

# Labor Mobility in Urban China:

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# What Does Labor Mobility Reflect?

- Job Changes Reflect both Decisions of Employers and Employees:
  - Employees moving to better opportunities
  - Employees moving as a result of lost jobs or failed self-owned enterprises
- Mobility Across Industry Sectors Reflects
  - Short-Term Labor Market Response to GFC
  - Longer-Term Structural Changes in Economy

# Labor Mobility and Economic Security

- How Much Mobility is Toward More Secure Employment?
  - “Informal” to Formal Employment?
  - Employment without Contract to Employment with Contract?
- How Does Mobility Differ Across Men and Women?
- How Does Mobility Differ by Residential Registration Status?
- Mobility is Often Driven by Preferences and Abilities of Individuals and Households

# Shares of Workers in Formal and Informal Employment by *Hukou* Status

	2010		Oct. 2008		2006	
	Local	Migrant	Local	Migrant	Local	Migrant
Formal employment	73.76	50.99	75.06	50.39	73.34	47.60
Informal employment	26.24	49.01	24.94	49.61	26.66	52.40
Self Employed	7.63	22.9	7.83	25.10	7.75	24.79
Unpaid Family	1.21	3.13	1.11	3.31	1.18	3.78
Without a Contract	17.39	22.99	16.00	21.2	17.73	23.83
<b>Total</b>	<b>5490</b>	<b>5671</b>	<b>4560</b>	<b>3992</b>	<b>4839</b>	<b>4548</b>

# Shares of Workers in Broad Industry Sectors by Hukou Status

	2010		Oct 2008		2006	
	Local	Migrant	Local	Migrant	Local	Migrant
Primary & Secondary Industry	24.74	18.66	27.12	20.6	27.27	23.80
Tertiary Industry	75.26	81.34	72.88	79.4	72.73	76.20
Total	5490	5671	4560	3992	4827	4540

# In What Ownership Types of Firms do Respondents Find Employment?

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	2010		Oct 2008		2006	
	Local	Migrant	Local	Migrant	Local	Migrant
Government or Party	23.08	5.26	23.80	4.78	22.90	4.89
Wholly-State-Owned	15.91	3.22	17.79	3.39	17.67	3.34
Majority-State-Owned	10.62	2.28	11.05	2.49	11.05	2.46
Collective	5.39	2.77	5.28	2.75	5.34	2.90
Foreign Invested	5.22	4.52	4.41	3.14	4.68	3.34
Individual or Private	36.86	77.16	34.97	76.88	35.43	73.80
Other	2.91	4.78	2.71	6.57	2.94	9.27
Total	5,346	5600	4,442	3935	4,716	4484

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# Mobility Across Formal/Informal Sectors Among Individuals Changing Employers from 2006 to 2010

		Percent who Left Job Held in 2006	Work Status in 2010 (As a Percent of Individuals who Changed a Job Since 2006)			
			Formal employment	Informal employment	Unemployed or Not in Labour Force	
<b>Work Status in 2006</b>	Formal employment	L&M	8.12	74.17	25.04	0.80
		Local	6.89	74.45	24.83	0.72
		Migrant	15.80	73.40	25.59	1.02
	Informal employment	L&M	22.61	37.06	60.53	2.41
		Local	18.77	40.84	55.89	3.27
		Migrant	30.48	32.30	66.38	1.32
	Total	L&M	12.73	53.22	45.08	1.71
		Local	10.05	57.72	40.29	1.99
		Migrant	23.49	45.46	53.32	1.22

# Among Workers Changing Jobs since 2006, There is Much More Likelihood of Moving Into the Service Sector

			<b>Work Status in 2010</b> (As a Percent of Individuals in Sector in 2006 who Changed Jobs)			
			Percent who Left Job Held in 2006	Primary & Secondary Industry	Tertiary Industry	Unemployed or Not in Labour Force
<b>Work Status in 2006</b>	Primary & Secondary Industry	L&M	15.41	38.02	61.25	0.72
		Local	10.50	38.54	60.83	0.63
		Migrant	38.05	37.36	61.79	0.84
	Tertiary Industry	L&M	11.76	7.29	90.54	2.17
		Local	9.89	7.30	90.17	2.52
		Migrant	18.94	7.25	91.29	1.46
	Total	L&M	12.73	17.17	81.12	1.71
		Local	10.05	16.19	81.83	1.99
		Migrant	23.49	18.86	79.92	1.22



# Job Changing is Significantly More Common Among Workers in Foreign-Invested and Private Sector Firms

## Ownership Sector of Employer in 2010

(As a Percent of Individuals Leaving Jobs Held in January 2006)

Ownership Sector of Employer in 2006		Leaving Job Held in 2006 %	Ownership Sector of Employer in 2010							Unemp or Not in LF
			Govt or Party	SOE	Majority SOE	Collective Enterprise	Foreign Invested	Individual or Private	Other	
Government or Party	Local	4.84	41.90	3.46	0.00	8.29	3.68	37.61	3.49	1.57
	Migrant	24.34	29.26	1.69	0.00	0.00	7.32	61.72	0.00	0.00
SOE	Local	8.44	15.98	12.32	3.50	0.00	5.63	57.21	2.67	2.68
	Migrant	18.60	6.12	19.01	0.00	2.86	0.00	65.85	6.17	0.00
Majority SOE	Local	8.44	27.04	4.48	31.30	7.50	8.42	21.26	0.00	0.00
	Migrant	23.84	9.50	3.40	14.83	0.00	4.13	68.15	0.00	0.00
Collective Enterprise	Local	12.41	12.59	0.00	0.57	19.63	9.55	50.08	7.58	0.00
	Migrant	27.16	0.00	0.00	0.00	17.76	2.85	77.87	1.52	0.00
Foreign Invested Enterprise	Local	13.95	22.29	5.65	3.09	3.67	38.42	23.49	3.40	0.00
	Migrant	23.18	0.00	0.00	0.00	0.00	54.73	40.61	4.66	0.00
Individual or Private Enterprise	Local	13.30	11.35	2.74	4.77	4.80	6.71	65.08	1.52	3.04
	Migrant	16.96	3.41	1.48	1.13	2.67	4.22	84.18	2.00	0.92
Other	Local	16.81	12.68	0.00	5.80	0.00	5.80	55.13	19.01	1.58
	Migrant	55.51	6.25	2.26	1.03	6.06	2.17	74.72	7.51	0.00
Total	Local	10.05	17.45	4.11	5.95	6.43	8.11	52.60	3.30	2.05
	Migrant	21.75	5.42	2.08	1.27	3.65	5.68	77.95	3.42	0.52

# Employment Status by Gender in 2010

		Local		Migrant	
		Male	Female	Male	Female
<b>Formal vs Informal</b>	Formal employment	75.32	71.68	53.16	48.38
	Informal employment	24.68	28.32	46.84	51.62
	Self-Employed/Own Account	7.56	7.73	23.98	21.61
	Unpaid Family	0.52	2.14	0.82	5.88
	Working Without a Contract	16.60	18.45	22.04	24.13
<b>Industry</b>	Primary & Secondary Industry	28.82	19.28	22.10	14.53
	Tertiary Industry	71.18	80.72	77.90	85.47
<b>Total</b>		3110	2380	3049	2620

# Job Mobility Across Formal and Informal Sectors by Gender

				<b>Work Status in 2010</b> (As a Percent of Individuals in Sector Who Changed a Job Since 2006)				
				Percent of Leaving Job Held in 2006			Unemployed or Not in the Labour Force	
					Formal employment	Informal employment		
<b>Work Status in 2006</b>	Formal employment	Local	Male	5.93	82.46	16.88	0.66	
			Female	8.29	66.04	33.18	0.78	
		Migrant	Male	14.67	74.41	25.21	0.38	
			Female	17.46	72.15	26.05	1.80	
		Informal employment	Local	Male	17.74	45.59	52.44	1.97
				Female	20.04	35.64	59.68	4.69
	Migrant		Male	28.68	33.49	65.74	0.77	
			Female	32.48	31.12	67.02	1.86	
	Total	Local	Male	8.91	63.92	34.76	1.32	
			Female	11.65	51.07	46.23	2.70	
		Migrant	Male	21.60	47.53	51.83	0.63	
			Female	25.89	43.26	54.90	1.84	

# Job Mobility Across Broad Industry Sectors

				<b>Work Status in 2010</b> (As a Percent of Individuals in Sector Who Changes Job Since 2006)			
				Percent Leaving Job Held in 2006	Primary & Secondary Industry	Tertiary Industry	Unemployed or Not in the Labour Force
<b>Work Status in 2006</b>							
Primary & Secondary Industry	Local	Male	9.31	44.15	55.85	0.00	
		Female	12.69	30.93	67.58	1.49	
Migrant	Local	Male	33.90	43.21	55.24	1.54	
		Female	44.68	30.34	69.66	0.00	
Tertiary Industry	Local	Male	8.74	9.16	88.91	1.93	
		Female	11.34	5.49	91.40	3.11	
Migrant	Local	Male	17.26	8.16	91.84	0.00	
		Female	20.92	6.35	90.76	2.88	
Total	Local	Male	8.91	20.23	78.45	1.32	
		Female	11.65	11.85	85.45	2.70	
Migrant	Local	Male	21.60	22.51	76.86	0.63	
		Female	25.89	15.00	83.15	1.84	

# Probit Model of Job Changes Since 2006

	Local		Migrant	
	dF/dX	P value	dF/dX	P value
<b>Age</b>	-0.0022	0.0000	-0.0071	0.0000
<b>Male</b>	0.0052	0.5940	0.0211	0.2440
<b>Married</b>	-0.0222	0.0970	-0.0824	0.0010
Illiterate & Primary school	-0.0579	0.0900	0.0609	0.0430
Junior high school				
Senior high school	-0.0255	0.0250	-0.0402	0.0580
College and above	-0.0309	0.0190	-0.0399	0.1480
<b>Wuhan</b>	-0.0649	0.0000	-0.0807	0.0010
<b>Shenyang</b>	-0.0263	0.0370	0.0580	0.0290
<b>Fuzhou</b>	-0.0624	0.0000	-0.1185	0.0000
<b>Xian</b>	-0.0093	0.4780	-0.0157	0.4880
<b>Guangzhou</b>	0.0462	0.0020	0.0424	0.0470
<b>Industry Dummies</b>	Yes		Yes	
<b>OBS</b>	4767		4500	
<b>Pseudo R2</b>	0.0905		0.0561	

# Conclusions and Next Steps in China

- Migrants are More Mobile?
  - Vulnerability / Short-term Nature of Employment Relationships
  - Importance of Relative Youth of Migrants
- Workers Falling into the “Informal” Category are More Mobile (not yet in identified probit model)
- Descriptive Evidence Suggests that Women are More Likely to Move Into Informal Sector, and if Leaving a Primary/Secondary Industry, are More Likely to Move Into Services
  - To What Extent is Women’s Mobility Driven by Low Retirement Age?  
Once we control for age, gender difference in mobility disappears
- As Yet Unexamined: Entry from School into the Labor Force

# Our Paper in Light of the India Labor Mobility Paper

- Descriptive Probit Models of the Determinants of Mobility
- India Paper Examines Change of Job Since First Job. Data Driven. Not surprising that age is strongly associated with mobility as the observation window differs with age.
- Voluntary vs Involuntary Mobility and the China Team Agenda
  - Reports of Involuntary Moves are Quite Low
  - Mobility and Correlation with Labor Market Shocks?
  - Household Correlates with Mobility
  - Mobility, Gender and Mandatory Retirement Age