

China

Response to Information Request Number:	CHN99005.ZLA
Date:	January 4, 1999
Subject:	China: Information on Relocation
From:	INS Resource Information Center, Washington, DC
Keywords:	China / Internal migration / Freedom of movement / Freedom of residence / Population transfers / Ubanization

Query:

- 1) Information on relocation in China
- 2) Whether it is possible to relocate in China and to gain permission to legally register in the new location through the payment of some type of fee.

Response:

In response to this query regarding relocation in China, following is an excerpt of an article by Fei Ling Wang which was published in the November 1998 issue of ,*Journal of Contemporary China*:

Started in 1952, the *hukou* (household registration) system has institutionally separated the rural Chinese from urban residents and controls the mobility of the populace. In 1958, a nationwide *hukou* system was finally implemented. It has contributed institutionally to the maintenance of a typical dual economy, which still exists in today's PRC. This system requires every Chinese citizen to be registered with the *hukou* authority or the *hukou* police at birth. The categorization (urban or rural), location, or unit affiliation are documented and verified to be the person's permanent *hukou* record. A person's *hukou* is determined by his mother's *hukou* rather than the birthplace. A mother with rural *hukou*, for example, could only give her children a rural *hukou* despite the fact that the children may have been born in a city and even fathered by an urban resident. One cannot acquire legal permanent residence, and thus generally a job and all the community-membership-based benefits and privileges, in places other than where one's *hukou* is. Only through the proper authorization of the government can one change one's *hukou* location and status, especially the categorization from rural to urban. There are a few other very narrow channels for crossing the *hukou* barriers: passing college entrance exams, joining the military and becoming an officer (and thus a cadre qualified to have an urban *hukou*), or some marriage schemes. The increasing gap between the rural and the urban economies, caused by the *hukou* system, has led to increasing disparity between living standards in the 'two Chinas'.

Although it was formally adopted by a communist regime, the *hukou* system is a 'Chinese' system with deep historical roots that can be traced back centuries, even millennia. To migrate from the excluded areas (generally the rural and small or remote towns) to the 'better' areas (mainly the major urban centers and coastal cities) has been strictly controlled and practically impossible. As a consequence of the decentralization caused by reform, *hukou-based* exclusion has evolved to exist mainly along the boundaries of the smaller communities such as the *danweis* or townships and the villages, in addition to the still existing rural-urban division. As a result of reform and as a key factor in the formation

of the national labor market, the *hukou* system has experienced some changes that have allowed it to accommodate the advancing market economy through allowing some controlled migration of people, even across the rural-urban division, while effectively causing the majority of the millions of laborers with zero marginal productivity to be underemployed instead of unemployed floating people, who have been traditionally very threatening to Chinese sociopolitical stability.

The most relevant changes in the *hukou* system have been the adoption of two special types of residential registration to allow increased yet controlled labor mobility. The first is the so-called *zanjuzheng* (temporary residential permit). The other is the so-called 'blue-stamp *hukou* or blue card'. Other reform ideas have been debated but have yet to be tried on a large scale. These two special types of legal residence require the holder to pay a one-time and then an annual registration fee, have a valid local job, and be reviewed annually. The difference is that the blue card (or stamp) *hukou* requires the sponsoring employer to be a major enterprise (in Shenzhen, the government set one blue *hukou* sponsorship per RMB 1 million investment or RMB 100,000 annual tax payment). If not a cadre or without a college or higher degree, one must first be employed with a *zanjuzheng* for three years before becoming eligible to apply for a blue *hukou*. The blue *hukou* functions more like the regular *hukou*, and its holders are allowed to enjoy basically all the community-based benefits and rights. They can have the same local wages, resident tuition for elementary and middle schools, and political rights, and most importantly, the chance to get a regular *hukou* in 2-5 years. But they must pay a high annual fee, which was set at RMB2,000 in Shenzhen in 1995-1996. Once they are ready to apply for a regular local *hukou*, they have to pay a substantial 'urban enlargement fee' or 'urban construction fee', which was set in Shanghai in 1996-1997 at RMB20,000-100,000, roughly 1-6 years' average local wages. In the summer of 1995, to cope with the estimated 80 million floating peasants who were causing tremendous social and political problems, the PRC Public Security Ministry expanded the *zanjuzheng* system to cover all migrating nonurban *hukou* holders. Since then, anyone who works outside his home town for longer than one month must register for a *zanjuzheng*. Any job applicant must have his personal identification card *and* his local *hukou* card or blue *hukou* card or *zanjuzheng*. Employers and employees would be punished if nonlocal residents were found working without a *zanjuzheng*.>

References:

Wang, Fei Ling, "Floaters, Moonlighters, and the Underemployed: a national labor market with Chinese characteristics," *Journal of Contemporary China* (Oxfordshire, UK: Volume 7, No. 19, November 1998), p. 466-67.

Last Modified 06/14/2002