Consumption and Social Integration: An Empirical Evidence for Chinese Migrant Workers

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Context and main contribution to the economic literature

A large body of economic literature examines the economic and social impact of migrant workers and their capacity to adapt to urban lifestyle. The most frequent factors in the literature on the subject of social adaptation of migrant workers are individual characteristics, economic situation, or institutional and cultural identification. The authors add to the literature by choosing an interesting approach to the subject, considering consumption to be a potential channel for social integration, thought which a lifestyle transformation can occur.

Summary of the article

The article examines the relationship between consumption and social integration of migrant workers in China. To measure the social integration of migrant workers, the authors create a five-dimensional indicator including social distance, cultural integration, psychological integration, social interaction and settlement, through a field survey with 869 observations from different regions in 4 Chinese provinces. They also consider three dimensions of consumption, which are consumption level, consumption structure and consumption behavior.

The linear regressions that the authors use to measure the nexus between the above mentioned variables provide them with the following results: An increase of consumption is associated with an increase of the social integration of migrant workers. They also find that this effect is stronger for new-generation migrant workers and weaker for high-income migrant workers; Entertainment consumption plays the most important role on the social integration of migrant workers, whereas the effect of housing consumption is found to be negative; Among all types of consumption behaviors, rational consumption is beneficial to the social integration of migrant workers, whereas impulsive consumption is harmful to it. The effects of economical consumption and conspicuous consumption are not significant. They conclude with interesting policy recommendations.

Main points on the dataset creation:

- *Broadly defined variables and peculiar way of providing the survey*

In order to create a dataset, the authors exercise a field survey with 869 observations (correctly filled out of 1000 in total) from regions in 4 Chinese provinces selected among the most concerned by workers migration. The surveyed had possibility to choose from a large enough scale of five possible responses concerning their current and ideal situation (strongly disagree,

disagree, neutral, agree, and strongly agree). The authors were careful and made a pilot test on the instrument to check for the clarity with a random sample of 50 migrant workers before the survey. They created a five-dimensional indicator of social integration (composed of 16 questions), which creates opportunities for finding interesting and not yet observed results

- *It would however be worth to explore another factor analysis method*

The selected factor analysis method they employ is the principal-component analysis and Varimax with Kaiser Normalization. The "eigenvalue greater than 1" criterion is adopted to determine the number of factors to extract. This method is commonly defaults within statistics software packages, such as SPSS that the authors use. Although its use is very popular, this method was criticised in the literature for several reasons. Nunnally and Bernstein (1994) argue that this method is highly sensitive to properties of a dataset other than the number of factors, which leads to a risk of overestimating the number of factors. Wilson and Cooper (2010) explain other inconveniences of this method and advise using Velicer s minimum average partial (MAP) method that, besides producing a one factor solution to a dataset, it also calculates an associated index based on the average squared residual correlations of that one-factor solution. This method has many advantages (see Wilson and Cooper, 2010) that would be worth to explore and use in this kind of studies. Free factors analysis programs, such as FACTOR (Lorenzo-Seva and Ferrando, 2006) could be used for this method.

Discussion on results and specification:

- *Factors description*

In the factors description the authors find an ambiguous relationship between integration and duration of stay (although the overall integration level is positively related to duration, they still find that migrant workers with shorter duration enjoy higher integration in term of social interaction, psychological integration and sustainable development). Could this result be interpreted as a fatigue (or crisis) of integration that overcome the willingness to integrate if the time is not sufficient yet to acquire all the tools for a proper and more stable form of integration? Which of the five elements of social integration we speak about for those subjects that integrate in the short run and for those that integrate in long run? Is there any difference in the composition of their integration?

- *Control variables*

The "marriage" control variable means marriage to the local person? Three forms of marriages (or even partnerships) could have different effects: 1) to a local to the city, 2) to a foreigner (to the city and to the observed subject), and 3) to a person from their home region. It is slightly

different from the social contacts variable as being with someone does not directly mean having wider social life, although it has potential to have even stronger effect. It would also be interesting to control for the number of family members that live or have ever lived in a city (Chinese city or foreign - to see to what extent the family has experience to overcome the cultural barriers) that they have contact with.

Is not there any collinearity (or causal relationship) between the control variables (e.g. income and/or age) and consumption and its components?

- *Specific points on results interpretation*

The authors suggest an explanation of result: "… in comparison with the effects of other factors, the effects of consumption level are found to be relatively low. This is because most migrant workers need to compress their consumption due to the dilemma of low income and heavy family burden, which leads to low consumption level". Is this an appropriate explanation of the relatively low significance of the effect of consumption on social integration?

The authors explain the negative and significant effect of the interaction term consumption*income as follows: "We might attribute this result to the diminishing proportion of consumption over income, causing the decreasing utility of social integration for migrant workers derived from consumption with the increase of income". Is this what the survey data show?

Structure and style

The article is written in a clear way when it comes to its specific parts. The structure is less standard however it is not to say severely less „reader friendly".

Description of the consumption structure dataset creation would be more reasonable not to "hide" in the 3.4. "Specification" part and to describe it clearly in another (former) part of the paper.

The authors did not explain how they created the consumption behavior data.

It is also important to revise the English, as the article is full of errors in terms of grammar.

Idea for a following study

Having five dimensional definition of social integration at hand, it would be interesting to explore the same effects on the disaggregated data of social integration.