

An Analysis about the Family Economic Integration of the Rural Migrant Workers in Beijing

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Abstract:

The social inclusion of rural migrant workers is an important link of urbanization. Urbanization refers not just to the increase of the urban population and the enlargement of the city region, but, most importantly, rural migrant workers entering big cities must get used to the city survival environment and be gradually integrated into the city society; they must realize their role transformation from farmer to burgher. Rural migrant workers entering big cities are confronted with three kinds of interdependent and progressive problems concerning social inclusion, including: their changing economic level, the institutional aspect of city life, and their new cultural level. Among them, economic level social inclusion is the most basic premise of the rural migrant workers' integration into city society. Based on the investigation data on floating population households in Beijing, this disquisition includes research and analysis about the economic level social inclusion issues of rural migrant workers' families in Beijing from the aspects of family income, expense, housing condition etc.

Key words: Floating Population; Rural Migrant Workers; Social Inclusion

1. The hierarchical income level of floating population in Beijing

First, there is a rather deep gap between the income levels of the floating population community in Beijing, manifesting a high Gini's coefficient of the floating population household income. The investigation has demonstrated that the Gini's coefficient of the floating population household income in Beijing is approximately 0.43, which has already surpassed the normal range (0.3 --0.4). Next, for the floating population in Beijing, the nature of registered permanent addresses is the primary factor and the dimension affecting the hierarchical income level. According to the nature of registered permanent addresses, we may divide the floating population in Beijing into two social strata on different income levels: that is, floating population with agricultural registered permanent addresses and floating population with non- agricultural registered permanent addresses. In order to explain quantitatively so many kinds of factors influencing labor income of the floating population, we employ the following human capital model:

$$\ln Y = B_0 + B_1X_1 + B_2X_2 + B_3X_2^2 + B_4X_3 + B_5X_4 + e$$

In this model, Y represents the monthly income, X1 the number of years of education

received, X2 the number of outside working years, X3 the virtual variable of registered permanent address nature (1= agriculture, 0= non- agriculture), X4 the virtual variable of sex (1 = male, 0 = female), and e represents disturbance.

Having carried out an analysis of multiple linear regression according to this investigation data, We obtain the following result:

$$\text{Ln } Y = 6.462 + 0.069 X_1 + 0.057 X_2 - 0.002 X_2^2 - 0.263 X_3 + 0.128X_4 + e$$

The concrete data can be seen on table 1—4:

Table 1—4 The basic human capital model of floating population

Model	Coefficient	Standard error	Level of significance	Confidence interval with 95% assurance degree
Constant term	6.462	0.063	0.000	[6.338, 6.586]
Years of education	0.069	0.005	0.000	[0.060, 0.078]
Years of working outside	0.057	0.006	0.000	[0.045, 0.069]
Square of the number of working outside years	-0.002	0.000	0.000	[-0.002, -0.001]
Nature of the registered permanent address	-0.263	0.035	0.000	[-0.335, -0.195]
Sex	0.128	0.026	0.000	[0.076, 0.179]

Note: Non- reply population =60, dependent variable is the logarithm of labor force income, R-square = 0.202

According to the human capital model of floating population, we may draw the following conclusions:

1. Under the circumstance of unchanging outside conditions, if the number of years of education increases by 1 year, the worker's monthly income will increase 7.14%; that is, the return of education on floating population income is 7.14%.
2. Under the circumstance of unchanging outside conditions, the influence of “working outside years” on the income takes the form of the quadratic function. Moreover, B₃ is a negative value, therefore, the influence of “working outside years” on income can be represented by a downward-looking camber line, which indicates that, with an increase in “working outside years,” income will grow at first. However, after the number of “working

outside years” reaches some threshold value, the income will then start to drop.

3. Under the circumstance of unchanging outside conditions, the male workers’ monthly income is higher than the female workers’ income by 13.66% among the floating population.

4. Under the circumstance of unchanging outside conditions, the rural migrant worker’s monthly income is 30 percentage points lower than a worker with a non- agricultural registered permanent address.

In summary, among the floating population, males who have a relatively higher education level and also boast non-agricultural registered permanent addresses can enjoy a much higher income level.

2. A "high saving rate, low expense rate" survival way

The survival way of rural migrant workers’ families in Beijing is characterized by a "high saving rate, low expense rate." First, in regard to saving, according to this investigation, rural migrant workers’ families in Beijing save nearly half of their gross income instead of using it to pay for living expenses.

Next, with regard to expense, the average per-person consumption level in the rural migrant worker family still remains quite low, and food consumption level approaches that of the lowest income household in Beijing; the rental allowance greatly outweighs food expenses, and the expense for returning to the home village to visit relatives also occupies a portion of their living expenses. Moreover, the low-expense survival way of a rural migrant worker’s family also manifests a lower ratio of ownership of durable consumables. According to this investigation, the floating population family has an obviously lower ratio of ownership of durable consumables than the average city dwellers in Beijing. The investigation covers six kinds of durable consumables: televisions, washers, electric refrigerators, air conditioners, computers, and cars.

While carrying on the questionnaire for households, we clearly felt the difficulty of living and survival pressure of the rural migrant workers in Beijing. In order to maintain their rather low living standard, they have to work for 6 and a half days every week (6.37 days), and every day they have to work for nearly 10 hours (9.91 hours), and thus, they almost have no holidays and time to rest, and have an extremely slim chance of participating in cultural entertainment activities.

3. The housing characteristics of the rural migrant workers’ families

First, more than half of the rural migrant workers’ families live in the countryside community. Among the 2,017 rural migrant workers’ households investigated, there were 1,078 households living in the countryside community administrative village, which accounts for 53.4% of the total investigated families, and surpasses one half of the total families. Second, renting is the main housing source for rural migrant workers’ families, and only a low proportion of purchase housing in Beijing. Moreover, a majority of families have no plan to purchase their house in Beijing.

Third, the proportion of renting one-story houses is very high. The rural migrant workers’ families in Beijing make up a very high proportion of one-story house rentals, which accounts for 76.3% of total families, and their proportion of renting the unit building is

only 10.2%, while the non- agricultural families rent a relatively lower proportion of one-story houses, accounting for 43.9%, but their proportion of unit building rentals is 36.8%. Fourth, housing conditions are crude. The floating population chooses the one-story house to live in, but most of the houses suffer from bad quality and crude internal facilities, and some are even in disrepair after many years, already on the list of dangerous houses to be relocated and transformed.

Fifth, the housing area is narrow and small. Among the 2,532 households investigated, there were 633 families concurrently employing their houses for management and production, which accounts for 25% of the total investigated families, while there were 1,889 families adopting their houses only for living in, which accounts for 74.6% of the total investigated families.

Compared with the per-capita housing area of city inhabitants in Beijing, 90.4% of the rural migrant workers' families' per-capita housing area was lower than the average level in Beijing---19.5 square meters. Among the rural migrant workers' families, the families with a per-capita housing area lower than 8 square meter account for as much as 65.2%.

4. The epilogue

The above analysis indicates that the gap between the rural migrant workers in Beijing and the city dwellers in Beijing still remains rather deep. Differences range from income and expenses to housing conditions, which are far from achieving the condition of economic integration. Its roots can be attributed to various aspects, but at least there are the following reasons from two aspects:

First, due to the long-term dual structure of city and countryside, rural migrant workers have to hold a disadvantaged position in many aspects, ranging from a somewhat lower education level, and literacy level to a lack of technique and skills, etc. Thus, under the market economy condition, restricted by the laws of human capital investment and return, it is difficult to significantly enhance the income level.

Second, city and countryside integration policy and the related system have not yet been truly carried out in our country, repelled and restricted by the household register system, the employment policy, the social security system, and the education policy. As a result, in various areas the rural migrant workers cannot enjoy residential treatment when they work and live in cities. Especially when they encounter injuries on job, unemployment, disease, advancing years, impoverishment and other risks, they are unable to obtain aid and protection from the social security system in big cities.

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