

# Differential Treatment in the Chinese Labor Market. Is *Hukou* Type the Only Problem?<sup>†</sup>

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## Abstract

Differential treatment towards minority groups in labor markets may be both a result of a governmental registration system that foster unequal rights based on the origins of individuals, and a result of a disadvantageous attitude of both local employers and the general population towards non-locals. We test for differential treatment in the Chinese labor market towards rural migrants with and without urban registration, using data from the Rural to Urban Migration Survey in China. The findings indicate that despite its often-assumed large impact on the differential treatment towards rural migrants, the type of household registration (*hukou*) is not entirely responsible for the local-migrant differences in total hourly incomes which are not attributable to personal characteristics. The results suggest that even the complete abolishment of the *hukou* system may at most eliminate only a portion of the disadvantageous treatment towards rural female migrants which is not attributable to differences in personal characteristics, and may even have no measurable impact on rural male migrants working in the paid-employment sector in Chinese urban labor markets.

**Keywords:** rural migrants, *hukou* registration, *hukou* conversion, unexplainable treatment, total hourly compensation.

**JEL Classification:** J71, J78, O15, R23

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