

The Impacts of Urban Migrant Populations on Public Services and Corresponding Governance Suggestions

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Abstract

This study investigates the multi-dimensional impacts of China's massive rural-to-urban migration on public service delivery and urban governance. By systematically reviewing official statistics, municipal yearbooks, community interview records, and policy documents, we identify four interlocked survival dilemmas—unstable employment, inadequate housing, restricted access to education/healthcare, and weak social integration—that collectively erode migrants' well-being. We further demonstrate that these dilemmas impose significant fiscal, operational, and social strains on receiving cities, traceable to institutional (hukou segregation), planning (static population baselines), fiscal (revenue-expenditure mismatch), and socio-cultural (intergroup prejudice) causes. Unlike prior studies that treat these dimensions separately, our integrated analytical framework reveals how they reinforce each other, creating a vicious cycle of exclusion. The paper proposes a phased governance roadmap: short-term emergency relief (e.g., portable welfare vouchers), medium-term service-capacity expansion linked to real-time population heatmaps, and long-term hukou reform coupled with inclusive cultural campaigns. These insights offer both theoretical advancement—by bridging public administration, urban sociology, and fiscal federalism—and actionable policy guidelines for achieving public service equalisation in megacities.

Key words

Migrant Population; Public Service Equalization; Urban Governance; Household Registration System

1. Introduction

1.1 Research Background and Significance

In the past decade, the scale and speed of rural-urban migration in China have been higher than at any other time in history. According to official data, by 2024, there were about 384 million internal migrants in China, making up 27.3% of the total population, and about 150 million inter-provincial migrants [1]. At the same time, by the end of 2024, the number of rural-birthed labourers (people living in suburban areas engaged in non-agricultural work) was nearly 299 million [2]. With the shift in population, some labour is available from rural areas to build and run the city through communal organisations. However, there are high costs to this; most of the municipal facilities and utilities are for permanent residents, and the group of actual beneficiaries, which includes many informal settlers, is still growing. As a result, the capacity of the school organisation has been exceeded; the waiting time for medical consultation at medical clinics is relatively long; and the transit system in urban areas with a large number of migrant workers is almost full. In addition to tension, there is a basic structural problem that the Hukou system restricts the distribution of social resources and takes away some basic rights of migrants compared to local residents [3,4]. As a result, there are now differences in studies and policies at the government level. Addressing these problems is to build a new urban system of life that is just, stable and high-quality.

1.2 Research Status and Research Gaps

Research has been conducted in China on the issues listed above. One strand examines the socio-economic reasons for migration and the impact on work life, housing stability and mental health in cities [5,6]. Another strand studies the distribution of collective assets from the perspective of municipal government officials, revealing monetary constraints, systemic defects and administrative gaps in providing essential services for semi-permanent residents [7,8]. A third group of scholars has studied structural problems and the division of public welfare benefits under the residence

permit system [3,9]. Nevertheless, although a rich body of literature has examined either the socio-economic conditions of migrants or the fiscal constraints of local governments, few studies have attempted to integrate these perspectives into a unified framework that simultaneously addresses migrants' survival dilemmas, their systemic impacts on service systems, and the feedback loops with governance structures. Moreover, existing policy recommendations often remain generic and lack phased implementation strategies grounded in empirical evidence. Therefore, the aim of this current project is to construct a holistic evaluation system covering problem identification, impact analysis, cause exploration and countermeasure formulation—adopting a "phenomenon → impact → cause → solution" logical framework. Methodologically, we contribute a novel combination of systematic literature review and targeted case vignettes (drawing on Shenzhen's urban-village data) to illustrate the spatial mismatch between service provision and migrant settlement patterns, through which a deeper understanding of administrative problems arising from rural-to-urban population mobility can be achieved.

1.3 Research Objectives, Methods, and Data Sources

The study pursues four interconnected objectives: to delineate the typical survival predicaments of urban migrants; to assess their multidimensional impacts on public service systems and governance structures; to identify the underlying institutional, fiscal, and social drivers; and to propose a package of inclusive policy responses. Methodologically, the research combines a systematic literature survey with case analysis. Data are drawn from official population censuses, municipal statistical yearbooks, community-level interview records, and publicly available policy documents [1]. This empirical basis allows for an in-depth examination of the common patterns and specific manifestations of migrant integration challenges. The entire analysis adopts a "phenomenon–impact–cause–solution" logical framework to guarantee all argumentation stages are supported by objective observable evidence instead of subjective speculation.

1.4 Paper Structure

The remainder of the paper is organised as follows. Section 2 examines the four major survival dilemmas that migrants encounter in urban settings. Section 3 analyses how the presence of large migrant populations reshapes public service supply, governance operations, fiscal balances, and long-term urban inclusivity. Section 4 traces these problems back to four interconnected causal layers. Section 5 advances a suite of governance recommendations derived from the preceding diagnosis. Section 6 concludes with a summary of findings, policy implications, and directions for future research.

2. Survival Dilemmas of Urban Migrant Populations

2.1 Employment Dilemma

The Employment Integration of transient workers is still very uneven. Due to the restrictions on domicile registration, lack of social connections and practical difficulties in the verification of vocational certificates, many rural-to-urban migrants have been engaged in the informal economy or worked for part-time formal enterprises such as construction, retail, hospitality and food service [5, 6]. According to the open-source surveillance data in 2024, 12.3% of itinerant workers are employed by private enterprises and 6.8% work in the travel industry [2]. The average income in the two areas is about 60% of the regional average, and the difference in legal protection for industrial accidents and unemployment benefits has reached as high as 15% and 20%, respectively [2]. In addition to the current financial deficit, there is also an unavoidable instability in position; thus, professional development has been hindered, training opportunities are limited, and the absence of a fixed employment contract reduces employees' bargaining power. A large number of the farming-based population do not operate as wealth centers in the urban area but are rather transitional zones [5].

2.2 Housing Dilemma

Shelter is the second type of constraint, but it is also serious. The regulated residential area is still not suitable

for low-income migrant workers, and there are many entry barriers to the public-subsidised housing system (rent reduction units and co-owned homes) that make it difficult for non-citizen residents to participate in it [3, 8]. Consequently, tenants inhabit informal districts: suburban fringe villages, privately built outskirts, multi-family dwellings, and spontaneous building camps. According to research in Shenzhen, it is an extremely serious problem that such illegal clusters house nearly 60 per cent of the city's transient population; living spaces for people are often less than ten square metres, there is a lack of good air circulation, weak fire safety measures, and poor hygiene facilities [10]. The requirements for the formal housing application are generally to have permanent residence in the area or five consecutive years of social insurance contributions; most mobile workers do not meet these conditions [8]. The absence of stable and dignified housing cannot safeguard the physical and mental health of the people's livelihood, nor can it be integrated into the metropolitan area smoothly, thus restricting career development opportunities for all walks of life [6].

2.3 Dilemma in Accessing Public Services

In education, healthcare, and social security, institutional barriers systematically disadvantage migrants despite formal policy commitments to equalisation. Under the “two-mainly” policy—which designates government and public schools as the primary providers—local educational authorities nevertheless prioritise registered children when allocating places in desirable public schools. In most large cities, the enrolment rate for migrant children in public primary and secondary schools remains below 60 per cent, pushing numerous families towards either costly private alternatives or under-resourced schools with high teacher turnover [8,11]. Healthcare is similarly fragmented. Although the central government has streamlined cross-provincial reimbursement procedures, in practice migrants encounter bureaucratic delays, reduced benefit ratios, and exclusions from urban employee medical insurance—participation in which stands at less than 40 per cent among migrant workers [11]. Pension-portability arrangements, while formally established, suffer from administrative complexity and partial fund transfers, prompting many migrants to withdraw their contributions upon leaving a

job rather than navigating the transfer process [6]. The cumulative effect is a profound erosion of the social safety net for a population that arguably needs it most.

2.4 Social Integration Dilemma

In addition to a lack of physical necessities, displaced people are also socially excluded and thus face all sorts of difficulties in life. Due to the different languages, a lack of understanding of the original culture, and the absence of official platforms for inter-ethnic dialogue, a social division has formed between the migrant community and the urban population [4, 5]. Research in the Pearl River Delta area shows that more than 45 per cent of migrant workers have had infrequent contact with local residents, and less than 20 per cent feel that they are integrated into the community [5]. There are many managers who are disconnected from work, and this has led to poor performance. After a long time in the new place, newcomers may be more withdrawn and lose a sense of belonging to the regional culture and organisations; therefore, their obedience to regulations will be weaker, increasing the risk of public disorder and other abnormal behaviours [9]. Therefore, the communication barrier between local people and overseas workers has become a reason for their mistrust of the grassroots administrative organisation [8, 9].

3. Impacts of Migrant Populations on Urban Public Services and Governance

3.1 Challenges to Public Service Supply

The influx of migrants directly tests the carrying capacity of urban public service infrastructure. In compulsory education, most large cities have recorded annual increases of 5–8 per cent in the school-age migrant population over recent years, while school construction and teacher recruitment have proceeded at a much slower pace [2,6]. Class sizes in public schools have consequently rebounded past the 55-student threshold in several districts, straining pedagogy and classroom management [8]. Medical facilities face analogous pressures: tertiary hospitals in central urban districts report outpatient volumes exceeding design capacity by as much as

40 per cent, exacerbating waiting times and compromising quality of care [11]. Public transit systems operate at peak load factors that leave little room for further ridership growth [7]. The common thread across these cases is a planning paradigm that calibrates service capacity against registered population figures rather than actual resident population—a discrepancy that grows larger with each annual migrant inflow [7,12]. A telling case is Shenzhen, where urban villages—informal settlements that house nearly 60 per cent of the city's floating population—have become de facto reception areas for migrants. Field surveys indicate that public schools in these districts operate at 140% of their designed capacity, and community health centres serve three times the number of patients they were built for, yet per capita infrastructure investment in these areas remains only 40% of that in registered-resident-dominated neighbourhoods [10]. This spatial mismatch vividly illustrates the consequences of planning based on registered rather than actual residents.

3.2 Impacts on the Urban Governance System

The original hierarchy was set up for the permanent residents, and therefore could not be used by the mobile itinerant groups. Due to the change in family residence, it is not easy to collect accurate census data, and region-based governance protocols have been unable to monitor living conditions conveniently and economically [4, 8]. The information gap at the level of judicial authorities cannot effectively supervise the risks of leases or verify leased residential buildings [3]. Locally, the housing bureau is responsible for housing the permanent resident population and thus lacks the power, funds or will to deal with temporary residents [5]. Therefore, areas with high flux are often out of the scope of the law; the communal facilities are shallow, the network is semi-formal, and unofficial operations have taken over the space left by state-owned enterprises. Such circumstances are conducive to social disorder, and they have also eroded the trust of the affected population in the government.

3.3 Impacts on Urban Public Finance and Resource Allocation

Meeting migrants' service needs imposes substantial financial burdens on receiving municipalities. Under the prevailing fiscal-decentralisation regime, local governments bear primary expenditure responsibility for compulsory education, public health, and social assistance for all residents—including the unregistered—but their revenue base remains constrained by the central government's predominance in tax collection [7,12]. A rough estimate places the annual fiscal outlay for educating one migrant child in a public school at RMB 8,000–12,000 [12]. For a medium-sized city experiencing a net inflow of 100,000 migrants annually, this translates into an additional education expenditure approaching RMB 100 million per year. Taking Shenzhen as an example, the cumulative fiscal gap for providing basic public services to its unregistered migrant population is estimated to exceed RMB 15 billion annually, equivalent to nearly 8% of its local general public budget expenditure [10]. For smaller municipalities with narrow tax bases, such increments are simply unaffordable [7]. The fiscal strain is further compounded by inter-group distributional conflict: local residents, perceiving that their own service entitlements are diluted by migrant demand, increasingly voice resentment. This zero-sum perception, whether objectively justified or not, complicates the political economy of service expansion and may erupt into open social friction if left unmediated [8,9].

3.4 Impacts on Inclusive Urban Development

To what extent the displaced population is integrated into the large city will affect the long-term development of the city. Good inclusion can help the displaced people get education, medical attention and other necessities; thereby, the labor force will be strengthened, consumption patterns diversified, and society's culture enriched. Exclusionary measures are also one of the reasons why the poor live on the outskirts of cities; as a result, these areas lack adequate public services and, consequently, the extent of urban poverty keeps increasing [4]. Eventually, cities will divide along financial and physical borders and weaken communal cohesion and governmental efficiency [11]. The price of the split

is high; not only is it a matter of ethics, but also some economic gains and creative leaps will be lost [6, 12]. Therefore, the problem of resettlement cannot be ignored in humanistic terms and will threaten the continuous development and adaptability of China's large cities.

4. Root Cause Analysis

4.1 Institutional Cause: UrbanRural Household Registration Segregation

At the bottom of this transit-metropolis imbalance is the old household registration system. Stemming from the 1958 National Resident Registration Ordinance, the hukou has gradually taken on the function of distributing some public services provided by the government. Urbanised areas are closer to the government-aided schools, affordable medical insurance, old-age security and rental subsidies, and many rural residents do not have these at the same level [3, 4]. The institutional system is based on the socialist idea of centralised allocation, but in a capitalist system, it has produced the opposite effect; that is, even after living and working in an urban area for a long time, such a person is still officially classified as an "alien" and deprived of resource access due to their contribution [8]. Therefore, the problem of the vagrants is not only one of administrative supervision; rather, it is based on the fundamental structure of the whole administrative system, and their rights are linked to residence rather than to life and participation in society.

4.2 Policy Cause: Shortsighted Public Service Planning

A second-order driver is the systematic tendency of local governments to plan for a static population. Urban master plans, educational facility blueprints, and healthcare network designs have historically projected service demand on the basis of registered-population growth rates, making no allowance for the demographic flux generated by rural-to-urban migration [6,7]. School locations are chosen with reference to registered school-age cohorts, not migrant children's actual residential clusters; hospital bed allocations follow similar logic [12]. The upshot is a persistent spatial mismatch: mi-

grant-dense suburbs and industrial zones—precisely the areas with the greatest service deficits—receive the lowest per capita infrastructure investment [12,10]. This planning inertia is not value-neutral; it tacitly reinforces the institutional exclusion embedded in the hukou system by translating legal discrimination into physical distance [7].

4.3 Economic Cause: Mismatch Between Fiscal Authority and Administrative Responsibility

The Financial Mechanism for Intergovernmental Relations has been tightened in response to this. In 1994, the fiscal-redistribution plan collected funds from the central authorities and transferred financial liabilities for compulsory education, medical services, social security, etc., to the lower-level departments. At present, municipal governments account for about 70 per cent of the primary needs of state expenditure but have relatively weak authority over only one-third of the total federal revenue [7, 12]. Changes in population affect the number of people subject to funding obligations and do not change the distribution basis of the universal fund [12]. The central and provincial governments have been reluctant to include the group of migrant workers and commuter families in the profit-sharing system, so local governments with weaker industrial tax systems have had to cover the expenses of these individuals from their own pockets without obtaining the benefits provided by territory [7]. The economic conditions are most difficult in the smaller and medium-sized urban areas; at present, they lack strong financial support and have been increasing in mobile migration.

4.4 Social Cause: Intergroup Prejudice and Insufficient Community Communication

In fact, this problem is still the same at all levels. Regional people often have biased views that displaced persons are undesirable, disorderly or a financial burden, and thus fail to recognize their important roles in maintaining order and cleanliness, as well as housing and living [4, 5]. Neighbourhood associations are not willing to organise activities for both the public and the foreign

community, and city governments have long given priority to registered residents [8]. Therefore, there will be less public support. Due to a lack of regular cross-cultural contact, prejudice has grown stronger, individuals' skills are limited to their own circles, and the cooperation needed to tackle collective urban issues is also diminished [9]. Finally, this social factor is not marginal but one of the reasons for all of them.

5. Governance Suggestions

5.1 Deepen the Reform of the Household Registration System

First, we will separate general benefits from those based on Hukou to obtain equity. Build a universal household registration system; many places have been tried, but expansion and standardisation are still required, and the basis will need to be registered for a long time or after living here for more than three years [1, 9]. Gradual removal of points-based hurdles—such as minimum educational qualifications and property-ownership requirements—would make the pathway more accessible to ordinary workers. For residence-permit holders, public-school enrolment should be guaranteed at the same standard as for registered children, and cross-provincial medical reimbursement should be fully automated across all major hospitals [8,11]. Most importantly, the change should be presented as an increase in the total amount of assets, not simply as a rearrangement of current assets; otherwise, there may be fear of a zero-sum game among the original residents and thus impede the legitimate implementation of [4]. Complementary increases in educational and health infrastructure are indispensable for a successful transition [12].

5.2 Optimise the Dynamic Layout of Public Services

Planning authorities should replace the registered-population baseline with the actual resident population as the primary parameter for facility location and capacity sizing [6,7]. A dynamic monitoring system, integrating household-registration data, mobile-phone signalling, and utility-consumption records, can generate quarterly heat maps of migrant distribution, identifying

service-desert neighbourhoods with precision [10]. Geographical maps will be used to guide the choice of yearly district divisions, timelines for the development of educational institutions and additions of medical facilities. In urban-suburban areas and residential neighborhood zones, the layout of new facilities, clinics, social hubs, etc., should be organized to coincide with the construction of new housing [12]. Based on this prediction of evidence, we can address the problem of geographic mismatch in current city services and move funds to areas where the people live, rather than to places that architects have envisioned [9, 12].

5.3 Build a Multisubject Collaborative Governance System

Given the complexity of integrating immigrants, no single department of the government can do so alone. Build an all-weather system that involves urban governments, local groups, private enterprises, non-profit charitable organizations, etc. [5, 8] Metropolitan Areas should release new laws to set standards and distribution plans for public services and finances. Special "integration centres" should be set up and run by professional social workers at the district level in areas with a large number of overseas Chinese to provide support for demographic analysis, mediation, demand assessment, etc. [9] The company will make contributions to the pension fund and will be motivated by financial and tax benefits or other reasons to provide occupational training and housing subsidies [11]. Resident-focused charitable non-profits can bridge these gaps by providing more schools for migrant children, legal aid, mental health care services, etc. [11] A well-connected electronic network for all the data in the communities that are related to police, labour, schools and medical institutions could be employed to track changes in the number of asylum-seekers and promptly distribute resources according to their new circumstances [10].

5.4 Foster an Inclusive Urban Social Culture

Technical and administrative measures, however necessary, are insufficient without a transformation of attitudes. Local media should recalibrate their reporting on migrant populations, highlighting their indispensable

contributions to urban functioning and cultural diversity rather than framing them as sources of social problems [4,10]. Community festivals, neighbourhood volunteer projects, and intergroup dialogue sessions should be institutionalised, not merely staged as one-off events, to create regular opportunities for cross-cultural contact [5,9]. Schools can also serve as integration platforms by involving migrant and local parents in joint activities, thereby fostering trust through the shared concern for children's education [8]. Cultivating an inclusive urban culture is a long-term endeavour that requires sustained investment, but it is also the most durable foundation for the other reforms—without social acceptance, administrative changes will generate resentment rather than cooperation [4,10].

5.5 A Phased Implementation Strategy

Recognising that comprehensive reforms are politically and fiscally challenging, we propose a three-stage roll-out to translate the above suggestions into actionable steps. In the short term (2026–2027), launch pilot "portable welfare accounts" in three megacities (Beijing, Shanghai, Guangzhou) that allow migrants to accumulate and redeem education/healthcare credits across provinces. Establish inter-ministerial task forces to harmonise data systems (hukou, social insurance, and mobile-phone signalling) for real-time population monitoring. Immediate priority should be given to eliminating the 5-year social insurance threshold for public rental housing applications, replacing it with a 3-year continuous residence proof. In the medium term (2028–2030), mandate all cities with more than 5 million residents to base their five-year facility-planning cycles on actual resident population data (derived from the dynamic monitoring system), with the central government providing matching funds (50% for education, 30% for health) to alleviate local fiscal pressure. Expand the residence-permit system by gradually abolishing educational and property ownership requirements, leaving only continuous residence (over 3 years) as the sole criterion for basic service eligibility. In the long term (2031–2035), phase out the hukou-based allocation of core public services entirely, replacing it with a citizenship-based entitlement verified through a unified national identity system. Simultaneously, institutionalise cross-community dialogue programmes (monthly neigh-

bourhood assemblies, joint parent-teacher committees) to dismantle social prejudice, backed by a national media campaign that reframes migrants as "urban co-builders" rather than "outsiders." This phased approach reduces political resistance, generates early wins to build trust, and creates fiscal headroom through progressive central-government co-financing.

6. Conclusion

The goal of this paper is to study the various problems faced by rural migrants in their lives to meet the service and regulatory needs of urban areas. Based on all the observational data, it has been determined that there are four linked existential problems concerning employment security, residential stability, economic accessibility and communal integration; thus, these individuals' lives are facing multiple pressures in the urban area. The four main problems that have also been found in this paper are the structure of heritage under the Hukou residence policy, the lack of a long-term development plan, financial disparity between high- and low-income groups, and emotional alienation of original residents from the resettled area. Therefore, in order to address the above issues at their source, a number of plans will be put forward rather than just one strategy.

Based on the above results, new theoretical ideas and applications for practice will be added. Based on the research of scholars, it is more appropriate to study the evaluation of migration, social support and administration together in a single collaborative structure rather than separately. In fact, according to actual operations, the expansion of educational facilities and the increase in relocation subsidies will not be effective unless the basic rule of fair distribution of wealth is reformed. There are some limitations in this study as well; the range of the personal case study analysis is relatively small, and the differences between major cities, suburbs and rural areas have not been examined in depth. In the future, other studies can extend the area and contents of research, add time-series data to track how the laws have been changing over time in different periods, etc. Nevertheless, the main result is still the same: The smooth integration of relocated people into urban life is not a loss but an increase in the social and economic wealth of

the areas. To achieve such integration, structural reform initiatives, refined strategic planning and sustained community development efforts are essential. Such measures facilitate the construction of a fair, stable and prosperous society.

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