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**Social Integration of New-Generation Migrants in Shanghai China**

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**Abstract**

New-generation migrants, defined as migrants who were born in or after 1980 and whose household registration (hukou) status remains in their place of origin, are now the major migrant labour force in urban China. Most of them start migration immediately after full-time education and have a great desire of becoming urban citizens. While previous studies focus on inequalities experienced by migrants as a result of the hukou institution, migrants' social integration in the city is under-researched. Drawing on data from a questionnaire survey of new-generation migrants in Shanghai in 2012, this paper employs a structural equation model to examine the extent to which new-generation migrants are integrated into the urban society and the factors influencing their integration. The results show that both labour market outcomes and interaction with local urban residents are crucial for their social integration. These individual factors have deep roots in structural and institutional constraints which prevent migrants from getting access to opportunities and resources.

**Keywords**: China; rural-to-urban migration; social integration

**Introduction**

New-generation migrants have recently become a focus of policy concern in China due to their distinctive characteristics and significance to the Chinese economy (State Council, 2010). They are defined as migrants who were born in or after 1980 and whose household registration (hukou) status remains in their place of origin (ACFTU, 2010). This definition has been widely used in the Chinese literature, despite debates about the dividing year of 1980[1]. It differs from that of 'second generation migrants' in the Western literature which refers to migrants who were born in destination countries or moved to destination countries at a young age (Zhou, 1997; Portes et al., 2009). With a population of more than 100 million, new-generation migrants have now become the major migrant labour force in urban China. Brought up in the reform era (post-1978) with rising living standards but a widening rural-urban divide, they differ from previous migrants in that they are more educated, materially better off, and more likely to work in cities for personal development rather than simply higher income (ACFTU, 2010). Most of them have little experience of, and/or interest in farming, and have a strong desire to settle in cities (Pun and Lu, 2010). However, without local urban hukou status, they are excluded from social benefits and services at destination, such as job-seekers' allowance, government-subsidised housing and minimum living allowance (Li, 2006; Chan, 2009).

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[1]Yue et al. (2010) indicates that the dividing year of 1980 is arbitrary and then experimented with each of the years between 1970 and 1980 as a dividing line for the definition of new-generation migrants in their study examining migrants' intension to stay or leave the city. Fan and Chen (2014) discusses three definitions of new-generation migrants: those who were born in 1980 and later; those who started migration in the 1990s or later; and those whose parents are migrants. The authors indicate that the first definition is most widely used in government policy documents and previous studies. We therefore use the first definition in this article. Migrants who were born before 1980 are called previous- or old-generation migrants.

This tends to result in a gap between their expectations of becoming urban citizens and daily life experience of discrimination.

While previous studies have focused on the hukou institution and the inequalities experienced by migrants (e.g. Chan, 2009; Knight and Song, 2005), there are few studies on migrants' integration into the urban society with the exception of some recent ones (e.g. Wang and Fan, 2012). Even fewer studies focus on the social integration of new-generation migrants despite their increasing number and significance to the Chinese economy. Yet social integration is an important area for research because it provides economic and cultural benefits, and ensures social stability. It is particularly relevant to new-generation migrants given their strong aspirations of becoming urban citizens and daily experience of discrimination. This paper aims to fill the gap by examining the extent and determinants of new-generation migrants' social integration, using primary data from a questionnaire survey of 313 young migrants in Shanghai in 2012. The study does not aim to compare and contrast social integration of previous- and new-generations of migrants. Rather, it regards new-generation migrants as a heterogeneous group, and examines the variations in their social integration. The study is novel in that we use a structural equation model (SEM) to measure the complex concept of social integration using multiple indicators through a confirmatory factor analysis. The SEM further enables us to examine the influencing factors of social integration through its structural model. Thus, the study will enhance our understanding of the determinants of social integration, which is conducive to policy implications aimed at improving migrants' integration and reducing social tensions in Chinese cities. Moreover, as existing literature

on second-generation migrants' integration in place of settlement focuses primarily on immigrants in developed countries, this study of new-generation migrants in the Chinese context would contribute to wider debates about migration and integration.

The reminder of the paper proceeds as follows. Section 2 reviews the literature on the concepts and theories of integration, and assesses their relevance to this study of migrants' social integration in a Chinese city. Section 3 provides the Chinese context by discussing previous studies on migrants and their integration in urban China. Section 4 introduces the structure equation model employed to analyze new-generation migrants' social integration. This is followed by the discussions of data in Section 5 and empirical results in Section 6. Section 7 concludes the paper with a brief summary and policy implications.

## 2. Concepts and theories of integration

Integration has been a key word in political discourse in many countries; it is regarded as a policy goal for projects aimed at facilitating the settlement of immigrants and refugees (European Commission, 2004, 2007; Home Office, 2006). However, as claimed by Robinson (1998), 'integration is a chaotic concept: a word used by many but understood differently by most' (p.118), and the concept is 'individualized, contested and contextual' (p.122). This is supported by a variety of discussions which indicate the complex and contested nature of the concept (Castles et al., 2001). For example, integration is viewed as the extent to which 'immigrants are able to achieve their needs and fulfill their interests in the new country' (Anisef and Lanphier, 2003, p.5), or as the outcome that

refugees 'are empowered to achieve their full potential' (Home Office, 2005, p.11). Both definitions are vague as individuals' needs and interests are understood differently in different contexts. In the studies of race relations, integration is used to describe 'the process of change that occurs when two cultures are forced to co-exist within one society' (Korac, 2003, p.52). Under this framework, studies have examined immigrants' identity, belonging and citizenship (Castles et al., 2006). Integration is also described as 'a process whereby the differences between the ethnic/racial groups and the reference population gradually decline across a range of domains, including the job market, education, social and cultural differences, and racial 'othering' and exclusion' (Bolt et al., 2010, p.173). This definition provides a framework for empirical analysis by comparing education, occupation, income and access to social services of immigrants and native residents (Goldlust and Richmond, 1974). Reduced difference in education and labour market outcomes is often referred to as functional integration (Ray, 2002). Functional integration is claimed to be correlated with social integration which refers to the inclusion of new members into the social structure of the receiving society (Alba and Nee, 1997). This is because access to education and jobs provides opportunities of wide participation in the society.

Earlier literature regards integration as assimilation which is a term used frequently in the American literature. The assimilation theory, based on Park and Burgess (1921) and Gordon (1964)'s work on the integration of ethnic minorities into American life, identifies seven types of assimilation: cultural, structural, marital, identificational, attitude receptional, behavioural receptional and civic. As Park and Burgess asserted

(1921, p.735), 'assimilation is a process of interpretation and fusion in which persons or groups acquire the memories, sentiments, and attitudes of other persons or groups, and, by sharing their experience and history, are incorporated with them in a common cultural life'. Furthermore, the theory states that the differences between the majority group and ethnic minorities diminish over time in values, norms, behaviours and attitudes. Thus it argues that integration can be achieved with time, especially through succession of generations. For example, first-generation immigrants may undertake low-skilled work, but second- or third-generation migrants tend to participate in local education and gradually integrate into the receiving society. The theory is useful in that it provides a framework for research on persistent differences and emerging commonalities between minority and majority groups. However, it is subject to several critiques. Firstly, the important dimension of economic assimilation is missing. Secondly, it is argued that succession of generations will not necessarily lead to improvement in socio-economic status. In particular, the racial or ethnic disadvantage model contends that persistent institutional barriers, socio-cultural prejudice and discrimination prevent ethnic minorities from getting access to education and employment opportunities (Glazer and Moynihan, 1963). This hinders the process of integration, resulting in their marginalised status in the receiving society. The last and also most important critique is that the assimilation theory regards integration as a one-way adaptation process, i.e. ethnic minorities gradually adopt the socio-cultural characteristics of the majority and lose their cultural roots. This is problematic. As Portes and Zhou (1993) rightly indicates that people can improve their socio-economic position while keeping their distinctive culture and customs. Adapting into the receiving society could go hand-in-hand with the

preservation of original cultural traits. Therefore integration is argued to be a two-way process where migrants and the established community communicate with and adapt to each other (Phillips, 2010). This two-way process is supported by the European Commission; policies have been promoted in countries such as the Netherlands and the UK to improve the social inclusion of immigrants whilst maintaining cultural diversity (European Commission, 2007).

Based on the assimilation theory and the ethnic disadvantage model, Portes and Zhou (1993) develops the concept of segmented assimilation in their study of second generation migrants' adaptation process in the American society. They argue that different groups of migrants may follow different trajectory towards integration or exclusion, due to the individual nature of the integration process. Such trajectory could include upward mobility, downward mobility, and economic integration but lagged social integration. They further argue that integration into the local society will be influenced by individual factors including demographic and socio-economic characteristics, contextual and structural factors such as the policies of the host government and socio-cultural prejudice. These factors are likely to interrelate with each other. For example, Korac (2003) demonstrates that the welfare system in the receiving society influences immigrants' integration by affecting the level and character of services in his study of Slovakian immigrants in Netherland and Italy. The author found that immigrants in Netherland were more functionally integrated in terms of job attainment due to assistance provided by job agencies, while those in Italy were more socially integrated as they relied on informal social contacts to settle.

To what extent are the concepts and theories of integration developed in the studies of ethnic immigrants in Western countries relevant to this study of social integration of new-generation migrants in a Chinese city? Most migrants are Han Chinese who has the same racial origin and national citizenship as urban residents. Therefore, the language and culture barriers to their social integration may be reduced when compared with those for immigrants in Western countries. Nevertheless, people in different parts of China have different dialects, norms and customs. Quasi-ethnic divisions are likely to exist on the basis of regional identities defined by native place. Honig (1992) examined labour migration of people from North Jiangsu (Subei) in Republican-era Shanghai and found that they were discriminated against as they came from a poor region with distinctive customs. Furthermore, despite being Chinese citizens, migrants are confronted with institutional and structural constraints at destination due to lack of local hukou status (Chan, 2009). Therefore, their integration does not automatically occur after they arrive in cities. The hukou institution, regional disparities and individual characteristics are likely to influence their social integration. In this sense, the integration theories developed in the West can be applied in this study. We shall discuss the Chinese context further in the next section.

## 3. Previous studies on Chinese migrants and social integration

Migration was strictly controlled in China during the central planning period (1958-1978) through the hukou system. Since the initiation of the economic reforms in 1978, the country has witnessed unprecedented rural-to-urban migration triggered by wide regional

income disparity, rural surplus labour and rising labour demand in the booming urban economy; hundreds of millions of people have moved from the countryside to cities to seek better life (Fan, 2008). However, most of them are concentrated in low-skilled jobs with inferior working conditions, such as production line work in manufacturing companies, manual jobs on construction sites and domestic work (Li, 2006). Their level of pay is much lower than that of local urban workers (Knight and Song, 2005). Most migrants cannot afford purchasing housing in the city, especially in metropolis such as Shanghai where housing price has experienced dramatic increases since 1998. Therefore they rent housing in urban neighbourhoods or urban villages in suburban areas where cheap housing is available (Wu, 2002).

The hukou system is claimed to be the most important institution influencing migrants' settlement process (Chan, 2009). The system, initiated in 1958, links individuals' location and rural/urban hukou status with their entitlement to social benefits. It prevented self-initiated migration before 1978, as permissions of migration were required from both origin and destination governments (Chan and Zhang, 1999). The system has been partially reformed to adjust to the enormous rural-to-urban migration since 1978. For example, it made migrants' stay in cities legal; individuals can get local urban hukou status in small cities if they can prove they have stable jobs and housing; migrants in some cities are provided with basic social benefits even without local hukou status[2]. A

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[2] Some local governments try to extend the coverage of basic social benefits to migrants by requesting employers to contribute to social benefits programmes for their migrant workers. Nevertheless, the coverage rate for migrants remains low due to two reasons. Firstly, employers try to avoid payments to reduce labour costs. Secondly, migrants are reluctant to participate into social benefits programmes because most benefits are not portable to other places.

full review of the hukou reform can be found in Chan (2009). However, the hukou reform has been reactive rather than proactive. This is because, firstly, hukou status continues to be linked with an individual's entitlement to social benefits and services; and secondly, the majority of migrants are unable to obtain local hukou status irrespective of their actual length of stay in the city. They are confronted with structural and institutional constraints, as they are denied access to many benefits and services provided by destination governments (Chan, 2010). Various studies have shown that migrants are subject to discriminatory labour market policies, and exclusion from affordable housing schemes, medical insurance and even free education for their children in state schools, though progress has recently been made to extend these services to migrants in some cities (Wu, 2002; Knight & Song 2005; Li, 2006; Chen, 2011).

It is therefore not surprising to find that migrants' integration into the urban society is limited. Drawing on data from a questionnaire survey of 1,100 migrants in Wuhan in 2008, Wang and Fan (2012) find that the hukou system is a persistent barrier to migrants' integration, as rural migrants are concentrated in low-paid jobs and excluded from local benefits. Their results show that local hukou status increases an individual's income by 10% and raises the odds of identity integration. Yue et al. (2013) agrees that migrants are confronted with difficulties when they try to integrate into the city. Rather than focusing on the hukou system, the authors regard migrants as active agents who develop extended social networks to cope with the difficulties. They use data from a survey of rural-urban migrants in Fujian Province in 2009 to examine the impact of social networks on migrants' acculturation, socio-economic and psychological integration, and reported that

migrant-resident ties were positively correlated with integration. Such positive role of social networks is supported by Liu et al. (2012) which compares social networks of previous and new-generation migrants in eight urban villages in Guangzhou. The authors find that new-generation migrants are likely to construct social networks with local urban residents beyond their immediate neighbourhoods, although hometown-based bonds remain crucial for their urban life.

This study focuses on new-generation migrants, and will add to the literature by measuring social integration using multiple indicators and further examining its determinants. We acknowledge that new-generation migrants are a heterogeneous group, and their extent of social integration is likely to differ as a result of their differing personal characteristics, place of origin and hukou status. Guided by the theories of integration and previous studies, we hypothesise that new-generation migrants' social integration is influenced by demographic characteristics, indicators of functional integration, social networks and regional disparity. Firstly, functional integration creates conditions conducive to social integration. For example, education may facilitate migrants' participation in the local society; employment may provide opportunities of social connections; and higher income may enable migrants to use local services. Therefore, education and labour market outcomes are likely to influence social integration. Secondly, previous studies show that social networks are crucial for social integration. It is important to examine the effects of social ties with both migrants and local urban residents on integration. Lastly, migrants may face quasi-ethnic divisions based on their place of origin due to social, spatial and historical processes (Honig, 1992).

Such divisions have been reinforced by the hukou system which prevented people from migration during the central planning era. Different regions have different dialects, culture and customs. Such differences are reduced when two places are close to each other. Therefore, individuals originating from places closer to Shanghai may find it easier to integrate into the Shanghai society. The above individual factors are likely to interact with the structural factor of the hukou institution. We will take this into account when discussing our empirical findings. We now turn to the structural equation model which is employed to examine the variations in new-generation migrants' social integration.

## 4. Methods

An important contribution of our paper is that we employ a structural equation model to measure social integration through a confirmatory factor analysis and to examine its determinants through a structure model. As the concept of social integration is individualised, we use the subjective measure of social integration by asking migrants how they feel about their experience of integration into the local society. We treat social integration as a latent variable and measure it indirectly using multiple indicators obtained from a questionnaire. The structural equation model consists of two parts: one is a measurement model which assesses the connection between indicators and the latent variable, and the other is a structural model which estimates the relationship between latent and manifest variables. A SEM has strength in two aspects. Firstly, it improves the measurement quality of a concept, compared with the method using only one indicator or a summation of multiple indicators which is likely to ignore the relative importance of different indicators. Unreliable measurement would result in bias in both regression

coefficients and standard errors (Blunch, 2008). Secondly, two parts of the model make the errors in the measurement model separated from the structural model. Therefore, the estimated coefficients in the structural model are more reliable.

We use questions from a random questionnaire survey of new-generation migrants to measure their subjective social integration. Respondents were asked whether they actively participated in local community activities; whether they had adapted to local social norms and customs; and whether they were socially connected with the local community. These indicators are chosen following existing studies of social integration (Ager and Strang, 2008). A Likert scale is used, i.e. respondents were asked to indicate their agreement with each of these statements by checking a scale from 1 'strongly disagree' to 5 'strongly agree'. The score values are consistent with regard to the concept being measured; the higher the score, the more integration is assumed. We then examine the determinants of social integration, by regressing on the latent variable of a variety of observed variables, including demographic characteristics, hukou status, education and labour market outcomes, social ties with both migrants and local urban residents, and distance between place of origin and Shanghai, following the hypotheses discussed in the previous section.

The structural equation model, also called MIMIC multiple indicators and multiple causes model, is illustrated in Figure 1. By convention, a latent variable is depicted as an ellipse and a manifest variable as a rectangle; hypothesized causal connections are shown as arrows.

**Figure 1 Graphical model of social integration**
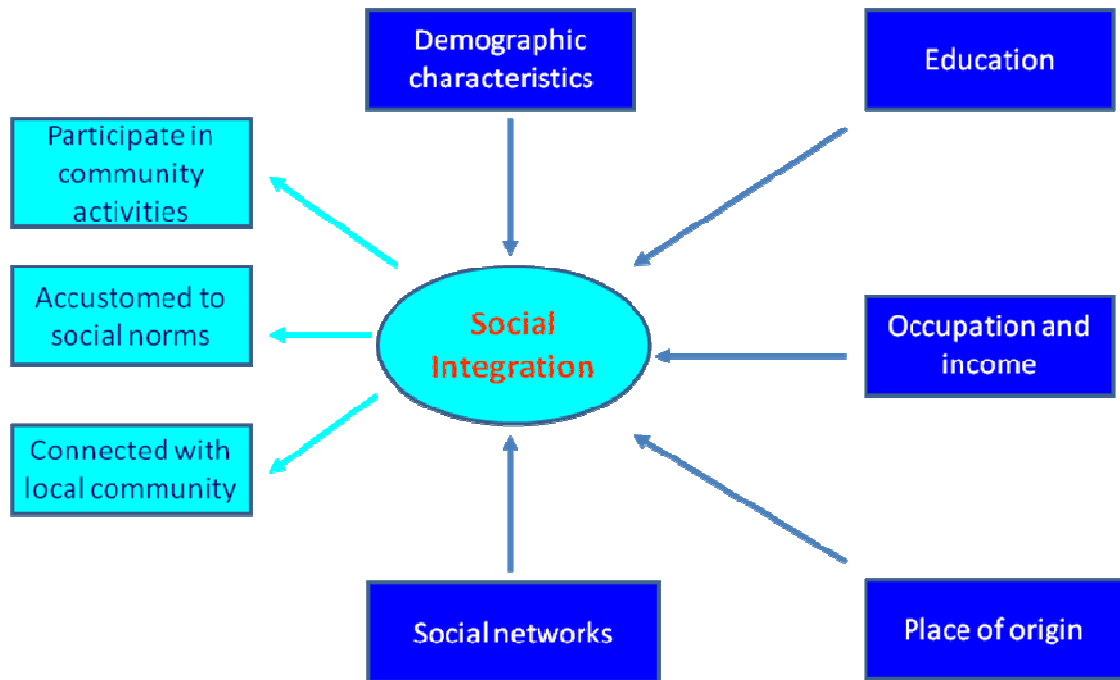


## 5. Data

Data came from a random questionnaire survey of new-generation migrants in 12

neighbourhoods in Shanghai in 2012. Shanghai is a popular migration destination, with

9.8 million migrants accounting for 40% of the total population in 2012 (SLN, 2012).

Four of the 12 neighbourhoods were selected from the Putuo District which is located

within the inner ring roads, six from Yangpu District situated between the inner and outer

ring roads; and the remaining two from the suburban district of Jiading. These districts

were chosen to represent different distances to the city centre. Neighbourhood in the

Chinese context refers to the level of Residential Committee (ju wei hui), with an average

population of 5000 in Shanghai. Within each neighbourhood, migrants who were

between 16 and 30 years old were targeted. Our sampling framework came from local social workers, covering migrants who were registered in the Residential Committee and those who were unregistered but understood by local social workers to be living in shops or flats within the neighbourhood. It is extremely difficult to decide the exact proportion of registered and unregistered new-generation migrants as a sampling framework covering all new-generation migrants does not exist. We employed local social workers who were knowledgeable about local population and experienced in conducting social surveys. A maximum of 30 migrants were randomly selected in each neighbourhood to participate in the survey. With a response rate of 80%, there were altogether 313 valid questionnaires which provided detailed information about demographic characteristics, migration experience, working conditions and social integration in Shanghai.

Due to the limitation of the sampling framework, most of the respondents in our survey lived in households. Those who lived in dormitories within manufacturing factories were likely to be excluded. Hence, the survey dose not claim to be representative of all new-generation migrants in Shanghai, and the findings of social integration may not be generalized to all new-generation migrants. They are, however, demonstrative of the complexity of the process of social integration and of the factors influencing social integration.

Table 1 displays the frequency of the three indicators assumed to measure social integration. It shows that 44.63% of the respondents agreed that they actively participated into community activities; 33.23% thought they had adapted to local social norms and

customs; 39.87% felt that they were socially connected with the local community. The results indicate that the extent of migrants' subjective social integration is not high.

**Table 1 Frequency of indicators of social integration (N=313)**

|  | Community activities | Adapted to social norms | Socially connected |
| --- | --- | --- | --- |
| Strongly disagree | 0.63 | 0.63 | 0.32 |
| Disagree | 13.92 | 21.52 | 12.34 |
| Neutral | 40.82 | 44.62 | 47.47 |
| Agree | 42.41 | 32.28 | 38.29 |
| Strongly agree | 2.22 | 0.95 | 1.58 |
| Total | 100.00 | 100.00 | 100.00 |

A summary description of other variables used in the structural model is displayed in Table 2. According to the survey, 48.24% of the respondents were female, and 74.76% were from the countryside, with rural hukou status. The average age was 25 years old. About 47.28% of the respondents were married. Among those married, 82.43% worked in Shanghai with their partners. This is consistent with previous studies which indicate that new-generation migrants are likely to bring their partners to the city (Fan and Chen, 2014). The respondents' average years of education were 11.27, which is beyond the officially mandatory 9 years. The educational level is higher than that in other studies of new-generation migrants, which vary between 8.9 and 10.9 years (Fan and Chen, 2014). Respondents came from 157 different counties and 20 provinces, with 24.68% from Anhui Province and 22.15% from Jiangsu Province. Both Anhui and Jiangsu are close to Shanghai. The result shows that distance matters when people make decisions about migration destination. Respondents' average duration in Shanghai was 4.39 years, reflecting the fact that many migrants started migration at an early age.

**Table 2 A summary of descriptive statistics (N=313)**

| Variable | Mean or Percentage |
| --- | --- |

| | |
|---|---|
| Rural migrants (%) | 74.76 |
| Female (%) | 48.24 |
| Age | 25 |
| Married (%) | 47.28 |
| Years of education | 11.27 |
| Salary (yuan) | 3023.26 |
| Managerial or professional work (%) | 17.25 |
| Production line work (%) | 19.17 |
| Service personnel (%) | 38.98 |
| Number of local friends (%) | |
| Below 6 | 36.74 |
| Between 6 and 30 | 44.09 |
| Over 30 | 19.17 |
| Number of migrant friends (%) | |
| Below 10 | 33.55 |
| Between 10 and 30 | 35.14 |
| Over 30 | 31.31 |
| Distance between Shanghai and county of origin (km) | 597.40 |

Most of the respondents conducted low-skilled jobs, with 38.98% working as service personnel and 19.17% as production line workers. Only 17.25% were employed in managerial or professional work. It is therefore not surprising to find that their average income was low, given the fact that the net-income per hukou resident in Shanghai in 2012 was 3349 yuan (Li, 2013). Consistent with previous studies, respondents developed social ties with both local residents and migrants. The survey shows that on average the number of migrant friends is larger than that of local-resident friends.

## 6. Empirical findings

Initial tests show that the variables of age, marital status, family members in Shanghai are not statistically significant. They are therefore excluded from the models. Age is claimed to be positively correlated with migrants' integration in previous studies (Yue et al., 2013). The inconsistency can be explained by limited variation in age as our data only

include migrants who are younger than 30 years old. The variable of 'duration in Shanghai' is highly correlated with the number of local resident friends, as individuals develop social ties over time. It is thus removed from the model. Distance between Shanghai and county of origin is subject to log transformation to capture the potential non-linear effect. The variable, together with its interaction with rural hukou status, is included in the model, to test whether regional disparity in terms of culture and custom plays a role in influencing migrants' social integration.

**Table 3 Results of the structural equation model**

| | Coefficient | Standard Error |
|---|---|---|
| **Measurement Model** | | |
| | | |
| Community_activity_coefficient | 0.5911*** | 0.0421 |
| Community_activity_constant | 4.5370*** | 0.6160 |
| Social_norm_coefficient | 0.7691*** | 0.0336 |
| Social_norm_constant | 4.2864*** | 0.7847 |
| Social_connection_coefficient | 0.8718*** | 0.0302 |
| Social_connection_constant | 4.9008*** | 0.8901 |
| **Structural Model** | | |
| | | |
| Rural hukou status | -0.6508 | 0.5113 |
| Female | 0.0727 | 0.0541 |
| Years of education | 0.1587** | 0.0670 |
| Salary | 0.1779** | 0.0715 |
| Production line work | -0.2508*** | 0.0533 |
| Managerial or professional work | 0.0221 | 0.0703 |
| Number of local friends 6-30 | 0.3316*** | 0.0662 |
| Number of local friends over 30 | 0.2045*** | 0.0693 |
| Number of migrant friends 10-30 | 0.0703 | 0.0700 |
| Number of migrant friends over 30 | 0.0750 | 0.0724 |
| Ln(distance) | -0.1648* | 0.0941 |
| Ln(distance)*rural | 0.6826 | 0.5260 |
| | | |
| **Model Fitness Statistics** | | |
| Chi2 | Chi2(24)=26.773 | |
| Prob > chi2 | 0.315 | |
| CFI | 0.993 | |
| RMSEA | 0.019 | |
| Pclose (Prob RMSEA<=0.05) | 0.941 | |

Omitted categories are service personnel, number of local friends fewer than 6; number of migrant friends fewer than 10.

The empirical results of the structural equation model are presented in Table 3. The model is identified and shows a satisfactory model fit. According to the fitness statistics at the bottom of Table 3, the p-value of chi2 test is larger than 5%, indicating that the null hypothesis that the model is correct is accepted using the 5% significance level. As the Chi2 test is contingent on sample size, alternative statistics is presented. CFI, which takes sample size into account, has a value greater than 0.95, indicating a good fit. This is confirmed by RMSEA which is lower than 0.05 (Blunch, 2008).

In the measurement model, all coefficients are significantly positive. It means that a migrant who feels more socially integrated into the receiving society is more likely to think that they actively participate into local community activities, and that they have been accustomed to local norms and socially connected with the local community. These results are consistent with existing literature on the definition of social integration.

The structural model estimates the impact of different factors on social integration. According to Table 3, years of education significantly improve an individual's social integration after controlling for other variables. The result corresponds with previous studies which demonstrate that education is a key factor for successful integration. Income is positively correlated with social integration, as economic advancement provides resources and opportunities of participation into the local society. However, production line work reduces the extent of social integration, compared with other occupations. Production line work is characterized with routine work on production lines

and long working hours. This diminishes the chances of interacting with local people and developing broader cultural competence. An important finding is that the number of local resident friends significantly improves migrants' social integration, while the number of migrant friends does not influence social integration. Interaction with local residents provides host-area specific knowledge and resources which facilitate migrants' adjustment and settlement. Although migrants established more contacts with other migrants, these ties do not contribute to their feelings of integration into the local society.

In terms of hukou status, previous studies indicate that migrants from other cities are better educated and more familiar with the urban setting than rural migrants (Chen, 2011). They may find it easier to integrate into the local society. However, our results show that rural migrants do not feel less socially integrated than urban migrants, after controlling for education and labour market outcomes. One explanation concerns the fact that both rural and urban migrants are confronted with institutional constraints without local hukou status and are discriminated against in terms of access to social benefits and services. Nevertheless, this result does not mean that local hukou status has no impact on migrants' social integration, as our study does not compare social integration of migrants and hukou residents. Indeed, both educational attainment and labour market outcomes are likely to be influenced by structural factors including the hukou institution. Various studies have shown that the hukou system and the persistent urban-biased policies have resulted in huge inequalities between rural and urban areas in educational resources and investment (Hannum, 1999; Zhang and Kanbur, 2005). This has been reflected in migrants' lower educational attainment compared with local residents. Persistent discrimination on the

basis of hukou status reinforces migrants' vulnerable positions in the labour market, resulting in their concentration in low-skilled jobs with low income. All these factors hinder migrants' social integration in the city.

Lastly, distance between the migration origin and Shanghai is found to be negatively correlated with social integration. The result is significant at the 10% level after controlling for all other variables. This is interesting as the result shows that distance matters for migrants' social integration; people originating from a place farther away from Shanghai may encounter more challenges in terms of dialect, social norms and custom, and thus find it more difficult to integrate into the local society. This confirms the existence of quasi-ethnic divisions based on place of origin in the Chinese context. Nevertheless, the interaction term between distance and rural hukou status is not significant, suggesting that rural origin does not influence the correlation between distance and social integration.

## 7. Conclusions

This paper has employed a structural equation model to examine the determinants of social integration, using data from a questionnaire survey of new-generation migrants in 12 neighbourhoods in Shanghai in 2012. The results show that education is crucial for social integration, as education creates opportunities for wider social participation. Higher income also helps migrants integrate into the local society. However, production line work undermines social integration, as production line work, characterised with long working hours, reduces the chances of establishing local connections. Moreover, the

study lends support to the notion that social networks are important to migrants' settlement and integration. Interaction with local residents significantly improves migrants' integration. However, social interaction with migrants is found to have no impact on social integration. An interesting finding concerns the distance between the migration origin and destination, with migrants originating from places closer to Shanghai being more likely to feel socially integrated after controlling for all other factors. One explanation is that migrants from neighbouring areas are confronted with fewer challenges as the differences in terms of dialect, social norms and custom are smaller due to spatial proximity.

Our study has demonstrated that education, labour market outcomes, social networks and regional disparity play significant roles in new-generation migrants' social integration. Migrants' low educational attainment, concentration in low-skilled jobs, and limited social ties with local residents, result in their low level of social integration. These individual factors have deep roots in structural and institutional constraints which prevent migrants from accessing opportunities and resources. For example, the hukou institution and the persistent urban-biased policies result in the huge inequalities between rural and urban areas in educational resources. This partly explains migrants' lower educational attainment compared with urban residents. Discrimination on the basis of hukou status in the labour market and the wider social sphere further deteriorates migrants' labour market outcomes and social networks with local residents. Therefore, the individual factors interact with the institutional ones, influencing migrants' social integration. However, it must be noted that it is not the hukou system per se which leads to migrants' low level of

social integration. Abolishing the hukou system without addressing the rural-urban divide and providing migrants with access to opportunities and resources is unlikely to significantly improve migrants' social integration.

New-generation migrants' social integration is conducive to reducing social tensions and promoting China's urbanization process which is believed to be one of the major driving forces of economic growth and social development. It is therefore important to improve their integration into the urban society. Since functional integration goes hand in hand with social integration, policies are needed to improve migrants' education and labour market positions, specifically, to reduce the gap in educational opportunities between rural and urban dwellers, and between children of migrants and local urban residents in cities. Inclusive policies are particularly important to help migrants get access to opportunities and resources irrespective of their hukou status. The Chinese government has recently made progress in this regard, and launched a nationwide urbanisation drive to transfer 100 million rural residents into urban citizens by 2020 (State Council, 2014). For example, the central government announced a new round of hukou reforms in July 2014 to abolish the rural or urban hukou status and replace it by a resident card system; various policies are to be implemented to extend benefits and services to migrants in cities of different population size. The implementation and consequences of these new reforms are yet to be examined.

This study has limitations. Firstly, the sampling framework excludes young migrants living in dormitories within manufacturing companies. Migrants living in urban

neighbourhoods might have better chances of social integration than those living in company dormitories, as they may have more opportunities of interacting with local residents. However, the hypothesis is subject to empirical tests using a broader sample. Secondly, the study focuses on new-generation migrants only. Further study employing data of both previous and new-generation migrants would be useful to compare and contrast their social integration from a generational perspective. Lastly, the study uses quantitative methods to examine the determinants of social integration. As integration is an individualised concept, in-depth qualitative interviews may complement this study by exploring migrants' experience of integration into the urban society and their obstacles. This would be an interesting area for future research.

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