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Hukou Reform for the New Century

Over the last few decades incremental transformation of the hukou system is evident even as the fundamentals of the system have survived and adapted to the growth of the market economy. The introduction of temporary residency permits and new competitive hukou transfer categories have significantly liberalised labour flows and hukou transfer. While recent regulations have sort to standardise and centralise hukou guidelines local officials at the city and provincial level have issued their own policies, guidelines and planning goals since the 1990s and maintain the power to shape inward migration and settlement patterns to meet the perceived requirements of local development in the new century. The hukou system remains an important intervening variable in migration, employment and settlement patterns and continues to exert influence on the opportunities available to China’s internal migrants.

The hukou system has evolved with and endured the socioeconomic transformations of the post-Mao era. This has been possible due to the above adaptations bending it to the new migratory requirements without compromising the fundamental objectives of policymakers and local officials that continue to view the hukou system as a crucial development aid. Changes have been made to better meet the goals of promoting local economic development, maintaining social stability and managing and restricting migration and urbanisation which exhibit strong continuity over Mao and post-Mao eras. At the same time, the changes introduced are evidence of significant institutional adaptation as a result of non-compliance. Gaps have therefore emerged between the formal hukou regulations and their enactment. These gaps have been followed by the liberalisation of non-hukou residency and some liberalisation of inward hukou transfer.
This chapter explains this contradictory mix of continuity and change and explores the process of incremental change in China’s *hukou* system over the post-Mao era. It is structured into three main sections. The first section presents the major findings and identifies the major continuities and changes. The second section takes these findings and develops a model of incremental institutional change in China’s *hukou* system. The third section presents the latest reforms, the rise of a civic rights movement and explores the implications of these on the process of incremental change in the new century.

**Hukou reform**

At the national level, policies guiding use of the *hukou* system have been introduced by the State Council, the Ministry of Public Security (MPS) and other ministries in an effort to better meet their objectives to accelerate economic development, maintain social stability and restrict and manage urbanisation under changing socioeconomic conditions. These policies have been necessary to address gaps that have emerged between *hukou* policy and the enactment of the institution due to socioeconomic changes in the post-Mao era. The first such gap came early in the reform era when labour began moving to areas of economic opportunity directly contravening the 1958 *hukou* regulations that prohibited outside the plan migration and settlement. The first such gap came early in the reform era when labour began moving to areas of economic opportunity directly contravening the 1958 *hukou* regulations that prohibited outside the plan migration and settlement. The first such gap came early in the reform era when labour began moving to areas of economic opportunity directly contravening the 1958 *hukou* regulations that prohibited outside the plan migration and settlement. The first such gap came early in the reform era when labour began moving to areas of economic opportunity directly contravening the 1958 *hukou* regulations that prohibited outside the plan migration and settlement. The first such gap came early in the reform era when labour began moving to areas of economic opportunity directly contravening the 1958 *hukou* regulations that prohibited outside the plan migration and settlement. The MPS introduced temporary permits in 1985 to address this gap. The second gap emerged as temporary permit holders became increasingly permanent in settlement. The state has tried to address this gap by introducing a raft of *hukou* transfer reforms and measures to alleviate some *hukou*/non-*hukou* distinctions. These changes reflect state efforts to accommodate new socioeconomic forces within the existing institutional constraints and objectives of the Mao era *hukou* system.

First, the *hukou* system has been maintained to promote rapid economic growth. This has been achieved without the abolition of the system by introducing policy that provides space for the labour market to develop. Temporary residency permits were introduced after the plan migration began to grow. These permits provided local industry with legal access to a large quantity of contract labour whilst simultaneously providing local authorities with an enforceable regulation for temporary residency and employment. This enabled greater control over the size and makeup of the non-*hukou* population and some ability to match the size of the temporary population to employment opportunities. This reflects efforts to improve local and central government