasional Paper* No. 58 (2005).

79 See an analysis by Dang Guoying, a scholar at the Chinese Academy of Social Sciences, in "'Cungaiju' buneng yi xisheng nongmin liyi wei daijia" ("'Converting villages to neighbourhoods' cannot be done at the costs of peasants' interests"), 4 March 2008 at http//:epaper.nddaily.com/A/html/2008-03/04/content_399397.htm, accessed 22 April 2008.

80 See *Sing Tao Daily*, 23 June 2003, p. A9. Details of this case are also in Fei-Ling Wang, *Organizing through Division and Exclusion*, p. 191.

81 CCTV.com, "Jinnian bu zai chou qian gongzi" ("No wage arrears worries this year"), http://www.cctv.com/agriculture/special/C11468/01/, accessed 29 January 2007.

82 "Pan Shengzhou: jixu ba tuo qian nongmin gong zi wenti jiejue hao" ("Pan Shengzhou: continuing to solve the wage arrears problems of rural migrant labour"), 10 November 2005 at http://column.bokee.com/99849.html, accessed 29 January 2007.

In education for migrant children, a major policy document issued by the State Council in May 2001 stipulated that local governments take up the responsibility of providing nine-year compulsory education for migrants' children through the public school system.[83] It appears that there has been progress in a few cities like Beijing. According to one report, in 2006, 62 per cent of the city's 370,000 migrant children were enrolled in public schools and 25 per cent in unauthorized migrants' schools.[84] But many serious problems remain: migrant children often have to pay a school fee several times that of local residents, and a significant proportion of them are in sub-standard schools or not in school at all.[85] In fact, few local governments have actually implemented this policy of accommodating migrant children in public schools, at least by the end of 2006.[86] A graphic example is the destructive force used in the closing of an "illegal" school for migrants' children in Shanghai in January 2007. Police stormed and bulldozed the compound, which had provided education for some 2,000 students who did not have the city's *hukou*.[87]

There is a similarly mixed picture in some other aspects. In the early 2000s, several provinces and cities such as Guangdong, Beijing, Shanghai and Xiamen started to set up limited social security schemes to cover rural migrant labour. In a large survey by the National Bureau of Statistics in 2006, about one-third of rural migrant labour had some injury accident insurance cover.[88] In general, the participation rate in these schemes is low, and coverage is still very partial, far less than similar schemes for urban workers.[89] About 14 million out of more than 100 million rural migrant workers had also joined some form of pension scheme by the end of 2005.[90] There are, however, serious questions about the usefulness, or even ethics, of selling pension schemes to migrants because all the schemes require significant contribution by the workers and are not portable:

83 "Guowuyuan guanyu jichu jiaoyu gaige yu fazhan de jueding" ("State Council's decisions on reforms and development of basic education"), 29 May 2001, at http://www.moe.edu.cn/edoas/website18/info3313.htm, accessed 25 August 2007.

84 See, for example, *Xinhua News*, 20 December 2004 about Beijing's migrant schools, at http://www.china.org.cn/english/culture/115453.htm, accessed 7 January 2005. The figures cited are reported by an organization of migrants' schools in Beijing: see "Beijing daguimo qudi zhenggai mingong zidi xuexiao" ("Beijing launches a large-scale campaign to close down migrants' schools"), *Xinjing bao* (*New Beijing Post*), 28 August 2006, at http://news.xinhuanet.com/edu/2006-08/28/content_5015898.htm, accessed 18 August 2007.

85 "Beijing closes schools for migrant children in pre-Olympic clean-up," 26 September 2006, http://hrw.org/english/docs/2006/09/26/china14263.htm, accessed 26 January 2007.

86 Zai Liang, "Internal migration: policy changes, recent trends, and new challenges," in Zhao and Guo, *Transition and Challenge*, p. 208.

87 "Shanghai school for migrants shut down," ABC News International, 11 January 2007, http://abcnews.go.com/International/wireStory?id=2781935,accessed 12 January 2007.

88 National Bureau of Statistics, "Nongmingong shenghuo zhiliang diaocha zhiyi: laodong jiuye he shehui baozhang" ("Quality of life survey of rural migrant labour 1: employment and social security"), http://www.cpirc.org.cn/tjsj/tjsj_cy_detail.asp?id=7485, accessed 21 August 2007.

89 Du Yang and Gao Wenshu, "Zhongguo li yiyuan shehui baozhang tixi you duoyuan" ("How far away is China from an integrated social security system"), *Zhongguo laodong jingjixue* (*China Labour Economics*), Vol. 2, No. 2 (2007), pp. 45–59.

90 "2006 niandu laodong he shehui baozhang shiye fazhan tongji gongbao" ("The 2006 report of development and statistics of labour and social security"), at http://www.molss.gov.cn/gb/news/2007-05/18/content_178167.htm, accessed 14 August 2007.

subscribers must have worked in one fixed locality for 15 years before being eligible for any pension.[91] Because there is high turnover in migrant employment, one seriously wonders how many migrants will ever meet the requirements to collect benefits in their later years.

Beginning in 2006, the central government abolished the *hukou* requirement in its hiring of new civil servants; presumably the new positions are now open to all citizens, including rural residents, regardless of *hukou* status.[92] This is definitely a positive move, but is only applicable to the more educated. Potentially more important for long-term policy change affecting rural migrants' rights, the State Council in late January 2006 issued a 40-point document entitled "Several opinions of the State Council on the question of rural migrant labour."[93] The directive asks local governments, among other things, to make entry conditions easier for *mingong* (rural migrant workers) to settle in towns and cities, including giving priority to "model workers" and highly skilled workers in the rural migrant labour pool. On the other hand, the document also acknowledges that *mingong* is a phenomenon set to last in Chinese cities, further suggesting that the *hukou* system which created this special social group in the first place will be very likely to remain in place for many more years, if not decades. Nevertheless, the generally pro-*mingong* rhetoric of the document is a welcome move in setting a more positive tone for creating a better work and living environment for migrant labour. Given the almost complete localization of *hukou* management in cities today, however, how many of these "good intentions" will get implemented remains to be seen.

More recently, in June 2007 the National People's Congress passed a law that called for a host of protections for workers (including a greater role for the state-sponsored union to negotiate wages and a guarantee of written contracts) which has the potential to increase workers' ability to obtain long-term, stable employment. The law, set to take effect in 2008, was allegedly passed in response to growing unrest among China's migrant labour force amid countless cases of unpaid wages and unsafe working conditions.[94] The law also requires that employers treat migrant workers as they do other employees. Its effectiveness, of course, will be dependent on its enforcement, a matter largely in the hands of local officials.[95] Mostly symbolic at this point, three rural migrant workers were, for the first time, elected deputies to the National People's Congress in February 2008.[96]

91 See Lu Haiyuan, *Zoujing chengshi: nongmingong de shehui baozhang* (*Enter the City: Social Security for Rural Migrant Labour*) (Beijing: Jingji chubanshe, 2004).

92 *Sing Tao Daily*, 4 November, 2005. Previously, 80% of the new civil servant positions in the central government required a Beijing *hukou*, see *Sing Tao Daily*, 3 November, 2004, p. A15.

93 See http://www.china.com/cn/chinese/news/1167155.htm, accessed 9 January 2007.

94 See Joseph Kahn and David Barboza "As unrest rises, China broadens workers' rights," *The New York Times*, 30 June 2007.

95 "Woguo lifa jiadadui laodongzhe baohude lidu tixian yiren weiben" ("China has become more people-oriented by issuing laws to strengthen the protection of labour workers"), 25 August 2007, http://china.com.cn/policy/txt/2007-08/25/content_8744700_2.htm, accessed 25 August 2007.

96 Xinua.net, "11 jie quanguo renda daibiao goucheng tese pingxi" ("Analysis of the composition and characteristics of deputies of the 11th National People's Congress"), 28 February 2008, at http://www.china.com.cn/news/text/2008-02/28/content_11066339_2.htm, accessed 28 Februrary 2008.

As mentioned above, there is also great variation in the pace of *hukou* reform at the local level. Shijiazhuang, the capital of Hebei, adopted in 2001 what is touted in the Chinese national media front pages as the most sweeping *hukou* reforms of all large cities, with the potential to be a model for other cities in the future.[97] The city's new initiative stipulated lower entry conditions than those used by the sample of large cities surveyed above. In addition to the usual categories (a total of eight) of the rich, the highly educated and family members of the city's residents, the most progressive feature of the Shijiazhuang reform was its addition of one category of "workers" (*wugongzhe* 务工者) who would now be eligible for local *hukou*.[98] Reporting this news, the national *China Youth Daily* hailed it as a "complete demolition of the *huji* fences" in the city and reasoned that the 300,000 migrant workers would benefit greatly.[99] On closer examination, however, the category of "workers" was restricted to the *hetongzhi gongren* (合同制工人 workers with a contract, usually in a state-owned unit) who had already worked for at least two years in the city. There are no systematic and consistent data to assess how many *mingong* actually were admitted under this programme. Existing material suggests that the number was quite large (between 11,000 and 70,000) in the first year,[100] which was quite impressive by the standards of other large cities. However, the impact was limited for the masses of rural migrant workers. A closer look at the programme indicates that the great majority of those who benefited in the two years were local population with agricultural *hukou*.[101] This is very similar to what has happened in some other locales, as analysed in the previous section.

After the first year of reforms, the city gradually closed the door to this category of entrants, and the proportion of low-skilled migrant labourers in the total intake dropped precipitously.[102] In the autumn of 2003, the city's public security bureau decided to limit the intake of low-skilled migrant labour further by issuing a revised directive with higher residence and housing requirements.[103]

97 "Shijiazhuang quanmian chaichu huji fanli" ("Shijiazhuang completely demolishes the *huji* fences"), *Zhongguo qingnian bao* (*The China Youth Daily*), 12 August 2001, p. 1.

98 "Shijiazhuang huji biange chongjibo" ("The blasting wave of Shijiazhuang's *huji* reform"), *Renmin gonganbao*, 22 January 2002, p. 4.

99 "Shijiazhuang completely demolishes the *huji* fences," p. 1.

100 According to Wang, of the 300,000 migrant workers in the city, only 11,000, or less than 4%, were eligible for this programme in 2001. See Fei-ling Wang, "Brewing tensions while maintaining stabilities: the dual role of the *hukou* system in contemporary China," *Asian Perspective*, Vol. 29, No. 4 (2005), pp. 85–124. Another source cited a figure of 69,834 *wailai wugongzhe* (outside workers) admitted in the first year of the reform. ("Shijiazhuang huji gaige yinian lai yi jiena shiwan waidi renkou" ("Shijiazhuang *huji* reforms admitted 100,000 outsiders in the first year") at http://www.chinanews.com.cn/2002-08-22/26/214618.html, accessed 3 February 2007). It appears that many migrant workers with post-secondary education were included in that category,

101 Wang Wenlu, "Renkou chengzhenhua beijing xia de huji zhidu bianqian" ("The evolution of the *huji* system under urbanization,") *Renkou yanjiu*, Vol. 27, No. 6 (2003), pp. 8–13.

102 *Ibid.*

103 "Shijiazhuang gong'anju guanyu shenhua woshi huji guanli zhidu gaige de shishi yijian" ("Suggestions on implementing further reforms of *huji* management system in our city," issued by Shijiazhuang Public Security Bureau), 27 September 2003, at http://www.chinaacc.com/new/63/74/117/2006/1/li3332418131716002574-0.htm, accessed 6 May 2007, see particularly s. 2.2.6.

Only 670 migrant labourers were admitted in the year following this new directive.[104] Here, as in other cities which have carried out similar reforms, there is significant leeway in manipulating the directives to suit local needs, and prospective low-skilled migrant candidates often cannot prove the required continuous employment (two years in Shijiazhuang) and housing/residency because of the high turnover of their temporary or semi-legal employment and changing abodes in the city. It is quite clear from this brief survey that even the most "revolutionary model" of Shijiazhuang did not truly aim at "completely demolishing the *huji* fences," as the *China Youth Daily* would have us believe. In our preliminary analysis, the Shijiazhuang *hukou* reforms have some significance by including "labour migrants" in its admission categories, but the scope remains very limited. In practice, the city's new initiative was not very different from those in other major cities: they were mainly set up to lure the rich, professional, educated classes, and to settle *hukou* problems for family members of existing city residents and the local agricultural population whose land had been expropriated, but not to open the *hukou* doors to low-skilled rural migrants.

Even if there was a slight opening to rural migrants in Shijiazhuang, recent signs elsewhere and nationwide seem to point in the opposite direction. As a case in point, in the early autumn of 2006, in a preparation plan for the 2008 Olympic Games, one Beijing official openly floated the idea of repatriating the millions of migrant workers in Beijing to their home towns during the Games in order to achieve a manageable population.[105] This in spite of the fact that migrant construction workers have literally built all the facilities for the Games in the city. In other cases, such as Zhengzhou, an industrial centre in Henan province, reforms were implemented and then quickly withdrawn. The city opened its doors in 2001 and a bit more in 2003, only to have the worst fears of urban protectionists promptly realized as city expenditure for public schools, roads, housing and transport skyrocketed in addition to increased reports of crime. The new programme was dropped in 2004.[106]

These scattered cases highlight various efforts across the country and at the national level to address the most flagrant abuses associated with the existing *hukou* system which, left unreformed, could seriously jeopardize the lives or livelihoods of migrant labour and disrupt "social harmony." These cases may illustrate the contradictions of the new localized *hukou* management system that can – and often does – counteract the central government's goals and

104 "Pingwen liangxing: Hebei Shijiazhuang huji gaige zai zhuizong" ("Stable and benign: further following Hebei Shijiazhuang's *hukou* reform"), 20 September 2004, http://news.163.com/40920/9/10OCRB7H0001124T.html, accessed 6 May 2007.

105 *Jinghua wanbao* (*Beijing Times*), 15 September 2006, p. A7. Migrants are seen as particularly vulnerable in Beijing from a variety of sources as the city prepares for the 2008 Olympics. See "Beijing closes schools for migrant children in pre-Olympic clean-up."

106 "Quxiao hukou jiexian dui chengshi guanli shi chang tiaozhan" ("Abolishing *hukou* boundary is a big challenge to urban management"), *Diyi caijing ribao*, 1 November 2005, p. A02. Fei-Ling Wang, *Organizing through Division and Exclusion*.

well-intentioned rhetoric (such as alleviating extreme inequality and streamlining a national labour market).[107] Local officials, to whom power in *hukou* management has been given, are more eager to employ reform measures as tools to attract the "best and the brightest" and the wealthy to the city, to exploit the cheapest labour possible, and to expropriate peasants' land to enrich local governments' coffers and some personal wallets.[108] However, there are reasons to believe that even for the national government, maintaining a competitive edge in labour costs is crucial to China's positioning as the "world's factory" in the global economy. *Hukou* is obviously central to the current system of sustaining super-low-cost Chinese labour in the international market.[109] Seen in this light, for *hukou* abolition with any substance, the road ahead is a very long and bumpy one.

Conclusion

The primary concern of this article has been to examine whether China has taken significant steps to abolish the *hukou* system in the last few years. To answer this question, we sought to clarify the basic operations of the *hukou* system in China historically and in light of recent reforms. Specifically, we have examined the two-tiered classification system traditionally employed in the *hukou* system, the *nongzhuanfei* process and its reforms, and the complexity of the *hukou* lexicon. We conclude that China is moving to phase out the *nongzhuanfei*, at least in a few places in selective provinces, but it is not abolishing the *hukou* system as we know it. Despite a good deal of rhetoric in the press about the recent reforms, the reality is that these initiatives have had only very marginal impact on weakening the foundation of the system. The *hukou* system, directly and indirectly, continues to be a major wall in preventing China's rural population from settling in the city and in maintaining the rural–urban "apartheid." Wang's evaluation of the system in 2004 as "adapted and adjusted" but "alive and well" remains true four years later.[110] The Chinese saying "the thunder is loud, but the raindrops are tiny" (*leisheng da, yudian xiao*) aptly describes what has happened in this round of *hukou* reforms. The current *hukou* system, particularly as it pertains to rural-to-urban migrants, is still very relevant in present Chinese society.

While *nongzhuanfei* used to be the core part of the rural-to-urban *hukou* transfer, this is no longer the case in the current, localized *hukou* management system. The abolition of *nongzhuanfei* – dropping the agricultural/non-agricultural division of the population within some cities – as cited in the 2005

107 Fei-Ling Wang, "Brewing tensions while maintaining stabilities."

108 In recent years, the Chinese media are full of stories of corruption in association with land expropriation and real estate development projects involving government officials.

109 Anita Chan and Robert J. S. Ross, "Racing to the bottom: industrial trade without a social clause," *Third World Quarterly*, Vol. 24, No. 6 (2003), pp. 1011–28. Cindy Fan, *China on the Move: Migration, the State, and the Household* (New York: Routledge, 2008).

110 Fei-Ling Wang, "Reformed migration control and new targeted people," p. 129.

MPS report, however, does not equate with the abolition of the *hukou* system or the removal of restrictions on China's internal migration. In fact, *nongzhuanfei* is now replaced by locally determined "entry conditions" which are geared to attracting the wealthy or the highly-educated, and which are hardly relevant to the great majority of the rural migrant workers. It is true that restrictions for permanent migration have been reduced, but they are relevant only for the rich, the educated and family members of existing urban residents. The reading of the *nongzhuanfei* abolition as a new nationwide policy to allow peasant migrants from, say, a village in Sichuan to get urban status in Guangzhou is completely erroneous. At the general level, this *hukou* reform initiative does little, if anything, to break down China's significant rural–urban divide, and the walls between rural and urban social space remain powerful. In the past, the rural–urban divide was defined with reference to the "agricultural" and "non-agricultural" *hukou* determined by the state (controlled by the central government). At present, the divide remains: it is based on differentiating between the "locals" and the "outsiders" (migrants from the countryside). This has come as a result of fiscal discentralization and localization of population management and *hukou* regulation.

Even though in the big picture, the *hukou* system is not being abolished, there have been some cases of "granting rural residents urban rights," as claimed by the Chinese press. We have found that this *is* happening in a few places as a pilot scheme, but on a very limited scale that applies exclusively only to those who already have local *hukou* in those locales – usually local peasants whose land has been involuntarily repossessed by the state. Rural migrants from other locales remain "outsiders" and are not affected by this change. Even for the small number of local agricultural *hukou* holders who are now undergoing the conversion to urban *hukou*, it is very doubtful that this change represents a real gain to them at all. Judging from the numerous petitions and protests peasants made against land expropriation, one would tend to conclude that this change is not a very good one.

Why then, did the outside (and especially Western) media leap to the far-fetched extrapolation that the *hukou* system was being abolished? We found that in this particular case, at the "technical" level, many journalists were not aware of the complexity of *hukou* operations. They did not know of the replacement of the *nongzhuanfei* by equally effective control through local entry conditions. They also assumed that the abolition of "agricultural" and "non-agricultural" classification meant the elimination of the "rural" and "urban" division in the Chinese *hukou* nationwide when in fact this process was being applied only within selective individual administrative units. As analysis in this article shows, the operational rules and nuances of the language of China's *hukou* system and reforms are quite complex and can be easily confused, especially in translation.

At a more fundamental level, some observers may have focused more on the changes from the Maoist era in China than on the continuities. Under Mao, China was frequently described as hiding behind a "bamboo curtain."

Semi-transparent to the outsider, this screen allowed watchers to pick what they liked (perhaps unconsciously at times) and imagine the rest. In some respects, that curtain has not yet been, and may never be, completely lifted. During the whole of the "transition" era, news media in particular have tended to focus more on China's changes, assuming that it is on a continuous, linear progression towards a "market" economy, with an open, free society much like our own – what David Bray has referred to as a "Weberian teleos of modernity" for China.[111] Chinese state-controlled media, perhaps for different reasons, tend to trumpet the same story.[112] As a result, many outside observers have overlooked tenacious continuities from the Maoist era (the one-party system to name but one important, if obvious, example). Not surprisingly, the legacies of Maoism and Leninism, particularly in institutions like the *hukou* system, have an inertia of their own that often make real change quite difficult. At times, this belief in China's incessant "progress" may blind some to the significance of a more cautious reading of China's reforms and to understanding more accurately the direction in which the country is heading. In a more simplistic view of China, the abolition of the *hukou* system and elimination of restrictions on rural migrants' rights to the city may appear not only logical but an inevitable outcome of China's rapid "market transition." Interestingly, the *hukou* system is definitely a core institution of the planned economy. The fact that it has remained potent tells perhaps how far or little China has travelled down the "market transition" path. We must be careful not to take such a transition for granted; instead, we should examine policy changes on the basis of their actual impact, not on the basis of what we assume China is going to become.

111 Bray similarly finds that important institutional and socio-cultural legacies of the past are frequently ignored in Western analysis of changes to the urban *danwei* system. See David Bray, *Social Space and Governance in Urban China: the Danwei System from Origins to Reform* (Stanford: Stanford University Press, 2005), ch. 7.

112 For example, see "66 guo chengren zhongguo wanquan shichang jingji diwei san da huoban shang wei songkou" ("66 countries recognize China's status as a market economy but the three largest trading partners have not done so") 15 January 2007, at http://www.china.com.cn/news/txt/2007-01/15/content_7652990.htm, accessed 16 January 2007.