

## UW geographer devises a way for China to resolve its 'immigration' dilemma

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Chinese farmers and their families who move to cities without official permission don't qualify for basic benefits such as retirement or education. Credit: Takeaway, Wikimedia Commons.

University of Washington geographer Kam Wing Chan is in China this week, explaining how that country can dismantle its 55-year-old system that limits rural laborers from moving to and settling in cities and qualifying for basic social benefits.

It's an idea that he says makes economic and [moral sense](#).

China's "hukou" household registration system was established in 1958 as a way of maintaining cheap farm labor to grow food for urban dwellers. Ever since, rural residents wanting to move to [urban areas](#) must receive permission from the police – and with it, the right to benefits such as unemployment, retirement, even education in the city.

That hasn't stopped millions of peasants from moving to cities in the last two decades, but those migrant workers remain stuck in low-paying service or factory jobs with no benefits and little hope of advancement. The same is true for their children, since hukou (pronounced "who-koe") status is hereditary.

Chan is in Beijing as a featured speaker at the prestigious Chinese Academy of Social Sciences Forum on Economics. His presentation on Friday is called "A Roadmap for Reforming the Hukou System."

"China, of course, is the world's factory, because China can produce cheap stuff with its vast army of cheap labor. And that cheap labor is related to the hukou system," Chan said. "Without that system, there would be no China that we know today. That cheap labor helped catapult China into a leading giant of manufacturing."

But, Chan argues, the hukou system is also holding the country back economically in the longer term. That's because China has millions of people who want to move out of poverty and into the [middle class](#) so they can spend money on better housing and [consumer goods](#), which in turn would help rebalance the economy. China has been trying to move toward a more sustainable consumer-based economy, away from excessive reliance on investment and exports.

"This is something I think is of great importance not only to China, but

to the global economy," Chan said. "I'm promoting gradual, constructive reform, and I'm cautiously optimistic."

Chan was born in a village in China but as a baby left with his family for the city just before hukou effectively shut the door. He said the Chinese government wants to reform the hukou system but hasn't yet decided how to change the household registration status of an estimated 230 million rural migrants currently living in urban areas. Chan said it is likely that number will reach more than 300 million by 2030.

After writing news articles about the problem for several years, Chan now has what he believes is an achievable 15-year plan to change the residential status of 20 million people each year from 2015 to 2030. He recently laid out that plan in an article for Caixin, a major media conglomerate that covers Chinese financial and business news.

He believes China can first focus on young college graduates, who will pay more taxes into the social welfare system than they take out in the 15-year plan period. That will help pay for some of the costs of reform. Skilled workers would make up the second phase, and low-skilled workers would be the third phase. He suggests that the first two phases would take about five to six years, with the main focus on the third phase, covering about 10 years.

Chan says others have proposed more radical reform plans over a much shorter time frame, but he believes they are too fast and would overwhelm the system, both logistically and financially.

One major roadblock to hukou reform is the perceived cost. Many Chinese government officials think that rural peasants will overrun the social services system, taking money out, rather than paying into it. While that may be true of the small group of the poorest migrants, Chan believes the majority of [migrant workers](#) is young and productive and

can "finance" their social security through taxes, and voluntary and involuntary contributions in the longer run. At the same time, this gradual reform program will help China produce more consumers to drive the economy.

Another issue is that the central government sets hukou reform policy, but local governments are left to enforce it and deal with the financial costs.

Chan sees some interesting parallels in the discussions on China's hukou reform and the United States' immigration reform. Quoting a handful of studies showing that allowing illegal immigrants a path to citizenship will bring in more taxes and boost the U.S. economy, he sees that similar arguments can be made for China's hukou reform.

While Chan makes a case for reform from an economic standpoint, "I'm also trying to point out that there is perhaps a moral argument out there; everybody should be treated the same," he said. "We need to move more toward social justice."

He had planned to write a book in English about China's urbanization and hukou when a Chinese publisher recently asked him to write a book in Chinese.

"I am trying to turn my research into something that may benefit people. I am helping Americans understand the hukou system and maybe coming up with ideas that the Chinese government hasn't thought about yet."

Provided by University of Washington

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