# Cohort Effect or Structural Effect: Triple Disadvantages of Young Rural Migrants in Economic Integration into the Host Society in China

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# Abstract

Drawing on a new typology that distinguishes *hukou*, migration status, and age cohort, and utilizing nationally representative data, this paper explores the associates of socioeconomic integration of young rural migrants in the host society. Multilevel model results indicate that rural migrants and urban-urban migrants achieved less than local urbanites, suggesting an effect of locatons of *hukou*; rural migrants achieved less than both urban-urban migrants and local urbanites, implying an effect of types of *hukou*, and young rural migrants achieved the lest, suggesting an effect of types and locations of *hukou*, and age. Evidently, young rural migrants are the most vulnerable population with triple disadvantages. Such phenomena challenge the notion that marketization necessarily promotes rights and legal equality in a linear fashion, and the potentially positive impact of migration on personal development might be compromised by institutional constraints (e.g., *hukou*) that exclude rural-ers and outsiders, particularly the youths.

## Introduction

In the process of large-scale internal migration and rapid pace of urbanization and industrialization in the past two decades, young rural migrants (i.e., new-generation rural migrants, second-generation rural migrants, or *xin sheng dai nong min gong*), defined as those born after 1980 to parents with a rural *hukou* registration<sup>i</sup>, have become one of the most vulnerable segments of the population who might be triply disadvantaged as rural-ers, outsiders, and youths. Unlike parent-generation migrants, they belong to nowhere, neither part of the host society due to their identity of rural *hukou*, nor part of the place of origin since many of them have never worked on the farmland and some were actually born to migratory parents in cities. Hence, while they have strong desire to be integrated into the host society and weak attachment to their hometowns, they are largely excluded from cities.

The disadvantages that young migrants face have caught much research attention from academia (e.g., Liu and Zhou 2004; Liu and Cheng 2008; Wang 2001; Wei 2007; Xu 2007) and government agencies (e.g., State Council 2010). For example, the NO.1 Economic Document issued by the Central Committee of China in January, 2010, specifically and clearly for the first time calls local government and researchers to come up with effective solutions to facilitate young migrants' integration into the host society. This has further spurred research attention to this segment of the population (e.g., Liu 2010; Wang 2010; Yang 2010a). Nevertheless, due to data and other limits, studies on young rural migrants inside and outside of China remain inadequate and preliminary, and relavant findings are conflicting.

Drawing on nationally representative data, this paper examines the associates of socioeconomic integration of migrants into the host society. We use a typology that simultaneously consider *hukou*, migration status and age, and we particularly attend to young rural migrants. Three comparisons will be conducted to better understand their potentially triple disadvantages: comparison between migrants and urban residents with a local urban *hukou* (local urbanites thereafter); comparison between rural migrants with local urbanites and urban-urban migrants (i.e., migrants with an urban *hukou*), and comparison between young migrants and older ones. The three comparisons lay down the analytical framework of this paper, social exclusion involving types of *hukou* (rural vs. urban), locations of *hukou* (inside vs. outside), and cohort effect of age (younger vs. older). Since China's peculiar *hukou* system determines access to public resources, and many localized public benefits are only available for residents with local *hukou*, it is necessary and essential to do these comparisons in exploring young migrants' integration.

The three comparisons are made possible by using the 2005 National 1 Percent Population Survey data, which contains a large sample size and detailed information on socioeconomic indicators of respondents. They allow us to examine migrants' absolute socioeconomic status and relative economic integration into cities in great detail. Analytical results will have implications for future trends regarding socioeconomic attainment among migrants with different *hukou* and ages, and provide suggestions for policy makers in reformulating favorable policies to facilitate the pace of socioeconomic integration of young migrants at the place of destination.

## Background

Socioeconomic profiles of young rural migrants

Since the mid-1980s, structural disparities across regions, and between urban and rural areas have deepened in China. Such inequality, together with rural labor surplus, urban labor shortage, and loosening *hukou* control, has motivated people in the countryside, less developed regions, and the midwest to migrate to cities, more advanced areas, and coastal areas to pursue better life opportunities. The size of migrants was 6.57 million in 1982, 21.35 million in 1990, 100 million in 2000, 150 million in 2005 and 220 million in 2010 (NSBC 2011), accounting for 12 and over 16 percent of China's total population in 2005 and 2010, respectively<sup>ii</sup>. Among migrants, the share of young ones have increased rapidly, as urbanization and industrialization unfolded, about 38 percent and 40 percent (NPFPC, 2010) among total migrants for cash jobs in 2005 and 2009, respectively. Unlike older migrants (i.e., parental generation migrants born prior to 1980), young rural migrants, the majority of young migrants, do not have much knowledge on agriculture<sup>iii</sup>, have weak attachments to hometowns but strong desire to stay in cities, live like urbanites, and become part of the urban society. These characteristics, together with age, win them a name of "new generation migrants," distinguishing from older migrants.

However, due to the *hukou* system, migrants are largely denied government benefits available to local residents in the host societies, and are still viewed as "outsiders" and "rural-ers" regardless of the length of stay in recieving societies. This might be particularly true for rural migrants because they are both rural-ers and outsiders. Consequently, they have few job opportunities, low income and social securities, are concentrated in dead-end jobs, work exceptionally long hours, and live somewhat miserable lives in cities.

While studies tend to yield consistent findings on rural migrants' socioeconomic status, conflicts emerge with regard to the socioeconomic attainment of young migrants in various studies for various reasons. On the one hand, compard with older migrants, the young ones have been labeled with characteristics of "six highs," "one low," and "one weak," as Yang (2010a) summerizes: higher education, expectations for the host society, occupation prestige, income, daily expenses, and social security, but lower endurance of hard work, and weak attachment to hometowns. On the other hand, however, when compared to local urbanites in the same ages with nationally representative data, they are found disadvantaged in occupation, monthly income, access to social security, weekly work hours, and housing condition (Yang 2010a). Even if compared to older rual migrants, the young ones remain more vulnoerable except for access to social securities. Like sandwiches, they have been caught between cities and the countryside, drifting rootlessly from cities to cities. The inconsistent findings suggest that results from regional studies may not be applicable to all migrants (Zhu 2010). It also suggests that our understanding of young rural migrants' socioeconomic integration would be enhanced if appropriate analytical frameworks are developed, nationally representative data and suitable methods are adopted, and proper reference groups are identified.

# Hukou types, hukou locations and age: Three dimensions of social exclusion

There is a consensus that the *hukou* system is the fundamental barrier for integration of migrants. The *hukou* and other public institutions based on it (e.g., education, labor market, housing, and social security) have excluded migrants from various public resources in receiving societies. The concept of social exclusion was first coined by French René Lenior in 1974, and then used widely in Europe (Berghmam, 1995) and broad context (Sen, 2000). It refers to the process in which individuals and entire communities of people are systematically blocked, due to migration and many other identities, from rights, opportunities and resources normally available to members of society and which are key to social integration (Lynn Todman). Such process is of dynamic, multidimensional (Gordon et al., 2000; Silver, 2007, cited in WiKi, "Social exclusion"), cumulative, and reproductive (Littlewood et al., 1999). Those excluded are ruptured and detached from social relations and institutions, and prevented from full participation in activities of the society (Silver, 2007), and systematically disadvantaged (Duffy, 1995).

When China attempts to build a just, equatable and harmoniou society, intentional exclusion becomes less pronounced. This does not suggest a disappearance of social exclusion, however. Conversely, some segments of the population still suffer from various, if not purposive, discriminations. Migrants remain excluded from economic, political, and public service agenda, and social relations at the place of destination. Economically, for instance, two-thirds of young migrants in Chengdu, Sichuan Province, reported unequal payment from local urbanites, and 90 percent reported suffering from unfair treatment or discrimination in jobs and income (Xu 2007), and in access to social securities (Xia and Gao 2009) in cities. They also have to sacrifice their legal leisure times for higher income (Yang, 2011a).

Rural migrants are excluded larged through duel *hukou* system and structural constraints (e.g., secondary labor market, local protection policies). Less professional skills of young migrants render them further disadvantaged in the urban labor market. There are two properties of *hukou*: type and location. Types of *hukou* differentiate rural migrants from local urbanites and also urban-urban migrants; locations of *hukou* separates migrants, both rural migrants and urban-urban migrants, from local urbanites; age sets apart the youth from older ones. Taken as a whole, *hukou*, migration status, and age contrast peasants and urbanites, insiders and outsiders, and older people and young ones (see Table 1).

	Types of <i>Hukou</i>									
Location of	Urban		Rural							
hukou	Post-80	Pre-80	Post-80	Pre-80						
Destination	Young urbanites	Older urbanites	-	-						
Origin	Young urban-	Older urban-	Young rural	Older rural						
	urban migrants	urban migrants	migrants	migrants						

Table 1. Three Dimensions of Migrants' Economic Integration

In this paper, we feature social exclusion related to *hukou*, migration status, and age. In doing so, we attend to the following issues. First, social exclusion due to the locations of *hukou*. Economic integration of migrants, regardless of types of *hukou* and age, is a concept relative to local urbanites, with whom migration tend to compare and try to become. This suggests that the suitable reference is the average urbanites with a local *hukou*. However, the locations of *hukou* set migrants and local urbanites apart, and people in receiving societies are divided as insiders and outsiders. Many public resources (e.g., social securities<sup>iv</sup>, and housing subsidies) are only available to people with a local *hukou*, and many high-status jobs are only open to people with a local *hukou*. The insider and outsider demarcation renders migrants to be in disadvantaged position, particularly in areas related to public goods. Without highlighting the relativity of integration, we can hardly know how well migrants in general, and young rural migrants in particular, are integrated into the host society, although we may know what jobs they occupy, how much money they make, and whether they have medical insurance, etc. We expect that migrants are disadvantaged in socioeconomic status.

Second, social exclusion due to types of hukou. Hukou separates individuals as peasants and urbanites, and serves as an important basis for assigning jobs, benefits and social securities, housing and other life chances (including education and job training) to Chinese citizens. A rural *hukou* is inferior to a urban *hukou*, and a peasant has both inherient and acquired disadvantages -- it is not only *hukou*, but also privileges attached to it that are important in social stratification in the Chinese society. Migrants are stratified by *hukou*: rural migrants and urban-urban migrants. While both are outsiders facing similar discriminatory labor markets, and local policies, urban-urban migrants have higher educational attainment and occupational skills, and better access to social securities, among others, than rural migrants (Yang 2010b), suggesting stratifications among migrants. Unlike urban-urban migrants, rural migrants have no choice but to concentrate in labor intensive industries, undertake unwanted jobs located at the bottom of the division of social labor. However, comparative studies between them have been largely ignored. Migrants are either treated as a uniform group or only referred to as rural ones. Nevertheless, the ignorance of the potential stratification among migrants would disguise the gap between migrants and local urbanites in the era when an increasing number of urban people moves, due to regional disparities, to different cities to pursue better economic opportunities. Conversely, comparing and contrasting rural migrants with urban-urban migrants would allow us to truly understand the socioeconomic status of rural migrants, and reformulate favorable public policies to facilitate their integration into the host society. This paper will do so, and we expect urban-urban migrants to be better off than rural migrants.

Lastly, exclusion due to age (and *hukou*). Age is assolated with professional skills, work experience, and social network and social capital accumulationand; it also reflects possible effect of period and age cohort on integration. A comparison of young migrants with older ones provides insights on this; similarly, a comparison between young rural migrants with young urban-urban migrants and local youth also sheds light on this. As we have reviewed, relevant studies on this issue do not reach a concensus; with large-scale, nationally representative data, we may find young migrants especially vulnerable, triply deprived for

being rural-ers, outsiders and lack of professional skills and social relations. The interaction of *hukou* and age may reinforce discriminations towards rural young migrants, putting them in the lowest ladder of the social hierarchy in receiving societies.

## Data and analytical approach

#### Sample

This paper draws on data from the 2005 National One Percent Population Survey to compare and analyze the levels, patterns and associates of socioeconomic integration of young rural migrants relative to local urbanites and other groups. The data are similar to population census in design and content. One difference in the 2005 questionnaire pertains to the new definition of "current residence", which is close to the "de facto" approach, as opposed to the previously employed notion of permanent "official residence." Also, a few questions, notably work hours, income and social securities.

The data are nationally representative with large sample size and diverse *hukou* types of migrants, and is the most suitable available data source for analyzing young migrants' integration. It contains multiple indicators of economic integration, including occupation, work hours, income, social security, and housing utilities. The data also have liabilities. For example, people who could not survive at the place of destination may have returned home, suggesting selectivity of migrants, and accordingly, their level of integration can be upwardly biased. Also, as cross-sectional data, they provide no clear causal inference for duration since leaving home and integration. For example, we do not know when migrants moved to the current location; even if they have left home for five years, they may not have always stayed in current place. Data limits constrain our capacity to make causal inferences about them, but they should not prevent us from assessing their associations.

The sample includes employed respondents ages 16-55 year old in cities. We use 55 as the upper age limit because few older peasants migrate to cities for cash jobs. The sample excludes those whose *hukou* is unclear, students, and disabled or retired. For migrants, only those who have left home for cash jobs for over half a year are analyzed in order to reduce the complexity -- for example, those who have left home for less than half a year may do so for business trip or work training. For local people, only urban citizens are included as samples because they are the mainstream of the host society and the target population that migrants aim to become. The sample size is 357,258; 62.6 percent are local urbanites, and the rest 37.4 percent are migrants.

### Dependent variables

The dependent variable is socioeconomic integration of migrants, gauged as two interrelated composite indexes, which aim to provide a comprehensive view of socioeconomic status of all respondents (the absolute index) and level of integration of migrants in relation to local urbanites (the relative index). The absolute index is created based on occupational prestige, weekly work hours, monthly income, social securities, and housing utilities<sup>v</sup>, while the relative index is created based on the absolute one.

In order to use these items to rank economic status, we aggregate them into an index. We apply the following procedures to original data. First, they are standarized after appropriate recoding. As Table 2 shows, these items have different measures: occupation, income, rooms per head and sizes per head of housing are continuous variables; social securities and most housing utilities are categorical variables; work hour is a measure that a too-high value or a too-low value are both less desired, indicating either overworked or inadequate participation in the labor market; rather, working around 35-45 hours weekly is the best. To begin with, sharing a house with others, cooking materials, and types of kitchen, toilet, and shower are reversely coded; work hours are recoded in such a way that a higher value reflects suitable work hours. After recoding, all variables are unified such that a higher value indicates a better status. However, their measurements still differ, which will bear divergent weights in the calculation of factor loading, where variables with large values have bigger weights and vice versa. To make these variables compatible and enter into factor analysis with equal weight, all variables are standardized.

Variables	Definition
Occupation	Occupation, converted by prestigious score, ranging 0-78
Weekly work hours	Total weekly work hours, 0-99
Income <sup>vi</sup>	Monthly income, 0-99000
Access to social security	
Job-loss insurance	1=yes, 0=otherwise
Medical insurance	1=yes, 0=otherwise
Old-age insurance	1=yes, 0=otherwise
Housing utility	
Rooms per head	Total home rooms divided by total household members
Size per head	Total home size divided by total household members
Sharing with others	1=yes, 0=otherwise
Tap water	1=yes, 0=otherwise
Type of kitchen <sup>1</sup>	1=independent; 2=shared with others; 3=no
Cooking material <sup>2</sup>	1=gas; 2=electricity; 3=coal; 4=firewood; 5=other
Type of toilet <sup>3</sup>	1=independent flush toilet; 2=shared flush toilet; 3= independent
	toilet without flush; 4=shared toilet without flush; 5=no
Type of shower <sup>4</sup>	1=centrally supplied hot water; 2=family water heater; 3=other;
	4=no

**Table 2. Variables Used to Create the Index of Economic Integration** 

Source: 2005 National One Percent Population Survey Data.

Second, both social security and housing utility have multiple indicators, which are then aggregated. For social security, a variable of number of security is generated by adding all securities together. If a respondent has all of them, they will have a score of three; if he has none of them, he will have a score of 0. For indicators of housing utility, factor analysis is first applied to create a composite variable, housing utility. The values of these two new variables are then standardized prior to generating the indexes of socioeconomic status.

Finally, factor analysis is applied to the standardized data. The main problem in constructing such an index is choosing appropriate weights. The statistical technique of

principal components in factor analysis is used to derive weights. Principal component analysis is a technique for reducing the information contained in a large number of variables to a smaller number by creating a set of mutually uncorrelated components of the data. Intuitively, the first principal component is the linear index of the underlying variables that captures the most common variation among them (Filmer and Pritchett 1999:88). Table 3 presents factor loadings and other parameters of the five items.

Items	Factor 1 loading	Factor 2 loading	Unique variance
Occupational score	0.7896	0.2331	0.3222
work hours	0.8449	0.2598	0.2187
Income	0.9544	0.0403	0.0875
Social security	0.3151	0.7284	0.3702
Housing utility	-0.051	0.8727	0.2358
Eigenvalue	3.27758	1.41695	
Percent of variation explained	0.5463	0.2362	
Cumulative percent of variation explained	0.5463	0.7824	

Table 5 Factor Loading of Economic Statu	<b>Fable</b>	3	Factor	Loading	of Econe	omic	Status
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Source: 2005 National One Percent Population Survey Data.

As factor 1 shows, occupational score, work hours, and income are highly correlated with factor loadings over 0.78, while the number of social security and housing utility are highly correlated with factor loadings over 0.72. While these items are not equally important, a zero-order correlation and factor loading indicate that items within each factor are highly correlated, suggesting a latent construction. Based on these, two variables of factor scores are derived. Then using the explanation power of each factor as weight, the index of economic status is created.<sup>vii</sup> To make interpretation easier, the index is multiplied by 100, and thus, the index ranges from 0 to 100. A higher value indicates a better absolute socioeconomic achievement of respondents.

The second index, based on the absolute socioeconomic status, refers to the economic integration of migrants relative to local urbanites. To create it, local urbanites' scores are first aggregated at the prefecture level<sup>viii</sup>, the lowest administrative unit available in the data, and divided by the absolute index score of each migrant, and then times 100. Each migrant will have a relative score, equalizing to the percentage of average local urbanites' score, and thus his/her level of economic integration. If a migrant's relative score exceeds 100, it means that he does better than the local average person, and vice versa.

We realize that the aggregate measures could disguise heterogeneity across the indicators of integration. Migrants may do better in one aspect than other aspects, and the composite index does not reflect this feature. Indeed, it has been found that urban-urban migrants achieve higher income than local urbanites<sup>ix</sup> (Yang 2011b). To capture possible variations across these indicators of integration, we also fit seperate models for each indicator, and we

find a similar story, except for income. For simplicity, only model results using the composite measure are presented here.

### Independent variables

The primary independent variables are chosen to better capture the effect of *hukou*, migration status, and age on socioeconomic integration of migrants. Roughly speaking, types of *hukou* reflects institional effect; locations of *hukou* mirrors structural effect, and age pertains to cohort effect. Age is gauged as a dummy variable differentiating the youth from older respondents -- young respondents are defined as those born after 1980; hence, they are 16-26 years old in 2005 and coded as 1, and 0 otherwise<sup>x</sup>. Migration status is specified as three categories: local urbanites, urban-urban migrants, and rural migrants, which contrasts migrants and non-migrants, and rural and urban-urban migrants. Also, to simultaneously capture the effect of *hukou*, migration status, and age on economic integration, an interactive variable combining the three is generated: young rural migrants, and older local urbanites. This measure allows us to examine whether and to what extent young rural migrants are triply excluded.

This paper controls for respondents' demographic characteristics (gender, marital status, and ethnicity), industrial (or economic) sectors of employment, and work units. For migrants, two additional variables are controlled for, boundary crossing - coded as same prefecture, same province, and different province -- and duration since leaving home, coded as  $\leq 2$  years, 3-5 years, 5+ years. While crossing provincial boundary may improve employment opportunity and income, as other studies have suggested (Yang 2010b, 2011a, 2011b), it has disadvantages. For example, migrants in same prefecture share similar social context with local urbanites, and their social networks are largely retained; moreover, many social benefits (e.g., public securities) are applicable to them or can be transferred easier, all of which will facilitate their economic integration into the new destination. Conversely, if migration crossed the prefecture boundary, migrants may encounter barriers in local language, lose most of their social networks, and suffer more difficulties in the labor market and daily life. This might be particularly so for migrants crossing provincial boundary, because it not only maximizes geographic distance, but also makes behavioral adaptation, public goods transfer and daily life harder. Conversely, length of stay at the place of destination allows migrants to become familiar with receiving societies in various aspects, and build new social ties, and thus, facilitating integration.

### Characteristics of respondents and patterns of migrants' integration

Table 4 presents descriptive statistics of items used to create the indexes and other variables used in analysis for the full sample and by migration status. As it shows, insiders and outsiders differ substantially in the items consisting of the index; rural migrants and urban-urban migrants also differ. Particularly, rural migrants work much longer hours and in lower prestigious occupations, have lower income, fewer public securities, and less desirable living conditions. This is particularly the case for young rural migrants (results not shown here); in fact, except for insurance, their status in other four items is the lowest among the six groups; as for insurance, older rural migrants is the lowest.

## (Table 4 about here)

Most migrants come from the countryside, 30.7 percent of the total sample, and urbanurban migrants acount for 6.7 percent. Young migrants account for 35.5 percent among all migrants; 28.7 percent of urban-urban migrants are the young ones; 36.9 percent of rural migrants are young migrants. Local urbanites, urban-urban migrants and rural migrants differ substantially in socioeconomic status, demographic and work characteristics. For example, the socioeconomic score of all respondents is 61.5, but local urbanites have the highest score (67.5), while rural migrants the lowest (less than 50), with urban-urban migrants in between. These values suggest that not only migrants, but also local urbanites have not achieved optimal socioeconomic status. Past studies tend to assume local urbanites' socioeconomic status as 100 (or 1) (RGNBS 2007) due to lack of data; findings from this study indicate that such assumption is invalid. When it comes to the relative scores, it is clear that urban-urban migrants are much integrated than rural migrants into the host society, but they did not achieve economic parity with local urbanites either. Additionally, the two groups of migrants also differ in boundary crossing of migration and duration since leaving home.

When *hukou*, migration status and age are jointly considered, we find several important patterns, as Figure 1 depicts. First, the youth evidently tends to have a lower socioeconomic status scores than older people, regardless of *hukou* types and locations, suggsting an age effect. Second, migrants, regardless of *hukou* types, tend to have lower scores than local urbanites, suggesting inside-outside disparity (i.e., effect of location of *hukou*); but the difference of local urbanites is much smaller with urban-urban migrants than with rual migrants, indicating an effect of types of *hukou*. Third, rural migrants have the lowest scores, regardless of age, and there is essentially no difference between young and older rural migrants in socioeconomic status, as their scores indicate.



Figure 1. Socioeconomic Attainment by Hukou, Migration Status and Age

Note: LU stands for local urbanites, UM for rural migrants, and UUM for urban-urban migrants. Source: 2005 National One Percent Population Survey Data.

#### Models linking hukou, migration status, age and migrants' integration

Descriptive findings indicate that respondents differ in socioeconomic status and other characteristics, and migrants' level of integration is not desirable, particularly for rural migrants. Will these patterns change when other factors are controlled for? To address this issue, we now proceed to a series of multilevel models to evaluate how exclusion from *hukou* and age might be linked to the low level of integration.

The analysis proceeds in two steps: first, it compares socioeconomic status between migrants and local urbanites, exploring the net difference between insiders and outsiders due to *hukou*; second, it focuses on migrants, exploring stratifications due to *hukou* types and how migration characteristics and other factors act on their integration. The comparisons are done in order to better understand the effect of exclusion from various sources on migrants' integration, all else equal. In all analysis, we attend to young rural migrants. Since the data have a hierarchal structure where individuals are nested within prefectures, and the prefecture average of socioeconomic scores of local urbanites are used as the denominator to create the relative index, multilevel modeling technique is employed, treating prefectures as an upper level unit and individuals as the lower level unit. This method can effectively handle the potential violation of independence among observations due to clustering in the same prefecture, one of the most important assumptions underlying traditional regression models, and corrrect possibly downward bias in standard errors and overstatement of the significance of independent variables (Goldstein 1995; Guo and Zhao 2000).

#### Absolute socioeconomic status

Table 5 presents three multilevel model results of socioeconomic score for all respondents: one containing only main effect (Model 1a), one with interactive terms between age and migration status (Model 1b) and one with the composite measure of age and migration status (Model 1c), which is essentially the same as Model 1b but in different presentations. All else equal, the youth have a lower socioeconomic score than older people, as the findings indicate. Compared with local urbanites, rural migrants and urban-urban migrants both have a significantly lower score; and the size of coefficients for rural migrants, 6.34, is substantial given that the average score for the entire sample is 61.5. Such pattern indicates that as outsiders, migrants in general are disadvantaged at the place of destination, and as both rural-ers and outsiders, rural migrants are more disadvantaged, net of other factors.

(Table 5 about here)

Model 1a provides information on how migration status and age are separately related to respondents' socioeconomic status. To address whether young rural migrants are triply excluded, we fit a model with interaction. As Model 1b indicates, the coefficients of interactive term of migration status and the youth is positive for rural migrants, but negative

for urban-urban migrants. This does not mean that young rural migrants do better. In interpreting interactive model results, it should consider both main effect and interactive effect. For example, to understand the impact of age, rural *hukou* and migration on the response variable, the coefficients of the main effect of migration status and age, and interactive effect between the two should be added; that is, (-6.549646) + (-1.721716) + 0.9124166 = -7.36. For urban-urban migrants, it equals (-2.020013) + (-1.721716) + (-0.1258077) = -3.61. This means that, compared with local urbanites, the socioeconomic scores of rural migrants and urban-urban migrants ages 16-25 are 7.36 and 3.61 points lower, respectively, all else equal. Clearly, young rural migrants are triply disadvantaged, although the gap is smaller than the raw gap for rural migrants, while slightly bigger for urban-urban migrants.

All else equal, young rural migrants not only have a significantly lower socioeconomic score than local urbanites, but than all other five groups, as Model 1c depites: 3.49, 5.64, 0.81, 5.34, and 7.36 points lower than young urban-urban migrants, young local urbanites, older rural migrants, older urban-urban migrants, and older local urbanites, respectively. A model (results not shown here) using young local urbanites as the reference indicates that only older local urbanites have a higher score, while all other four groups have a significantly lower scores. Taking these findings together, it is clear that, first, being outsiders, migrants are disadvantages, regardless of *hukou*; second, being rural migrants, they are doubly disadvantaged; third, being young rural migrants, they are triply disadvantaged, controlling for other factors. Conversely, older local urbanites do best, followed by young local urbanites, older urban-urban migrants, young urban-urban migrants, and older rural migrants; young rural migrants are at the bottom in the hierarchical ladder. Such findings do not support the current popular viewpoint that young rural migrants are better off than parental migrants in socioeconomic status. The sources of inconsistency relate to different data, methods, definition of migrants and perspectives behind this study and other studies. Our approach, including data, methods and analytical anger has advantages; together with the typology of migration status and age, it improves our understanding of the institutional and structural barriers presented to migrants' integration into the host society.

With regard to other variables, results from models 1b and 1c are identical, which are also almost the same as model 1a, not only in the direction of relationships, but also in the size of coefficients, suggesting that the addition of interactive terms does not change the substantive story of the relationship between other factors and the outcome variable. Specifically, females, those of Han ethnicity and those married have a better socioeconomic status than males, minorities and single respondents. Education is associated with respondents' socioeconomic status in a tiered and almost linear manner -- that is, as levels of education go up,socioeconomic scores increases. In fact, among all variables, its effect is the strongest, judging from the size of coefficients. Industrial sectors in which people are employed also make a significant difference: compared with those in agriculture, all other industries are associated with a significantly higher score. Similarly, work units also matter: obviously, self-employed are the most disadvantaged, while respondents in other units (e.g., joint-venture) and state-owned business or government agencies do better.

#### Relative socioeconomic integration with migration characteristics

Do migration boundary and duration since leaving home affect migrants' socioeconomic status? To examine the impact of migration characteristics on integration, we now turn to migrants only. Four models in Table 6 are for all migrants (models 2a and 2b), urban-urban migrants (Model 3) and rural migrants (Model 4), respectively. Model 2a contains the interaction of *hukou* and age, while Model 2b has the composite measure of them. Because the dependent variable in these models is relative scores of migrants, and because migrants have lower absolute scores than local urbanites, the interpretation of the coefficients in these four models is as the following: a positive coefficient means a narrowing gap between migrants and local urbanites in socioeconomic status, and vice versa.

#### (Table 6 about here)

Findings suggest that migrants are significantly stratified. While as outsiders, urban-urban migrants do not reach economic parity with local urbanites, as shown above, as urbanites themselves, they are better off than their rural counterparts, implying that *hukou* makes a substantive difference. Also, young migrants have a significantly lower score than older ones, all else equal. When interaction between age and migration status is added to the model, the relative score of integration of young rural migrants equals to 8.64 + (-1.30) + (-3.02) = -4.32, suggesting that compared with young urban migrants, young rural migrants' integration score is over 4 points lower. For both rural migrants and urban-urban migrants, the impact of migration characteristics on integration is the same in nature; that is, boundary-crossing is associated with a lower integration score with those migrating to different provinces being most disadvantaged, all else equal. Conversely, a longer away from home is related to a better integration. While we cannot derive causal inference for this for reasons specified above, we know that the length of migration significantly and positively relates to socioeconomic integration of migrants.

Among migrants, gender does not make a difference, but being in a minority group or married are worse off, although marital status is not a strong predictor of the response variable. Education is the strongest predictor of migrants' economic integration into the host society, and educational return to socioeconomic status is bigger for urban-urban migrant than for rural migrants. As we have seen earlier, the relative average score of urban-urban migrants is 86.20, while it is 68.69 for rural migrants. A college education will raise the score of urban-urban migrants by 25.5 points, and 22.44 points for rural migrants, substantially reducing the gap between migrants and local urbanites. The impact of economic sector on relative score is also highly significant: compared with those in agriculture, all other industries are associated with a higher score, and thus a smaller gap between migrants in individual or collective business have a significantly higher score, while rural migrants a lower score. Of course, if migrants, regardless of *hukou* types, are

hired by state-owned business or government agencies, their gap with local urbanites will be significantly narrowed, particularly for urban-urban migrants.

Based on findings of Model 1c and Model 2b, we predict socioeconomic scores for all respondents and relative integration scores for migrants. On the left panel of Figure 2, the six bars are for the six typologies formed by *hukou*, age and migration status, respectively. The simulation is for a hypothetical person who is a female, of Han Ethnicity, married, with high school education, employed in manufacture sector and collective business. If she was a young rural migrants, she would have a score of 57.4; if she was a young local urbanite, she would have a score of 63.8, and so on. The four bars on the right panel of the figure represent simulated relative scores of migrants. If she was a young rural migrants, moved beyond the origin prefecture and left home for 3-5 years, her score would be 74.7 percent that of local urbanites; if she was a young urban-urban migrants, she would achieve a score 82.4 percent that of local urbanites. What this suggests is that even if migrants possessed similar demographic and work characteristics, and education, they can still hardly achieve socioeconomic parity with local urbanites.



Figure 2. Predicted Scores of Absolute and Relative Socioeconomic Status by *Hukou*, Migration Status and Age Cohort

Source: Model 1c for absolute SES and Model 2b for relative SES.

# Summery, reflection, and policy implication

Using the 2005 National One Percent Population Survey data, this paper analyses the characteristics and associates of migrants' socioeconomic integration into the host society. The typology we use in this paper allows us to begin to seperate *hukou* types and locations, the fundamental barrier for social integration. This approach allows us to extend previous work that exclusively focuses on rural migrants to include both rural migrants and urban-urban migrants to compare them and to determine whether local protections exclude outsiders, including those with a urban *hukou*. We particularly attend to young rural

migrants to address whether they are triply excluded due to a rural *hukou*, outside *hukou* and young age, in the process of urbanization and industrialization. We find that, net of *hukou* type and age, location of *hukou* matters; similarly, net of location of *hukou* and age, *hukou* type matters; additionally, net of *hukou* type and location, age matters.

Specifically, first, age matters. The low socioeconomic status is a phenomenon shared by all young respondents. Across local residents, rural migrants and urban-urban migrants, the youths all exhibit a similar pattern, although the extent differs, regardless of rural-ers or urbanites, insiders or outsiders. It is a cohort characteristic. The youths have just walked out of school, had little or no job experience, and inadequate professional skills. This should not conceal the heterogeneities among the youths, however; local youths significantly do better than young urban-urban migrants, who in turn do better than young rural migrants. It is the young rural migrants who are in the worst position.

Second, both types and locations of *hukou* hinder young rural migrants' integration into the host society. They are located at the bottom in the hierarchical ladder of the six groups classified by *hukou*, migration status, and age. Low level of integration is linked to low human capital accumulation (e.g., education), and unfavorable economic sectors and work unit of employment. However, these factors are controlled for in this analysis, suggesting other factors that contribute to the low status of socioeconomic integration of young rural migrants. We consider urban-rural divides (due to types of *hukou*) and inside-outside disparity (due to locations of *hukou*) to be important. Taking into account age, we see triple disadvantage of young rural migrants.

Third, urban-urban migrants are also significantly disadvantaged than local urbanites in socioeconomic attainment, regardless of age. Although they have urban *hukou* and are similarly educated to local urbanites, fewer of them are employed in economic sectors and work units that are linked to high income, better social benefits and housing subsidies -- such works are only open to and reserved for local residents. Rather, like their rural counterparts, they are concentrated in manufacture, individual business or self-employed. Such phenomena evidently mirror local protection, and challenge the notion that marketization necessarily promotes rights and legal equality in a linear fashion, and the potentially positive impact of migration on personal development might be compromised by institutional constraints (e.g., types of *hukou* and locations of *hukou*), social exclusion at destination, and local residents' discrimination (a factor not examined here) towards outsiders.

The above patterns and characteristics suggest that issues associated with young rural migrants are complex, but clearly imply that it is necessary to de-labelize young rural migrants. While they work in cities, speak Mandarin, listen to pop musics, dye hairs, and wear new style clothes, they are neither urbanites nor peasants. Although they do not want to and will not go back to their hometowns in a short period of time, they have encountered various barriers for living in cities and can hardly become part of the urban society as they desire. They may have higher education than parental migrants, but their education remains too low to guarantee them a decent job; they may wish to avoid the hardest, dirtiest and

most weary jobs, but their professional skills and work experience render them to be in disadvantaged positions in the labor market in recieving society. They may be the spoiled generation under the one-child policy regime, but they are not a generation that cannot endure hardships -- rather, they work the longest hours, and live in the most miserable conditions.

Overall, there are conflicts between the desires and realities for migrants, particularly for young rural migrants, judging from socioeconomic integration. As aforementioned, many young migrants migrate to cities after they finished middle school or high school, and over one-third of young rural migrants has never done agricultural work (Liu and Cheng 2008). Unlike parental migrants, they move not only for making money, but also for living like urbanites, being integrated into the host society, and eventually become part of the urban society. Emotionally, they are more attached to cities than to hometowns. Nevertheless, social exclusion at the place of destination due to structural and institutional constraints prevents them from equally and fully participating in the labor market, and their desire of integration can hardly be realized.

Hence, much work should be done in order to improve young rural migrants' socioeconomic integration, particularly reform in education, *hukou* system and elimination of local protective policies that exclude outsiders. At the micro level, education is the strongest predictor of the response variable. Related to education is work skills (and possibly job training -- a factor not examined here due to lack of dataxi), which is essential for young rural migrants to find a better job, make more money, have better access to public goods, and live a decent life. Their relatively low human capital accumulation keeps them in the lowest ladder of social classes. In other words, even if the hukou system would be abolished overnight, its impact will not disappear in a short period of time -- for example, the majority of urbanites have received high school education or above, while about fourfifth of young rural migrants have only middle school education or below. What this implies is that young rural migrants lose at the starting line, compared with local urbanites in same ages. In any society, there are always low-status jobs and economic sectors, and people who fill in these positions are always those with fewer years of education, lack of job skills or work experiences. Without educational reform that promotes equality in educational opportunity in villages and cities, young rural migrants will always be the candidates who undertake these jobs. In the current hukou system, economic context, and educational policy, it is difficult to expect that young rural migrants will do better than their parental-generation migrants. Essentially, they repeat the story that young rural migrants of 1980s, and 1990s had experienced.

Even if urban-urban migrants have similar education to local urbanites, their socioeconomic status remains significantly lower. Evidently, education alone, while critical, is insufficient to improve migrants' integration. On the one hand, the urban-rural divide of *hukou* and associated benefits available only to urbanites makes the realization of the desires of young rural migrants to become part of the urban society and live a decent life extremely difficult. Without dismantling the *hukou* system and attached unequal access to social benefits, it is unrealistic to expect that the problems in work and daily life that young rural migrants face

can be solved. On the other hand, the inside-outside demarcation of *hukou* sets urban-urban migrants apart from local urbanites, rendering outsiders remaining disadvantaged in overall socioeconomic status. It is possible that without the *hukou* system, the gap of rural-ers and urbanites can be narrowed with the equalization of social welfare system and social services; without the demarcation of inside and outside or local protection, it is expected that migrants' socioeconomic integration will be facilitated in the process of urbanization. Only when these goals are achieved can we hope that "new generation migrants" will be "new" not because of their age, life styles, lack of experience in agriculture, or strong attachments to cities, but more importantly, they are "new" in quality of life. Otherwise, they cannot avoid suffering from what parental migrants in their early adulthood had suffered, and their children migrants will suffer from what they are presently suffering in the future.

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Variables	All sample	LU	UUM	RM	All migrants
Distribution of items of index					8
Occupational prestigious score	49.75	55.56	54.63	36.84	40.02
Weekly work hours	48.88	45.54	50.06	55.43	54.47
Monthly income	1111.43	1123.21	1636.07	973.41	1091.73
Number of insurance	1.26	1.72	1.09	0.38	0.50
Housing utility index	34.86	41.60	31.12	21.93	23.57
Dependent variables					
Socioeconomic status (SES)	61.50	67 47	61 90	49 24	51.50
Relative SES	-	-	86.20	68 69	71.81
			00.20	00.07	/1.01
Independent variables					
Migration status	<b>(0</b> , (0)				
Local urbanites (LU)	62.60	-	-	-	-
Urban-urban migrants (UUM)	6.68	-	-	-	17.86
Rural migrants (RM)	30.73	-	-	-	82.14
Migration boundary					
Within prefecture	-	-	32.44	15.32	18.38
Across prefecture	-	-	17.18	16.14	16.33
Across provinces	-	-	50.38	68.54	65.30
Duration since leaving home					
<=2 years	-	-	39.04	44.17	43.26
3-5 years	-	-	31.59	29.87	30.17
5+ years	-	-	29.37	25.96	26.57
Ages 16-25	19.24	9.56	28.65	36.92	35.45
Female	48.96	42.11	41.04	41.69	41.58
Han Ethnicity	93.65	93.66	95.69	94.33	94.57
Marital Status	76.53	84.84	61.89	62.77	62.61
Education					
<=primary	9.52	4.87	4.57	20.06	17.30
Middle school	40.08	29.93	30.27	62.90	57.07
High school	28.73	34.47	36.65	15.31	19.12
>=college	21.67	30.73	28.51	1.73	6.51
Economic sector					
Agriculture	3.92	4.97	1.65	2.29	2.18
Manufacture	63.22	53.48	71.59	81.27	79.55
Construction	8.72	8.53	12.53	8.30	9.05
Service	22.38	30.53	12.96	7.84	8.75
Business and government	1.75	2.51	1.26	0.31	0.48
Work unit					
Self-employed	22.87	17.64	30.44	31.86	31.61
Individual business	21.33	12.33	34.11	36.90	36.40
Collective business	4.57	5.26	3.67	3.36	3.41
Other	13.95	9.34	16.72	22.72	21.65
State-owned business or gov.	37.29	55.42	15.07	5.16	6.94

 Table 4 Descriptive Statistics of Variables Used in Analysis

Source: 2005 National One Percent Population Survey Data.

	Mode		Mode	l 1b		Mode	l 1c	·	
	h	seh		h	seh		h	seh	
Ages 16-25	-1.29	0.03	***	-1.72	0.05	***	-	-	
Migration status									
Local urbanites (=ref)									
Urban-urban migrants	-2.14	0.03	***	-2.02	0.03	***	_	-	
Rural migrants	-6.34	0.04	***	-6.55	0.05	***	_	-	
Interaction of age and migration	n status								
UUM ages 16-25	-	-		-0.13	0.09		-	-	
RM ages 16-25	-	-		0.91	0.05	***	-	-	
Composite measure of age				0.91	0.00				
and migration status									
Young RM (=ref)									
Young UUM	-	-		-	-		3.49	0.07	***
Young local urbanites	-	-		-	-		5.64	0.05	***
Older RM	-	-		-	-		0.81	0.04	***
Older UUM	-	-		-	-		5.34	0.06	***
Older local urbanites	-	-		-	-		7.36	0.04	***
Female	0.48	0.02	***	0.48	0.02	***	0.48	0.02	***
Han Ethnicity	0.54	0.04	***	0.55	0.04	***	0.55	0.04	***
Marital Status	0.21	0.03	***	0.23	0.03	***	0.23	0.03	***
Education (<=primary =ref)									
Middle school	1.55	0.03	***	1.48	0.03	***	1.48	0.03	***
High school	4.72	0.04	***	4.67	0.04	***	4.67	0.04	***
>=college	8.54	0.04	***	8.50	0.04	***	8.50	0.04	***
Economic sector (Agriculture =	ref)								
Manufacture	0.36	0.05	***	0.36	0.05	***	0.36	0.05	***
Construction	2.63	0.06	***	2.62	0.06	***	2.62	0.06	***
Service	1.26	0.05	***	1.26	0.05	***	1.26	0.05	***
Business and government	2.28	0.09	***	2.27	0.09	***	2.27	0.09	***
Work unit (Self-employed =ref)									
Individual business	0.86	0.03	***	0.84	0.03	***	0.84	0.03	***
Collective business	0.78	0.03	***	0.76	0.03	***	0.76	0.03	***
State-owned business or go	2.90	0.05	***	2.89	0.05	***	2.89	0.05	***
Other	5.70	0.03	***	5.67	0.03	***	5.67	0.03	***
Constant	50.69	0.12	***	43.43	0.12	***	43.43	0.12	***
Nofobservations				3572	58				
N of groups									
LR	-1118513			-11183	42.20				
Wald chi2(20)	464852.56	0.07		465653	0.07		1.60	0.07	
Nuclei group variance	1.00	0.07		1.00	0.07		1.00	0.07	
w unin-group variance	5.51	0.01		5.55	0.01		5.55	0.01	
Source: 2005 National 1 Percent	Population Su	urvey.							
***p<0.001.									

	All migrants							Mig	rants	by <i>hukou</i>		
	Model 2a		<b>U</b>	Mod	el 2b		Model 3	(UUN	<b>1</b> )	Model	Model 4 (RM)	
	b	s.e.b					b	s.e.b		b	s.e.b	
Age 16-25	-1.30	0.11		-	-		-4.82	0.27	***	-1.15	0.11	***
Urban-urban migrants	8.64	0.12	***	-	-		-	-		-	-	
Interaction of UUM and ages 16-25	-3.02	0.19	***	-	-		-	-		-	-	
Composite measure of age and migratio	on status											
Young RM (=ref)												
Young UUM	-	-		5.62	0.17	***	-	-		-	-	
Older RM	-	-		1.30	0.11	***	-	-		-	-	
Older UUM	-	-		9.94	0.14	***	-	-		-	-	
Migration boundary												
Within prefecture (=ref)												
Across prefecture	-3.07	0.13	***	-3.04	0.13	***	-2.81	0.30	***	-3.00	0.14	***
Across provinces	-5.44	0.11	***	-5.44	0.11	***	-4.60	0.25	***	-5.54	0.13	***
Duration since leaving home												
<=2 years (=ref)												
3-5 years	1.52	0.08	***	1.53	0.08	***	1.47	0.22	***	1.52	0.08	***
5+ years	2.36	0.09	***	2.37	0.09	***	2.43	0.24	***	2.31	0.09	***
Control variables												
Female	0.04	0.07		0.002	0.07		0.36	0.19		-0.06	0.07	
Han Ethnicity	1.64	0.15	***	1.67	0.15		1.98	0.47	***	1.67	0.16	***
Marital Status	-0.24	0.10	*	-0.19	0.10		-0.63	0.26	*	-0.03	0.11	
Education												
<=primary (=ref)												
Middle school	3.61	0.10	***	3.40	0.10	***	4.79	0.47	***	3.40	0.10	***
High school	10.68	0.12	***	10.51	0.12	***	12.62	0.47	***	10.15	0.13	***
>=college	24.38	0.18	***	24.20	0.18	***	25.50	0.49	***	22.44	0.28	***
(Table 6 continues at next page)												

(Table 6 continues)													
	All migrants							Migrants by <i>hukou</i>					
	Model 2a			Mod	el 2b		Model 3 (UUM)			Model 4 (RM)			
	Ь	s.e.b					Ь	s.e.b		Ь	s.e.b		
Economic sector													
Agriculture (=ref)													
Manufacture	1.13	0.24	***	1.04	0.24	***	3.50	0.76	***	0.66	0.25	**	
Construction	4.67	0.26	***	4.63	0.26	***	5.52	0.80	***	4.49	0.28	***	
Service	3.44	0.27	***	3.41	0.26	***	3.17	0.81	***	3.79	0.28	***	
Business and government	6.46	0.54	***	6.38	0.54	***	6.99	1.12	***	6.43	0.68	***	
Work unit													
Self-employed (=ref)													
Individual business	-0.42	0.09	***	-0.42	0.09	***	3.36	0.25	***	-1.13	0.09	***	
Collective business	0.85	0.19	***	0.70	0.10	***	6.42	0.52	***	-0.23	0.20		
State-owned business or gov	5.50	0.16	***	5.47	0.15	***	10.64	0.35	***	3.62	0.19	***	
Other	0.67	0.10	***	0.88	0.19	***	3.66	0.30	***	0.09	0.10		
Constant	65.32	0.39	***	65.81	0.39	***	63.72	1.03	***	67.00	0.41	***	
N of observations	133629			133629			23860			109769			
N of groups	342			342			338			342			
Between-group variance	4.55	0.20		4.54	0.20		4.56	0.27		4.82	0.21		
Within-group variance	12.13	0.02		12.13	0.02		14.19	0.07		11.51	0.02		
Wald chi2(20)	70091.36			70275.34			11799.35			19450.29			
Source: 2005 National 1 Percent Pop	ulation Survey.												
*** p<0.001.													

<sup>ii</sup> The size of migrants is debatable due to different criteria of definitions: some define those who leave hometowns for three months as migrants, while others define migrants as those leaving home for one month, and still others define them as those leaving homes for six months. Regardless of definition, however, the size of migrants in China is huge and keeps increasing. <sup>iii</sup> As findings from 1100 migrants in Wuhan Cities show, 38 percent of young migrants have never worked in the farmland (Liu and Cheng 2008; Liu, Dong and Cheng 2010).

<sup>iv</sup> Since 2007, the Chinese government issued a number of regulations to facilitate transferring social securities across administrative boundaries. Nevertheless, up to May 2010, such difficulties retain, according to reports based on the 2010 Dynamic Surveillance Survey of Migrants by NPFPC.

<sup>v</sup> Unlike studies in the west, this paper does not include educational attainment in this index because migrants tend to complete education prior to migration, and the purpose of migration is not for education, but for economic activities.

<sup>vi</sup> What is worth mentioning is that income for migrants in this data might be their total income in cities, while it may not for local urbanites. That is, if taking into account all sources of income, the gap between migrants and local urbanites may be wider.

vii That is, (factor score 1\*0.5463+ factor score2\*0.2362)/2

<sup>viii</sup> A prefecture is an administrative unit under the jurisdiction of the province that are heterogeneous geographically, socially, economically, and demographically. There are approximately 345 prefectures in 2005.

<sup>ix</sup> However, this does not take into account non-wage payments of local urban residents (e.g., securities, housing subsidies). As noted above, migrants' income in the data tends to be their entire income, while local residents' income might be under-reported.

<sup>x</sup> Also, a variables with four categories, ages 16-25, 27-35, 36-45, and 46-55, is created to further examine whether there is age stratification among respondents in different life stages. Results are not shown here because the difference is largely observed between the youth and older ones. <sup>xi</sup> However, 2009 and 2010 data by NPFPC (2010) indicate that job training for migrants is uncommon.

<sup>&</sup>lt;sup>i</sup> As one of its procedures for solidifying administrative control on population migration, the Chinese communist government had established the system since 1955, which is still in place today. All households were registered in the locale where they resided and also were categorized as either agricultural or nonagricultural - or as rural or urban - households (Chan 1994). Individuals are divided as urbanites and peasants, who are entitled to different public resources (e.g., schooling and social securities).