

Migrant Workers and Welfare Protection in China: A Case Study of Shanghai's Policies for Migrant Workers and Their Children

Mohan Zeng

*Institute of Hainan University, Haiko, China
20223007911@hainanu.edu.cn*

Abstract. Rural-to-urban migrant workers constitute a crucial component of China's urban development, yet their access to welfare protections remains limited. They provide labor for large-scale infrastructure projects and sustain the daily operation of urban services, highlighting their indispensable economic contributions. This study takes Shanghai as a case study to analyze welfare policies affecting migrant workers and their children across four domains: education, healthcare, housing, and social security. By drawing on government reports, census data, and scholarly research, the paper identifies persistent gaps between policy intentions and actual outcomes. Although initiatives such as wage guarantee funds, expanded social insurance coverage, and broader access to public schooling have been implemented, structural obstacles linked to the hukou system and fiscal constraints continue to hinder effectiveness. Migrant children experience significant educational disadvantages, while healthcare access is limited due to poor portability of insurance schemes. Public housing programs frequently exclude migrant families, and enforcement of social security provisions is uneven across districts. These issues are compounded by policy fragmentation, limited financial resources, and entrenched social biases. Suggested reforms include collaboration between the government and non-profit organisations to address the gap between policy and actual practice, revising school enrolment policies to improve equality in education, strengthening cross-regional commonality in health insurance, expanding affordable rental housing, and improving pension entitlements for the mobile population.

Keywords: migrant workers, welfare policy, hukou system, social integration

1. Introduction

Since the launch of China's reform and opening-up in 1978, the large-scale movement of people from rural areas to urban centers has emerged as one of the most significant demographic transformations in China's recent history. Migrant workers are generally defined as individuals who hold rural household registration, or hukou, leaving their place of origin to seek employment in cities. According to official statistics, the number of migrant workers has surpassed 285 million nationwide [1]. This unprecedented migration represents not only a major population shift but also a source of deep social and economic pressure on urban governance. Local governments must

constantly balance the growing demand for labor with the equally important task of ensuring adequate welfare and public services for this mobile population.

The contributions of migrant workers are essential to China's economic development. They have become central actors in the country's ongoing process of urbanization. In large metropolitan areas such as Shanghai, migrant workers account for a substantial portion of the labor force. Their presence is particularly visible in sectors such as construction, manufacturing, and services [2]. Without their reliable and continuous supply of labor, the pace of urban expansion, the execution of large infrastructure projects, and the everyday functioning of municipal services would be seriously disrupted. Thus, migrant workers sustain not only the economic vitality of cities but also their physical and social operations.

Despite their indispensable role, migrant workers come across persistent and systemic inequalities. The main cause of these issues is the hukou system, which closely ties a person's place of registration to their ability to receive welfare benefits and public services [3]. The majority of migrant workers continue to be excluded from many types of urban welfare because they maintain their rural hukou. Their disadvantages in the job market are exacerbated by their lack of social recognition and weak negotiating power. Limited self-capacity, socioeconomic factors, and local government's preference limit the ability of migrant workers to obtain local hukou. Since many of them have low education levels and narrow skill sets, the migrant workers are become less competitive for high-skill jobs. However, as Shanghai's residency regulations prioritize those with significant assets or high skill levels. This strategy has helped the city cope with the large number of applications for residence permits while at the same time maintaining social stability and order. As a result, many migrant workers are not given local hukou. In 2010, about 39% of Shanghai's population, or nearly 9 million people, were migrants [4]. Although migrant workers make up a large percentage of Shanghai's population, they still have limited access to social benefits such as housing, healthcare, social security, formal employment, and education. Both migrant workers and their children are affected by these systemic injustices, limiting their access to economic mobility and educational opportunities [5]. In addition to perpetuating intergenerational disadvantages, the scale of exclusion creates broader problems for social justice, urban cohesion, and long-term stability in a rapidly growing city. Recognizing these problems, Shanghai has introduced a range of policy measures to address them. These include the expansion of school policies to allow more migrant children access to public education, the creation of a wage guarantee fund, and the gradual integration of migrants into the city's social security system. While seemingly feasible in theory, in practice these measures are often inadequate. These differences are due to a number of social groups and factors that place migrant workers and their families at a greater disadvantage than others in the city.

The purpose of this essay is to conduct a systematic assessment of Shanghai's migrant worker and their children's welfare policies. Four areas are the focus of the analysis: social security, housing, healthcare, and education. The study analyzes the reasons behind the welfare gap, assesses the efficacy of current policies, and makes useful reform suggestions using a public policy analysis framework. Research that contrasts declared policy objectives with actual results sheds light on the difficulties of governing welfare in quickly expanding cities and offers suggestions for enhancing migrant worker policies in Shanghai and elsewhere.

2. Literature review

2.1. Conceptual framework

The household registration system is a major factor in determining how migrant workers can get welfare benefits. It does a good job of separating city dwellers into two groups. On one side are registered residents who get full welfare benefits, and on the other side are migrant populations who often have to find informal ways to get even basic help. People who live in rural areas and work outside of their hometowns in non-agricultural jobs are usually called "migrant workers" [3]. Welfare coverage encompasses not only extensive state-provided or regulated benefits—such as education, healthcare, housing, and social security [2]—but also significantly contributes to facilitating social mobility and promoting long-term well-being. For the children of migrant workers, access to these benefits has a significant impact on their personal growth and future prospects. This study focuses on four main policy areas: education, healthcare, housing, and social security. Each domain serves as a critical perspective for analyzing daily impacts. The study evaluates these areas to determine policy coverage and implementation. This analysis underscores policy achievements while also identifying gaps between institutional goals and practical outcomes.

2.2. Welfare and social insurance

Research at the national level shows that migrant workers remain largely excluded from formal welfare systems. In principle, employers are required by law to contribute to social insurance on behalf of their employees. In practice, however, many employers evade this obligation. Such evasion leaves migrant workers vulnerable to serious financial insecurity in situations such as illness, unemployment, or old age [6]. The problem is compounded by incomplete regulatory frameworks and weak enforcement mechanisms. Industries with high labor turnover are particularly prone to such practices. Although government initiatives have sought to increase migrant participation in social welfare programs, actual levels of coverage and benefits remain insufficient. As a result, many migrant workers have little choice but to depend on their modest personal savings or support from family networks when facing unforeseen risks [2]. These circumstances highlight the ongoing gap between the policies' original goals and the realities experienced on the ground.

2.3. Health and medical security

Compared to the local urban population, migrant workers typically report poorer health outcomes. An important factor is that access to affordable health care in urban areas is limited in rural areas due to the lack of inter-regional access to cooperative health insurance schemes. As a result, many migrant workers must pay higher costs to receive care in urban hospitals, often leading to worsening medical conditions and delays in treatment. Long-term economic growth can be affected by poor health, further reducing labor productivity [7]. In addition to economic barriers, linguistic and cultural barriers are also obstacles to effective access to health care in urban areas. Migrants often have difficulty describing their symptoms, seeking medical advice, and coping with hospital procedures such as registration, payment, and receiving medications. Access to timely and effective health care is consistently hampered by these practical problems.

2.4. Education for migrant children

For migrant families, there is also an urgent need to ensure equal access to education. Children of migrant workers often face serious disadvantages in the urban education system: Many are excluded from prestigious schools or subject to restrictive school enrollment rules, especially at the secondary level, severely limiting their access to quality education [5]. Children's educational experiences are further complicated by family structures resulting from parental migration. Children who remain in the country may experience prolonged separation that undermines psychological stability and leads to loneliness, anxiety, and disruption of education due to prolonged parental absence. Children who move to the city with their parents still face difficult circumstances. They usually attend schools specifically designed for children of migrant workers, where access to quality education is limited and resources are scarce. Even students who are admitted to regular schools may face intimidation or exclusion because of their parents' rural upbringing or professional status. These widespread social biases reinforce pre-existing inequalities in the education system, as well as damaging mental health. When systemic barriers, family situations and social environments come together, they create complex barriers to access and quality of education for migrant children.

2.5. Occupational safety and retirement security

For migrant workers, retirement security and workplace safety continue to be major concerns. Many work in high-risk industries like construction, where accidents at work happen far more frequently than in other sectors [8]. Pension insufficiency is also pervasive. The hukou system restricts pension account accumulation and portability, and some employers do not make required contributions, particularly for temporary or informal employment. Workers are also unable to save enough money for retirement due to high mobility and low income [9]. Thus, many older migrant workers must delay retirement and continue working to sustain their livelihoods. Their standard of living is lowered by this reliance on work, which also raises societal expenses such as greater healthcare expenditures and decreased labor productivity overall.

2.6. Shanghai as a case study

Shanghai has already attracted significant attention due to its large migrant worker population, which accounts for nearly 40% of the city's total residents [4]. The government has implemented a series of measures to improve welfare for this group, which includes allowing migrant children to enroll in public schools, expanding basic health insurance coverage, providing public rental housing or housing subsidies, and promoting participation in pension and unemployment insurance programs. Despite these efforts, the full satisfaction of migrant workers' needs has been hampered by practical implementation issues like uneven administrative enforcement, gaps in information dissemination, and limited local fiscal capacity. As a result, Shanghai provides important lessons for other cities dealing with comparable migration pressures by demonstrating both the creative steps taken in policy development and the ongoing difficulties in execution.

3. Context: migrant workers and welfare protection in Shanghai

3.1. Demographics of migrant workers in Shanghai

There is also an urgent need to ensure equal access to education for families with migrant backgrounds. Children of migrant workers are often severely disadvantaged in urban education

systems: They are often excluded from prestigious schools or subject to restrictive school rules, and their access to quality education is severely limited, especially in secondary school [5]. Children's educational experiences are further challenged by family structures resulting from parental migration. Children who remain in rural areas experience prolonged separation, which undermines their psychological stability, and prolonged parental absence can lead to loneliness, anxiety, and academic disruption. Children who migrate to cities with their parents continue to face difficult circumstances. They have limited access to quality education and tend to attend schools specifically designed for children of migrant workers, which are often under-resourced. Even those who do get into mainstream schools may be at risk or excluded because of where their parents are from or what they do for a living. These widespread social inequalities exacerbate existing inequalities in the education system and are detrimental to mental health. Together, institutional barriers, family circumstances, and social environments create complex obstacles to migrant children's access to and quality of education.

In terms of employment distribution, the floating population is primarily concentrated in labor-intensive industries such as construction, low-end services, and manufacturing. These sectors have long relied on migrant labor to sustain the city's operations and expansion. Spatially, migrant workers predominantly reside in suburban areas like Minhang, Pudong, and Jiading. This residential pattern not only mirrors the distribution of labor market demand and costs but also exacerbates social segregation between urban and rural areas, as well as between city centers and outlying districts.

In fact, this regionalized population distribution directly impacts the degree of social integration for the migrant population. Living in peripheral areas distant from city centers, they face significant limitations in accessing education, healthcare, transportation, and public services. This makes it difficult for them to equally obtain the resources and social networks available in the city's core areas. Consequently, the spatial pattern of the population to some extent solidifies social stratification and creates new barriers for the migrant population to achieve comprehensive development within the city.

Table 1. Household-registered vs migrant population in Shanghai (2000–2020) [1, 4]

Year	Total Population (millions)	Registered Residents (millions)	Migrant Residents (millions)	Share of Migrants (%)
2000	16.7	12.9	3.8	23%
2010	23.0	14.0	8.97	39%
2020	24.9	16.3	8.6	34%

Table 1 shows that although the share of migrants peaked around 2010, their absolute number remains significant. Migrants form the backbone of the construction and service economy, yet their welfare access has not grown in proportion to their demographic presence. This mismatch between population share and policy coverage underscores the need for targeted interventions and more inclusive urban planning.

3.2. Policy landscape

Shanghai has developed several initiatives in education, healthcare, housing, and labor protection. In education, the 2025 Shanghai Compulsory Education Enrollment Guidelines mandated “nearby enrollment” and required public schools to admit eligible children of migrants if their parents hold residence permits and pay social insurance [10]. These guidelines represent a formal attempt to

integrate migrant children into mainstream education, although practical challenges remain in district-level implementation.

In healthcare, the 2017 directive obligated construction enterprises to register migrant workers in urban pension, medical, and unemployment insurance [11]. In practice, coverage is still uneven, with smaller firms and informal employers frequently neglecting compliance, leaving some workers without access to basic health services. Consequently, many migrant families rely on shared dormitories, informal rentals, or substandard accommodations, which affects both living conditions and family stability.

Housing programs are formally intended to assist low-income groups. Nevertheless, many migrant workers remain ineligible for social benefits due to rules tied to the hukou system [2]. In 2022, the Wage Guarantee Fund required construction companies to deposit wages in certain accounts prior to payment in order to avoid wage arrears [11]. In some districts, this measure has been successful in reducing the number of wage arrears. For example, in Pudong and Huangpu, wage arrears have decreased dramatically. In Pudong, enforcement is strict and inspections are frequent [11]. On the other hand, in suburban areas such as Jiading and Fengxian, enforcement is weak and inspections are less frequent, resulting in continued arrears [11]. These disparities undermine the overall ability of the Wage Guarantee Fund to fully protect the incomes of migrant workers.

3.3. Policy goals

Ensuring fair labor relations and maintaining social stability are the main objectives of these policy initiatives. They address important issues affecting immigrants. For example, wage policies address the chronic problem of unpaid or delayed wages by formalizing procedures to protect workers' rights. Education reforms aim to reduce intergenerational disadvantages caused by family circumstances by increasing access to quality education and improving upward mobility opportunities for migrant children. With a view to a more equitable distribution of health resources, the Health Initiative aims to address disparities in urban health services for migrants. In addition, housing policies aim to bring stability and improve living conditions in low-income communities.

However, even when targets are clearly defined, their actual implementation often falls short of expectations. Differences in local administrative capacities, financial resources, and implementation priorities continue to lead to disparities between regions. Thus, the persistent mismatch between institutional design and implementation is a major impediment to the overall effectiveness of the policy and the equitable protection of the migrant population.

4. Policy implementation and gap analysis

Although Shanghai has introduced numerous welfare policies covering education, healthcare, housing, and social security, significant gaps remain in practice. In education, despite policies emphasizing equity, many migrant children still attend private “migrant children's schools” with limited resources and insufficient teaching staff. A considerable number are even unable to access higher-level public education [12]. Enrollment statistics further illustrate persistent disparities between migrant and local children over time (see Table 2). Schools and districts exercise substantial discretion over resource allocation, teacher appointments, enrollment approvals, and program implementation. While such autonomy allows flexibility in addressing local needs, it can also produce unintended consequences. For instance, some schools favor local or advantaged students, limiting enrollment opportunities for migrant children, while others place students in classes or

campuses with lower-quality instruction. Often motivated by administrative convenience or the desire to improve performance metrics, these practices exacerbate educational inequality.

Table 2. School enrollment of migrant vs local children in Shanghai (2010–2020) [10]

Year	Local Children in Public Schools (%)	Migrant Children in Public Schools (%)
2010	98%	65%
2015	99%	73%
2020	99%	80%

A similar situation exists in healthcare. Policies introduced in 2017 formally expanded migrant workers' access to medical insurance, yet widespread informal employment, complex registration procedures, and limited understanding of the system prevent many from effectively using services [7]. Housing inequality presents another challenge, as public rental housing rarely covers migrant workers. Many must rely on poorly maintained dormitories or informal rentals, which are often overcrowded, unsafe, and lacking basic facilities [2]. Poor living conditions not only affect daily life and health but also limit community participation and social integration. In social security, employers frequently fail to make timely contributions, and wage arrears remain common [6]. Overall, despite rising participation in formal welfare programs (see Table 3), a substantial portion of migrant workers still falls outside coverage. These gaps result from hukou-related restrictions, limited local resources, mismatched policy design, discretionary implementation practices, and weak enforcement, collectively hindering migrant families from fully benefiting from social protections.

Table 3. Social insurance participation of migrant workers in Shanghai (2010–2020) [6, 11]

Year	Pension Participation (%)	Medical Insurance Participation (%)	Work Injury Insurance (%)
2010	35%	40%	28%
2015	50%	55%	42%
2020	65%	70%	60%

5. Discussion: reasons behind the gaps

Many interconnected factors contribute to the persistence of disparities in migrant well-being. Whereas a person's hukou status is directly linked to their ability to access basic public services such as housing, healthcare and education, the hukou registration system remains a major obstacle [3]. Disparities in provincial administrative procedures lead to uneven application, exacerbating inequality. The scope of social assistance programs is limited by budget constraints, as local governments often prioritize infrastructure and economic growth over social services. In addition, fragmented governance hinders policy implementation; due to differences in local capacities and resources, regulations at the municipal level can sometimes be ineffective at the provincial level. Another level of difficulty is social attitudes that hinder the implementation of inclusive policies and reduce social acceptance, as many urban dwellers perceive migrants as competitors for scarce public resources. In addition, shortcomings in policy design, such as imprecise school enrolment ceilings, inadequate supervision of employers and vague procedural guidelines, cause discrepancies between desired and actual outcomes. Together, these societal, institutional, financial and administrative elements explain the persistence of inequalities in migrant care in Shanghai.

6. Recommendations for policy improvement

Closing the gap in access to social services requires coordinated changes in housing, healthcare, and education. In education, schools with high numbers of migrant students can introduce enrollment caps, provide financial support for extracurricular activities, improve facilities, and train teachers. These measures will promote more equitable access by preventing enrollment in low-quality classes and reducing reliance on home enrollment. To increase access to and simplify use of services, health reforms should make insurance available in multiple states, simplify enrollment procedures, and provide multilingual counseling. To increase housing supply, housing policies should encourage collaboration between the private and social sectors, control the black market, and expand affordable rental options.

Social security must also be addressed. Compliance by employers and continuity of benefits when workers move from one city to another can be ensured through stricter labor inspections, digital monitoring and a uniform pension transfer system. These policies help migrant workers reduce their reliance on insecure informal arrangements and close long-standing gaps in income protection.

Finally, more comprehensive social and structural changes are needed. Gradual changes to the hukou system, public campaigns to increase social acceptance of migrants, and collaboration with NGOs and community-based organizations can reduce stigma, promote social integration, and strengthen the implementation of inclusive policies. Together, these integrated strategies can bridge the gap between official policy goals and actual outcomes to improve migrants' access to social services in Shanghai.

7. Conclusion

Shanghai's large migrant population illustrates the pros and cons of China's rapid urbanization. Social protection and public service delivery have improved as a result of initiatives such as the establishment of a wage guarantee fund and increased student enrollment. However, public attitudes, local fiscal priorities, and the family registration system still limit opportunities for migrant workers and their children. Their daily lives and social integration continue to be directly affected by gaps in social protection, housing, health, and education.

Institutional changes and public attitudinal shifts are needed to bridge the gap between policy goals and actual outcomes. Without such initiatives, the cycle of social stratification, urban tension, and poverty could deepen, threatening Shanghai's sustainable development. As a major international city, Shanghai has the opportunity to set the standard for welfare reform targeting migrant populations. By increasing the comprehensiveness of its policies, strengthening enforcement, and broadening social acceptance, it can promote the successful integration of migrant workers and their children.

Social inclusion can be fostered by equitably distributing the benefits of urban growth while sustaining economic growth. Achieving true inclusion and equity requires public consensus and continuous policy innovation. For Shanghai to become a truly inclusive city that serves as an international model, a combination of institutional and cultural efforts are critical, including.

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