China wants to give migrant workers more rights. Will it really work this time?

China has a two-class system of rural and urban population. It is a policy that the country simply cannot get rid of. There are good reasons for this.

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Lunch on the construction site: A migrant worker in the industrial city of Hefei eats noodle soup. Hefei is located inland, five hours' drive from Shanghai, and has almost as many inhabitants as Switzerland.

Jianan Yu / Reuters
India has a caste system, China has the Hukou - a kind of family booklet that determines where you live. If your place of residence is Beijing, Shanghai, Guangzhou or Shenzhen, you have achieved something as a Chinese in life. Residence in one of these metropolises comes with privileges: access to good schools, hospitals, the right to buy an apartment in the city.

If the Hukou indicates a rural place, the Chinese state considers you a farmer, even if you have a university degree and have never worked in the fields. If this "farmer" decides to look for work in the city and live there, he is only tolerated as long as he does something. He cannot expect any services. His children have to go to school in his hometown, and if he loses his job, he has to go back - there is no unemployment benefit for him in the city. Even for trivial things like a new ID card or a driver's license, he has to go back to his home province.

A system of population control

A week ago, the Central Committee proposed a reform of the Hukou system. In the future, Chinese people, regardless of their origin, should have the right to basic public services in their place of residence. In addition, qualified migrant workers should be given the same rights as native city dwellers, be allowed to buy an apartment and be granted permanent residency rights. By qualified, we probably mean: wealthy and well-educated.

That sounds far-reaching - but it is not radical. "The third plenum did not achieve a decisive breakthrough in terms of Hukou reform," says Kam Wing Chan. The geographer from the
University of Washington specializes in population and has studied the Hukou system for decades. The Hukou system has been relaxed again and again, especially in smaller cities, but never completely abolished, as was the case with the caste system in India. The system is still a social reality there, but according to the law, no one can be discriminated against on the basis of their caste.

Kam Wing Chan's research has shown that despite reforms, the number of people with a rural Hukou in the cities has not decreased - it now stands at just under 300 million. The number of children left behind in the countryside without their parents has even increased by 30 percent between 2010 and 2020, to 89 million children.

Critics in China have long been demanding that the Hukou be abolished by law: it is nothing other than institutionalized discrimination. Chinese economists are demanding the same. They hope that this will lead to a new wave of urbanization and more growth. But China is sticking to the policy of the two-class system. Why?

The Hukou system is part of the DNA of the new China and says a lot about the communist rulers' view of humanity: the population must be controlled - and is fundamentally a burden and only then a resource. The rule of dividing people into rural and urban populations and giving them different rights goes back to the country's founder, Mao Zedong, in the 1950s. Mao wanted people to stay in their place. If someone was born in the
most remote corner of the country, they should please live and
die there.

Is the government expecting too much?

Then Mao died in 1976 - and reformers gradually took over the
reins. Suddenly internal migration became essential for the
country's economic development. Farmers moved to the cities in
droves to work in the new factories, their children became office
workers, bank employees, civil servants, but kept their rural
hukou. And China became the second largest economic power in
the world.

These migrant workers lived and worked in the cities for years, in
some cases for their entire lives, without their precarious legal
situation changing significantly. The Hukou policy became more
and more of a straitjacket for them. So much so that there are
repeated waves of return migration. But from the perspective of
the city governments, the Hukou system has advantages.

This is because the policy protects the cities' coffers and
resources. It is not the place of residence that is administratively
responsible for internal migrants, but the hometown. This
enables a flexible population policy: if you no longer want the
foreign workers, you can send them back to the countryside.

Economist Loren Brandt of the University of Toronto is skeptical
about the economic benefits of the planned Hukou reforms. For
every example, high housing prices prevent many workers, even skilled
ones, from moving to the cities. Brandt says: "China's economic problems go much deeper than the Hukou restrictions."

Such as low productivity, a problem that cannot be solved by urbanization. This can be seen in the example of smaller cities that have already relaxed Hukou restrictions and are growing faster than Beijing or Shanghai. "More migration does not lead to higher productivity, as seems to be a widespread view in Beijing - it is the other way around. The cities have higher productivity and therefore attract more people."

The city dwellers want to keep their privileges

There is, however, another reason why the Hukou system is not being shaken up. People born in Beijing or Shanghai do not want to give up their privileges so easily. Although the cities would not function without migrant workers who deliver food, work in offices and bankers, and are not just unskilled workers, the people of Beijing and Shanghai look down on them. They are somewhat disparagingly referred to as "Waidi Ren", or foreigners. When the "foreigners" return to their home provinces for the Chinese New Year for the holidays, the city dwellers breathe a sigh of relief. "Now we finally have the city to ourselves!" is what you often hear.

Beijing and Shanghai do indeed suffer from overpopulation, both have over 20 million inhabitants. If you go to the hospital because you are ill, you usually have to allow a whole day just to queue for an initial examination. The competition in the job, housing and education markets is enormous. Traffic jams are
notorious and make leaving the house a test of patience. The subways are efficient, but often overcrowded. So city dwellers are rightly asking themselves: more people? Where are they all going to go?

The party and head of state Xi Jinping will be careful not to completely abolish the Hukou system. It could lead to great discontent among the political and economic elites whose support he needs. In addition, Xi himself does not want Beijing to become any bigger - from the point of view of social stability, uncontrolled growth is a risk. He has had a new city built in the south specifically to relieve the pressure on Beijing: Xiong An - the name is a combination of the characters for "power" and "peace". In the future, a large part of the administration, as well as universities and state-owned companies, will move there.

However, it will probably be a long time before the situation of migrant workers and their children in Beijing and Shanghai improves substantially. The latest reform proposals will not change this.
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