HOPE & OPPORTUNITY
EXPLORING THE UNIQUE STORIES OF MIGRANTS IN SHANGHAI
INTRODUCTION

Over the past 40 years, China’s demographic and socio-economic landscapes have changed remarkably, shifting from a rural, agrarian society to one of the fastest urbanizing, economic powerhouses in the world.

Beginning with the call for economic reforms and creation of Special Economic Zones (SEZ) in the late 1970s and early 1980s, China saw a massive exodus of people from rural to urban areas who were motivated by 40% higher wages, better life prospects and deterrents from labour shortages in the villages. This migration has been unmatched in both its scale and its implications. As of 2014, the number of people living in cities amounted to 742 million, representing half the country’s population (World Bank, 2014). By 2030, China’s cities are expected to be home to around one billion people, or 70% of the total population (McKinsey, 2015).

Migrant workers have acted as both an effect and cause of urbanization, filling and spurring high labor demands in secondary and tertiary sectors. Top emigrating provinces such as Sichuan, Anhui, and Jiangxi have contributed heavily to this stock of labor, while Beijing, Shanghai, and Guangdong have been the top receivers. Representing China’s largest nests of economic activity, these receiving regions are the largest providers of employment and wealth opportunities for Chinese urban migrants.

Shanghai in particular has a long-standing reputation as China’s hub of economic and cultural activity. It is currently China’s largest megalopolis by population - home to 24.15 million inhabitants who make up its diverse and cosmopolitan community (Shanghai Bureau of Statistics, 2016). Shanghai provides favourable conditions for improving one’s standard of living and quality of life. The allure of hope and opportunity persuades millions to come to the city. Be this as it may, the migration experience remains difficult. Many economic, social and emotional challenges exist in the lives of these migrants.

This report aims to explore the types of migrants coming to Shanghai, the motivations that drive them here, and the challenges they face. Based on these interviews, as well as secondary data, the report then makes conclusions on how migration will impact the city and country on a larger scale, now and into the future.
WHO ARE THEY?

The large-scale and ongoing migration of people between the countryside and cities is having a profound impact on urban demographic compositions.

Within Shanghai, the migrant population has grown from 3 million in 2000, representing 18.3% to 9 million in 2011, representing 39% of the city’s population.

Out of those that were interviewed throughout the research, five migrant profiles emerged.

THE HARD LABORER

These migrants encompass middle-aged construction workers, factory employees, and street vendors.

They represent the older generation which moved to Shanghai in the late 70s and early 80s to work in the growing secondary sector.

However, despite spending many years working and living in Shanghai, they do not feel integrated or even comfortable here. They work relatively low-paying jobs, so it can be quite difficult for them to enjoy the city and feel incorporated into the community.

Although they continue to earn better wages here than back home, they do not like the environment, the pollution, the stress, or the lifestyle that comes with the city. They have a strong attachment to their hometown and truly miss it.

THE YOUNG ADVENTURER

They moved to Shanghai a few years ago; they are the new young generation of migrants working alongside the older generation in low-paying jobs. Typically, they juggle with part-time jobs in the tertiary sector and work as waiters, security guards, gym trainers, and sales assistants, while still supporting their family back home.

He or she sees cities as a place to earn a wage and cannot wait to return home indefinitely. They do not feel integrated to the community and the Shanghaiese way of life. Their opinion of Shanghai (and the Big Four first-tier cities) is that big cities are a destination solely to make money rapidly, not a place to settle happily.

HOPE & OPPORTUNITY
Typically in their 20’s to early 30’s, they work in high-paying positions in the tertiary sector, most prominently in the technology, banking and investments, and trade industries. They represent the new generation of Chinese youth who have ambitious goals for their careers and look to move away from the traditional lifestyle that they are accustomed to.

They feel integrated and are emotionally invested in the urban community. They plan to either settle down in Shanghai for retirement or travel abroad in the future. Although they have a “hometown”, they do not consider any particular city or province to be their home.

They claim that “home is not a place, it’s a feeling”. Members of this younger generation are less attached to the concept of home and see themselves as citizens of the world.

After years of being separated, the nuclear family has gained the confidence to move the entire family into the city from a single member’s ability to succeed.

With children being reunited with their parents, this is for many reasons the preferred outcome, as it will reduce many of the family’s burdens, be they economic or social.

With grandparents able look after grand children, and with parents able to support their aging parents more efficiently and with reduced burden to employers, the reunification of families that were once spread across multiple cities will immediately unlock wealth.

Wealth can now be spent on the products and services of an urban lifestyle.

This generation is born from migrant parents who settled down in Shanghai after working there for several years.

Their Hukou and family history resides in their home province, yet they do not feel attached to it or share the same pride as their parents. Instead, they identify more with the city, where they were born, raised and educated.

The city feels like home to them. But this feeling can often incite an internal struggle to the second generation, as native urbanites still consider them as foreigners.

This is a challenging and interesting dynamic for these individuals as they bridge between the labels of local and migrant, and one that city leadership needs to understand better. It is this generation of migrants that will be core to the leadership’s own future.
The last 30 years of China's history has been defined by a period of unprecedented economic growth. Equally unmatched has been the growth in the number of migrant workers that have moved to the cities seeking opportunity on work sites, in factories, and in the service sector.

Historically, the movement of laborers started in China's interior provinces and settled along the coast. It began in the late 1970s with liberalisation of economic policy and the “opening” of China to the world.

This trend was particularly noticeable in regions where special economic zones were developed to attract foreign investment, like in the cities of Guangzhou and Shenzhen, or where large number of building and construction sites were activated, like in Shanghai and Beijing.

In more recent years (2008-2013), with the development of inland regions, migrants are now more able and willing to find employment closer to their hometowns. Increased levels of job opportunities and a lower cost of living are the top attractions to migrants.

This trend has been particularly noticeable, as shown via the demographic maps in Hubei, Hunang, Chongqing, and provinces where provincial capitals, and their supporting cities, have begun attracting investments into manufacturing and infrastructure. It is something that has picked up significant pace over the last 5 years as the Chinese domestic market has begun to grow away from a handful of national brands.

All of these changes have meant that migrant laborers, regardless of their persona or personal drivers, have begun to change their patterns.
WHY ARE THEY HERE?

1 ADVENTURE AND ECONOMIC OPPORTUNITY

Considerably better wages, diverse employment sectors, and professional and personal development opportunities are among the primary motivations for rural-urban migrants. For some, the objective is simply to make a large amount of money in a short period of time to either send home or save for retirement. Priority is placed not on the type of job but on the quantity of wages. This typically characterizes older migrants who arrived to cities in decades past, when low-skill factory work was the most prevalent. For others, particularly younger generations, cities represent an opportunity to find employment and build a career that matches their professional goals and personal values. They want to work for a company that gives them flexibility, balance, and meaningful work. The contrast in these views gives light to the changing economic priorities.

2 FORCED RELOCATION OR HARDSHIP

Due to unbalanced development policies and worsening economic conditions in rural communities when compared to cities, inequality in China is stark. In 2014, the GINI index of income inequality reached 46.9 on a scale of 1 (absolute equality) to 100 (absolute inequality), which is considered severe by the World Bank (World Bank, 2014). For rural residents, this inequality is represented by a lack of work opportunities, limited income growth potential, the closure of factories, or the failure of farmland.

Among young migrants, personal hardships are also commonly faced, represented by either family struggles, career and school expectations, or arranged marriages.

3 EDUCATION AND GROWTH OPPORTUNITIES

Some migrants explained that their decision to move was heavily influenced by better conditions in which to live and raise a family, referring to education, cultural diversity, and community. Younger families in particular saw education as a primary motivation to migrate, seeking high quality and bilingual curriculums for their children.

A migrant mother spoke highly of the learning opportunities outside the classroom as well, mainly those inherent in living in such a globalized and cosmopolitan city. The types of diversity represented in cities like Shanghai are potential sources of strength that allow people to connect, share ideas, and gain new perspectives.

4 REUNITING WITH FAMILY AND FRIENDS

Personal connections such as family and friends have a significant influence on a migrant’s decision to move, particularly for those who look to reunite with parents or siblings who had migrated to the cities before them. The recommendation of friends or colleagues is also a common driver for urban migration, particularly among younger generations. Several migrants that were interviewed explicitly stated they came because their friend had good experiences in the city and convinced them to move. In some cases, the friends were working in the same industry and were able to share their feelings on what Shanghai had to offer in terms of working and living conditions.
WHAT ARE THEY DOING?

Although commonly motivated by the allure of economic opportunity and improved social conditions, rural-urban migrants often encounter a variety of job scenarios in Shanghai’s diversifying and transitioning economy. While some attain formal training and employment, others are pulled towards the low-wage informal sector across many industries. The job profiles subsequently listed and described are not static. In fact, as the economic and social landscape of the cities evolve, so too will the jobs people acquire.

**Low-skilled labor**
Before the emergence of the tertiary service sector, migrants coming to cities like Shanghai typically found employment in agricultural and low-skilled manufacturing industries. Now that the modern service-based economy is outpacing these industries, the low-skilled laborer is being pushed out. Without formal training or education, and with limited funds to invest in such things, these (typically older generation) migrants must either leave or find a job working in the informal service sector, such as street cleaners, house maids, or cardboard recyclers. Although it is a tough choice, it is the reality facing this sector.

**Middle-class service sector**
The service sector is comprised of hair designers, gym instructors, and servers in cafes and restaurants. These services are growing quickly to support the blossoming modern economy taking hold in cities like Shanghai. Young and educated migrants are typically found working these jobs while they either attending school to build up to a white-collar career or just making enough money to take back home when they leave. Although the migrants themselves might not always be here, the jobs within this sector will remain. Everyone will still need their hair cut and coffee in the morning.

**White-collar service sector**
The advanced white-collar industries such as banking, investments, and trade are more recently becoming popular in the modern Chinese city. Initially brought in from external foreign investments into special economic zones like Shanghai in the 1980s, these jobs are now attracting well-educated and ambitious migrants from all over China and the world. Despite being relatively young, these industries are growing faster than traditional service and manufacturing sectors.

**Entrepreneurship**
Entrepreneurs in cities like Shanghai range widely in age, education, and background. Yet the one thing they have in common which is different from those working in middle-class and white-collar service sector industries is that they work for themselves. Whether they own a fruit stand, a bike mechanic shop, or real estate, their income is dependent on the state of business. This often means putting in very long hours to make sure things run smoothly and bills can be paid. Interestingly enough, the entrepreneurial route is the route often taken by those who’ve migrated and settled informally. Unable to work officially for an employer, their choice is to either leave or continue the entrepreneurial life.
ARE THEY HAPPY?

Beyond their initial motivations to move and their employment situations in the city, when asked how Shanghai compared to their hometown, migrants said their experience was generally positive. Their expectations had been met, whether they had found a well-paying job, reunited with family, or started a fulfilling career. Those who came here to find hope and opportunity were often successful.

Yet many challenges still remain. Among them, respondents mentioned the lack of social integration, the negative pressures of city life, the high cost of living, and poor environmental quality. Many respondents also spoke about the challenge that Shanghai is simply just not home.

Community integration

“I think Shanghainese don’t welcome people from other cities and are not very accepting of others. Although I was not discriminated against, I still feel their pride.”

Feeling integrated within the local community is one of the challenges of living in the city. While they may state that they feel comfortable living and working here, migrants often feel discriminated against. Some pointed to the locals as being a source of discrimination, stating that Shanghainese look down on migrant workers.

Another specified that he feels unwelcomed only by older Shanghainese, arguing that younger generations have become more accepting of migrants. Some indicated that discrimination is systemic and embedded in Hukou laws, which give Chinese citizens social benefits in their registered home-province but prevent them from accessing housing, education, and support of the same quality elsewhere. Moreover, differences in language, culture, and history can exacerbate these issues further.

Adjustment to city life

Adjusting to the fast-paced hustle and bustle of city life, high level of competition, crowds, traffic, and cultural pressures to act or dress a certain way are challenges that many find overwhelming. These challenges may lead to feelings of isolation many migrants experience.

“I think the life in Shanghai is too fast-paced. There are too many people in the city.”

Cost of living

Cost of living is also a prevalent challenge which many brought up while making the comparison between Shanghai and their hometown. The cost of housing and food are much more affordable back in the villages. Yet, beyond this factor alone, it was discovered that the cost of living has a decisive relationship with community integration – systemic discrimination imposed by Hukou laws lead to higher costs for housing and education. Furthermore, the inability to afford the cost of living results in a lack of integration because it is believed that one must have wealth to have social status.

Pollution and poor environmental quality

Pollution and poor environmental quality were also discussed, though less frequently than other challenges. Regardless, many that did mention it complained specifically about the air quality, saying that they would not be able to live long term in the city. Others mentioned a lack of greenspace and natural areas.

“I like bringing the kids back to my hometown because they have more spaces to run there. In Shanghai, there aren’t enough parks for them to play.”
LESSONS FOR THE CITY

1) URBAN PLANNING

Creating accessible and vibrant hubs of commerce, leisure, and community are all necessary, and when done well, it can be a binding force for new residents.

With good planning, the city becomes a place where people profit and leave without any interest in building community or investing into the city's future.

2) ECONOMIC OPPORTUNITY

With the core of the value proposition of many cities being the ability of new residents to improve their lives, jobs must be created and accessible to its migrant residents. Job creation in early phases may start largely as blue-collar, but as the city matures, it is important that access to more valuable opportunities to develop careers be created as well.

3) QUALITY OF LIFE

For residents to invest in a city, the city must provide an acceptable quality of life that is convenient and affordable.

Access to healthcare and education, parks and green space, and places where the community can gather are all essential requirements for cities to be able to attract and settle residents.

4) SAFETY & SECURITY

For residents to feel secure and to begin investing themselves, the city itself must also provide assurances of safety and security by removing threats of crime and providing fire protection and emergency services, as well as ensuring that the business and real estate investments made are protected. It is key that they feel they will be treated equally and without discrimination, and that their contributions to society are recognized.

5) ENVIRONMENTAL STABILITY

With residents of many Chinese cities experiencing poor air quality on a regular basis, and with reports about the impact to health of China's environment release daily, mayors of cities have begun to take action to make local improvements including moving factories out of the city core, replacing coal fired boilers, and investing in water filtration. Each of these measure bring material improvements to the city's environment and the quality of life for its residents.
Having lived in the city for several months to several years, and speaking of the diverse challenges faced already, many migrants concluded quite frankly that “Shanghai just isn’t home”. They do not feel integrated, adjusted, or comfortable here.

When asked to describe what home meant to them, migrants talked about a more relaxed and easier pace of life, better quality of air and natural environment, closer proximity to family, and more familiar sense of community – sharp contrasts to characteristics of the city.

As a result, and despite the opportunities that the city has provided, over half (54%) of the migrants interviewed, who averaged 36 years old, said they would move back home. About a quarter of migrants (23%), who averaged 28 years old, were unsure. Only 15% of migrants, who averaged 35 years old, said they would stay. 8% of migrants, who averaged 30 years old, claimed they would neither return home nor stay, instead speaking of travel and/or retirement outside China.

The strongest factors pulling this majority of migrants back home, among the characteristics previously described, were the desires to be with or start a family, return to better natural and social conditions, and rediscover the emotional value of home which could not be replicated elsewhere.

One migrant who plans to return said, “I am not going to settle down in Shanghai, I will go back to my hometown once I am married and have kids. Although Shanghai has been great, I do not want us to be out here without any family support.”

On a national scale, economic and migratory trends seem to support these desires and intentions to return home. The pace of eastward migration is slowing down as more work opportunities arise in the lower-tiered cities of western and central China. With some of the ten fastest growing economies being the 2nd-tier cities of Chengdu, Chongqing, Hangzhou, and Nanjing and the population growth of migrant workers in western and central provinces outpacing those in eastern provinces - 4.0% and 4.1% compared to 3.7% - it is clear that China’s economic and migratory patterns are shifting.

However, this is not something we should fear; it is a growing reality which China must accept and work with. National economic growth will no longer be dependent on mass migration and employment in coastal export industries. Rather on the balancing of regional economic disparities and growth in local economic and social opportunities.
Over the past 40 years, China’s cities have been in constant economic, social, and environmental evolution. The ongoing paths of development they take will certainly contain many more challenges and opportunities for all.

Economically, 1st-tier cities will continue to push forward in service and information-based sectors, and people will continue to flock to these opportunities. However, the cost of living will still pose a large burden for some and 2nd- or 3rd-tier cities might represent a more viable alternative.

Additionally, the demographic layout of first 1st-tier cities have become much more cosmopolitan, with local populations being quickly overwhelmed by rural migrant populations. This demographic trend, in conjunction with discriminatory policies, has created social tensions, new generations of local city-dwellers seem to have developed an acceptance of migrants. However, this does not take away from the struggles migrants still face, which has been explored.

Migrants who encounter these struggles and do not feel integrated into the city will most likely not be emotionally invested in the community. Therefore, cities should not overlook the importance of developing community-building and integration strategies to drive long-term migrant investment into the city. What is good for the citizens is good for the city. While younger generations are attracted by personally self-fulfilling journeys, professional opportunities in the tertiary sector, friends, and the allure of a modern and vibrant city, older generations have been coming for better money and a better quality of life. Those who keep up with this lifestyle will flourish while those who are more traditional may be personally pushed out of the city.

However, those who leave might take advantage of emerging job opportunities in 2nd- and 3rd-tier cities, which could cause a larger westward, reverse migration. As a result, these migrants could be closer to their homes, and migration distances will shorten. This could stimulate local economies and close the gap between migrants, their family, and the regional dialects and communities with which they identify.

The outlook on migration is that it will continue to change for generations. The individuals, communities, and nations it affects will never be the same. For some, the future is increasingly globalized, urbanized, and found in the megacities of world. For others, perhaps the return to localism and regional economies is where the future lies. While both directions of development and migration are already occurring in China, the long-term implications of each will surely be remarkable to watch unfold.