

# **Research to Practice Paper**

## **The Costs of Making Money:**

*The Hukou System and its Effects on the Social Isolation of  
Rural-to-Urban Migrant Workers in China*

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Lessons of Community and Compassion: Overcoming Social Isolation and Building Social  
Connectedness Through Policy and Program Development

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## Introduction

The role of migration for the purpose of finding work has long been an essential part of both traditional and developing economies. With the trend of increasing urbanization occurring through the process of industrialization, this phenomenon of rural-urban labour migration has become increasingly prevalent as states are shifting away from agriculture-intensive economies and towards innovative, urban-based economies. This shift has precipitated a tendency for former agricultural labourers to look towards urban areas for work as their jobs become obsolete. An increase in migration represents a large policy issue for governments as they are required to regulate and support this shift in demographics accordingly.

Although many countries have experienced this phenomenon, there is no better or more unique case study than that of rural-to-urban labour migration in China. The country's rapid development can be largely attributed to the increase in internal labour mobility allowed in its reform period. In turn, the large rural-to-urban migrant population has facilitated the exploitation of migrants' low costs of labour in the non-agricultural sector, while also allowing rural areas to increase their productivity in agriculture.<sup>1</sup> The number of migrants concentrated in urban

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<sup>1</sup> Wang, Dewen. 2008. *Rural-Urban Migration and Policy Responses in China: Challenges and Options*. Working Paper, ILO Asian Regional Programme on Governance of Labour Migration.

areas in China has risen exponentially since 1978, with 274 million people identifying as migrant workers in 2014.<sup>2</sup>

Although residents are now free to migrate where they choose, there are numerous institutional barriers that prevent them from having access to the same public goods as an urban worker, most prominent of which being the restrictive *hukou* registration system. Due to the inequalities perpetuated by this system and the lack of effective policy initiatives implemented by relevant institutions, migrants are widely discriminated against and often face severe isolation. Policy measures introduced by various arms of the Chinese government over the past two decades have ultimately been unsuccessful in their efforts to mitigate these issues, as they failed to address the systemic inequities faced by labour migrants holistically, addressing symptoms rather than roots of the problems. This, coupled with ineffective implementation of competent policies on a national scale has fostered the systemic discrimination and social exclusion faced by rural-to-urban migrant workers daily. Recommendations would therefore include efforts to reduce the current policy gap between urban and agricultural residents, through the prioritization of migrants in Chinese development discourse, the effective implementation of policies on a national scale, and an increase in access to urban

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<sup>2</sup> Zhong, Baoliang, Yanmin Xu, Dong Jin, and Xiaowei, Liu Tiebang Zou. 2016. "Prevalence and correlates of loneliness." *Medicine* 95 (24).

public goods generally reserved solely for urban *hukou* residents. These measures would ultimately serve to reduce stigma around rural-to-urban migrants and give them the capabilities needed to thrive in their chosen environment, ultimately increasing the connectedness they feel to their urban communities.

## Background

Rural-to-urban migration in China refers specifically to former farmers who move from rural to urban areas in order to find jobs and gain access to better standards of living. This is almost always done without obtaining urban residency status as designated by the *hukou* system.<sup>3</sup> The specificity of this definition is due to the pervasiveness of all kinds of migration in China, both internal and international; the increasing prevalence of rural farmers to turn towards cities in order to provide for their families necessitates such a distinction. The rapid economic development that has been observed in China over the reform period since 1978 has drastically shifted the Chinese economy from being predominantly based in agriculture to that of an industrialized and increasingly urbanized one. This industrialization has simultaneously created an immense demand for cheap labour and a decrease in arable land, leaving a large surplus of workers that can no

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<sup>3</sup> Kuang, L, and Li L. 2012. "Discrimination against Rural-to-Urban Migrant Workers: The Role of the Hukou System in China." *PLoS ONE* 7 (11).

longer be employed by the agricultural industry.<sup>4</sup> These migrants are often relegated to jobs considered undesirable by local residents, commonly referred to as ‘3D-jobs’: dangerous, dirty, and demeaning.<sup>5</sup> A dual labour market is thus created in urban centers, with primary labour markets that employ urban workers experiencing job protections similar to those in industrialized nations while secondary markets, largely employing migrants, are much more precarious and often completely unprotected.<sup>6</sup> This divide resembles ‘formal’ and ‘informal’ sectors often seen in other developed and developing countries, yet the presence of the *hukou* system institutionalizes these distinctions and almost completely prevents any upward mobility, creating a uniquely detrimental situation for migrant workers in China.

The ‘*hukou*’ system that is referred to so often in this paper is an extremely important component in the life of rural-to-urban migrants in China. Literally translated as ‘household registration’, it was originally implemented as a system of registration and mobility restriction and was enforced in its original form from 1949-1978 as part of China’s socialist economic planning. In these years, *hukou* functioned as a regulatory system that restricted the mobility of almost all residents in order to better facilitate the country’s goals of rapid industrialization. At birth,

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<sup>4</sup> Wang 2008.

<sup>5</sup> Guan, J., and Li L. 2013. "Recasting Stigma as a Dialogical Concept: A Case Study of Rural-to-Urban Migrants in China." *Journal of Community & Applied Social Psychology* 24: 75-85.

<sup>6</sup> Wang 2008.

one obtained the *hukou* status of their mother and had a classification of either ‘agricultural’ or ‘non-agricultural’. Those who had ‘agricultural’ *hukou* status relied mostly on their own labour for sustenance, whereas ‘non-agricultural’ residents received ‘entitlements’ from the government for the entirety of their lives.<sup>7</sup> This created a system of redistribution that prioritized urban residents and institutionalized their privilege from birth.

The mobility-restriction component of the *hukou* was eliminated in China’s reform period, but the structure remains in place today as a mechanism of both household registration and distribution of public entitlements. It functions as a form of spatial hierarchy as these entitlements come in the form of guaranteed employment, basic social security, subsidized public services, and subsidized housing. Residents have access to these benefits in the place where they have residency rights (*hukou*). As it is extremely difficult to have *hukou* status changed or transferred unless you are rich or well-educated, migrants are often forced to relinquish their entitlement to these services when they migrate to cities, as they are considered ‘temporary residents’ no matter how long their stay may be, and therefore are not entitled to urban *hukou*.<sup>8</sup> This has only served to perpetuate the disparities between urban and rural China.

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<sup>7</sup> Guan and Liu 2013.

<sup>8</sup> Chan, K. 2013. "China: Internal Migration." *The Encyclopedia of Global Migration* (Blackwell Publishing).

With these factors influencing the labour market in China, a significant policy gap has arisen. Those with *hukou* status, both rural and urban, receive certain entitlements from the government that aid them in leading a fulfilling and inclusive life. That being said, urban *hukou* receivers are extremely privileged in that they were born into a system that prioritizes them over rural residents. Despite the lesser quality of the entitlements offered to rural *hukou* receivers, their benefits still outweigh those of migrants who are deemed invisible by the state because they are only ‘temporary workers’ and therefore don’t count as legal migrants who are entitled to basic benefits. Policies aimed at both urban and rural areas/workers have been insufficient in addressing these problems and have failed to address the issues holistically, rendering them ineffective.<sup>9</sup> This ineffectiveness has only served to exacerbate the incapacity and social exclusion felt by rural workers in urban settings, increasing their levels of multidimensional poverty and necessitating adequate poverty reduction policies.

### **Understanding the Context of Rural-to-Urban Migration**

With extremely long work hours and facing discrimination from local residents, it is unsurprising that Chinese migrant workers often fall into Ernst and Cacioppo’s definition of loneliness: “a complex set of feelings encompassing

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<sup>9</sup> Zhan, S. 2005. "Rural labour migration in China: Challenges for policies." *Management of Social Transformations* (UNESCO).

reactions to the absence of intimate and social needs.”<sup>10</sup> The spatial hierarchy embedded in the *hukou* system creates an environment where stigmatization and discrimination is high. As well, urban residents’ lives have been prioritized by the state throughout China’s recent history, facilitating a context in which it is considered normal for urban residents to discriminate against migrants. Studies regarding this topic have shown that this discrimination is inherent and the labels placed by the *hukou* actually directly cause inequities, such as maltreatment at work, social exclusion, and increased social distance between migrants and urban residents.<sup>11</sup> The *hukou* system forces migrant workers to become transient, shifting between urban and rural residency, forced to choose between work and a sense of belonging.

Migrants are often forced to seek temporary employment due to the changing economic environment of rural China. This, combined with the country’s cultural diversity, can often mean that migrants are not only institutionally segregated, but also segregated through language barriers, reduced religious activity, and the isolation associated with the loss of close friendships and family relationships.<sup>12</sup> This feeling of isolation can also be exacerbated by the ‘othering’ of agricultural *hukou* residents often seen in popular culture. The loss of identity

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<sup>10</sup> Ernst, J, and Cacioppo, J. 1999. "Lonely Hearts: Psychological Perspectives on Loneliness." *Applied and Preventive Psychology* 8: 1-22.

<sup>11</sup> Kuang and Liu 2012.

<sup>12</sup> Zhong, et al. 2016.



that comes with the title, ‘agricultural’ — despite working in a non-agricultural job due to shifts in economic focus — can cause feelings of otherness and isolation. In turn, these feelings lead to alienation from a previously strong-held identity and a subsequent lack of belonging.<sup>13</sup>

During the period from 1980 to 2014, the proportion of the Chinese population permanently residing in rural areas decreased from 80.6% to 45.3%.<sup>14</sup> Unfortunately, these increased rates of urbanization have also been accompanied by increased rates of social isolation. In a 2009 study, migrants interviewed using the UCLA loneliness scale at a train station before returning to their home were found to be lonelier than police officers, college students, and older adults.<sup>15</sup> Moreover, when asked in a separate study, “Do you feel lonely?” 12% of migrant workers responded that they often felt lonely and 67% responded that they occasionally felt lonely.<sup>16</sup> Additionally, when adult migrant workers in Shenzhen were interviewed, it was found that 18.3% of them suffer from loneliness regularly. This is extremely high in comparison to other industrialized countries, with Norway having a reported 2.7% of adults suffering from loneliness along with

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<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

<sup>15</sup> Wang, X, N Wang, and Y Zhang. 2009. "The relationship between aloneness and social support of Shanxi's peasant workers." *China Journal of Health Psychology* 17 (5): 54-56.

<sup>16</sup> Wen, M, and Wang, G. 2009. "Demographic, Psychological, and Social Environment Factors of Loneliness and Satisfaction among Rural-to-Urban Migrants in Shanghai, China." *International Journal of Comparative Sociology* 50 (2): 155-182.

9.7% in Russia, 9.3% in Finland, and so on.<sup>17</sup>

It is important to understand that there is a causal relationship between social isolation and feelings of loneliness. A study conducted in 2011 showed that migrants who are married, have long-tenured jobs, or have high job satisfaction, are significantly less lonely than those who are separated entirely from any sense of community.<sup>18</sup> With this information, it can be surmised that it is not being a migrant worker that causes loneliness; rather, it is the social isolation that can (and often is) associated with it that causes real detrimental effects. With that being said, improving access to community would serve to increase social connectedness felt by migrant workers.

It is important to understand the *hukou* system as being an example of what Martha Nussbaum would call a ‘corrosive disadvantage’: a type of capability failure that leads to failure in other areas, often manifesting into numerous disadvantages interacting and making each other worse.<sup>19</sup> According to Nussbaum, the only viable way to remedy this multitude of failures is to empower each individual to their fullest extent, with capabilities that give them the opportunity to change their situation. It is through this human development approach that policies

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<sup>17</sup> Zhong, et al. 2016.

<sup>18</sup> Chan, Sow Hup, and Hua Han Qiu. 2011. "Loneliness, job satisfaction, and organizational commitment of migrant workers: empirical evidence from China." *The International Journal of Human Resource Management* 22 (5): 1109-1127.

<sup>19</sup> Nussbaum, Martha Craven. 2011. *Creating Capabilities: the human development approach*. Cambridge, Massachusetts : Belknap Press of Harvard University Press.

implemented over the past two decades must be analyzed. For instance, policies such as the National Training Program for Migrant Workers (2003) and the Sunshine Project (2004) are focused on increasing vocational training for migrant workers in their rural areas.<sup>20</sup> This is in stark contrast to local urban policies that restrict migrant workers from working in certain jobs/spaces, such as those in Shanghai that restrict migrants from working for official or public services.<sup>21</sup> Efforts to improve the capabilities of migrant workers are abruptly halted due to an inconsistency in policy implementation in China, and therefore must be remedied using a holistic, capabilities-based approach.

## **Policy Recommendations**

The first policy recommendation that I would make is for the Chinese government to incorporate a holistic view of rural-to-urban migrants into their many development initiatives. It has been proven over the course of China's reform period that migrant workers are a huge driver of economic growth, thus there is not only a moral reason for including them in development initiatives but a hugely important economic reason. Where previous policies have been spotty and inefficient at best, proposed policies should emphasize the narrowing of

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<sup>20</sup> Casale, Giuseppe, and Changyou Zhu. 2013. *Labour Administration Reforms in China*. International Labour Office.

<sup>21</sup> Wen and Wang 2009.

differences in employment opportunities between urban and rural areas. This could be accomplished through increasing urban access to migrant vocational skills training programs, providing increased access to legal aid, and increasing rural-to-urban migrants' children's access to urban education. This will in turn increase the capability of migrants to gain more secure, long term employment. As well, an increase in migrant-focused development initiatives would also serve to decrease all facets of the multidimensional poverty experienced by migrants in urban areas. Efforts to include not only rural residents, but specifically rural-to-urban migrants in these initiatives, would help to foster a more stable work and living environment for migrants. This has been proven to increase participation in community and therefore decrease social isolation.<sup>22</sup>

A second important policy recommendation is for policies to be implemented on a more comprehensive scale so as to narrow the policy gap that exists between urban and rural residents. The policy gap that is perpetuated by the *hukou* system exists only because the technical definition of "migrants" refers to those who have successfully been able to transfer their *hukou* status. These migrants subsequently receive all benefits associated with an urban *hukou* status.<sup>23</sup> Therefore, "temporary migrants" or, as referred to in this paper, rural-to-urban

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<sup>22</sup> Chan and Qiu 2011.

<sup>23</sup> Zhan 2005.

migrants, have largely been deemed invisible from a policy standpoint, with poverty reduction policy initiatives aimed at labour migrants being focused solely in rural areas despite the fact that they predominantly live in urban areas. This has only perpetuated the multidimensional poverty facing rural-to-urban migrants and would therefore, if improved, serve to greatly increase their opportunities. Policies aimed at labour migrants must be implemented not only in rural areas, but in urban areas as well, which would ideally decrease the discrimination and stigmatization migrants face as well as expose discriminatory hiring practices.

The final recommendation addresses the *hukou* system. More specifically, increasing rural-to-urban migrants' access to the various public goods available to urban residents. Increased access to public goods, such as public health care, pension systems, legal aid, and social services, would decrease the burden faced by migrants and increase their ability to become part of their urban community, thus reducing feelings of isolation. Also, as mentioned before, the distinction between 'agricultural' and 'non-agricultural' *hukou* itself is actually a cause of discrimination, with urban residents inheriting a sense of superiority with their *hukou* status. This often manifests into an urban mistrust of migrant workers, seeing migrants as irresponsible, violent, poor, and dirty.<sup>24</sup> A reduction in the institutional barriers between the two groups could potentially serve to decrease the

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<sup>24</sup> Wen and Wang 2009.

distinction between the two sides. This would allow perceptions of ‘otherness’ to be replaced by more positive representations of migrants in urban communities as they are actually allowed to become participating members.

## **Conclusion**

The institutionalization of social divisions in China presents a unique case in which rural-to-urban migrants are not only disadvantaged as migrants, but based on their ‘agricultural’ *hukou* status, they are also not entitled to the same benefits as urban workers. The discrimination and subsequent isolation experienced has proven to be detrimental to their physical and psychological health. Although previously implemented policies have largely been successful, they have been insufficient in effectively reducing social isolation in rural-to-urban migrants. Therefore, the policy recommendations offered in this paper seek to increase rural-to-urban migrants’ opportunities to build and become part of communities in their urban place of residence, thereby greatly reducing the severity of the isolation they experience.

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