

Migration, New-type of Urbanization and Residence Permit in China

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The persistent urban-rural divides and regional disparities in socioeconomic development have motivated numerous people to mobilize geographically to pursue better life opportunities in the reform-era China. To promote an equal access to public benefits for migrants, the Provisional Regulations on Residence Permit, requiring local government to create favorable conditions to facilitate the coverage of basic public welfare for migrants, was introduced in 2015. Utilizing the 2017 Migrant Dynamic Monitoring Survey in China, this paper examines whether having a permit has promoted the wellbeing of migrants who have resided at the place of destination for over half year and crossed the administrative boundary of prefecture. Preliminary findings suggest that residence permit is indeed associated with a higher likelihood of having employee's medical insurance or resident medical insurance, but such effect is intervened by migration characteristics, development of receiving society, the origin-destination nexus, capital endowment, and birth cohort.

The persistent urban-rural divides and regional disparities in socioeconomic development have motivated numerous people from the countryside, west areas and small cities to move to urban areas, east coastal regions and big cities, respectively, in the reform-era China. The size of migrants has increased over 33 times between 1982 and 2015. However, while many migrants have resided in receiving societies for years, they remain to be treated differently from residents with a local hukou (e.g., China's unique household registration system). This may bring about new types of social inequality across different segment of the population, and hamper the improvement of the quality of urbanization and social justice in the process of New-Type of Urbanization.

In such context, the Provisional Regulations on Residence Permit was signed by China's Premier Li Keqiang in November 26, 2015. As a major step of *hukou* system reform effective since January 1, 2016, it requires local government to create favorable conditions to facilitate the coverage of basic public welfare for migrants, protect the interests and increase public services to the holders of residence permit, and open up the channel for them to become permanent residents by means of the points system (积分落户). It has been expected that this permit would provide an institutional framework for migrants and their family members who has stayed at the place of destination for over half year to access basic public services, including children's schooling. It is also expected that the permit would point out the direction for favorable treatment for migrants beyond the basic public goods in the future. Ultimately, it will promote the "harmonious development" of population, resources,

environment, economy and society.

Two years have passed since then, and how has it been enforced? Has it indeed improved migrants' access to social benefits? How may it interact with the existing institutional and structural force in promoting migrants' wellbeing? While the residence permit has been an important research topic in recent China given its close association with the promotion of New-types of Urbanization, most work tends to discuss it in a broad way without looking at it locally and closely, and thus there is essentially no knowledge on the effectiveness of residence permit in promoting migrants' wellbeing.

Utilizing the 2017 Migrant Dynamic Monitoring Survey, this paper aims to address the above issues and explore how well the residence permit has improved the wellbeing being of migrants. "Wellbeing" of migrants in this work is defined as having employee's medial insurance or local residents' medical insurance since they used to be preserved for only local residents. It focuses on those who reside at the place of destination for over half year and cross the administrative boundary of prefecture. We define the samples in such ways because one of the fundamental requirement to apply for the permit is that migrants have to have stayed in receiving societies for at least half year, and because migrants from the same prefecture may need no permit for accessing to social welfare and public service. It pays particular attention to migration characteristics, the origin-destination nexus, and intergenerational variations.

Migration, double-dual properties of hukou system, and the family in China

Size of migrants

In the process of China's economic reform, numerous peasants migrate to cities for better economic opportunities. On one hand, land reform in rural areas initiated in 1978 has improved the efficiency of productive activities, which has liberated many laborers from the land to search for non-farming work. On the other hand, the market-oriented reform in urban areas and opening to the outside policy have fueled economic development, brought in foreign or joint enterprises, initially in coastal areas and large cities, and created numerous job vacancies in the low end that urbanites are unwilling to undertake, but are profitable and attractive to rural surplus laborers. Tremendous disparities between urban, rural and cross-regional areas have motivated people in the countryside, less developed regions, and the Midwest to move to urban areas, more advanced regions, and the East. The size of migrants has increased rapidly. In 1982, migrants enumerated less than seven million, and was over 20 million, 100 million, and 221 million in 1990, 2000 and 2010, accounting for 0.7 percent, 1.9 percent, 7.7 percent, and 16.5 percent in each census year, respectively. The rise is substantial in both absolute and relative terms: the size of migrants has increased by over 33 times between 1982 and 2010 (see Figure 1), while China's total population increased by only 0.3 times. Since 2014, the size of migrants has maintained at around 245 million.

(Figure 1 about here)

Double dual-properties of the hukou system

The continuously rising size of migrants is closely related to the relaxation of the unique *hukou* system. Formalized in 1958, the current hukou system is a household registration program serving as a tool to regulate population geographic distribution and a form of social control that enforces an apartheid structure denying farmers the same rights and benefits enjoyed by urban residents. Between 1958 and 1978, this system had effectively restricted the free flow of resources between industry and agriculture, and between city and the countryside.

While the type of hukou has been highly emphasized, its location is largely ignored by the academia. In fact, the hukou system is of double dual-properties: type (rural vs. urban) and location (local vs. outside). By hukou type, the Chinese have been categorized into and labeled as urbanites and peasants, known as the dual property of the hukou system. An urban hukou is associated with urban citizenship and worker status. Most of them work inside the state system, enjoy higher and more stable salary paid by the government, and have better access to public resources (e.g., education, pension, medical insurance, unemployment insurance, work-related injury insurance, and housing subsidy). Conversely, a rural hukou corresponds to peasant or farmer. Most of them are excluded from the state system, have low and unstable earnings from family-cultivated farmlands, and have limited access to public resources.

With regard to the locations of hukou (i.e., the place where people register their household), residents are not simply stamped as rural or urban, but those in a specific village or community. Some 20 years ago, people were required to stay and work

within their designated or assigned geographic areas. Mobility was permitted under controlled conditions. Farmers or workers moving to another place without a government-issued hukou would essentially share the same status as an illegal immigrant in the west without access to jobs, public services, education, health care, and food. Obtaining an official rural-to-urban hukou change is extremely difficult, since the government has tight quotas on conversions per year.

Although the hukou restriction has been relaxed, and the boundary of countryside and city, and of farmer and worker reshaped, and people can geographically freely move in recent years, the legacy of the hukou has been retained (Liu and Cheng 2009). In 2014, reform was made with this institution, which attempts to remove the distinction between urban and rural residents, and ease the settlement of 100 million people in cities over the next six years. Consequently, large cities have stipulated regulations for migrants to settle down with hukou. However, this overhaul is more symbolically meaningful than empirically significant, because the changes fell short of hopes for more comprehensive reform and include exemptions for major cities where most migrants tend to move in.

Provisional Regulations on Residence Permit

The Provisional Regulations on Residence Permit was signed by China's Premier Li Keqiang in November 26, 2015. It requires local government to create favorable conditions to facilitate the coverage of basic public welfare among migrants, protect the interests and increase public services to the holders of residence permit, and open up the channel for them to become permanent residents by means of the points

system.

As a major step of *hukou* system reform, the residence permit has gradually introduced throughout China since January 1, 2016, based on the requirements of Provisional Regulations on Residence Permit. It has been expected that this permit would provide an institutional framework for migrants and their family members who has stayed at the place of destination for over half year to access basic public services, including children's schooling. It is also expected that the permit would point out the direction for favorable treatment for migrants beyond the basic public goods in the future. Ultimately, it will promote the "harmonious development" of population, resources, environment, economy and society.

Data and method

Sample

This paper draws on data from the 2017 Migrant Dynamic Survey (MDSS), conducted by National Health and Family Planning Commission in May and June, 2017. This is a nationally representative survey that covers approximately 169,000 respondents ages 16 or older who have resided at current place for over one month with non-local hukou. As the most recent, large-scale survey data, the MDSS contains rich information on migration characteristics, individual demographic and socioeconomic profiles. More importantly, it asks migrants if they have hold a residence permit. This allows us to examine not only the current status and characteristics of residence permit, but also its effectiveness in promoting the equal

access to social benefits among migrants, as well as the interaction between the residence permit and institutional and structural forces in this regard. The sample includes both rural-urban migrants and urban-urban migrants, accounting for 84.8 percent and 15.2 percent, respectively. For the purpose of this study, we focus on nuclear family, including couples without children and couples with unmarried children.

Variables

The dependent variable is whether the migrants have employee's medical insurance or resident medical insurance, which is coded dichotomously where 1 indicates yes and 0 otherwise.

The key predictor is the possession of a residence permit, which is also gauged as a dummy variable with 1 standing for having a permit and 0 otherwise.

To explore the net relationship between residence permit and medical insurance, this paper controls for migrants' socio-demographics, household context and community characteristics available in the survey.

Methodology

Since the outcome variable has two categories, binary logistic modelling technique applies. However, the data have a clustering property where migrants in the same city might be more similar than those who are from different city. This may be particularly true when it comes to residence permit because the characteristics of city are associated with varying access to public goods and benefits. Given this, this work will adopt multilevel modeling technique in fitting regression models.

Preliminary findings

Among those who have stayed at the place of destination for over half year, cross the prefecture boundary and are currently working, about 2/3 of migrants hold residence permit. Migrants who have

Preliminary descriptive results are presented figures 2- 4.

Further analysis is ongoing.

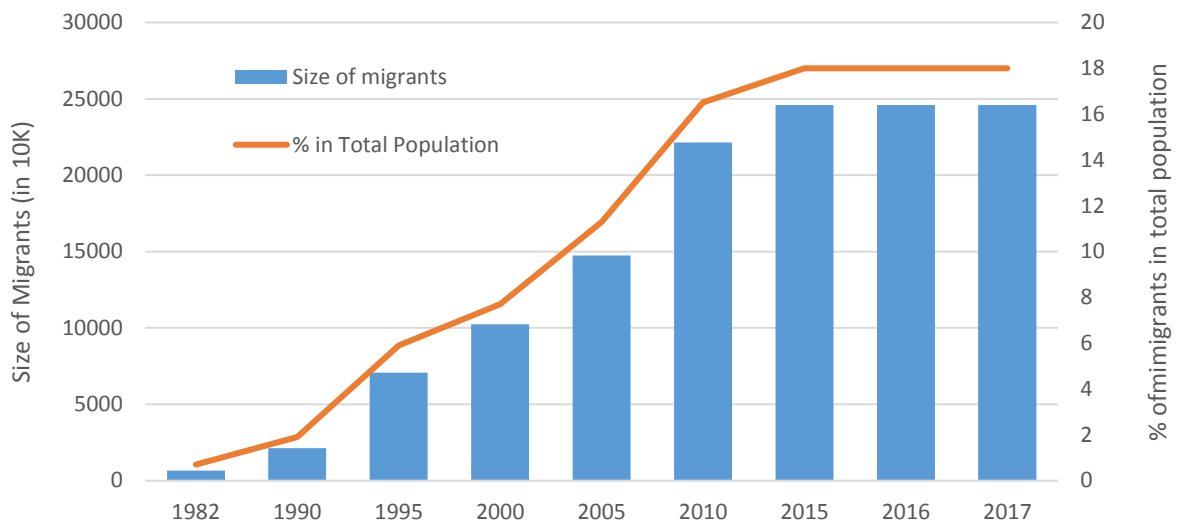


Figure 1. Trend of size and share of migrants: China 1982-2017

Sources: The 1982, 1990, 2000, and 2010 data come from Population Censuses, and the rest from National One Percent Population Survey of corresponding years.

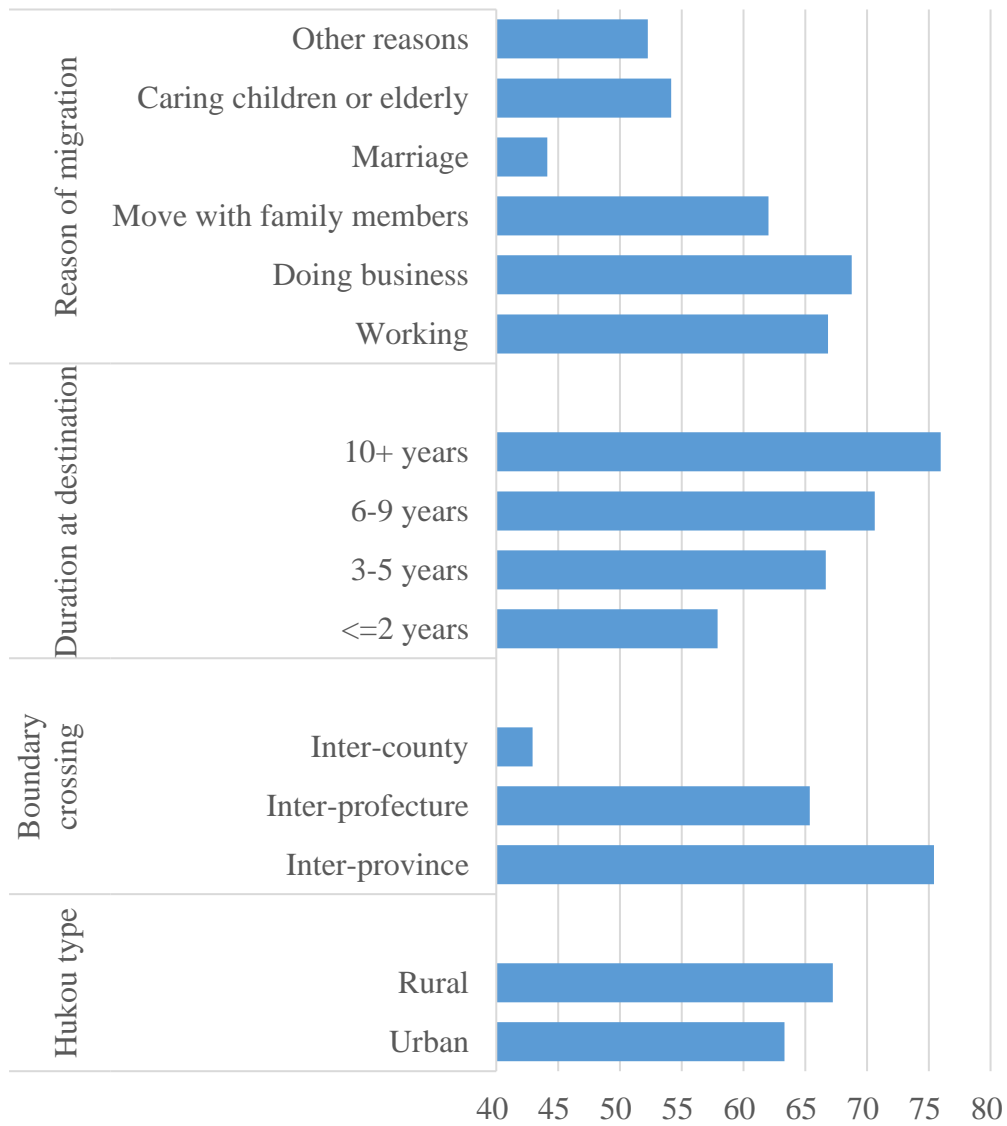


Figure 2 Correlation of residence permit with migration characteristics (%)

Source: 2017 Migration Dynamic Monitoring Survey.

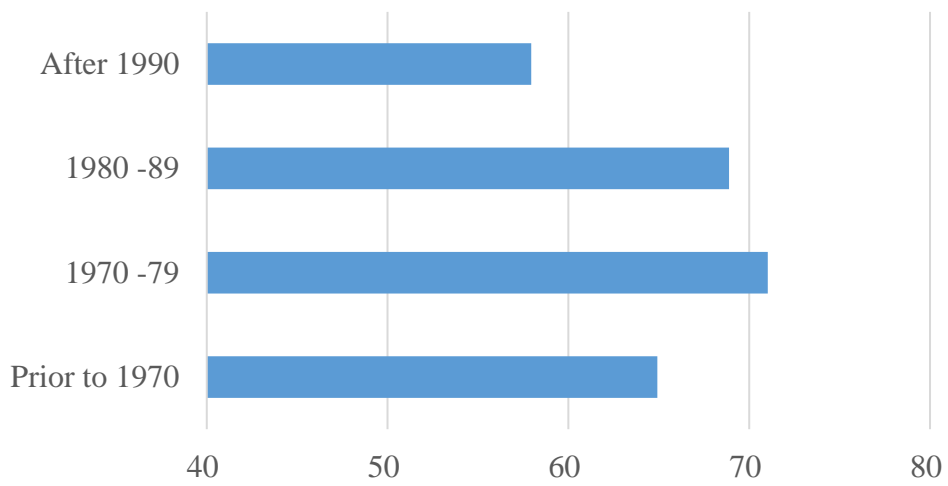


Figure 3 Correlation of residence permit with birth cohort (%)

Source: 2017 Migration Dynamic Monitoring Survey.

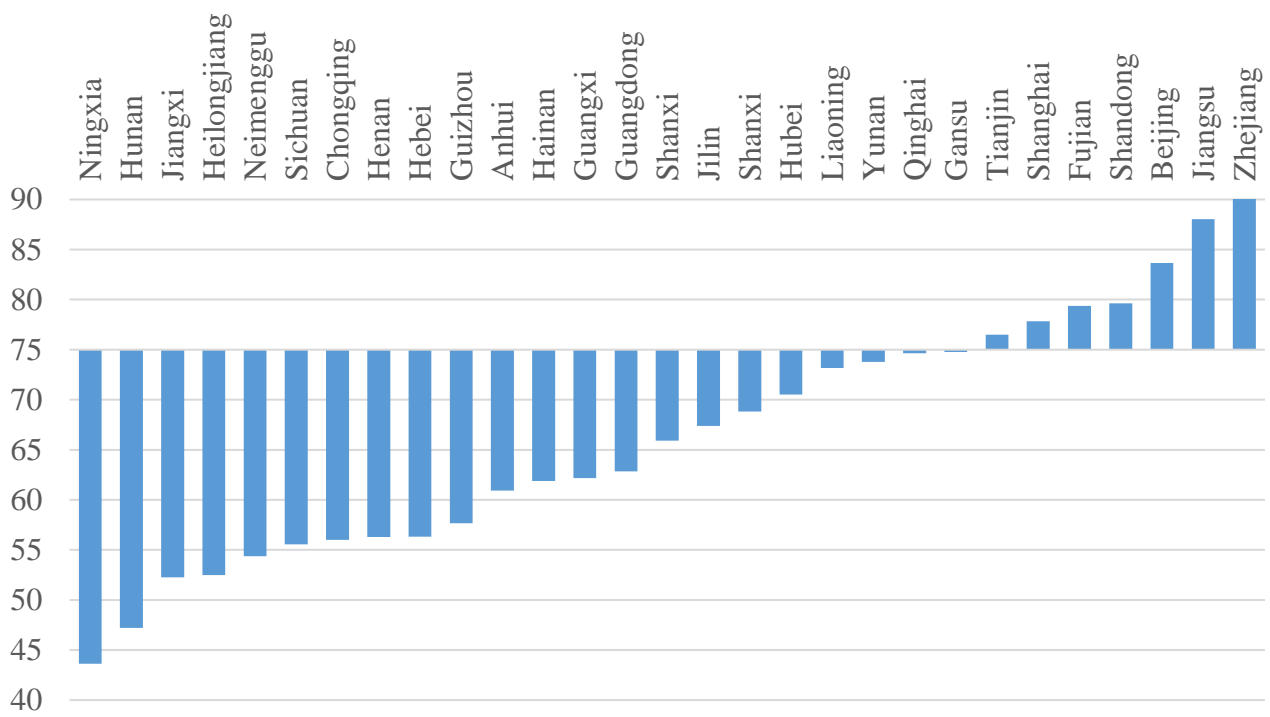


Figure 4 Correlation of residence permit across province (%)

Source: 2017 Migration Dynamic Monitoring Survey.