The Influence of Employment Quality of China's Floating Population on Consumption

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Abstract. With the increasingly prominent problems of over investment and weak domestic demand, the economic development urgently needs to shift to a consumption-driven model. The development of urbanization can promote the consumer demand of residents, thereby boosting domestic demand and reversing the traditional economic development model of relying on investment in the past. The increase in the urban rate is inseparable from the urban migration of the mobile population, and the deep meaning of the migration lies in the urbanization of the mobile populations lifestyle, consumption pattern and consumption structure. However, due to the obstacles of the household registration system, it is difficult to improve the employment quality of the mobile population under the existing employment system, and the stability and security of employment are not perfect, resulting in a low level of consumption. The mobile population has huge consumption potential. Research on how to improve the employment environment of the mobile population and increase its consumption level has important practical significance for promoting our domestic demand.

Keywords: mobile population, people flow, employment stability.

1. Introduction

Affected by the epidemic, the economies of all countries have experienced a serious recession, with a serious decline in the amount of investment. After the impact of the epidemic, the Chinese government has taken various positive measures to promote domestic consumption, indicating that consumption has become an important driving force for China's economic growth. In recent years, with the development of the national economy and the improvement of urbanization rate, a large number of people flow between rural and urban areas. The surging population flow gradually shows the characteristics of family migration and long-term residence. Meanwhile, such increased population has become an important part of the main body of consumption. By the end of 2020, China's migrant population was about 244 million, accounting for 17.3% of the country's total population [1]. In fact, such mass migration movements have promoted the further improvement of China's urban rate, which not only lead to the influx of non-urban population into cities, but also lead to the urbanization of these new population's lifestyle and the non-agricultural production mode. Among them, the urbanization of lifestyle is mainly reflected in the upgrading of consumption structure and the transformation of consumption mode, while the non-agricultural production mode means that the income of the non-urban population transferred to cities is no longer dependent on agricultural replaced by wage income [2]. In the process of employment and residence in the inflow area, the migrant population will also promote local consumption. However, under the current employment system, the migrant population mainly exists in the urban employment system as a migrant population [3]. Therefore, this group may face considerable uncertainties in the urban labor market. Even some of them may even suffer discrimination from the recruitment unit. In this case, the employment quality of these new population is difficult to improve. Furthermore, the unstable employment and unsound security system also lead to a series of problems such as insufficient consumption capacity and low consumption level, which causes the high precautionary saving requirements of the migrant population, thus resulting in a long-term low consumption level.

2. Research review

Income is the basis of consumption, and employment is an important way to increase income. Therefore, as long as the employment situation of workers can be improved, their consumption level can be improved accordingly. The International Labour Organization has explained the definition of 'decent work' and clearly pointed out that workers' rights should be fully protected, which is mainly reflected in whether there are enough jobs, sufficient income and adequate social protection[4]. Actually, this means that the employment situation of workers should not be considered only from the income level, but also from multiple dimensions, so as to meet the requirements of decent employment of migrant population. Based on this, this paper will comprehensively consider the employment quality of workers from four dimensions: working hours, income level, social security and employment stability. Normally, the high employment quality means higher income level of workers, less work intensity, strong work stability and good social security [5]. It can be said that the quality of employment determines the income level of the migrant population, thereby affecting the consumption status. In general, the consumption structure and consumption level of the migrant population in their cities can fully reflect their welfare level and living standards and the degree of integration of the migrant population into urban society and the sharing of urban development achievements. As a result, the research on the consumption of migrant population has a driving role in understanding the migrant population.

At present, the research topics on consumption are mainly reflected in the consumption and savings of urban and rural residents and the consumption of rural residents. With the acceleration of urbanization, the mobile labor will play an important role in promoting the development of economic society. At the same time, as an important indicator to determine the income level of the migrant population and the degree of urban integration, the quality of employment is an important driving force to promote the consumption level of the migrant population. Therefore, this paper focuses on the impact of the employment quality of the migrant population on the consumption level, and focuses on the consumption differences between migrant workers and non-migrant workers within the migrant population. In addition, this paper also analyzes the influencing factors and mechanisms of consumption at the micro level, so as to provide far-reaching suggestions for China to formulate policies to stimulate consumption and expand domestic demand at the macro level.

It is well known that the main influencing factor of consumption is disposable income, which has a positive stimulating effect on consumption. That is to say, the higher the income level, the higher the consumption level. Moreover, it is proposed in the preventive savings theory that under the uncertainty, the greater the risk faced by the current period, the more preventive savings of consumers, and the less consumption expenditure of the current period. Therefore, when risks such as unemployment, unstable income, higher work intensity, and less affordable medical care occur, consumers will prevent all kinds of uncertainties they need to face in the future, thus increasing preventive savings and reducing their consumption level. Flodén pointed out that when future wages are uncertain, the current labor supply will increase and the future leisure time will also increase. Normally, consumption is determined by income and leisure time. When the wage level rises, the time cost of labor will also increase. Furthermore, the consumers tend to spend time and money in commodities, which will increase their consumption level. Therefore, the improvement of the employment quality of workers means the improvement of the income level of workers and the enhancement of employment stability and security. In fact, the increase of leisure time will also promote the improvement of consumption level [6].

In addition, it is proposed in the labor market segmentation theory that different groups have different access to labor market information and labor market channels, leading to significant differences in employment departments, positions and income patterns of different groups. At present, in China, these differences are mainly reflected in gender, education level, registered residence stratification and other influencing factors, which leads to different consumption levels[7]. In addition, the consumption structure of mobile groups with different employment conditions, human capital and mobility characteristics will vary, which is reflected in the different proportion of housing

consumption and other consumption such as food and medical care. Based on the above analysis, this paper proposes the following research hypothesis:

Hypothesis 1: The consumption level of migrant families is positively correlated with the quality of employment, that is, the higher the quality of employment, the stronger the consumption level of migrant population in the workplace.

Hypothesis 2: The quality of employment has an impact on the housing consumption of the migrant population. The higher the quality of employment, the higher the housing consumption.

Hypothesis 3: The impact of employment quality on housing consumption of migrant population is higher than that on other consumption.

Hypothesis 4: The impact of employment quality on the consumption level of migrant workers is lower than that of non-migrant workers.

3. Design of Methodology

Selection of dependent variable: dependent variable refers to the consumption level of migrant population. According to the questions in the questionnaire of the dynamic monitoring of the migrant population in 2020, the variable of the average monthly total consumption expenditure of the migrant population households in the local area was first selected[8].Then, according to the situation of family members, the number of migrant families was calculated. Finally, the per capita monthly consumption expenditure of the migrant population was calculated. In order to reduce the impact of heteroscedasticity on the regression results, in this paper, the logarithm of the per capita monthly consumption expenditure data of the migrant population is selected as the explanatory variable.

Selection of independent variables: This paper focuses on the impact of the employment quality of the migrant population on the consumption level. Therefore, employment quality is selected as the explanatory variable. In fact, the employment quality is a multi-dimensional comprehensive concept, which comprehensively reflects the employment situation of workers. Therefore, this paper will measure the quality of employment from four dimensions, including the wage level, working hours, work stability and medical security of the migrant population. The calculated employment quality index will be selected as the dependent variable. The higher the employment quality index, the better the employment quality of the migrant population, indicating the higher wage level of the migrant population, with less weekly working hours, stable work and comprehensive medical security level[9]. Then, each variable will be standardized, and the formula is as follows:

$$x_{ij}^{nor} = \frac{(x_{ij} - \min_j)}{(\max_j - \min_j)}$$

Xij is the standardized employment quality index, i is the individual of the migrant population, and j is the four measured dimensions, minj is the minimum value of the dimension index j, max j is the maximum value of the dimension index j, The longer the working week, the worse the quality of employment. Then subtract the standardized weekly working hours from 1 to get the reverse indicator of the weekly working hours. Secondly, the equal weight method is used to calculate the employment quality index. The evaluation index system is shown in the table. Finally, multiply the original value by 100 to calculate the new employment quality index. The formula is as follows:

Table1. Evaluation index system of employment quality of floating population

$$Q_i^o = \frac{1}{4} \sum_{j=1}^{4} x_i^{nor} \times 100$$

Dimension	Specific indicators	weight
the wage level	last mouth's income	25%
working hour	Working hours this week	25%
Work stability	Sign a labor contract	25%
medical security	Take part in health insurance	25%

Control variables: In this paper, the individual characteristics, mobility characteristics and urban integration characteristics of the migrant population are selected as the control variables. Among them, individual characteristics include the gender, age, marital status, education level and health status of the migrant population;. Flow characteristics include flow time, flow range and flow area; The characteristics of urban integration include two indicators: willingness to settle down and social integration.

The second table: the relevant content of the report on the development of migrant population indicates that with the development of the national economy and the change of the economic structure, the change of the scale of migrant population in China can be roughly divided into three stages:

The first stage was from 1982 to 2000, during which China gradually released the control of population movement. Since 1984, the government has allowed farmers to move within the county to work or do business. After the 1990s, the number of migrants was in the stage of rapid growth. It can be seen from the figure that the number of migrants in China has achieved rapid growth at this stage, with an average annual growth rate of 7% and an increase of 21.35 million.

The second stage is from 1990 to 2010, during which the growth rate of migrant population continues to accelerate. At this stage, the policy of population mobility is more relaxed, the social and economic development is also accelerated, and a large number of rural surplus labor force enters the city to work. The migrant population increased rapidly from 21.35 million in 1990 to 22.143 million in 2010, with an annual growth rate of 12%.

The third stage is from 2010 to now, during which the growth rate of the number of migrants began to slow down. It can be seen from the figure that the number of migrants is also increasing at this stage. However, compared with the previous stage, the growth rate of the migrant population has decreased significantly, and the scale of the migrant population has shrunk in recent years.
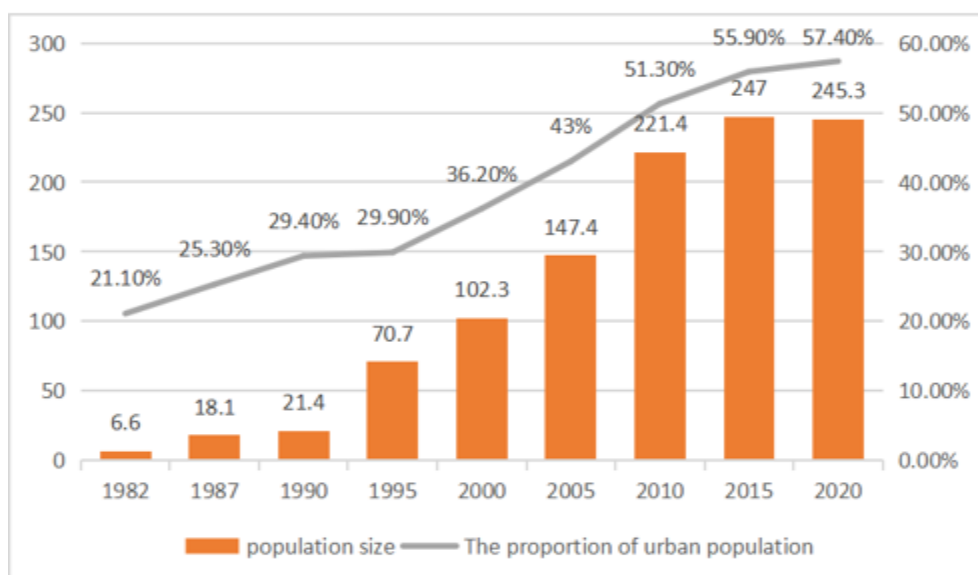

Figure 1. The size of the floating population over the past few years

The third table: Since the economic development of different regions in China varies, then the living conditions and price levels are also different. Compared with the western region, the eastern region has a superior geographical location, with a better urbanization base and greater population density. At the same time, these regions are also the core economic areas of China, where various industries and economies have developed rapidly, with a large demand for labor[10].Based on the above advantages, a large number of foreign workers are attracted to the region for development. It can be seen from the table that the number of people migrating to the eastern region is the largest, accounting for 49% of the total migrant population. That is to say, nearly half of the migrant population choose to go to the most economically developed eastern region for employment. However, the proportion of the population flowing to the western region is only 29%, and that of the central region is 15%. The lowest proportion of the floating destination is Northeast China.

Table 2. Regional differences in the floating population

Area	number of people	percent	monthly consumption	MHC
WEST	21361	29%	1579	3130
MIDDLE	11356	15%	1730	3200
EAST	36443	49%	1965	3990
NORTHEAST	5718	8%	1575	3620
TOTAL	74878	100%	6849	13940

The fourth figure: Due to the restrictions of registered residence, most of the industries in which migrants participate in employment are low-end, with low job stability [11]. It can be seen from the figure that most of the migrant population are engaged in manufacturing, wholesale and retail, social services, accommodation and catering and construction. Among them, manufacturing industry accounts for the largest proportion, with an overall proportion of 25%, indicating that nearly one quarter of the migrant population is engaged in manufacturing industry with low technical requirements. The second industry is the wholesale and retail industry, accounting for 20%. The proportion of social services and accommodation and catering is 15% and 12% respectively, the proportion of construction industry is 7%, and the proportion of other high-end industries is relatively small.
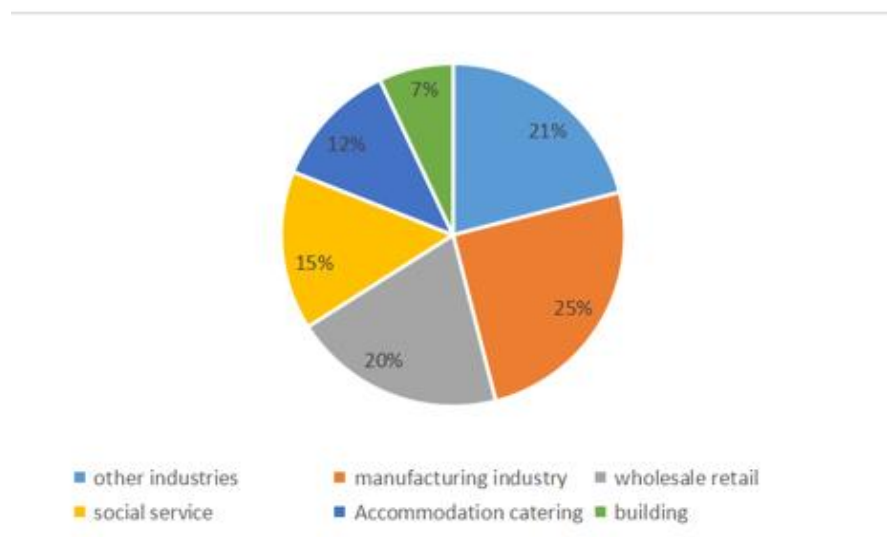

Figure 1. Employment distribution of the floating population

4. Conclusion

Through research, it is found that the consumption level of migrant households is positively correlated with the quality of employment, that is, the higher the quality of employment, the stronger the consumption level of migrants in the place of inflow; the quality of employment has an impact on the housing consumption of migrants. The higher the consumption, and the impact of employment quality on the housing consumption of migrants is higher than other consumption; the impact of employment quality on the consumption level of migrant workers is lower than that of urban migrants; the impact of employment quality on consumption depends on gender and education level There are differences between groups in mobile areas.

In order to improve the employment quality of the mobile population and increase the consumption level of the mobile population, this article puts forward the following policy recommendations: deepen the reform of the market employment system, narrow the employment gap between the mobile population and the urban permanent population, improve the construction of employment laws and regulations; guarantee the housing of the mobile population Establish professional urban housing for the mobile population to promote the urban integration of the mobile population; improve the social security system, narrow the gap between the mobile population and the urban permanent population in social security, and enhance their sense of identity; protect the consumption rights of the mobile population, and government departments guide consumption The improvement of the rights protection market environment has promoted the transformation and upgrading of consumption.

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