

**MANAGING INTERNAL MIGRATION
IN CHINA: FROM CONTROL-ORIENTED
TO SERVICE-ORIENTED**

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Executive Summary

1. China relies heavily on the *hukou* system to manage internal migration. The *hukou* system is based on the assumptions that rural migrants are outsiders and a source of social unrest and disruption.
2. The hard-line approach of exclusion and control has led to a segregated society in urban China. The floating population, the Chinese term for migrants without a local *hukou*, is subject to a plethora of discriminatory policies and practices.
3. The control-minded approach worked in the past mainly because the first generation migrant workers valued a non-farm job more than anything else. They also considered it natural to return to their home village/town in case of injury, illness and retirement.
4. New realities, however, are challenging the segregated, control-minded approach. Firstly, the floating population has reached over 220 million. This group is large enough to have profound implications for the economy and society.
5. Secondly, part of the floating population is getting immobile. Many of them were born and raised by their migrant parents in the cities. They do not see themselves as belonging to the countryside. A permanent settlement in the cities is the only option to many of the second generation migrant workers.
6. Thirdly, the labor market is changing in favor of the floating population. Labor shortages in coastal regions since 2004 and increasingly in inland cities have empowered migrant workers to demand for higher wages, better conditions and more accommodating policies.
7. The new realities make the control-minded approach less effective in maintaining social stability. The divide between migrants and locals has

become a source of riots, demonstrations and protests, suggesting that the control-minded approach ironically makes social control more difficult and less effective.

8. The Chinese government—from central to local—is responding to the new challenges. A new round of *hukou* reforms is underway in many cities and provinces to make the requirements for obtaining an urban *hukou* more transparent, predictable and regularized.
9. Employment services are also being provided to migrant workers, to upgrade their skill levels, lower the *hukou*-based entry barrier, and facilitate labor mobility and job matching.
10. China is moving to equalize basic public services nationwide. Plans have been announced to universalize social security programs such as basic pension and medical insurance. The success of these social security reforms now hinges on the coverage rate among the floating population.
11. Several provincial leaders, such as Wang Yang of Guangdong and Lu Zhongong of Henan, have criticized the Chinese term “*nongmin gong*” (peasant workers) as discriminatory and un conducive to social cohesion and integration.