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Book of Abstracts

Informal Economy and Migrant Workers in Urban China

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China's internal migration has drawn extensive attention from domestic and overseas scholars since the 1980s, and numerous studies have focused on the migrant workers who are employed by the "world factories" and closely linked to the label of "made in China". However, few studies have paid their attention to the migrant workers who have been participating in the informal economy in urban China. In fact, informal economy, referring to the income-generating activities that are not regulated by the state, has been expanded dramatically during the past two decades, and the rural-urban migrants have comprised of the overwhelming majority of participants in the informal sector. These informals are mostly self-employed and the wage employees working for the informal workshops hidden in the migrant enclaves. This study, taking a migrant enclave in south China as the research site, aims to understand the lives of migrant workers engaged in the informal economy. It attempts to examine the institutional environment for expansion of informal economy in urban China, to understand the individual choices of migrant workers in terms of being formal or informal, to explore their economic performance and to figure out whether it is a promising alternative for the migrant workers to achieve upward mobility by participating in the informal economy. It is found that institutional factors including policy practices of the state, regulation enforcement of local government and the relative autonomy of the migrant enclave all contribute to the origin and development of informal economy in urban China. Individual choices of being formal or informal are mainly based on rational calculation by comparing the costs and benefits, meanwhile, have also been largely impacted by the social networks of migrant workers. Migrant workers engaged in the informal economy receive relatively higher economic return than their counterparts in the formal sector. However, upward mobility is limited due to the absence of institutional inclusion for the informal economy participants. In conclusion, migrant workers engaged in the informal economy of urban China have largely been segmented from the mainstreaming labor market and consumption market. Some of them might have achieved significant success in economy, but the majority have still been struggling for living at the bottom strata in society.