Hukou

II.S945 Urbanizing China
Outline

• Hukou Case and Dialogue

• Design of the course
Class 2 Summary

Is China an Outliner?
How is China unique?

- Scale
- Baseline
- Institutions
Institutions

- Hukou
- Land (and finance)
Hukou
Hukou

- What is it? Categories/Benefits
- Origin
- Consequence
- How to change it?
  - Abolish / Continue / Compromise
- People
  - Why do people move?
  - What’s the life of a migrant?
What is Hukou?
Photograph of hukou certificate removed due to copyright restrictions. Refer to image of [hukou certificate](https://commons.wikimedia.org/wiki/Category:Hukou_certificate) on Wikimedia Commons.
<table>
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<tr>
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<th>Birth Place</th>
<th>Ethnicity</th>
<th>Father's Hometown</th>
<th>Birth date</th>
<th>Religion</th>
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<td>王玉成</td>
<td>黑龙江省绥棱县西北街4委30组12号</td>
</tr>
</tbody>
</table>

(Non-agriculture) Urban Hukou

© source unknown. All rights reserved. This content is excluded from our Creative Commons license. For more information, see [http://ocw.mit.edu/help/faq-fair-use/](http://ocw.mit.edu/help/faq-fair-use/).
Without Hukou

Cannot open bank account

Cannot buy air ticket or train ticket

Cannot get married

Cannot give birth to a child

Cannot find a job

Cannot get food

Cannot attend college/high school
Two Parts of Hukou (1958)

• Place of registration

• Type of Hukou
Two imbalances

- Regional imbalances
- Urban-rural imbalances
A Dualistic System

Urban

Invisible Wall

Rural

Danwei

Collective
What’s the benefit of a Urban Hukou?
Hukou System Today

• a benefit eligibility system: a tool of institutional exclusion rather than controlling geographical mobility

• the population of a city is divided into “local” and “outside” population.
Services gap

- Guangdong, NDRC Report 2012
- Natives can enjoy 17 types of services and benefits.
- But 10 types are off-limits to migrants, and the rest can only be "partially enjoyed" or "enjoyed in small amounts,."
Benefits Associated with Urban Hukou

Social Welfare
-- healthcare and maternity benefit
-- unemployment insurance
-- pension

Education
-- free access to local public schools (till 9th grade)
-- college entrance exam

Housing
-- housing provision fund
-- affordable housing

Employment
-- local urban Hukou preferred

Not transferrable between cities
What if you don’t have a Shanghai Hukou

Pension
-- you pay 8%, your Shanghai employer pays 22%
-- without a Shanghai Hukou, you are not entitled to the 22%

Medical
-- you pay 2%, your Shanghai employer pay 12%
-- enjoy 14% while you work in Shanghai
-- but only 2% when you retire

Unemployment
-- you pay 1%, your employer pays 2%
-- enjoy nothing

Housing Fund
-- full access, but your employer is not required to match your 7%.

Your kids could not attend high schools in Shanghai
### College Entrance Exam (Chinese SAT)

#### Tsinghua University

<table>
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<tr>
<th>Province</th>
<th>Humanities</th>
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<td>陕西</td>
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#### Humanities | Science/Tech. |
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<tr>
<td>627</td>
<td>666</td>
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</tbody>
</table>

2009

Universities are allowed to admit relatively more students in Beijing & Shanghai: lower scores

Frauds occur all the time -- attended school in Shandong but moved to Qinghai one year before the exam

Suppose your score = 560, if you have Shanghai Hukou, or Shandong Hukou

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Students take exam at their Hukou province -- subject to admitting score at that province
I want a Hukou

Photograph of boy holding a sign with "I want hukou" written in Chinese removed due to copyright restrictions.
Infographic removed due to copyright restrictions.
China's hukou system

- institutional mechanism defining the city-countryside relationship
- shaping important elements of state-society relations
- provided the principal basis for establishing identity, citizenship and proof of official status, it was essential for every aspect of daily life.
- Without registration one cannot establish eligibility for food, clothing or shelter, obtain employment, go to school, marry...
- bifurcated social order
Can you change Hukou?
How to Change from Rural to Urban Hukou?

- College
- Investment
- Marriage
- Property
- Eminent Domain
Changes of Hukou

Born in Heze

Heze Urban Hukou (thanks Pa and Ma!)

Went to College in Tianjin

Tianjin Urban Collective Hukou

Went to Graduate School in Beijing

Beijing Urban Collective Hukou

No Hukou at all

Came to the US

Find a job in Beijing

Depends whether the employer has Beijing Hukou Quota or not
Getting a Shangai Hukou through Marriage

No time requirement on the marriage when
-- One spouse has a PhD
-- One spouse is an awardee of Provincial/Ministry level awards
-- Shanghai hukou holder has a master degree (worked here > 3 years), or a bachelor degree in computer, electronics, communication working for a hi-tech firm

Marriage > 3 years when
-- Shanghai hukou holder has a master degree and graduated > 3 years

Marriage > 5 years when
-- Shanghai hukou holder has a high school diploma
Residence Certificate in Shanghai (Green card?)

Type A: Talented
-- college degree
-- investment 10 million RMB
-- associated degree, investment 3 million RMB, with Shanghai real estate

Type B: employment based
-- public agencies, university, major firms

Type C: relatives

Duration: 0.5, 1, 3, 5 years

270,000 in Shanghai by 2009
Evaluation System in Shanghai (150 points total)

Basics (55 points)
-- age: < 35 10 points, >51 0 point
-- Education: PhD 25 points, master, 23 points, college, 20 points, high school,0
-- employment: 10 points
-- relatives: parents or spouse has Shanghai Hukou, 5 points
-- housing: housing ownership certificate 5 points

Specialties (35 points)
-- ability: Fellow of China Academy of Sciences 30 points
-- professor able to advice doctoral students: 25 points
-- associate professor: 20 points
-- high rank officials or firm executives with a monthly income > 10,000 RMB

Policy Incentives
Migrant Worker Excellency Award

Photograph of award recipients removed due to copyright restrictions.
Why do people move?

- High pressure
- Low cost of transition
- Awareness / information
- Entrepreneurship
Graph showing urban-rural income gap removed due to copyright restrictions.
Gini Coefficients: Changing Inequality

Image by MIT OpenCourseWare.
Relative to those left behind

Migration increases income

Migrants have harsher working conditions than rural non-migrants

Migrants feel disrespected.

Migrants more likely to be robbed.

Migrants eat better

Migrants practice better hygiene (more frequent showers, teeth brushing; more likely to drink clean water)

...
The 30 largest interprovincial migration flows, 1990 census.

Map removed due to copyright restrictions.
Source: Fig. 2-3 from Fan, Cindy. C. "Modeling Interprovincial Migration in China, 1985-2000." Eurasian Geography and Economics 46, no. 3: 165–84.
The 30 largest interprovincial migration flows, 2000 census.

Map removed due to copyright restrictions.
Source: Fig. 2-3 from Fan, Cindy. C. "Modeling Interprovincial Migration in China, 1985-2000." Eurasian Geography and Economics 46, no. 3: 165–84.
Photograph of Chinese migrant workers removed due to copyright restrictions.
Photograph of Chinese migrant workers removed due to copyright restrictions.
Life of a Migrant
Factory dormitory, Shenzhen, Guangdong, November 2010.
Migrant construction workers at their sleeping place, Beijing, June 2007.
Photograph of Chinese migrant workers removed due to copyright restrictions.

“We will accelerate the establishment of a social safety net targeted at rural migrant workers in cities …”

-- Premier Wen Jiabao, March 5, 2007
Life of a migrant

• http://www.youtube.com/watch?v=Jt9oNpa3Lj8
Socioeconomic Significance

Connections
Made in China

Photograph of Chinese factory workers removed due to copyright restrictions.
Photograph of crowds in China's job fair (2009) removed due to copyright restrictions.
Cheap labor --> Consumers
A Puzzle?

- The acceleration of China’s pace of urbanization coincided almost perfectly in timing with a sharp decline of household consumption as a ratio to GDP.

- Improve the income position of rural migrant workers, but increase precautionary savings motivations due to the bifurcation created by the hukou system.
Connections

- migration + cheap labor + economic growth (especially export-oriented manufacturing)
- migration + controlling the size of city + limited public finance to provide services
- migration + land ownership in rural areas --> “空心村”, “留守儿童”
- migration + property rights in cities --> non-hukou holders not allowed to buy property.
- urban management
How to change it?
Debate!
What if we abolish Hukou overnight?
What if we don’t reform on Hukou?
Stake Holders

- Central Government
- Local Government: Beijing
- Local Government: Ya’an, Sichuan
- Migrant from Ya’an in Beijing
- Local farmer stayed in Ya’an
- A Beijing Native
- An Economist
- CEO of a Beijing Manufacturer
Why hukou has been so slow to reform?

- the costs on the governments to allow free mobility
- public finance (everyone will go to the city, have to provide infrastructure + services + welfare),
- social stability (public security still use hukou to control mobility. Eg. During SARS, Beijing hukou holders not allowed to travel around the country lest the spread of the disease. Eg. During major events, eg. non-Beijing hukou holders, especially those from Xinjiang and Tibet not allowed to enter the city.),
- food security (if peasants are not bound to their land, nobody would farm...)

59
What shall we do?

• What can planners do?

• What cities should be opened up to migrants first? How other matching policies should be in place before opening it up (affordable housing, school resources, etc)?
How do American cities deal with it?
Design of the course
# Cases and Connections

## Preface
- Urbanization Out of Sync
- Is China an Outliner?
- Fundamentals: Hukou and Migration

## Land & Money
- Land Use and Public Finance Institutions
- Quota Market in Chongqing: De-spatialize Land Transfer
- Brownfield in Beijing: How Cities Recycle Industrial Land?
- Public Finance Innovations in Nanchang
- Real Estate Development Process

## Hardware
- Managing Car Ownership
- Urban Infrastructure
- Dispersion of Urban Agglomeration through High Speed Rail
- Costs of Air Pollution: Human Health Damage
- Progress in Energy Efficiency: Technology, Policy and Market
- Financing Urban Access: Transportation, Urban Form and Land Grabbing
- Untangling Complex Urban Issues through Emerging Big Data

## Software
- Drifting and getting stuck: Migrants in Chinese cities
- Urbanization vs. Citizenization: Migrants in Wangjingxi Market
- Spatial Justice in Affordable Housing Design in Ningbo
- Preserving Beijing’s Spatial Tradition in Rapid Urban Development
- Aging Society: Offering Care to the Elderly in the Confucius Society
- Forging Greater Xi’an: New Regional Strategies
### Students’ Role

<table>
<thead>
<tr>
<th>Options of class registration</th>
<th>12 Credits</th>
<th>6 Credits</th>
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<tr>
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<td>Yes</td>
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<tr>
<td>27% (in class idea notes) + 13% (discussion)</td>
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<tr>
<td><strong>Literature synthesis 20%</strong></td>
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<tr>
<td><strong>Team project 40%</strong></td>
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<td>a) Idea: not graded</td>
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<td>b) Proposal: 10%</td>
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<td>c) Draft report: 10%</td>
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<tr>
<td>d) Final report: 20%</td>
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Listeners are welcome on one condition: to attend at least 70% of the classes and submit in-class idea notes.
Literature Synthesis

- Holes in the structure
  - Education
  - Law and rule of law
  - Property right
  - ...

Full of contradictions

• E.g. Environment
• Biggest renewable energy
• Biggest polluter
China Hype and China Bashing

- GDP: 9.5% per year for 30 years
- Urbanize 370m people without slum
- Raise hundreds of millions of people from poor
- Million miles of road, billions of square feet of housing

- Biggest CO₂ emitter
- Severe pollutions
- Political reform
- Inequality
  - urban – rural; east – west; within city
  - from one extreme to another extreme
Literature Synthesis

- Pairing of students
- Flip sides of the same issue
Team project

• Student Pairs
• Project idea and ppt (not graded)
• Project proposal and ppt (10%)
• Project draft report and ppt (10%)
• Project final report (20%)
Team project deliverables

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<td>3. Limitation and future research</td>
<td>3. Limitation and future research</td>
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</table>

Please use mendeley or zotero for references. Follow the APA style. I’ll provide two examples papers for you to learn about the formatting.
Team project

Both draft and final reports are COMPLETE documentation of your projects.

• Draft: the best you can do before my comments
• Final: the best you can do after my comments
Recommended Books

• Weiping Wu and Piper Gaubatz (2013) The Chinese Cities
• Thomas Campanella (2011) The Concrete Dragon: China's Urban Revolution and What It Means For The World
• John Friedmann (2006) China's Urban Transition
Generic logics

• Jinhua and ALL
• Every class, consistent
• Summary at the end of the term
Next class

Land Use and Public Finance
Institutions in China: an Overview

Reading:
On the idea notes

• **inspire** you to think
• **connect** to other topics
• **personal** experience
• **change** of your prior notions
• What if you were the **presenter** today
• **research design**
• Ideas for team **project**
In Class Idea Notes

• Please write them now...
Urbanizing China

A reflective dialogue

11.S945, MW9:30-11:00 Professor: Jinhua Zhao, TA: Liyan Xu