

*China's Hukou Puzzle: Why Don't Rural Migrants Want Urban Hukou?**

Chuanbo Chen and C. Cindy Fan

Abstract

Despite the fact that urban hukou is understood to be far superior to rural hukou and that rural migrants have strong intention to stay in cities for many years, responses to hukou reforms that increase opportunities to obtain urban hukou have been less than enthusiastic. This article addresses this puzzle by showing how the respective values of rural hukou and urban hukou have changed in recent decades. The access and benefits that are tied to rural hukou—including farming and housing land, compensation for land requisition, and more relaxed birth control—are considered increasingly valuable. Thus, many migrants are opting to straddle and circulate between the city and countryside rather than giving up their rural hukou. Meanwhile, the competitive advantage of urban hukou has declined as China seeks to expand basic public services to all and as the market's role in distributing food, housing, and other needs increases. The mismatch between rural migrants' preference for large cities and hukou reforms' focus on medium-sized and small cities and towns also undermines the reforms' effectiveness. From a policy point of view, this article's findings suggest that China's

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* This research was funded by The National Natural Science Foundation of China (Projects 71073164 and 71373271) and UCLA Division of Social Sciences. We would like to thank Mingjie Sun for her research assistance.

urbanization strategy should take multilocality seriously and should focus on rural migrants' livelihood and well-being in cities, rather than on hukou conversion alone.

1. Introduction

China's *hukou* (户口) system is widely portrayed and understood as a source of rural-urban inequality. Terms such as "invisible walls," "apartheid," and "two-class society" have been used to describe hukou's effect, which has divided Chinese population into the privileged urban and marginalized rural.¹ Millions of rural migrants work and live in cities but cannot settle down there because they are denied urban hukou, having no options but to leave the elderly and children behind in their home villages.

Accordingly, scholars, observers, and journalists within and outside of China have long called for the abolition of the hukou system. Indeed, the central government has announced multiple times that it will relax hukou control. For example, recent guidelines from the central government have emphasized that migrants who have a stable job and a legal and stable place of residence (including renting) will be allowed to obtain local hukou in small cities and towns freely and obtain local hukou in medium-sized cities in an orderly progression.²

However, contrary to the expectation that peasants would respond positively and in large number when given an opportunity to change their rural hukou to urban hukou, survey after survey has found that their responses are lukewarm at best. In fact, many peasants consider rural hukou more valuable than urban hukou, and some who have changed their rural hukou to urban hukou want to reverse their decision. This paradoxical phenomenon is increasingly being observed and reported, but it remains largely absent in the literature on migration and hukou in China, and is certainly not well understood. In this article, we explore why Chinese peasants and rural migrants are not eager to obtain urban hukou despite the fact that they are encouraged to do so, the process has been made much easier, and urban benefits are superior to rural benefits.

The rest of this article is organized as follows. Section 2 briefly reviews the hukou system and hukou reforms. Section 3 addresses and shows evidence for the question of whether peasants want urban hukou. This is followed by two sections on changing value of rural hukou and