



*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

*No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.*

# Study on Consumption Level and Consumption Structure of Migrant Workers in Zhejiang Province

XING Hai-yan<sup>1\*</sup>, YU Wei<sup>2</sup>, CHEN San-mei<sup>1</sup>

1. Medical College, Shaoxing University, Shaoxing 312000, China; 2. Shaoxing County Center for Disease Control and Prevention, Shaoxing 312030, China

**Abstract** On the basis of stratified sampling, we conduct a survey of 1 313 migrant workers, to analyze various factors influencing migrant workers' consumption level and the difference in consumption structure between two generations of migrant workers, using the multivariate logistic regression and correspondence analysis method. The results show that two generations of migrant workers' consumption level is the same, and the main factors influencing migrant workers' consumption are income, educational level and occupation; the new generation of migrant workers' consumer attitudes and consumption pattern are transformed significantly, being gradually integrated into the urban consumer market, and the consumption structure is steered to a reasonable direction.

**Key words** Consumption level, Consumption structure, Migrant workers

## 1 Introduction

At present, the number of floating population in China has been more than 200 million<sup>[1]</sup>, more than 80% of which are migrant workers. The total amount of migrant workers in Zhejiang Province ranks second in the country, and the number of migrant workers in some cities has exceeded the number of registered population. With the passage of time and the change of national policy, there are more and more differences in the age structure, motivation for working outside the home, non-farm employment, and some other influencing factors concerning the migrant workers, who gradually evolve into two groups with differences in the ideas and ideals, namely the first generation of migrant workers and the new generation of migrant workers.

The first generation of migrant workers were mainly born in the 1950s to 1970s, mostly in pursuit of income higher than in rural areas to subsidize the expenses of the family. Over time, the first generation of migrant workers' children grow up, and a large portion of them also work in the city. Relative to the parent, they have high academic credentials, strong ability to accept new things, long-term life planning and strong awareness of rights protection, thus they are called the new generation of migrant workers<sup>[2]</sup>. In terms of ideology or behavior activities, there are different characteristics in the two generations of migrant workers. This study mainly compares the difference between the two generations of migrant workers from the perspective of consumption.

## 2 Data source and research method

**2.1 Data source** Using the stratified sampling method, we select 5 regions in Zhejiang Province (Hangzhou, Ningbo,

Wenzhou, Shaoxing and Jinhua), select 1 district (county) randomly from each region, and select 3 to 6 units from the industry where many migrant workers gather in each sample area (county). The new generation of migrant workers have no local registered permanent residence, required to be aged between 15 and 30 years, living or working in this region for 3 months and above. The new generation of migrant workers have no local registered permanent residence, required to be aged between 15 and 30 years, living or working in this region for 3 months and above. The first generation of migrant workers have no local registered permanent residence, required to be aged more than 30 years, living or working in this region for 3 months and above. At the same time, we select the people aged between 15 and 30 years, with local registered permanent residence, as the city control group, for on-the-spot face-to-face questionnaire survey.

**2.2 Research method** The SPSS17.0 statistical software package is applied for the data analysis, and the statistical methods mainly include logistic regression, correspondence analysis, chi-square test and non-parametric test.

## 3 Results and analysis

781 valid questionnaires on the new generation of migrant workers and 532 valid questionnaires on the first generation of migrant workers are called back. The number of men is greater than that of women, but there is a higher proportion of male in the first generation of migrant workers. In terms of educational level, the proportion of the new generation of migrant workers with the educational level of senior high school or technical secondary school, junior college and above, is higher than that of the first generation of migrant workers. In terms of the marital status, since the age of the first generation of migrant workers is more than 30 years, there is a large proportion of being married (Table 1).

Received: August 20, 2012 Accepted: September 23, 2012  
Supported by National Statistical Research Project 2010 of National Bureau of Statistics (2010LC58); Humanities and Social Sciences Youth Fund of Ministry of Education (10YJCZH186).

\* Corresponding author. E-mail: petrelx99@163.com

**Table 1** Two generations of migrant workers' social demographic characteristics

Item	Property	The new generation of migrant workers		The first generation of migrant workers		$\chi^2$	<i>P</i>
		Quantity	Proportion//%	Quantity	Proportion//%		
Gender	Male	424	54.3	335	63.0	9.776	0.002
	Female	357	45.7	197	37.0		
Educational level	Uneducated	26	3.3	35	6.6	60.068	<0.001
	Primary school	93	11.9	131	24.7		
	Junior high school	376	48.3	250	47.1		
	Senior high school or technical secondary school	172	22.1	67	12.6		
	Junior college and above	112	14.4	48	9.0		
Marital status	Unmarried	454	58.1	50	9.4	318.659	<0.001
	Married	307	39.3	444	83.5		
	Divorced or widowed	20	2.6	38	7.1		

**3.1 Consumption level** The migrant workers' average monthly income is 2 500 yuan. The new generation of migrant workers' average monthly income is 2 300 yuan, and the first generation of migrant workers' average monthly income is 2 600 yuan. The difference is of statistical significance ( $Z=3.973$ ,  $P<0.001$ ). In addition to the wage income, about 25% of migrant workers have other sources of income, such as part-time job, investment, etc.

The new generation of migrant workers and the first generation of migrant workers' average monthly consumption is both 1 000 yuan, and there is no significant statistical difference in the consumption level between the two generations of migrant workers ( $Z=0.030$ ,  $P=0.976$ ).

Taking 1000 yuan as the divide, the average monthly consumption is divided into 2 groups. We use the logistic regression to analyze the main factors influencing migrant workers' consumption. The average monthly consumption is set as the dependent variable; gender, age, marital status, whether having children or not, educational level, occupation, social insur-

ance, and the average daily working hours, are set as the independent variables. Using logistic regression analysis, finally 3 factors are in the regression equation (Table 2).

It can seen from Table 2 that the migrant workers' consumption level is positively correlated with income (consumption level of migrant workers with middle income 1.9 times that of migrant workers with low income; consumption level of migrant workers with high income 7.4 times that of migrant workers with low income); the migrant workers' consumption level is also positively correlated with educational level (With rise in the educational level, the consumption level is gradually improved, and the consumption level of migrant workers with educational level of junior college and above is 2.1 times that of the uneducated migrant workers.); there are differences in the consumption level between different occupations (Except the transportation industry, the consumption level in service industry, commerce, construction industry and other industries is higher than that in industry.

**Table 1** Logistic regression analysis of factors influencing the migrant workers' consumption level

Item	Factor	<i>B</i>	<i>S. E.</i>	<i>Wald</i>	<i>P</i>	<i>OR</i>	<i>OR 95% CI</i>
Income	Constant	-1.692	0.317	28.495	0.000		
	( Low income)			119.671	0.000		
	Middle income	0.670	0.151	19.645	0.000	1.955	1.453-2.630
	High income	2.008	0.188	114.595	0.000	7.452	5.159-10.764
Educational level	( Uneducated)			10.698	0.030		
	Primary school	0.277	0.321	0.745	0.388	1.319	0.703-2.474
	Junior high school	0.503	0.300	2.813	0.094	1.654	0.919-2.979
	Senior high school or technical secondary school	0.747	0.321	5.423	0.020	2.112	1.126-3.961
	Junior college and above	0.784	0.338	5.375	0.020	2.189	1.129-4.246
Occupation	( Industry)			19.990	0.001		
	Service industry	0.490	0.211	5.373	0.020	1.632	1.079-2.468
	Business	0.505	0.224	5.101	0.024	1.657	1.069-2.568
	Construction industry	0.647	0.201	10.408	0.001	1.910	1.289-2.830
	Transport industry	0.560	0.287	3.794	0.051	1.750	0.997-3.073
	Other industries	0.510	0.173	8.656	0.003	1.665	1.186-2.339

Note: What in the bracket in the column of factors is the control group.

**3.2 Consumption structure** The consumption structure of two generations of migrant workers can be seen in Table 3. In terms of the consumption structure, the top three consumption

types for the new generation of migrant workers are food, clothing and housing; the top three consumption types for the first generation of migrant workers are food, housing and clothing.

The food consumption proportion of the new generation of migrant workers is lower than that of the first generation of migrant

workers, but higher that of urban residents.

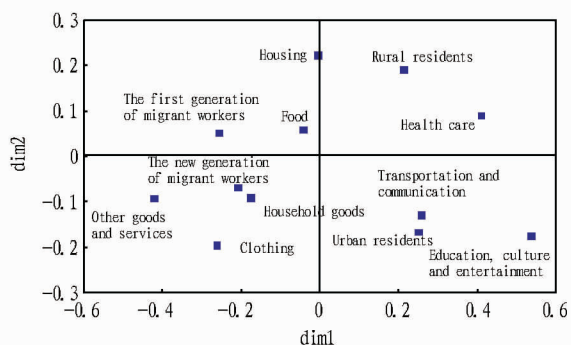
**Table 3 Two generations of migrant workers' consumption structure**

Unit: %

Group classification	Food	Clothing	Housing	Household equipment and services	Health care	Transportation and communication	Education, culture and entertainment service	Other goods and services
The new generation of migrant workers	38.70	16.87	13.73	9.24	3.09	7.99	4.12	6.26
The first generation of migrant workers	43.98	12.81	14.75	8.23	2.68	7.21	2.31	8.04
Urban residents*	35.67	10.72	9.89	6.74	6.47	14.73	12.08	3.71
Rural residents*	41.09	6.03	19.06	5.34	7.44	10.52	8.37	2.15

Note: \* Data are from the 2011 *China Statistical Yearbook*.

Using correspondence analysis, we compare the consumption structure between two generations of migrant workers, and take the Chinese urban residents and rural residents as reference. The results show that in terms of the explanation proportion of variance, the first dimension accounts for 72.4%, the second dimension accounts for 24.14%, and the third dimension only accounts for 3.46%. The cumulative contribution rate of the first two dimensions reaches 96.54%, indicating that the two-dimensional projection view constituted by the first two factor axes (Fig. 1) has contained the majority of the information in the original vector result, and the two-dimensional distribution diagram is more easily observed and comprehended than the three-dimensional diagram, so we can use two-dimensional space for correspondence analysis.



**Fig. 1 Comparison of the consumption structure between different groups**

Fig. 1 shows that the new generation of migrant workers are closely related to household goods; there is some correlation between the first generation of migrant workers and food; there is a close relationship between the urban residents, and transportation and communication; there is no prominent correlation between rural residents and consumption structure.

## 4 Conclusions and recommendations

Consumer demand, as final demand, is the main driving force for promoting economic growth, and the fundamental guarantee for achieving steady economic development. At present, the shortage of domestic consumer demand has become a major obstacle to China's continuous and healthy economic development<sup>[3]</sup>. The main body of market consumption can be divided into three types, namely individuals (residents), companies and government.

Residents are the main consumer sector, whose most income is spent on consumption, especially for the low-income groups with high propensity to consume<sup>[3]</sup>. The migrant workers are regarded as the vulnerable groups in the city, whose income level and social status are at the low level. Thus understanding and analysis of employment, income and consumption of urban migrant workers, especially the economy-based migrant workers, is of important significance to urban economic development and social stability.

**4.1 Improving the consumption level** The residents' consumption level refers to the degree of urban and rural residents' satisfaction with the needs for material life, cultural life, and living environment, under certain social conditions of production, in a certain period of time. It indicates a state that people's spending on material and cultural life can achieve and maintain<sup>[4]</sup>.

The results of this study show that two generations of migrant workers' average monthly level of consumption is the same, and the major factors influencing consumption level are income, educational level and occupation. The educational level is often correlated with occupation and income. The higher the educational level, the greater the likelihood of engaging in the occupation with high technical content, and the higher the income.

According to the survey in this study, the migrant workers' average monthly income is 2500 yuan, lower than the average of Zhejiang Province (3 059 yuan); the new generation of migrant workers' average monthly income is lower the first generation of migrant workers' average monthly income. Therefore, there is a need to continue to raise the income levels of migrant workers, in order to promote consumption, thus promoting sound and rapid economic development.

**4.2 Adjusting the consumption structure** The consumption structure refers to the proportional relationship of various materials (including labor) consumed by people in certain socio-economic conditions<sup>[5]</sup>. In this article, the consumption structure mainly refers to the proportional relationship of 8 types of consumer materials (including labor) consumed by migrant workers in Zhejiang Province (food, clothing, housing, household equipment and services, health care, transportation and communication, education, culture and entertainment service and other goods and services).

The results show that the top three consumption types are the same for two generations of migrant workers (only the second (To page 83)

2010, let alone the movie theater. Due to the far backward cultural facilities and services, the farmers live a quite simple cultural life. Some vulgar culture, such as gambling, superstition, and vicious competition, is increasing year by year, which greatly restricts the agricultural development and the farmers' income growth. Thus some effective measures should be taken from multiple aspects to accelerate the rural cultural construction and improve the farmers' quality, so as to further promote the rural economic and social development level<sup>[6]</sup>.

### 5.3 Increasing the investment in agricultural materials

The slow growth of farmers' incomes in recent years results from the high production costs of agricultural products<sup>[7]</sup>. According to a sample investigation in Zhejiang Province, the price of agricultural materials in 2011 was increasing month by month, which 10.9 more in May, 2011 than that in the same time of the previous year. The prices of ten agricultural materials investigated all increased, among which the price of fertilizer increased by 16.2, that of agricultural machine oil increased by 9.5, that of other agricultural production material increased by 6.9, that of feeds increased by 5.5, and that of agricultural machinery increased by 3.8. The price increase speed of all types of agricultural materials was far above the increase of the national minimum purchasing price. The grain subsidies given by the state cannot make up for the price increase of agricultural materials, which discourage the farmers in agricultural production. Thus effective measures should be taken to eliminate the bad influence on agricultural development and farmers' income increase brought by the high price of agricultural production materials.

**5.4 Developing ecological agriculture** The development of ecological agriculture is based on the reasonable utilization of natural agricultural resources and good ecological environment. A mode of agricultural production suitable to local conditions, which was proposed as an opposite side of "petroleum oil agriculture" in the late 1960s, is regarded as a new phase of world agricultural development. The industrialization of ecological agriculture calls for the coordinated development of rural economic development and ecological environment conservation,

the deficient land resources and ecological agricultural development propose a great opportunity for improving our agricultural industry value in mountainous areas. The wastes of agriculture, forestry and animal husbandary can be used for developing organic fertilizer and biogas construction, crop straws and core woods can be used as feeds, biofuels, for papermaking, silk production and building industry. By taking full use of local ecological resources, we can produce excellent, safe and pollution-free agricultural products, establish an efficient and environment-friendly modern agriculture industry, broaden the farmers' income channels, and gradually realize the intensive, ecological and modern development of agriculture in mountainous areas<sup>[9]</sup>.

## References

- [1] Zhejiang Statistic Bureau. Zhejiang statistic yearbook[M]. Beijing: China Statistical Press, 2011. (in Chinese).
- [2] Analysis on basic situation of economic social development in Zhejiang Mountains Area[EB/OL]. (2011-08-08) [http://www.chinadaily.com.cn/dfpd/zj/2011-08/08/content\\_13070611.htm](http://www.chinadaily.com.cn/dfpd/zj/2011-08/08/content_13070611.htm).
- [3] JIANG CQ, XU XY, WU WG, *et al.* Evaluation of main production factors of profitable agriculture in the mountain areas of Zhejiang[J]. Journal of Zhejiang A&F University, 2004(2): 203-208. (in Chinese).
- [4] XU XY, YAN WW, LING SK. Comparative advantage and development countermeasure on characteristic agriculture in mountainous areas of Zhejiang Province[J]. Journal of Huazhong Agricultural University (Social Sciences Edition), 2008(1): 28-34. (in Chinese).
- [5] WANG XM, PENG XW. International lessons in reducing the gap between urban and rural areas[J]. Journal of Chinese Academy of Governance, 2007(2): 98-101. (in Chinese).
- [6] MIN XC. Policy factors of urban and rural difference variation[J]. China Cooperation Economy, 2007(10): 19-24. (in Chinese).
- [7] ZHANG HS. High income basic reason of difficulty in increasing farmer income[J]. Special Zone Economy, 2007(12): 171-173. (in Chinese).
- [8] ZHOU WH. Increasing farmers' income in mountains area should widen thoughts[J]. Zhejiang Economy, 2007(2): 52-53. (in Chinese).
- [9] CHEN XY, YE YS. On analysis of Zhejiang Mountain eco-agricultural industrialization—A case in Pan'an[J]. Journal of Jinhua College of Profession and Technology, 2011(5): 12-14. (in Chinese).

(From page 78)

and third consumption types in a different order), but the new generation of migrant workers' food consumption proportion is significantly lower than the first generation of migrant workers' food consumption proportion.

Correspondence analysis obviously displays the difference in the consumption structure between the new generation of migrant workers and the first generation of migrant workers, indicating that compared with the older generation, the new generation of migrant workers' consumer attitudes and consumption pattern have been significantly changed, being gradually integrated into the urban consumer market, and the consumption structure shifts to a reasonable direction.

Therefore, according to the consumption characteristics of the migrant workers, the relevant departments can develop the migrant workers' consumption market. At the same time, it is necessary to strengthen the guidance for migrant workers' consumption behavior and consumption culture, to enable them to establish positive consumer attitudes, and optimize

the consumption structure. In addition, it is necessary to promote migrant workers to integrate into the city, and make migrant workers subject to the gradual, uplifting influence of urban residents' modern consumer attitudes, so as to truly integrate into city life.

## References

- [1] China Floating Population Report 2010[EB/OL]. (2010-07-02) [http://www.cnr.cn/allnews/201007/t20100702\\_506673452.html](http://www.cnr.cn/allnews/201007/t20100702_506673452.html).
- [2] REN XJ, LI XJ, BO QL, *et al.* New generation female migrant workers community participation[J]. Rural Economy and Science - Technology, 2009, 20(8): 7-9. (in Chinese).
- [3] CHU YN. Bottle-neck and breakthrough of improving residents consumption level[J]. China National Conditions and Strength, 2011(8): 20-21. (in Chinese).
- [4] LIU NN. Comprehensive evaluation on residents consumption level[J]. Liaoning Economic Statistics, 2011(4): 15-16. (in Chinese).
- [5] LI XF, WANG XF, GAO WS. Migrant workers consumption structure in Beijing City based on ELES model[J]. Issues in Agricultural Economy, 2008(4): 52-57. (in Chinese).