Chapter 15

A Profile of Foreign Nationals in a Globalising Second-Tier City, Suzhou, China

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ABSTRACT

The recent development of Chinese cities has witnessed an increasing number of foreign nationals working in China. Foreign nationals tied up with MNEs are one of the powerful drivers for urban transformation in the post-reform era. However, little attention has been paid to their socio-economics characteristics. This chapter, therefore, is to analyse characteristics of foreign nationals in socio-economic, demographic and spatial aspects. This chapter focuses on a globalising Chinese second tier-city, Suzhou as a case study.

INTRODUCTION

The recent development of Chinese cities has witnessed an increasing number of foreign nationals working in China due to a wide range of driving forces including multinational enterprises (MNEs). Approximately 3 million foreign nationals came to China for employment purpose in 2007 (Skeldon, 2011). Firms seek out economic opportunities in Chinese cities in favour of low-cost production sites and/or in search of access to China’s growing markets. A strategy to control business operation at distance is to dispatch expatriate managers to the host city. In addition to dispatched managers by the firms, language teachers, academic staff, retailers and traders have sought out opportunities in China. Incoming foreign nationals are one of the major sources for urban transformation associated with emerging territorial and social inequality because foreign nationals are generally highly paid due to their professional skills, international experiences and knowledge sets.

As seen in the global city literature, large Chinese cities are globalising by housing MNEs and international immigrants (Chubarov & Brooker, 2013; Kang & Shouzhen, 2003; Zhang, 2014). Despite the increasing number of foreign nationals as one of the powerful drivers for urban transformation, little attention has been paid to socio-economic status of foreign nationals in China. How their social status is

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different from the locals? What differences can be found in different origins and industrial types? This research pays attention to these research questions to better understand the role of foreign firms and foreign nationals in China’s urban transformation, using a globalising second-tier city, Suzhou as a case study. Suzhou has been rapidly urbanising and globalising by virtue of FDI-oriented growth strategies.

BACKGROUND

Two Key Players in Emerging Global Cities: MNEs and International Immigrants

Global cities are referred as globally significant cities with economic, political, and cultural dominance in a world system. High-level command-and-control functions tend to be concentrated geographically in global cities or world cities (Friedmann, 1986; Friedmann & Wolff, 1982). Global cities play a crucial role as an international node in building international production and transport networks (Keeling, 1995). Harris (1997) pointed out that the new global economy facilitated massive flows of products (trading), people (international migration), capital (e.g., FDI), and information along with ‘time-space compression’ process (Harvey, 1990). Typical examples of global cities are New York, London and Tokyo (Sakia Sassen, 2001). Emerging globalising cities have at least the two fundamental players: MNEs and international immigrants.

Firstly, the global city literature has emphasised the significance of capital accumulation in evolving into global cities (Sakia Sassen, 1999, 2001; Saskia Sassen, 1995). Massive presence of Foreign Direct Investment (FDI) channelled via MNEs has been observed in global cities. Firms’ strategic approaches to cross-border business operations have been implemented in search of low-production sites with respect to affordable land prices and cheap labour costs and access to global markets (Dunning, 1998; Hodos, 2002). While advanced producer services are becoming a crucial element in FDI flows, manufacturing production has been relocated to periphery of city-regions and regional areas where labour-intensive and land-intensive industries can reduce their production costs (Glickman & Woodward, 1988; Harris, 1997). Recently, East Asian economies, such as China, Korea, and Taiwan, have evolved with growth in FDI in technology-oriented manufacturing sectors (Chien & Zhao, 2008; Kim & Han, 2014; Yang & Hsia, 2007). The impacts of FDI inflows are not limited simply to capital accumulation, but also associated with spill-over effects. FDI is involved with ‘a package of assets’ that include money capital, management and organisational expertise, technology, entrepreneurship and access to global markets (Dunning, 1993). Inflows of FDI are, accordingly, tied up with foreign nationals to manage business operations at distance (Kim & Han, 2014).

Secondly, there has been evident presence of foreign nationals in global cities. These international immigrants appeared in high-income countries as international migrants have sought out better economic opportunities and liveable environments (Hugo, 2004). Diasporic networks, such as through family networks and shared ethnicity, have facilitated international migration (Hugo, 2005; Sakia Sassen, 2005). Due to a variety of immigrants, global cities have witnessed cosmopolitan culture as obviously seen in London, New York and Sydney (Friedmann, 1995). In newly emerging global cities international immigration was strengthened by massive inflows of FDI as MNEs have dispatched their managers. While high income countries accommodate both highly-paid professionals and low-skilled labourers, it is rare for less skilful labourers to immigrate into emerging global cities, in particular Chinese cities, due to abundant labourers within the country. Rural-to-urban migrants, in general, provide labour force for