CHAPTER 5

Changes in the Levels of Consumption by Migrant Workers and Determining Factors

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1 Introduction

Since China’s reform and opening up, the rural household responsibility system has released huge amounts of surplus labor, and an increasing amount of rural labor has entered the towns and cities to work after reforms were made to the household registration and urban social welfare systems. A 2011 monitoring survey by the National Bureau of Statistics on migrant workers in 31 provinces nationwide showed that there were 158.63 million workers who had worked away from home for at least 6 months. If we define those aged 16 to 30 who had worked away from home for at least 6 months as new-generation migrant workers, then this group accounted for 39% of all migrant rural workers at 61.87 million people, the largest group among all outgoing workers.

The No. 1 document for 2010 issued by the central government titled “Proposals of the CPC Central Committee and the State Council on Strengthening the Efforts of Coordinative Rural-Urban Development and Further Consolidating the Basis of Agricultural and Rural Development” urged policymakers to “take targeted measures to address the issue of the new-generation migrant workers.” This marked the first time that the term “new-generation migrant workers” was used in a party document, indicating the CPC Central Committee’s concern about this group. This new generation of workers attracts special attention because they have some very different characteristics from previous generations of migrant workers.

There are existing studies that have looked at these new-generation migrant workers from various perspectives, such as educational attainment, training, working hours, and income levels. For instance, Gao Ying found that when compared with migrant workers above the age of 30, those between the ages of 16 and 30 were better educated and more skilled, and they had shorter working
hours and higher income levels. They also had more varied means of finding work and greater mobility, and a higher proportion among them had received training in their work units. Another study revealed that new-generation migrant workers had higher educational attainment and the intensity of their labor was greater while working away from home, while their income levels were relatively lower than that of the earlier generation, and they also brought home less income in comparison.

Since new-generation migrant workers differ significantly from the older generation of workers in terms of educational attainment, work, income levels, and social security, we can expect that there would also be greater differences in their consumption levels and patterns. Cai Fang pointed out that new-generation migrant workers exhibited new demographic characteristics, such as higher levels of educational attainment and a greater proportion being the only child in the family. A greater proportion had also grown up and studied in the cities. These unique demographic characteristics make their attitudes and behavior toward consumption very different from that of traditional migrant workers. Improved social security coverage in recent years has, to a certain degree, alleviated migrant workers' concerns about spending. As pointed out earlier, new-generation migrant workers have become the largest group among all migrant workers, thus their consumption would have a profound affect on the overall consumption level of migrant workers, in turn influencing China's economic development. Understanding inter-generational changes in the migrant worker population is therefore very useful for understanding the new characteristics of the labor market.

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