

Social and Economic Impact of Urban Migration: A Qualitative Study in Large Cities

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ABSTRACT

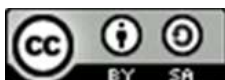
This research delves into the complexities surrounding the integration of migrants in Medan's urban environment, highlighting the obstacles they face in social adaptation, their contributions to the local economy, and the rising socio-economic frictions. The study indicates that cultural disparities, resistance from local populations, and the prevalent urban individualism impede smooth social integration. Migrants often retreat into informal networks as a coping mechanism against exclusion, which, while providing safety, also reinforces societal divisions. Economically, migrants significantly impact the informal sector, driving small-scale entrepreneurial activities, yet their progress is hindered by challenges such as inadequate financial resources, legal recognition, and insufficient social safeguards. Additionally, the competition for low-paying jobs between migrants and locals fuels tension, further entrenching economic disparities. These issues are aggravated by a lack of inclusive urban planning and policies. The study advocates for proactive policy measures aimed at fostering cross-cultural engagement, enhancing migrant business sustainability, and ensuring equal access to resources, infrastructure, and social protection to ensure a more inclusive and equitable urban future.

Keywords: Migrant Integration, Urban Challenges, Informal Economy, Social Segregation.

INTRODUCTION

Urbanization is one of the most significant demographic trends in recent decades. Across various parts of the world, particularly in developing countries, there has been a sharp increase in the number of people migrating to urban areas. According to a report by the United Nations Department of Economic and Social Affairs (UN DESA), more than 55% of the world's population lived in urban areas in 2018, and this figure is projected to rise to 68% by 2050 (UN DESA, 2018). In Indonesia, the trend of urbanization is also occurring intensively. Based on data from Statistics Indonesia (BPS), approximately 56.7% of the Indonesian population lived in urban areas in 2020. This figure is projected to increase to 66.6% by 2035 (BPS, Indonesia Population Projection 2015–2045). Major cities such as Jakarta, Surabaya, Bandung, Medan, and Makassar are the main destinations for migration due to their perceived economic opportunities, better access to education, and improved public services. However, behind these attractions, urbanization also brings various complex social and economic consequences that need to be thoroughly examined.

Population movement from rural to urban areas does not occur without reason. Various driving factors influence individuals or families to migrate to urban regions. Among these are the desire to obtain better-paying jobs, access to higher education, more



adequate healthcare facilities, and the hope for a more modern and comfortable life. Nevertheless, disparities in development between rural and urban areas act as structural factors that also drive migration. The gap in access to basic infrastructure, employment opportunities, and public services in rural areas makes cities a magnet for rural populations, even though cities are not always prepared to accommodate the surge in population. This phenomenon is particularly evident in Medan City, where the migration flow from the hinterlands and surrounding regions continues to increase year by year, posing serious challenges in infrastructure provision and equitable distribution of public services.

The strong flow of migration to major cities brings about complex social impacts. The diversity of cultural and ethnic backgrounds among migrants enriches urban life, but it can also lead to social friction if not properly managed. Migrants often face challenges in the process of social integration, including language barriers, cultural values, and access to local communities. In addition, pressure on urban land and resources often results in the emergence of slum areas, increased unemployment, and social issues such as crime, labor exploitation, and marginalization of certain groups. This reality shows that urban migration is not merely a matter of population mobility but also a complex and multidimensional social issue. These conditions are also evident in Medan City, where densely populated areas such as Medan Marelan, Medan Tembung, and Medan Amplas reflect the social impacts of urban migration that have not been fully addressed.

Migration to cities also has a significant impact on the dynamics of the urban economy. On one hand, the presence of migrants can boost economic productivity through their contributions in the informal sector, small and medium enterprises, and service industries. Migrants often fill job roles that are less preferred by city residents, thus supporting the continuity of certain economic sectors. On the other hand, the high flow of migration also has the potential to increase job competition, suppress wages, and deepen the economic disparity between locals and newcomers. The accumulation of these issues can worsen socio-economic inequality within the city and increase the burden on municipal governments to provide adequate facilities and basic services. In Medan, the role of migrants in the informal sector is significant, yet challenges such as open unemployment, income inequality, and the growth of non-permanent residential areas indicate that the economic impacts of urbanization require further investigation.

The massive influx of migrants to large cities often places additional burdens on infrastructure and public service systems. The capacity of public transportation, housing availability, access to clean water, sanitation, as well as educational and health services frequently cannot keep pace with the population growth. This leads to various urban problems such as severe traffic congestion, illegal settlements, environmental degradation, and a decline in quality of life. Cities initially seen as centers of economic growth may, in the long term, face major challenges if they fail to effectively and sustainably manage the consequences of urban migration. A similar situation occurs in Medan City, where the capacity of public services and spatial planning have not fully kept up with the rapid pace of urbanization, as evidenced by the growth of slum areas, traffic issues, and unequal access to education and health across different regions.

In understanding the social and economic impacts of urban migration, a qualitative approach becomes highly relevant because it can capture dynamics that cannot be measured merely through statistical figures. Qualitative studies provide space for migrants' voices to be heard and allow researchers to understand their subjective experiences, social meanings, and adaptation strategies in new environments. Furthermore, this approach helps explain the social and structural contexts underlying migration decisions and the challenges migrants face in daily life. Unlike the general

nature of quantitative approaches, qualitative studies offer the depth of analysis needed to formulate more responsive social policies. Therefore, this research will use a qualitative approach through a case study in Medan City to comprehensively explore the social and economic dynamics arising from urban migration.

Research on the social and economic impacts of urban migration is crucial amid the unstoppable pace of urbanization. By deeply understanding how migration affects individuals' lives and urban structures, the results of this study can serve as a foundation for formulating more inclusive and adaptive public policies. Municipal governments, urban planners, and civil society organizations require empirical data and strong narratives to design effective social interventions, infrastructure development, and socio-economic integration programs. Therefore, this study is not only academically relevant but also makes a tangible contribution to building a sustainable and just city. In the context of Medan City, the findings of this research are expected to serve as a reference for designing more humane urbanization policies that are responsive to migrants' needs and strengthen social cohesion amid diversity.

METHODS

This study adopts a qualitative approach through a case study methodology, concentrating on Medan, a rapidly urbanizing major city in Indonesia. The case study method was chosen to thoroughly examine the social and economic dynamics emerging from migration into urban areas. The research is descriptive, aiming to grasp the experiences of migrants and the responses of the community and government to the urbanization flow.

Primary data was gathered through semi-structured interviews with migrants, community leaders, government officials, and local economic players. The study employed purposive sampling, involving 15-20 informants selected based on specific criteria to explore the social and economic impacts of urban migration in Medan. The informants included 6-8 urban migrants who had resided in the city for at least two years, 2-3 local community leaders such as neighborhood heads and religious figures, 2-3 government representatives from relevant agencies, and 2-3 local entrepreneurs such as small business owners. The sample size was adjusted to reach data saturation, which occurs when further interviews do not yield new significant information.

Furthermore, the researcher conducted field observations in densely populated migrant areas and reviewed policy documents and demographic data from the BPS and local government agencies. The collected data was analyzed through thematic analysis, involving transcription, coding, categorization, and interpretation based on emerging themes. To ensure the credibility of the data, the researcher employed triangulation of sources and methods, member checking, and a systematic audit trail. Ethical research principles, such as informed consent, confidentiality, and allowing participants to withdraw from the study, were strictly followed. This approach aims to provide a comprehensive understanding of the social and economic consequences of urban migration in Medan.

RESULTS AND DISCUSSION

1. The Social Ramifications of Urban Migration: Building Social Cohesion

The journey of urban migrants attempting to assimilate into the fabric of Medan's social scene has proven to be fraught with hurdles. Early encounters often expose the migrant community to significant cultural shock and adaptation difficulties. Interviews with

newcomers reveal the primary challenges: stark differences in local customs, distinct communication patterns, and a noticeable hesitance among the native population to embrace these fresh faces. A 32-year-old man from Langkat, who relocated to Medan three years ago, vividly recalls his discomfort:

“When I first arrived in Medan, I couldn’t help but feel out of place. The language felt foreign, and the people seemed distant. I constantly worried about saying the wrong thing or being misunderstood.”

Echoing this sentiment, a community leader from Medan Denai, a district where numerous migrants reside, noted:

“At first, many newcomers keep to themselves. Perhaps it’s because they feel alien, but I’ve also noticed our own locals can be quite closed off. It’s hard to establish trust unless people meet frequently.”

Beyond communication barriers, the individualistic nature of urban life presents its own set of emotional challenges. Migrants from tight-knit communities, where collective support is the norm, often find the solitary urban lifestyle to be emotionally isolating. A female migrant from Deli Serdang, struggling with the transition, shared:

“Back home, everyone knows each other, everyone helps out. Here, it feels like everyone is too absorbed in their own world. When I try to greet someone, they don’t even acknowledge me.”

However, some migrants have found ways to forge new bonds and carve out a sense of belonging. They tend to establish networks with other migrants, creating informal circles that offer mutual aid and emotional support. A street vendor from Aceh, who has lived in Medan for four years, described his experiences:

“I feel more comfortable around people from my own background. We look out for each other, share meals, and chat—it’s like forming a new family here.”

On the ground in bustling migrant hubs like the areas around Pasar Petisah and Medan Area, one can observe the formation of migrant enclaves that, while coexisting with local populations, still largely operate in isolation. Social interactions tend to be confined to within these migrant groups, seen in shared activities such as religious study sessions, internal community cleanups, and informal savings groups. Engagement with local residents mainly occurs during more formal interactions, such as shopping, neighborhood administrative tasks, or religious services.

This reveals that social integration in Medan remains an incomplete process, with migrants still navigating their way through a fragmented social landscape. Without deliberate, inclusive policies from the local government or community-driven initiatives, the risk of sustained social tension is high. Consequently, efforts to build bridges between migrant and native communities are vital to foster long-term social cohesion in the face of ongoing urban migration.

2. Reshaping the Urban Economy: How Migrants Quietly Drive Medan’s Informal Growth

The quiet surge of urban migration into Medan has reshaped its grassroots economy, particularly in sectors that function beneath the radar of formal regulation—informal trade and micro-enterprises. Far from seeking prestige, these newcomers often gravitate toward the laborious and unstable jobs native residents tend to sidestep: physically demanding, poorly paid, or lacking any job security. Yet it is precisely this willingness to endure hardship that has allowed many of them not only to survive—but to carve out economic spaces of their own. Take, for example, a 42-year-old man from Mandailing Natal, who now runs a small fried snack stall near Pasar Merah.

“Back in my village, there was nothing. Here, I started small—just a cart. Now I rent a stall and have regulars. It’s not luxury, but it feeds my kids.”

Local business owners are also beginning to recognize the unspoken value of these migrant workers. In Medan Johor, a hardware store owner explained:

“Most of my employees are from outside the city. They’re disciplined, they put in long hours. Compared to local youth, they’re more dependable for hard labor.”

Observations across key informal business zones—such as Jalan Jermal, Pasar Sukaramai, and the Mandala corridor—reveal a quiet but vibrant ecosystem powered by migrant entrepreneurship. Whether operating roadside food stands, mobile fruit carts, or secondhand clothing stalls, migrants inject life into the city’s microeconomy. Despite lacking business licenses or social insurance, their presence is felt in every corner of daily commerce. Local administrators are aware of this undercurrent. A village-level official from the Medan Area subdistrict noted:

“You can see how these people energize the local economy. They bring business to stagnant areas. But legal and safety issues are still big concerns.”

A woman from Langkat, now operating a coffee stall outside an elementary school, offered a glimpse into her daily struggle and grit:

“I’m up before sunrise, preparing coffee and snacks. Thank God, I can keep the household afloat. Students and teachers buy from me—it adds up.”

The economic ripple effects of migrant activity stretch far beyond individual gains. They stimulate new demand for supplies, create work opportunities for others, and build grassroots supply chains. Yet systemic barriers—limited access to credit, informal legal status, and minimal policy safeguards—continue to constrain their potential. To fully integrate their efforts into Medan’s future, urban policy must shift toward inclusive frameworks that legitimize, protect, and uplift these often-overlooked contributors to the city’s economic engine.

3. Strained Labor Markets: Urban Migration and the Fracturing of Employment Stability in Medan

The rising tide of internal migration to Medan has triggered a profound transformation in the city’s employment dynamics. As thousands arrive in search of economic footholds, they are absorbed predominantly into the informal economy—filling roles that are often overlooked by long-term urban residents. These positions, marked by low pay, insecurity, and minimal protection, have become survival strategies for many, but also intensify job scarcity and exacerbate wage stagnation across the labor spectrum.

A migrant from South Tapanuli, now working as a porter in Simpang Limun Market, encapsulates the growing strain:

“Work isn’t about choice anymore—it’s about getting by. But with more people arriving daily, we’re all fighting for scraps. Some days, I barely make enough for food.”

This intensifying scramble for employment has not gone unnoticed among native communities. In neighborhoods like Medan Denai, local leaders voice increasing concern about perceived displacement. As one community elder explained:

“Locals feel pushed out. Migrants are willing to accept lower wages, so employers naturally go for them. It creates a silent divide.”

From a policy standpoint, the city’s labor authorities acknowledge the growing imbalance and warn of the social risks it may bring:

“Medan is becoming a magnet for labor migration, but without strategic labor management, we risk cultivating economic inequality and potential unrest.”

Field observations reinforce these concerns. Migrants are increasingly prominent in retail markets, construction zones, and service roles—essential to the city’s operations, yet systematically marginalized. Their labor sustains much of Medan’s informal economy, but in doing so, exposes them to exploitation while amplifying structural disparities. A small business owner in East Medan candidly shared her hiring dilemma:

“Outsiders are more hardworking and less demanding. It’s practical—but it makes it tougher for local youth to secure jobs.”

In essence, the influx of urban migrants has redrawn the contours of labor participation in Medan. The issue extends far beyond economic productivity—it touches on fairness, social cohesion, and the urgent need for inclusive employment frameworks that prevent vulnerable groups from being trapped in cycles of poverty and exclusion.

4. Deepening Urban Divides: How Rapid Urban Growth Worsens Inequality in Medan

The swift pace of urban expansion in Medan has not only reshaped its economic contours but has also sharpened disparities in income and access to vital resources. While migration to the city brings the promise of economic improvement, it often leaves many newcomers on the margins, excluded from formal employment systems and public infrastructure. Interviews across multiple sectors paint a consistent picture: migrants, lacking access to capital, education, and official networks, frequently remain trapped in cycles of precarious labour and urban invisibility.

A municipal official from Medan’s Social Affairs Department remarked on this growing divide:

“New arrivals mostly rely on the informal economy—no contracts, no protections. Still, they stay because rural prospects are even worse. Meanwhile, long-time residents with formal jobs or businesses keep pulling ahead.”

Local entrepreneurs, too, are feeling the strain. An established shopkeeper expressed unease over the competitive imbalance:

“Many migrants run informal stalls on sidewalks without licences, yet they thrive. We who pay taxes struggle to keep up. But I understand—they’re just trying to survive.”

Site visits to heavily migrant-populated districts like Jalan Jermal, Pasar Merah, and the railway settlements reveal the physical embodiment of inequality: cramped, makeshift dwellings lacking basic services like clean water and sanitation. In stark contrast, central districts occupied by wealthier, long-term residents enjoy vastly superior infrastructure. These conditions illustrate not just gaps in wealth, but a systemic failure to integrate all urban residents into the city's growth story.

One migrant woman from Padang Lawas, working as a live-in housekeeper, captured the lived experience of this divide:

“I rent a tiny, crowded room. Electricity often cuts out. There’s no real choice—my wages barely cover the essentials. Owning a house? That’s a dream I can’t afford.”

The findings make it clear: urbanisation without inclusive redistribution mechanisms deepens existing rifts. Migrants remain vulnerable not by chance, but by structural design—excluded from the formal protections and benefits of city life. Addressing this requires more than just economic growth; it demands a reimagining of urban policy—one that ensures fair access to resources, public services, and opportunities for all, regardless of where they come from.

Discussion

1. Navigating Urban Belonging: Migrants’ Struggle for Social Inclusion

The integration of urban migrants into the social fabric of Medan remains a complex and often fraught process, particularly during their initial settlement period. Cultural dissonance, social distancing from local communities, and the inherently individualistic ethos of urban life create significant friction that hinders social acclimatisation. These challenges echo Firmando’s (2021) assertion that entrenched cultural prejudices and local stereotyping present serious obstacles to meaningful social inclusion in Indonesia’s metropolitan centres.

Corroborating Nurdinawati (2020), this study observes that migrants tend to cluster into informal enclaves as a defensive mechanism against systemic exclusion. While such solidarity networks offer psychological comfort, they simultaneously entrench social fragmentation and delay the formation of a truly integrated civic identity. Addressing these challenges requires proactive, community-oriented policies—such as intergroup dialogue initiatives, intercultural competence training, and the revitalisation of communal spaces—designed to nurture mutual understanding and bridge social divides between migrants and long-term urban residents.

2. Informal Economies and the Unseen Backbone of Urban Growth

Migrants, often operating under the radar of formal economic systems, have emerged as indispensable drivers of Medan’s grassroots economy. Through participation in informal trades—often avoided by locals due to their instability and physical demands—migrants

occupy essential yet undervalued economic roles. This pattern, as detailed by Tambusay et al. (2024), reflects a wider trend across Indonesian cities, where migrants step into labour gaps left unfilled by native urban dwellers.

Far from being passive participants, these individuals trigger a ripple effect of micro-enterprise: from street food vendors and mobile repair services to informal marketplaces. This dynamic supports Todaro's hypothesis that urban migration, if adequately supported, can ignite local economic engines. Nonetheless, migrants remain confined within precarious frameworks due to systemic barriers to credit, legality, and labour protections. As Suriadi (2019) warns, unless policy frameworks evolve to formally acknowledge and support their economic contributions, migrants will continue to operate in a shadow economy susceptible to exploitation. Strategic interventions must therefore marry economic inclusion with legal recognition to ensure migrants are integrated as legitimate stakeholders in urban development.

3. Employment Pressures and the Fault Lines of Economic Competition

The influx of migrant labour into Medan's low-wage economy has intensified competition in a market already strained by limited opportunities. The willingness of newcomers to accept lower wages often breeds resentment among local workers, who perceive this trend as an existential threat to their employment security. Amini et al. (2020) observed similar fault lines in other cities, where informal labour markets become arenas of silent conflict between locals and migrants. The disparity in adaptability and work discipline can exacerbate latent tensions, manifesting as socio-economic fault lines. This aligns with Fields' (2011) segmented labour market theory, in which dualistic employment sectors foster unequal competition between distinct socio-economic groups. Without institutional safeguards that ensure equitable labour practices, such dynamics risk reinforcing social divisions and fuelling xenophobic attitudes. There is thus a clear imperative for adaptive employment policy—one that recognises and mitigates the stress points of labour migration through skills training, equity-oriented hiring practices, and a regulatory environment that promotes fair access for all.

4. Spatial Injustice and the Deepening Urban Divide

The study finds that rapid urbanisation in Medan, when untethered from inclusive economic strategies, aggravates disparities between migrant communities and long-established residents. Migrants disproportionately populate the informal economy and frequently lack access to essential services such as clean water, sanitation, and social safety nets. This uneven access to urban benefits reinforces a stratified cityscape, where prosperity and hardship are distributed along starkly unequal lines. Khairiah & Suryanto (2023) argue that such inequality is a structural outcome of growth without redistributive justice. Migrant settlements often exhibit characteristics of entrenched deprivation—overcrowded housing, infrastructural neglect, and minimal institutional support—placing them in a cycle of systemic marginalisation. These patterns affirm Silver's (1994) theory of social exclusion, which frames urban inequality not just as a function of poverty, but as a failure of political and institutional systems to guarantee full civic participation for the disadvantaged. A radical policy reorientation is therefore necessary—one that centres spatial equity and inclusive governance, ensuring that urban development is not

monopolised by the privileged, but extends its benefits to the migrant populations who contribute so significantly to the life and labour of the city.

CONCLUSIONS

This study highlights the challenges and complexities of migrant integration in Medan, revealing that cultural differences, local resistance, and the individualistic nature of urban life hinder social adaptation. Migrants, often forming defensive, insular communities, struggle with exclusion, delaying social cohesion. To address this, policy interventions promoting cross-cultural integration, communication training, and the revitalisation of shared social spaces are essential. Economically, migrants play a crucial role in the informal sector, driving micro-enterprises and filling critical labour gaps. However, their contributions are undervalued, and without regulatory support, they remain vulnerable to exploitation. Inclusive economic policies are therefore necessary to empower migrants and secure their rights and livelihood. The study also underscores the tension in the urban labour market, where migrants, often perceived as competing for low-wage jobs, fuel socio-economic disparities. This dynamic, combined with unequal access to resources and public services, exacerbates urban inequality. Structural exclusion, as conceptualised by Silver (1994), is not just an economic issue but a systemic failure to ensure full participation for marginalised groups. For cities to grow sustainably, policies must focus on spatial justice, inclusive economic opportunities, and social protection for vulnerable populations, ensuring that urban growth benefits all, including migrants who are key to the city's development.

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