

The Effect of Internal Migration in China on Socioeconomic Outcomes and the Level of Living

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Extended abstract
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Using data from a just completed 2007-2008 national probability sample of approximately 3,000 Chinese adults that includes an oversample of internal migrants, this paper will use a fixed-effects (difference-in-difference) approach to study the consequences of migration for occupational position and the level of living.

China has an internal registration system that distinguishes those with urban status (*hukou*) from those with rural status and, in a cross-cutting classification, those with local registration from those lacking local registration. The urban-rural distinction in effect creates a two-class system, with the benefits of a welfare state (encompassing education, health care, housing, access to jobs, and unemployment and retirement security) available to those with urban registration but not to those with rural registration. In addition, access to many services is available only to those with local registration. Conversion of rural to urban status is difficult and rare, as is acquisition of local registration by migrants, particularly for those with rural status.

Despite migrants' lack of benefits and access to social services, there has been massive internal migration in China, beginning in the early 1980s and continuing at an ever quickening pace, driven in part by new opportunities for work in urban areas and in part by the decline in agricultural jobs. The result is that some 150 million people—about 12% of the population—currently live in

locales other than where they are registered. While much of this has been the result of rural-to-urban migration, a non-trivial fraction reflects rural-to-rural and, especially, urban-to-urban migration.

The 2007-2008 Chinese Migration and Health Survey, designed by the authors and other colleagues, addresses the determinants, dynamics, and consequences of internal migration in China. The current paper focuses on the consequences of migration for socioeconomic outcomes and the level of living. We will analyze differences among several migration-status groups formed from combinations of place of birth (where currently residing or elsewhere), registration status (urban vs. urban; local vs. non-local), and having “gone out for work” (yes vs. no). We will compare these groups with respect to the types and status of the jobs they do, their income, their housing conditions and material level of living, and their access to various social services, controlling for the usual determinants of these kinds of outcomes.

Because these groups are likely to differ with respect to unmeasured characteristics that have consequences for the outcomes we are studying, for some outcomes (for which we have suitable measures) we will utilize a fixed-effects design, in which we analyze changes in outcomes as a function of changes in migration status, controlling for other determinants of the outcome we study. Consider, for example, the relationship between migration and change in occupational status. Since we have both complete occupational histories and complete migration histories, we will be able to ask whether (as expected) those who migrated in, say, the 10 years prior to the survey improved their occupational status to a greater extent than did those who stayed behind or the permanent residents of the places to which they migrated. We will carry out a number of similar analyses of the same kind.