Migrant Workers in Shanghai
Inequality, economic enclaves, and the various routes to employment

Laurence Roulleau-Berger et Shi Lu
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NOTE DE L’ÉDITEUR

Translated from the French original by Jonathan Hall

1 With the establishment of a globalised economy, internal migration in China has become more complex, while the social policies designed to deal with the phenomenon have been redefined at the national and regional levels, particularly in the large cities like Shanghai. The steps required to gain access to employment have been altered, producing new forms of social and economic inequality. Thus the figure of the migrant labourer with few qualifications provides us with the means to analyse the process that segregates and cordons off the impoverished sections of the population.

2 In Shanghai, the organs for controlling migration discriminate against workers with few cultural or economic resources, but although these labourers are most often relegated to disadvantageous positions within the labour market, they are nonetheless able to develop skills needed for integration. This can be seen by their occupational mobility and their entrepreneurial activity. This article is based on the following hypothesis: although semi-skilled migrant labourers in Shanghai are economically and socially subjected to forms of urban segregation that publicly stigmatise them and confine them to economic enclaves, they are nonetheless able to mobilise various skills and resources within strategies which produce situations of social affiliation or disaffiliation.

3 Until 1983, the methods of controlling the rural labour force forbade any migration outside the province where the labourer was officially domiciled. Principal among these was the official registration of residence, or hukou. The rural enterprises (xiangzhen qiye) limited geographical mobility by favouring occupational mobility in a single place (litu bu lixiang). From 1984 onwards, when these rural enterprises’ ability to take on more labourers reached its limit, large-scale migrations “outside the district” (litu you lixiang)
developed. Faced with the falling price of agricultural products and the persistent labour surplus, the Chinese government relaxed its restrictions on movement, and allowed residence in the towns through certificates of temporary domicile.

This gave rise to a considerable increase in the flow of rural migrants to the towns, particularly to the coastal provinces and big cities like Shanghai. The latter established new procedures for regulating these spontaneous flows, which were not organised by the state, and the migrants themselves were labelled either “blind migrants” (mangliu), or else “a worker-peasant floating population” (liudong renkou, nong mingong). In the mid-1990s the Shanghai City council introduced quotas for all migrants, without distinguishing between their different provinces of origin. At the same time, from 1993 onwards they welcomed skilled and qualified migrants with open arms, issuing them with a blue hukou card (lanyin hukou), which was replaced by a full residence permit (juzhuzheng) in 2002. In effect, Shanghai has gradually established a population control apparatus which helps to produce two forms of inequality; the first of these distinguishes citizens from migrants, and the second distinguishes migrants with few cultural and economic advantages from those with skills or financial resources.

1. Migrant workers in Shanghai

<table>
<thead>
<tr>
<th>Year</th>
<th>Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983</td>
<td>0.5</td>
</tr>
<tr>
<td>1985</td>
<td>1.34</td>
</tr>
<tr>
<td>1988</td>
<td>1.41</td>
</tr>
<tr>
<td>1993</td>
<td>2.81</td>
</tr>
<tr>
<td>1997</td>
<td>2.37</td>
</tr>
<tr>
<td>2000</td>
<td>3.87</td>
</tr>
</tbody>
</table>


These measures have produced a hierarchy in the modes of public recognition, setting up a distinction between the largely unqualified migrants who are labelled a danger to public order, and the qualified migrants who are explicitly defined as people capable of making a positive contribution to the social and economic development of Shanghai. The first group are objects of social scorn and stigmatisation, and enjoy very limited access to medical care, social security, education and housing, whereas the second group enjoy the benefits of positive public and social recognition. Until August 2004, peasant migrants had no access at all to social security in the city. As for education, in 2002 42.6% of the children of migrants in primary education, and 25% in secondary education, were enrolled in unregulated private schools for migrant children (mingong zhi xue).
because they were unable to pay the extra fees which the city's public schools required from holders of a rural hukou.

6 In 2000 a census of the migrant population in Shanghai showed a heavy concentration (63%) living in precarious accommodation on the outskirts (renting space from a resident while living in dormitories or building sites). Moreover, even if the migrant who held a rural hukou managed to get a temporary residence permit (zanzhuzheng), that did not guarantee him or her gaining full citizenship in Shanghai. This is shown by the following statement, in November 2002, by one of our informants, a 32-year old news vendor in the Zhabei quarter:

7 Our friend Xiao Wu has already been arrested twice by the police, and locked up for three months! One day he saw a fight in the street. When the police arrived, he was willing to be a witness, but they asked him for his permit, which he had left at home. So they took him off. Later, when we brought his card to the police station, they tore it up in front of us to prove that Xiao Wu had no papers! Actually, the Shanghaiese despise anyone who is not from Shanghai, but they are very friendly towards the Cantonese, because they are mostly rich people.

8 Although poorly qualified migrants are kept well away from access to social rights, at the same time they are targeted by the unskilled labour markets, because the new economic and industrial zones have a great demand for labour from the countryside. But discriminatory policies lead to worsening social segregation in the cities. For example, in the early 1990s the Shanghai city council passed laws aimed at maintaining the interests of the urban labour force in the primary employment sectors by restricting the migrant labourers to the secondary labour markets. Shanghai businesses were obliged to recruit migrant labourers through collective contracts with the province of their origin, backed by that province's representative office in Shanghai. And since 2001 they have had to recruit at least 15% to 30% from among the local applicants before taking on any labourers in possession of a rural hukou.

9 These forms of restriction are accompanied by an employment system which is closed to migrants. In 1995, the Shanghai authorities differentiated between three areas of employment. The first (heavy industries and textiles) was open to migrants; the second (mass consumer goods, mostly electronic) was open to migrants only in the case of pressing need; and the third (administration, security, banking etc.) was completely closed to migrants. In the same year, the Shanghai bureau of labour and social security published a list of twenty types of employment forbidden to migrants (they could not be taxi drivers, telephonists, insurance or bank clerks, etc.). This list was modified in 2001, but only according to the demand for labour. In spite of their status as temporary residents, migrants are still excluded from five types of employment. They may not work for official or public services, for public security or environmental protection services, for the management of joint property in the city districts, for the sales departments in state-owned stores, or for the cleaning services in airports, railway stations and harbour facilities. The following testimony comes from a domestic servant woman from Szechuan:

10 I was born in Szechuan. When I was 18, I left the countryside to work as a domestic servant in Chengdu. The family was very rich. My husband came to join me two years later. The master of the house asked my husband to learn to drive and become his private chauffeur. That is how my husband became a driver. Some time later, our master died suddenly. So we left that family and came to Shanghai. My husband looked for work, but
he was not allowed to be a driver of any sort, not only in taxis but for companies or other people. Finally he was taken on by a Hong Kong businessman who had some fake papers made, to show that he was not a migrant. With the fake papers he has held this job for eight years. We don’t dare tell the people he works with that we are a couple, because that might reveal his real identity. If his present employer leaves one day, he will no longer be able to work as a driver.

11 Admittedly, in recent years the migrants have benefited from an improvement in their conditions of movement. They can move freely from one province to another, and politicians are attempting to draw up new policies for their access to jobs, in the name of a struggle against the ever-widening gaps in social inequality. In Shanghai, some of the restrictions on their entry into certain job sectors have been abolished. But those with low-grade or few qualifications are still subject to urban segregation, both social and economic, and this stigmatisation affects their job prospects.

12 The provisions laid down by the Shanghai administration are partly responsible for fragmenting the labour market, through encouraging the formation of economic reservations in which poorly qualified migrants, often from the same province, make up the main body of the labour force. This preponderant imbalance is the consequence both of the restrictions themselves and of the way in which these enclaves have been taken over by the migrants. According to the census in 2000, migrants predominate in sectors of the secondary labour market which offer hardly any access to skilled jobs. Textiles, heavy industry, and construction, employ mostly unskilled labour. In addition to these economic reservations, some service industries like restaurants, as well as agriculture and fish-farming, are also available to them. In Pudong, for example, where there are still agricultural areas, many young locals have given up agricultural work, preferring to hire migrants or rent them their land, in order to work in industry where the wages provide a higher income.
2. Area of activity of the migrant workers in Shanghai

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>19.6%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>25.8%</td>
</tr>
<tr>
<td>Agriculture and fish-farming</td>
<td>7.3%</td>
</tr>
<tr>
<td>Door-step services</td>
<td>6.9%</td>
</tr>
<tr>
<td>Catering</td>
<td>6.6%</td>
</tr>
<tr>
<td>Skilled work</td>
<td>3.8%</td>
</tr>
<tr>
<td>Transport of goods</td>
<td>2.9%</td>
</tr>
<tr>
<td>Public organization</td>
<td>0.5%</td>
</tr>
<tr>
<td>Others</td>
<td>11.1%</td>
</tr>
<tr>
<td>Trade</td>
<td>13.9%</td>
</tr>
</tbody>
</table>


13 The emergence of economic enclaves is conjuncturally linked to the job restrictions and opportunities on the one hand, and to the migrants’ own adaptive strategies on the other. These are both individual and collective, and they demonstrate the migrants’ ability to make good use of their resources. They form associations in accordance with their provincial origins and organise themselves within their respective economic enclaves, or engage in small-scale operations, such as rubbish collection, or doorstep deliveries of drinking water 12. While the experience of migration leads to a loss in terms of skills and formal qualifications, it is also an occasion for the renewal and implementation of various resources focused on survival. Their precarious situation and pressing need has led the migrants to develop ways of coping 13. The networks of mutual aid and support between migrants from the same region who confront the same experiences, favour this production and appreciation of new skills.

14 Confined to the economic enclaves, migrant workers face conditions of irregular employment, lack of promotion prospects, and low wages. With the advent of the economic reforms which brought the closure of certain state enterprises, intensified working conditions, demands for higher quality, and integration into the global economy, there has been a corresponding growth in the overexploitation of the poorly qualified migrant labour force. In some sectors, particularly the construction industry, migrant workers are paid annually, but the absence of a work contract sometimes deprives them of any legal support in cases of non-payment. Likewise, they do not have guaranteed access to social security benefits. Other workers are paid piece-rate. Common working conditions include a 14-hour day (particularly in private enterprises), with no time off for meal breaks, night workers having nowhere to sleep, and no overtime.
Unskilled migrant workers, being unrecognised and considered incapable of integrating, are viewed as a new “unnecessary surplus” to the needs of Chinese society, since they are unemployed, or at best employed only from time to time. Forced to bend to every demand, the migrant worker has to adapt him- or herself to risky working conditions, often at the “filthy” end. Unprotected by any statute, they face a complete lack of social security and a regular income, enduring disruptions, instability, and vulnerability in the labour market, all of which arise from that market’s abnormal functioning. Whereas such “surplus” people in Eastern Europe can choose between resignation and sporadic violence or outbursts of rage, in China they mount occasional demonstrations of despair, running the risk of repression.

Despite these social and economic conditions, as the poorly qualified migrants move about in search of jobs, they establish a variety of routes leading towards economic integration. Their mobility from job to job, and from place to place, brings out entrepreneurial or “hobo” figures, in a way that is reminiscent of the unemployed migrant workers who found occasional work in different places between Chicago and the West of the United States in the early twentieth century. The links forged between the family networks of mutual aid and personal contact provide the migrants without qualifications with a strength which transforms them into agents in control of their situation. But, on the other hand, this in turn tends to increase their social exclusion and lack of acceptance.

Migration allows occupational mobility to come into being. Some peasants become traders, particularly in agricultural produce, for which they hire a stall. This often forces them to live in the same place, owing to their meagre financial resources. Thus, they have left extremely harsh working conditions to gain access to an occupation in a town, which gives them a larger income but provides no advance in status. Other peasants become workers, but they also make no gain in status. Everything depends on the nature of their occupation and their ability to get their skills recognised. Whereas a worker in a state enterprise within the old socialist economy could not gain experience across different occupations, nowadays the marketisation of labour means that migrants with few qualifications are able to follow itineraries within the urban labour market, combining or alternating between various commercial or non-commercial occupations, and ranging from the industrial to the agricultural and service sectors. When migrant labourers can no longer work in industry in Shanghai, they go back to their villages and work in the fields, although an additional factor here is the seasonal demands of the harvest. We have found this practice to be particularly marked in the case of men working in interior decoration.

Some of the migrants with few qualifications develop individual and collective strategies, based on networks of mutual support, and family and community exchange. For instance, small entrepreneurs have set up employment agencies, and created new urban services like hairdressers’ salons, restaurants or locally based businesses, like the migrants from the northeast whom we encountered, who had set up a chain of restaurants in southern China specialising in northeastern cuisine, or the migrants from Wenzhou who are major players in the developing leather industry. Businessmen like these create real economic enclaves. When they become employers, they recruit migrant workers from their own province, thus integrating them into their sphere of the economy.

In this way dynamic commercial and entrepreneurial systems come into being. One might hazard the hypothesis that while the more formally qualified workers, particularly
among the younger generation, develop such initiatives on a more individual level, the less qualified set up their networks on a collective basis. The feeling of belonging to the same village, and the mutual confidence which underpins it, ensures the conditions for successful commercial or entrepreneurial projects. These entrepreneurs establish their own rules, conventions, and norms of conduct, within those market segments in which they have an interest, developing thereby new ways of doing things.

Migrants with poor qualifications also establish itineraries which allow them to move from one province to another. Such movement is always provoked by the urgent need to leave a situation where survival is at risk. As we were told in an interview in a farmers’ market in the Zhabei district in 2002, “wherever we are, all we want is to eat enough and have a job”. The migrants’ multiple movements and occupations take different directions according to their age, sex, native province, occupational qualifications and skills, and the kind of economic activity in which they engage. The range of their employment broadens during the experience of each migratory movement, as they build up an increasing number of social and economic bases of support. But multiple migration is not always matched by multiple occupation. In fact some migrants have moved around by developing economic contacts within a single activity across several provinces, whereas others are obliged to transform their acquired skills for use in other occupations.

When multiple migration occurs without change of occupation, the different work situations are linked in a more coherent way. The migrants take to the road, and move around following the lines of an established economic network grounded in a single productive activity, settling in specific places in different provinces. But this coherent continuity between the different sites linked by a single activity can be disrupted at any moment (in the case of dismissal, for example), to be re-established within a different activity. As a 38-year old woman from Jiangsu whom we met at the Zhabei farmers’ market in 2002, told us:

I started work in a factory at 17, got married at 25, and had my first child at 27. So I worked for ten years in factories. I went everywhere in Henan, and Jilin...; in our area wages are very low, but in other provinces they are higher. I learnt how to make leather shoes for a year in Huaiyin in Jiangsu, and then I came back closer to home in Zhuyong, where I worked for another year. After that I went to Henan, and I worked there for a year in a private firm where someone got me a job. Next, I went to work in Anyang for a few months, but the boss was no good and didn’t pay us. After that I went back home for a year, working in a rural enterprise which supplied a Shanghai factory. Then I went back again to Jilin for a year, and after that I went home, and I worked for three years in Wuxi and for six months in Jiangsu. Then I went back to my village and worked in the same rural enterprise again. A Shanghai man came to open a new factory, and he asked my husband to train his workers. I worked there for two years. Next, they opened a shoe factory in Danyang in our area, and they asked my husband to go there. It was very hard. I followed my husband, and we worked together because we each had our own speciality; he made the soles and I made the uppers. Actually I didn’t want to move. I was making 1,000 yuan in the rural enterprise, but they insisted on me going, so in the end we went. In the new factory they had no models, so my husband had to make new ones for them. He’s a clever man, but he lost his parents early. We stayed there about a year. My husband did not work on the production line, and we got someone from our village rural enterprise to come and take care of sales. For a year business was good. But the boss wanted to keep everything for himself, so we left for Jingdezhen in Jiangxi, where we
rented a space in a shop to sell shoes. That didn’t work out, so we went back home after six months. The Shanghainese who had set up his factory in Danyang knew my husband, and told him, “set up your own factory”, which we did in 1985. After three years we went broke and left again. In 1989, we went to work in a rural enterprise in our area, and my husband earned 1,500 yuan a month. But as we had hundreds of thousands of yuan to pay back, we came to Shanghai.

23 These multiple trajectories take shape around a whole range of different economic affiliations and geographical attachments. They also consist of patterns of repetition and return: the migrants will return several times to their native village and then leave again for another province. The protagonists of this multiple migration can be defined as “hobos”, moving from province to province in a nomadic fashion, and participating in a range of economic activities in different areas.

24 All forms of migration can bring about what Bourdieu and Champagne call “exclusions from the interior” whenever such migration entails a phased loss of social capital, both in economic resources and in terms of social recognition, leading to a diminution and finally to a complete denial of a person’s qualifications. This is the case of administrative staff who are laid off and forced to change occupation, like the man we interviewed in a furniture renovation factory in December 2003:

25 I worked in the administrative offices of a regional township, dealing with the census and agricultural management. In 1990 local government was reformed in Anhui, and certain townships were amalgamated. So the administrators were laid off. I was sent to a village to be an unqualified primary school teacher. In 1996, unqualified teachers could be recognised as qualified, provided that they had started teaching before 1984. But I had only started in 1990. So I was laid off again. I had a relative working in the Shanghai construction industry, and I thought I should try that. So I came here. I put my name down in a labour exchange and immediately found work in a factory. I was in charge of warehouse stock. Then the factory closed. In 2001 I came to this factory and have been here up till now. I am in charge of the stock.

26 Within changeable economic conditions, when the market economy also means unemployment and poverty, “exclusions from the interior” can lead to a process of complete eviction from the urban labour markets.

27 In Shanghai today the combined effects of the arrival of migrant populations who are set apart and perceived as undesirable aliens, the discriminatory policies aimed at controlling them, and the formation of distinct economic enclaves, are all generating increasing economic and social inequality. Migrant access to more or less visible kinds of activity, is partly enabled by the segmentation of the labour markets, but it is also the outcome of the migrants’ own individual and collective strategies within the context of increasing uncertainty and rising unemployment. Such conditions exacerbate discrimination and segregation in the labour market, leading to a hierarchy of access to available jobs. Chinese society is undergoing a dual process of integration and marginalisation, in which the issue of social status is posed in particularly acute terms. Under Maoism, by contrast, social roles were distributed in a less exclusive manner. In this situation of social insecurity, the Chinese economy is becoming pluralised on the basis of a differentiation of the forms of work and occupation open to migrant workers with few qualifications, as they search for jobs along a variety of internal migratory routes. From within the increasingly diverse types of migration in China, and the multiplicity of nodal points through which they pass, two representative figures have
emerged, namely the entrepreneur and the “hobo”. Together they illustrate an individual and collective ability to connect the sites and forms of their economic activities, as each struggles against poverty in pursuit of social acceptance. This phenomenon leads the Western sociologist to wonder what analogous features can be found in common between the processes of economic integration and social disaffiliation both “over here and over there”.

NOTES

1. See Robert Castel, Les Métamorphoses de le question sociale, Paris, Fayard 1995. He defines social disaffiliation as “the particular way in which social bonds are dissolved”, which is characteristic of modern poverty: “To be in an area of integration means to possess guarantees of permanent employment and an ability to rely on the support of firm relationships; in the area of vulnerability the precarious tenure of employment is doubled by weakened social supports; the situation of disaffiliation combines unemployment with social isolation”.

2. Shanghai is the second most favoured destination for migrants, coming just behind Guangdong province. In 2000 the number of migrants to Shanghai reached 3.87 million, which is about 24% of the total migrant population of China.

3. For the purposes of the 2000 census of migration to Shanghai, migrants were defined as people who do not possess a permanent Shanghai hukou, however long they may have resided in the city.


5. See document No. 34 published by the Shanghai City council in August 2004, Shanghai shi wailai congye renyuann zonghe baoxian zanxing tiaoli (Provisional Regulations Concerning the General Safety of Migrant Workers in Shanghai; Gu Jun, Liudong yu zhihu : liudong renkou wenti guanli yu zhence de yanjiu (Mobility and order : a study of the management and policies towards the migrant population), Zhongguo shehui chubanshe, Shanghai, 2003.


Manpower Policies, Weber A. R. ed., Madison, Wisconsin, 1969) argues that the segmentation of labour markets should be understood in terms of a distinction between primary and secondary markets: “a primary market provides relatively well-paid stable employment, with good working conditions and promotion prospects and evenhanded management; a secondary market, to which the poor are restricted, is far less attractive with regard to the above characteristics”.

9. Document No. 11, 2001, issued by the Shanghai City council, Guanyu jinyibu jiaqiang benshi wailai renyuan jiuye guanli de yijian (Bulletin on strengthening the management of the employment of migrants in Shanghai), Shanghai labour and social security office.

10. Ibid.

11. Since March 2002 the Shanghai City council has forbidden the imposition of arbitrary taxes on migrants seeking to obtain the various permits. In 2003, the State Council issued a circular stipulating for the first time the rights of migrants in the cities, particularly in the field of occupational training and schooling for their children.


RÉSUMÉS

As China’s economy turns to globalisation, at home the issue of a floating workforce is becoming more intense and complex. In Shanghai, low-skilled migrants are subject to economic and social segregation. This comes with a social stigma and restricts the migrants to particular economic sectors within a fragmented labour market. Nonetheless, the itineraries the migrants follow allow them to acquire certain skills and resources. Their survival strategies produce what have
been called “situations of affiliation and disaffiliation” within an overall situation of general insecurity.