Redirection of Migrant Workers from Shanghai to Zhoushan, China

SES375S: Social Engineering and Social Movements
Angela Chen, Raisa Chowdhury, Robinson Ford, Ben Heuser, Sophia Khan, Jenny Peng, Zack Spiera
Brief

The migration of rural workers to China’s population centers is one of the most pressing social issues that China is facing today. China controls the movement of its population through its hukou system, which originated in the 1960’s. An individual’s hukou status determines his/her work eligibility and social benefits. This system results in disparity in access to employment and social benefits across the population. Owners of rural hukou generally find their opportunities and social services to be much more limited than citizens with urban hukou.

The port city of Zhoushan lies on a series of islands off the coast of China. Zhoushan is primarily a shipping town, with most of its economy being based on either the maritime industry or tourism. Zhoushan has experienced a slight decline in migrant population over the last decade. This, combined with China’s aging population problem, is causing Zhoushan to run into some labor shortage issues. The encouragement of migration into Zhoushan is necessary to allow the city to continue to grow into a maritime powerhouse. This movement has the added benefit of removing migrant workers from overcrowded cities on the mainland.

The thriving industrial center of Kunshan serves as our model around which to base Zhoushan’s economic development. We would like to see Zhoushan enact similar policies as Kunshan in order to serve as an alternative destination for migrant workers who are struggling in large cities such as Shanghai. The overcrowded metropoles of China are increasingly struggling to accommodate the influx of migrant workers. Encouraging these workers to instead relocate to smaller or mid-sized cities will help ease the infrastructure and social burdens brought upon the population centers of China. The progress of cities such as Kunshan and Zhoushan can serve as a model for future population relocation. Through the creation of a more educated labor force, we intend to spark direct foreign investment in Zhoushan in much the same way as Kunshan.

This local government-led campaign enacted in Zhoushan will initially focus on education reform in Zhoushan. Primary/secondary schools in Zhoushan need to be reinvented in order to accommodate the children of incoming migrant workers. The encouragement of well-qualified teachers is one of the starting points in this action plan. Raising wages and increasing future opportunities for potential teachers will ensure that qualified educators do not instantly gravitate towards higher-paying positions in China’s larger mainland cities. In addition to altering curriculum and providing a better basic education, Zhoushan also needs to increase the proportion of migrant children attending school. Making these children’s education compulsory is the only way to guarantee this. It would be necessary to subsidize many families who cannot afford to send their children to school, which Zhoushan does not do to a satisfactory level.

Zhoushan’s vocational school program must be expanded as well. The local tourism and maritime industries need the necessary employees in order to grow, many of whom come out of local technical educational programs. An increase in funding to these vocational programs will ensure that migrant workers are attracted to Zhoushan in order to fill the demand for labor. Subsidy and admission policies for Zhoushan’s two local universities also need to be updated in order to allow broader access to higher education. The establishment of educational reforms will ensure that Zhoushan continues its rise in economic relevance, buoyed upward by the power of a migrant worker influx and a better educated workforce. In addition, such reforms would allow Zhoushan to become a paragon for how other areas making the rural to urban transition and attempting to become mid-sized cities can do so successfully.
Introduction

Today, more than one half of Chinese citizens live in urban settings, with a predicted two thirds to inhabit cities in the next 15 years (Friedmann, 1). The current migration trends lead to overpopulation in large cities, which is posing a huge problem in distribution and access to education, healthcare, and social security. To curb the disparity of social benefits in the overpopulated city of Shanghai, we are proposing a project to the government of the neighboring Zhejiang province that would attract migrant workers to settle in smaller cities around Shanghai with growing economies. We have recognized the potential for economic development in the city of Zhoushan, the largest island of the Zhejiang province in Eastern China, and believe that the provincial government can implement a number of policies that would encourage the growth of an educated labor force that welcomes and successfully integrates migrant populations.

The city of Kunshan, which has experienced rapid economic growth in the past four decades, acts as a model for the result of our proposal. Preceding the interests of foreign direct investors, the Kunshan industrial sector ensured the city would be favorable for new plants to be established. The local and city governments started to transform themselves into market-friendly agents whose key goals were to form an alliance with more capitals to promote local economic development (Chein). As manufacturing plants were built, many components of the supply chain also moved to Kunshan, making the city an anchor tenant for the IT industry.

Like Kunshan, Zhoushan provides an alternative, smaller city to reroute developing industries and, therefore, migrant workers out of Shanghai. We would like to recreate a similar phenomenon to Kunshan in Zhoushan by way of attracting migrant workers who struggle to compete with urban workers for jobs and social benefits and fostering their education and
integration into the city. This educational and economic advancement would contribute to the appeal of these cities from the migrant worker perspective and provide an alternative urban setting to which migrants can move to seek jobs and competitive education system.

**Background Information**

China’s *hukou* system, established in the 1960s, provides the principal basis for establishing identity, citizenship and proof of official status of Chinese born persons. It was created as a method of controlling the movement of China’s population and the urbanization of the country, preventing the overpopulation of large cities. *Hukou* status determines a citizen’s work eligibility, as well as the governing body that will provide his/her social benefits and welfare. Without registration, a Chinese citizen cannot establish eligibility for food, clothing or shelter, obtain employment, go to school, marry or enlist in the army.

Urban areas are owned and administered by the state, and its budget supplies urban areas with public services such as employment, housing, food, water, sewage disposal, transportation, medical facilities, police protection, and schools. The state does not, however, assume direct responsibility for the services for countryside, nor does it provide welfare entitlements, including free or subsidized health care, retirement benefits, and subsidized food and housing to rural people. The countryside people, therefore, rely on “differentiated resources allocated by self-reliant rural communities (villages) or their collective subunits (production teams)” (Cheng, 2). As a result, many citizens with rural *hukou* migrate to large cities to seek employment with hopes of obtaining the social benefits that complement urban *hukou* status. While some of these migrants aim to outright transfer to urban *hukou*, others hope to receive the
benefits while maintaining their agricultural *hukou* status. Oftentimes, rural citizens who successfully achieve urban *hukou* continue to be treated as second class citizens, both by the government and the local population. Therefore many migrants are skeptical about sacrificing the land-owning rights tied to their rural *hukou* (Young 153).

**The Problem**

Currently, China’s *hukou* system causes great disparity in access to social benefits across the population. Citizens with urban *hukou* status enjoy superior health care, social security, public education, and much more when compared to those who have rural *hukou*. Worsening the issue, rural citizens often have to forfeit some social benefits if they wish to work in cities outside of their *hukou* district. The severity of this problem varies between cities of different sizes. Progress has been made in some smaller and medium sized cities towards granting more equal social benefits to migrant workers, and easing the process of rural citizens achieving urban *hukou* status. However, the larger cities, which are more appealing to migrant workers due to their more abundant jobs and better social services, have the strictest *hukou* policies. These cities implement points-based systems of earning urban *hukou*, the requirements of which are extremely difficult (if not impossible) to meet, in order to avoid inflating their overpopulation issues. Therefore, there is a disconnect between where the migrants want to work, and where sufficient social benefits to provide for themselves and their children are actually available to them.

**Intervention Outcome**
As a result of our project, the outcomes, we hope, will be as follows: overall, the redirection of the migrant rural population from the overpopulated and competitive Shanghai to the smaller, up and coming water town of Zhoushan. We would like for the migrant workers to receive the same educational benefits as citizens with urban hukou in this city, but without actually having to obtain urban hukou status right away.

Despite being historically a popular destination for migrant workers due to its continuous construction projects, Zhoushan has been attracting fewer migrant workers in recent years. In fact, the archipelago has recorded negative population growth for the past 11 years. Preceding the redirection, we hope to establish secondary and primary schools that welcome the integration of rural children and families into Zhoushan, and, furthermore, the expansion of Zhejiang Ocean Universities programs to accommodate adult rural populations.

Through the accomplishment of a competitive but inclusive education system, we hope our proposal will lay the foundation for the chain-reaction of industry and investment in the Kunshan model. With more attractive working and living conditions appealing to migrant workers and the creation of a more educated labor force out of the rural population, our efforts will hopefully attract foreign and domestic investment in Zhoushan, allowing the city to experience economic growth in a manner similar to Kunshan, and, consequently, offering migrant workers social and economic opportunities similar to the ones available to people of urban hukou in large cities. We hope that success in Zhoushan will lend credence to this method of curbing overpopulation in China’s megacities and spreading prosperity to other areas.

**Economic Development and Education Shortfalls**
Since 1992, increasing numbers of foreign and domestic corporations began to see Zhoushan as an up-and-coming port city with vast production capacity and investment opportunities. Moreover, in 2011, Zhoushan was chosen as the fourth national Economic Development Zone, which brought along special economic policies aimed to attract investment and promote growth. These policies include: 1) local and national tax exemption or reduction for foreign companies, 2) economic reward for individuals who introduce foreign investors, 3) one time award for private enterprises that establish a foreign-funded enterprise by share exchange, mergers and acquisitions, and joint ventures (Zhoushan Archipelago New Area). Beyond national and local policy support, the deep water harbor, recently completed Trans-Oceanic Bridge, and Putuoshan Airport that conveniently connect Zhoushan to its markets make Zhoushan an ideal industrial center. Attracted by these policies and means of transportation, many companies have moved their headquarters and factories to Zhoushan, such as Hongsheng (a textile and derivatives producer), Yingbo Beer, Yangfan Ship Parts, Chinese Ship Production, San’an Gas, Haishi Corp., and Wanyi Ships. These companies provide numerous job opportunities for migrant workers. In addition, the large-scaled industrial production also requires better roads, electricity-networks, and more factories. The construction of these infrastructures provides even more jobs for migrant workers. However, despite the initial influx of migrant workers, more and more of them are now moving out of Zhoushan, in part due to their inability to enroll their children into local schools (Catanzaro and Yiqi). The governments of Zhoushan and Zhejiang should address this population decline by complementing Zhoushan’s stimulating economic policy with educational incentives. Surveys have shown that one of the most traumatizing elements in working away from hometown for migrant workers is their separation from their
children, whom they sometimes could see only once a year (Hesketh et al.). Fewer barriers for rural children to enroll in primary and secondary would allow migrants to migrate with their entire family. More higher education opportunities would attract young workers who wish to obtain a college degree to climb the social ladder.

**Importance of Education: Cultural Value**

Since ancient China, the Chinese have been using nationwide examinations as the dominant way to select government officials. These exams were seen as a nondiscriminatory, objective means to ascend the social ladder and gave birth to the idea of meritocracy. Ideas such as “education provides social mobility” and “hard work pays off” have persisted over the centuries, and Chinese parents today are more convinced than ever in the power of education (Mansell). They put huge amounts of effort into disciplining their children and seeking ways to get them to the top schools starting from primary institutions. Migrant workers place an equal emphasis on education as, if not more than, middle class population because of their desperate circumstances and strong desire to enable their children to live better lives (Zhao).

**Current Education System in Zhoushan and Education Reform**

With the help of the government, Zhoushan has to reinvent its educational system to attract migrant workers who wish to provide their children with a better future. To achieve this goal, the government should pass policies that encourage qualified teachers in urban schools and education degree pursuers to work in Zhoushan. These teachers should enjoy a good wage and a better opportunity to go to graduate school, with financial aid provided by the government, or
work in government agency after their service in Zhoushan (Liu 20). The government and the corporations should also invest in schools’ infrastructures. More scientific and well-rounded curriculum should be introduced to Zhoushan so that the students can better compete with the urban students who received education in arts, musics, and sports through after school prep classes that are highly popular in other cities.

Currently, Zhoushan’s 88 public schools have varying degrees of acceptance for the children of migrant workers (Zhoushan education site). Zhoushan needs to make education of migrant worker’s children compulsory in order to better integrate migrant families into Zhoushan’s community. As this influx of migrant workers’ children enters the Zhoushan school system, Zhoushan’s current student to teacher ratio should ideally remain constant. For primary and secondary schools, the ratio is approximately 15 students per teacher, which is excellent for Chinese schools. In order to maintain this ratio, an effort should be made to hire a corresponding number of new teachers.

Zhoushan provided 18.23 million yuan in subsidies for education in 2011, which was distributed to 13 percent of students, who received an average of 741 yuan each (Zhoushan Education Network). The city’s total education funding in 2011 was 2.534 billion yuan, only 0.7% of which was devoted to educational subsidies. In future years, Zhoushan needs to drastically expand these subsidies and progress towards a need-based subsidy system where all low-income students (specifically children of migrant workers) receive the assistance they need.

In addition to primary and secondary schools, the city of Zhoushan also needs to improve the public vocational and technical schools in the area, increasing the current teaching capacity of 92,700 people (Zhoushan Education Network). A surging population of migrant workers will
require an expansion of the seven existing institutes, as well as the potential establishment of new technical schools. Current vocational institutes are not funded well enough to adequately expand in this manner. The majority of technical schools in Zhoushan are focused on maritime industries such as fishing, shipping, or ship building/repair, as well as tourism. In order to further these core economic objectives, Zhoushan’s technical institutes must have adequate funding to undergo growth and expansion. The same policies of attracting superior educators utilized by primary/secondary schools should also be applied to Zhoushan’s vocational schools.

Currently, Zhoushan’s institutes of higher education lack the ability to properly influence the port city’s economic and social development. The only institute of higher learning currently open is the Zhejiang Ocean University, with a satellite campus of Zhejiang University (Zhoushan Campus) opening within the next two years. The brightest individuals of Zhoushan often tend to leave the city to pursue higher education on the mainland. This is detrimental to the city as a whole, resulting in a net flight of higher learning from the islands. Larger incentives for local students (such as higher subsidies and more scholarships) would help rectify this problem. Zhoushan needs more citizens to attend its universities; many graduates of secondary school choose not to pursue higher education. Measures such as slightly lowering admission standards for Zhoushan locals, as well as decreasing local tuition costs, would allow a higher percentage of secondary school graduates to progress in education. Graduates in the top percentages of their secondary school classes could also be offered automatic admission to either Zhejiang Ocean University or the soon-to-be Zhejiang University Zhoushan Campus (“Study in Zhejiang University”). Guaranteed admission to a local university would both convince high-performing students to stay in Zhoushan, as well as tip reluctant students towards attending university at all.
Zhoushan’s universities need to expand their rightful role as a driving force behind the island’s economic growth.

**Relevant Actors**

In order to successfully redirect the migrant rural population from the overpopulated Shanghai to the industrializing Zhoushan, a number of social and political forces have to be recruited, including the migrant workers, qualified teachers, central and local governments, international and domestic corporations.

**The Central Government:** The Central Government has stated in its 12th Five Year Plan that it hopes to urbanize more of the Chinese population. It wants 60 percent of the Chinese people to live in cities by 2020, and with 45 percent of them being entitled to full Urban *hukou*. The central government wants this growth to occur specifically in the cities with smaller and medium sized populations, as the larger cities are already overpopulated. Education of the population in the smaller and medium sized cities resulting in foreign investment and economic growth is perfectly in line with the government’s stated goals and would advance the central government’s goals of promoting urbanization and potentially also that of combating or at least preventing further overpopulation. However, the reason that they would be more of a passive adherent than an active constituent is because implementation would mostly depend on the local government which has greater understanding of local circumstances (Scott 311-313). As a general condition, though, local governments in China are overly dependent on cash transfers from the central government and are only able to retain 30 percent of the taxes that local bureaucrats collect.
Raising this percentage to aid the local government in Zhoushan as well as municipal governments generally would help to reduce budget deficits that lead to inferior resource provision in areas such as education (Daga).

Our plan is to implement social changes through the policies of local city governments. We believe this method will be more direct, efficient and ultimately better for the cities and the citizens. It is possible that the central government will perceive our actions as a potential threat to their authority. This is not our intention and it is important that we make that as clear as possible from the beginning. It might be in our best interest to appoint a representative from the local government to be in contact with the national party to update them on what is going on in the cities. The central government can also be concerned about Zhoushan’s ability to handle the large number of migrant workers, which may lead to worker protests and demonstrations. However, with the development of more housing units, more secure job opportunities, and better education opportunities, the workers will be satisfied with their gains and unlikely to dispute the government.

Local Government: Given that the Zhoushan and the provincial Zhejiang government were the main forces that called for the establishment of an oceanfront Economic Development Zone in 1992, they were supportive of having more migrant workers to jumpstart industrial, oil and chemical production as well as ocean-to-inland freight shipping. For the purposes of an education intervention, the local government will need to provide teachers with benefits and an increase in pay as the education system transitions into being able to serve more students. In order to maintain the current student-to-teacher ratios, the local government will need to recruit
more teachers and provide them sufficient training to provide a quality education and also offer sufficient pay and benefits so that they will stay in Zhoushan. We also want to stress that our method of redirecting the migrant workers from larger to smaller cities (Shanghai to Zhoushan) focuses specifically on improving the education in Zhoushan as an incentive for the migration. We want to concentrate our resources on reforming the education system instead of taking a holistic approach to improve other areas of benefits such as social security or health care. By stressing this point from the beginning of our policy interventions, we hope to avoid potential conflicts regarding resource allocation and outcome goal.

The local government will also be responsible for allocating resources and attracting investors. Their main role would be implementing the necessary education reforms, along with creating conditions that are conducive to foreign direct investment as well as domestic investors to help the city grow and attract workers. In addition, the local government needs to ensure that the migrant workers live in humane conditions. For example, Zhoushan’s municipal officials need to ensure that housing is provided to the migrant workers who may be working on infrastructure construction or working in factories. Therefore the local government can frame this housing issue to encourage and incentivize corporations to extend their housing facilities to accommodate these migrant workers as well.

**Corporations:** Since 1992, many foreign and domestic corporations have established production centers or headquarters in Zhoushan’s Economic Development Zone, such as Hongsheng (a textile and derivatives producer), Yingbo Beer, Yangfan Ship Parts, Chinese Ship Production, San’an Gas, Haishi Corp., and Wanyi Ships (Han). These corporations need more well-designed
and constructed roads, better electricity network, and other basic infrastructure to build factories and start production, all of which can be accomplished with the aid of more labor force. Improving these conditions would also encourage other companies to move activity to Zhoushan and thus create jobs for migrant workers. Production itself requires more factory workers, which yields more incentive for the corporations to support relocating workers to Zhoushan. The corporations can become recruiters as they start employing more workers and begin advertising the opportunities in Zhoushan on job markets. They can also provide the workers with company-owned or company-subsidized housing to attract workers. Corporations are of course motivated by profit. Those who own and/or control industries in some of the bigger Chinese cities, as well as the investors, may oppose the growth of a potential economic center in Zhoushan. They could be worried about competition from Zhoushan that might decrease their market share and price competitiveness. However, Zhoushan can also serve as a successful model for corporations and small cities to follow. Seeing the profitability of Zhoushan, other corporations will look forward to shifting their production from the crowded urban centers to nearby small cities (like Zhoushan to Shanghai). Thus, the Zhoushan model can be applied to more locales and help address overpopulation in other major cities.

**Migrant Workers:** These reforms are primarily geared toward attracting migrant workers to Zhoushan. Migrant workers are a constituent because their children stand to gain most directly from this policy change. They will have access to primary and secondary schooling in a more urban location and thus have a greater shot at a university education and upward mobility. Better education would mean a higher capacity for blending into the existing urban society and being
able to assimilate into the local culture. Some rural migrants are uncertain about the reliability of urban hukou as well as the likelihood that moving to the city would actually improve their life outcomes and not delve them into a life of precarity. They fear that there are not enough job prospects in the cities and the services and benefits of urban hukou are not as tangible as the land allotment that comes with rural hukou (Lu). This two-pronged approach of both increasing educational benefits for migrant workers and their children as well as ensuring the growth of jobs would help to overcome resistance among migrant workers.

**Teachers:** Teachers are adherents to this project so long as it advances their pay, social benefits, higher education benefits, and their opportunity in governmental sectors. With these promised benefits, the teachers will support the program for their own potential gains. They likely will not advocate for these educational policy changes or work extra to move it forwards because it would mean more students per teacher. However, this increased student to teacher ratio is only temporary, as the project progresses, the policies will attract more teachers to Zhoushan, which will bring down the student to teacher ratio. This process might take some time but teaches’ initial resistance will be resolved as the ratio comes back to normal. If the government pays their salaries properly, teachers will be more willing to serve their necessary role in providing more thorough education for students in Zhoushan out of self-interest.

**Urban Hukou Recipients:** Wealthier Zhoushan citizens who possess urban hukou could be potential opponents to our reforms. These citizens are comfortable socioeconomically; therefore, they may oppose any drastic societal reform. Specifically, they could potentially be burdened
with additional taxes as the local government will need significant funding to implement the changes we have discussed. They could be worried about the migrant workers overcrowding the limited resources, such as hospitals, government services, and public transportation, as well as the creation of a more competitive job market (Lu). However, by adjusting the tax structure with the local Zhoushan government retaining more of its local tax money rather than relying on central government transfers, hopefully the process of funding local services will become more efficient and effective.

A second issue here is that migrant workers are often stereotyped as being “‘uneducated, ignorant, dirty and having higher propensities to be criminals’” (Afridi 2). For this reason, urban Zhoushan citizens will likely oppose integrating migrants into their city. However, mandated schooling will force children to cross cultural boundaries and help eliminate the social stigmas that have been associated with people of rural hukou status.

Current urban hukou recipients can also potentially expedite the migrant integration. They offer job opportunities to many unskilled workers, such as house chores. Children of current urban dwellers would also grow up with children of migrant workers, and this process will dispel many stereotypes associated with migrant workers from an early age.

**Advertisement**

The provincial government and the corporations can work together to advertise Zhoushan both through hard advertisement on television and newspapers and soft advertising through social media and word-of-mouth. The most popular TV stations in Shanghai include the central government-owned China Central TV and the local stations Shanghai TV and Dragon TV. Given
that our target audience, the migrant workers, spend most time watching Shanghai TV and Dragon TV for mini-series and shows, the advertising effort should be geared toward these two stations (Dongfang). Moreover, advertisements of the local TV stations are much more economical. For print media, the most consumed newspapers are Xinmin Evening News, one of the oldest and most recognized daily paper, Shanghai Morning Post with a daily circulation of 500,000 copies, and Shenbao, an affordable, daily paper popular among teens and young-adults (Fujian Meiti Ziyuan). The most popular weekly print media is Baokan Wenzhai that aggregates the print-worthy news of the past week. We should focus on these papers and include not only advertisements but also emotional human stories about the benefits of relocating to Zhoushan. By combining facts with emotional appeal, we can best attract the potential workers.

Word-of-mouth is also important in bringing more migrant workers. One worker’s positive experience in Zhoushan is more convincing than any advertisement in bringing more workers to Zhoushan. This word-of-mouth can be viewed more widely through increased use of blogs, Weibo (Chinese Twitter), Renren (Chinese Facebook), and Weixin (an app similar to Facebook Messenger and Groupme). Lastly, and most crucially, is the improvement of education. By showing the society Zhoushan schools’ improved test scores, higher enrollment rates, and better college acceptances, the migrant workers will be more likely to move to Zhoushan.
Works Cited


<http://www.admissions.cn/zjou/en2.html>


Dongfang http://news.sohu.com/20070207/n248092709.shtml