**A Study of the Wage Gap Faced by Migrant Workers from the Perspective of Industry Segmentation**

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**Abstract:** Based on China’s macro statistical data from 2008-2010, this paper analyzes the employment discrimination against migrant workers reflected by wage gap, taking into account a weighted industry segmentation index and a factor decomposition model. The results show that there is industry segmentation between migrant workers and urban workers in China’s labor market, and such segmentation has increasingly contributed to creating a wage gap between migrant workers and urban workers year by year. This study proves that first of all, there is a great difference between China’s migrant workers and urban workers in terms of industry access, and the wage gap between these two groups is increasingly widened by such difference year by year. If the influence of industry distribution difference is eliminated, the average wage of migrant workers will be improved, for example, by 23.6% in 2010.

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Keywords: industry segmentation, migrant workers, employment discrimination, factor decomposition model

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According to the statistics of the Ministry of Human Resources and Social Security of China, the population of migrant workers engaged in non-agricultural jobs non-locally and locally for more than 6 months in 2011 reached 25,278 million, such a huge social group that has become a major constituent of China’s industrial workers. However, as compared with urban workers, migrant workers are more or less subject to employment discrimination, which may trigger off migrant workers’ illicit or even criminal behaviors which will undermine urban safety and stability and social harmony. To some extent, employment discrimination against migrant workers in cities has become one of the most unharmonious phenomena, therefore increasingly becoming a major concern of the government and the academia.

I. Literature review and comment

To define employment discrimination is a precondition for its study, as did by international organizations and laws of many countries. In this regard, three international organizations, namely, the International Labor Organization, the UN and the EU, have played important roles. Chinese scholars Cai Dingjian (2007), Lin Yanling (2007), Zhou Wei (2006), Lin Jia (2006), Li Weiwei (2006), Zhang Yan (2006), Zhang Weidong (2006), Jin Guosheng (2006), Hu Meiling (2006), Qumu Yuanbu, Zhao Lihong and Yang Hua (2005), and Yu Shuhong (2005), have also defined employment discrimination. In this paper, employment discrimination against migrant workers is defined as discriminatory, restrictive or exclusive treatment in employment opportunities, pays, employment security, employment rights and career development encountered by migrant workers having the same labor productivity as a result of such factors as institutional change, economic and social transformation, policy-making and personal prejudice.
Employment discrimination theories are the basis of employment discrimination studies, which were started early by western scholars, who have established several typical employment discrimination theories that can be classified into noncompetitive discrimination theory, competitive discrimination theory, statistical discrimination theory, pre-labor-market discrimination theory (Krueger, 1963) and comprehensive environmental influence theory, etc. Employment discrimination theories have evolved from perfectly competitive market theories to imperfectly competitive market theories, while employment discrimination caused by labor market segmentation, characterized by labor market imperfection and information asymmetry, has become an increasing concern. The following table is a review of typical articles on labor market segmentation studies.

**Table 1 Analysis of literature on labor market segmentation studies**

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Time of publication</th>
<th>Study type</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doeringer &amp; Piore³</td>
<td>1971</td>
<td>Theoretical study</td>
<td>The labor market is divided into the primary labor market and the secondary labor market based on the differences in wage, welfare and promotion mechanism, etc.</td>
</tr>
<tr>
<td>Disckens &amp; Lang⁴</td>
<td>1985</td>
<td>The framework of theoretical analysis is optimized</td>
<td>By analysis of panel data from income surveys, the empirical results show that there are surely two independent labor markets and there are non-economic barriers that prevent the</td>
</tr>
</tbody>
</table>

³ Peter Doeringer and Michael Piore, Internal Labor Markets and Manpower Analysisi,Lexing,MA:D.C.Heath,1971
<table>
<thead>
<tr>
<th>Study</th>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tzannatoes⁵</td>
<td>1989</td>
<td>Flow of labor force from the secondary labor market into the primary labor market.</td>
</tr>
<tr>
<td>Telles⁶</td>
<td>1993</td>
<td>A study of gender-based occupational segregation in the UK based on the Bergamann Model using different data, showing that without occupational segregation, women’s employment proportion will increase by 1/3, and their income will increase by about 50%, in occupations dominated by men.</td>
</tr>
<tr>
<td>Hiebert⁷</td>
<td>1999</td>
<td>An empirical study of labor market segmentation and incomes in Brazil as a developing country, believing that there objectively exists labor market segmentation in Brazil.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A verification of labor market segmentation in the three biggest cities of Canada from race, gender and immigrants, showing gender-based segmentation is significant, and immigrants tend to</td>
</tr>
</tbody>
</table>

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Francine & Marianne\(^8\)

2002

Empirical study

A study of the occupational segregation indices of 8 countries including Italy, believing that occupational segregation indices differ greatly in 75 similar occupations, ranging from 44.9% in Italy to 63% in Sweden.

Campbell R. McConnell, Stanley L. Brue, David MacPherson\(^9\)

2006

Empirical study

A study of the US, finding that racial segmentation is not as serious as gender discrimination, while the gender-based occupational segregation index has decreased remarkably year by year.

Lai Desheng\(^10\)

1996

Theoretical study

An explanation of China’s unemployment and income issues using labor market segmentation theories

Cai Fang\(^11\)

2001

Theoretical study

Although more than two decades have passed since the initiation of China’s economic reform, China’s labor market remains seriously segmented.

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\(^10\) Lai Desheng. Comments on segmented labor market theories. Economic Perspectives 1996 (11)

<table>
<thead>
<tr>
<th>Author</th>
<th>Year</th>
<th>Study Type</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Li Jianmin</td>
<td>2002</td>
<td>Theoretical</td>
<td>China’s labor market is subject to multiple segmentations. The first level is urban-rural segmentation, the second level is sector segmentation, and the third level is institutional segmentation.</td>
</tr>
<tr>
<td>Li Qiang</td>
<td>2002</td>
<td>Theoretical</td>
<td>A study of migrant worker issues from the perspective of sociology, believing that the household registration system directly leads to the deviation of migrant workers’ identities from their occupations and roles.</td>
</tr>
</tbody>
</table>

As seen from the above typical literature of labor market segmentation studies, most foreign scholars conducted empirical analysis from the perspectives of gender and race, and few from the perspective of immigrants. Chinese scholars introduced western labor market segmentation theories to explain China’s employment and income distribution issues, but their empirical studies are insufficient. This paper, however, is an empirical study of migrant workers and labor market segmentation.

China’s study of employment discrimination started later than western countries, and its study of employment discrimination against migrant workers started in 1990s when China’s labor market took shape. With accelerated urbanization, employment discrimination against migrant workers has become an increasing concern of the government and the academia. In China, studies of employment discrimination against migrant workers focus on the situation, signs and reasons of and countermeasures against such discrimination, primarily

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from a qualitative perspective, while quantitative studies of employment discrimination against migrant workers are rare. The following is an analysis of related articles on employment discrimination against migrant workers.

**Table 2 Quantitative studies of employment discrimination against migrant workers**

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Time of publication</th>
<th>Data source</th>
<th>Study method</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knight, Song, Jia(^{14})</td>
<td>1999</td>
<td>Survey data</td>
<td>Regression method</td>
<td>79% of the wage gap between migrant workers and urban workers cannot be explained by the differences in personal characteristics. In this study, the wage gap excludes benefits in kind and social insurance.</td>
</tr>
<tr>
<td>Meng &amp; Zhang(^{15})</td>
<td>2001</td>
<td>Samples of the surveys of urban workers and migrant workers in Shanghai during 1995-1996</td>
<td>Blinder-Oaxaca decomposition</td>
<td>Migrant workers face enormous obstacles to getting job opportunities. 50% of the wage gap cannot be explained, and is attributed to discrimination.</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Authors</th>
<th>Year</th>
<th>Data Source and Methodology</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dong &amp; Bowles <em>16</em></td>
<td>2002</td>
<td>Survey data from the light industry consumer goods industry</td>
<td>Regression method: There is no employment discrimination against migrant workers in the light industry consumer goods industry</td>
</tr>
<tr>
<td>Wang Meiyan</td>
<td>2003</td>
<td>Data from the survey in six major cities including Beijing in 2000 by surveyors including Department of Sociology of Beijing University</td>
<td>Regression method: Only 24% of the wage gap between rural migrant labor force and urban local labor force can be explained by personal characteristics, while the remaining 76% is caused by discrimination.</td>
</tr>
<tr>
<td>Xie Sisheng, Yao Xianguo <em>17</em></td>
<td>2004</td>
<td>Survey data from a research group</td>
<td>Regression method: Certain gap exists between the average wages of migrant workers and urban workers, and 71.4% of such gap can be attributed to discriminative factors, among which direct discrimination accounts for 39.6%.</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Authors</th>
<th>Year</th>
<th>Data Source</th>
<th>Methodology</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zhigang LU, Shunfeng SONG</td>
<td>2006</td>
<td>Survey data from the four cities of Tianjin, Beijing, Shanghai and Chongqing in 2003</td>
<td>Wage regression model</td>
<td>There is employment discrimination against migrant workers, and employment discrimination against female migrant workers is greater than that against male migrant workers; state-owned enterprises impose greater discrimination on migrant workers than other enterprises do.</td>
</tr>
<tr>
<td>Li Chang’an</td>
<td>2010</td>
<td>Data from the survey of urban residents and temporary residents in 2002 by Income Distribution Research Group of the Institute of Economics of the Chinese Academy</td>
<td>Mincer earnings function; Brown decomposition model</td>
<td>There is employment discrimination against migrant workers, and 70.50% of the income gap between migrant workers and urban workers can be attributed to discrimination.</td>
</tr>
</tbody>
</table>

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| Leng LEE<sup>20</sup> | 2012 | Survey on China’s labor force in 2005 by the Institute of Population and Labor Economics, Chinese Academy of Social Sciences | For the first time, income is extended to include bonus and social security. An analysis of the differentials in overall income including bonus and social insurance shows that the income gap between migrant workers and urban workers is being widened; unexplainable differentials faced by male migrant workers are greater than those by female migrant workers; the degrees of discrimination differ between cities, and discrimination in developed coastal cities like Shanghai and Fuzhou is greater than that in inland cities like Wuhan, Shenyang and Xi’an.

As seen from the above table, quantitative studies and data of China’s employment discrimination against migrant workers basically come from regional sampling surveys, and

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<sup>20</sup> Leng LEE. Decomposing wage differentials between migrant workers and urban workers in urban China’s labor markets. *China Economic Review* 23 (2012) 337-345
such survey data may fail to represent the overall situation as the employment issues of China’s migrant workers differ greatly from different regions, or may be less authoritative as some survey data are restricted by survey methods. Most existing studies use regression analysis, and a few scholars began to use the Mincer earnings function and the Blinder-Oaxaca decomposition to study the factors creating the wage gap between urban workers and migrant workers and the extent to which each factor contributes to such gap. All the above mentioned methods are used to conduct statistical inference based on sampling survey data.

This study, however, looking at labor market segmentation from an industry segmentation perspective, uses a modified weighted labor market segmentation index to represent the degree of labor market segmentation, and uses a factor decomposition model and the macro statistical data from the National Bureau of Statistics of China to try to accurately and scientifically identify the degree and tendency of and countermeasures against employment discrimination against migrant workers caused by industry segmentation in the labor market, being a good trial to explore quantitative study methods for employment discrimination and to evaluate the severity of employment discrimination against migrant workers caused by labor market segmentation.

II. Data source and study methods

The data in this paper come from national macro statistical data issued by the National Bureau of Statistics of China, including China Statistical Yearbook 2011 and Monitoring and Investigation Report on Migrant Workers 2011. Based on a quantitative analytical method, first, the formula to calculate the labor market segmentation index is modified to devise a weighted industry segmentation index, followed by a quantitative analysis of the industry segmentation between migrant workers and urban workers. Then, a factor decomposition model is used to conduct a quantitative analysis of the wage gap between migrant workers and urban workers caused by industry segmentation.
III. Industry segmentation between migrant workers and urban workers

The current employment discrimination against migrant workers is characterized by the general low wage level, which is even lower than the normal deserved wage level. Unequal pay for equal work, poor working conditions, lack of social security and working overtime are common and serious. Labor market segmentation is one of the primary factors causing employment discrimination against migrant workers. Labor market discrimination theories show that when the occupational distribution within a population group is very different from that of another, there is occupational segregation, and when occupational choice is directly restricted or is affected by the fact of lower pay for certain established human capital characteristics, occupational segregation will reflect the existence of labor market discrimination. Restricted by macro statistical data, this paper uses industry segmentation to reflect the occupational segregation between migrant workers and urban workers, and uses an industry segmentation index to reflect the degree of employment discrimination caused by labor market segmentation.

(i) Industry distribution of migrant workers and urban workers

Table 3 Industry distribution of migrant workers and urban workers during 2008-2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Industry</th>
<th>Proportion of migrant workers in the industry in the total population of migrant workers ($p_m$)</th>
<th>Proportion of urban workers in the industry in the total population of urban workers ($p_u$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2009</td>
<td>2010</td>
<td>2008</td>
</tr>
</tbody>
</table>


Migrant workers are primarily distributed in six major industries including manufacturing and construction, adding up to nearly 90% of all migrant workers, and the urban workers retained in six major industries accounts for nearly 50% of all urban workers.

(ii) Calculation of the industry segmentation index of migrant workers and urban workers

In existing literature, normally DI (Difference Index) is used to reflect the industry distribution difference between migrant workers and urban workers. The formula is as follows:
$$DI = \frac{1}{2} \sum_{i} |p_{ri} - p_{ui}|$$

Where subscript $i$ represents different industries, subscripts $r$ and $u$ represent migrant workers and urban workers, respectively, and $p$ represents the proportion of workers in an industry in the total proportion of the group.

DI’s value ranges from 0 to 1. When the proportions of migrant workers in each industry in their total population are equal to those of urban workers, namely, $p_{ri} = p_{ui}$, DI has its minimum value of 0. When all migrant workers concentrate in a specific industry while urban workers concentrate in another, DI has its maximum value of 1. The bigger DI is, the more greatly the industry distributions of the two groups will differ.

DI does not take into account the importance of an industry, but simply assumes that each industry is equally important, and proportional differences in each industry are simply added up. In reality, each industry has its specific importance in the national economy, and it is not fairly scientific and precise to add these differences up.

This paper modifies the formula of the industry segmentation index, uses the total wages of the two groups in an industry to calculate the proportional difference of the populations in each industry, gets the absolute value and the weighted sum to get the weighted industry segmentation index (WDI). The modified index can better reflect the industry distribution difference of the two groups.

$$WDI = \frac{k}{2} \sum_{i} w_i |p_{ri} - p_{ui}|$$

$$w_i = \frac{(P_{ri}s_{ri} + P_{ui}s_{ui})}{\sum_i (P_{ri}s_{ri} + P_{ui}s_{ui})}$$

Where $w_i$, the capitalized $P$ represents the total population, and $s$ represents the average wage.

The industry segmentation indices of migrant workers and urban workers during 2008-2012 calculated using the weighted industry segmentation index are as follows.
Fig. 1 Industry segmentation indices (WDI) of migrant workers and urban workers during 2008-2010

The above results show that migrant workers and urban workers are increasingly segmented in terms of industry distribution, and as compared with urban workers, migrant workers are increasingly concentrating in traditional labor-intensive industries, primarily including the six major industries of manufacturing; construction, resident services and other services; traffic, transport, storage and post; and wholesale and retail trade. Most of these industries are based on the lower-end labor market with a largely low wage level and low job stability, and much fewer migrant workers have opportunities to enter such technology-intensive industries as finance, information transfer, computer services and software.

IV. Decomposition of the wage gap between migrant workers and urban workers

(i) Average wages of migrant workers and urban workers

Table 4 Industry-based monthly wages of China's migrant workers and urban workers during 2008-2010

<table>
<thead>
<tr>
<th>Industry</th>
<th>Year</th>
<th>Average monthly wage of migrant workers (yuan)</th>
<th>Average monthly wage of urban workers (yuan)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008</td>
<td>2009</td>
<td>2010</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>2009</td>
<td>2010</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,257</td>
<td>1,331</td>
<td>1,582</td>
</tr>
<tr>
<td>Construction</td>
<td>1,543</td>
<td>1,625</td>
<td>1,946</td>
</tr>
<tr>
<td>Traffic, Transport,</td>
<td>1,582</td>
<td>1,671</td>
<td>1,957</td>
</tr>
<tr>
<td>Storage and Post</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale and Retail</td>
<td>1,407</td>
<td>1,453</td>
<td>1,717</td>
</tr>
<tr>
<td>Trade</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accommodation and</td>
<td>1,169</td>
<td>1,264</td>
<td>1,511</td>
</tr>
<tr>
<td>Restaurants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident Services and</td>
<td>1,219</td>
<td>1,276</td>
<td>1,520</td>
</tr>
<tr>
<td>Other Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>1,375</td>
<td>1,460</td>
<td>1,774</td>
</tr>
<tr>
<td>Total</td>
<td>1,340</td>
<td>1,417</td>
<td>1,690</td>
</tr>
</tbody>
</table>

As seen from the average wages of China’s migrant workers and urban workers in different industries during 2008-2010, wage levels of different industries differ; in any specific industry, the wage level of migrant workers is lower than that of urban workers; during the three years, the wage levels of both migrant workers and urban workers increased, but the wage gap between them was also increasingly widened from an overall gap of 1,068 yuan in 2008 to 1,355 yuan in 2010.

Taking 2010 for example, the average wages of China’s migrant workers and urban workers in each industry are as shown in Fig. 2:
Fig. 2 Industry-based monthly wages of China’s migrant workers and urban workers in 2010 (yuan)

(ii) Factor decomposition model of wage gap

From the perspective of industry segmentation, the wage gap between migrant workers and urban workers can be seen as jointly created by industry distribution and intra-industry factors. This paper focuses on the wage gap caused by industry distribution. A factor decomposition model is used for the wage gap to calculate the influence of migrant workers’ industry distribution on the wage gap indicated by the absolute value and the relative value.

The wage factor decomposition model is as follows:

$$ u_r - r = \sum_{i} P_{ui}s_{ui} - \sum_{i} P_{ni}s_{ni} = \left( \sum_{i} P_{ui}s_{ui} - \sum_{i} P_{ni}s_{ni} \right) - \left( \sum_{i} P_{ni}s_{ui} - \sum_{i} P_{ni}s_{ni} \right) $$

Where $u_r$ represents the average monthly wage of urban workers, $r$ represents the average monthly wage of migrant workers, and the overall average wage is a weighted mean of the average wages in each industry. $u_r - r$ represents the wage gap between
urban workers and migrant workers. \( \sum p_r s_{ri} \) represents the expected overall monthly average wage of migrant workers when the average monthly wages of migrant workers in each industry reach the levels of urban workers based on the existing industry distribution.

Where \( \sum p_w s_{wi} - \sum p_r s_{ri} \) represents the absolute influence of industry distribution on the wage gap. It is assumed that migrant workers and urban workers have same average wages in each industry, and the wage gap is merely created by industry distribution difference.

The formula to calculate the relative influence of industry distribution difference on the wage gap is as follows:

\[
d_b = \frac{\left( \sum p_w s_{wi} - \sum p_r s_{ri} \right)}{\sum p_r s_{ri}} \left( \bar{s}_u - \bar{s}_r \right)
\]

Where \( \sum p_r s_{ri} \) represents the absolute influence of intra-industry difference on the income gap, and the increase of the overall average wage of migrant workers when the average wages of migrant workers in each industry reach the levels of urban workers.

The formula to calculate the relative influence of unexplained intra-industry differences on the wage gap is as follows:

\[
d_w = \frac{\left( \sum p_w s_{wi} - \sum p_r s_{ri} \right)}{\sum p_r s_{ri}} \left( \bar{s}_u - \bar{s}_r \right)
\]

Where \( d \) represents discrimination, \( b \) represents industry distribution (between), and \( w \), intra-industry distribution (within). \( d_b + d_w = 1 \)

The decomposition results obtained using the wage factor decomposition model are as follows:

**Table 5 Decomposition results of the wage gap between migrant workers and urban**
workers during 2008-2010

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average monthly wage of urban workers (yuan)</td>
<td>2,408</td>
<td>2,687</td>
<td>3,045</td>
</tr>
<tr>
<td>Average monthly wage of migrant workers (yuan)</td>
<td>1,340</td>
<td>1,417</td>
<td>1,690</td>
</tr>
<tr>
<td>Wage gap (yuan)</td>
<td>1,068</td>
<td>1,270</td>
<td>1,355</td>
</tr>
<tr>
<td>Wage gap caused by industry distribution (yuan)</td>
<td>286</td>
<td>354</td>
<td>399</td>
</tr>
<tr>
<td>Increase of migrant workers’ average wage when industry distribution difference is eliminated (%)</td>
<td>21.3</td>
<td>25.0</td>
<td>23.6</td>
</tr>
<tr>
<td>Wage gap caused by intra-industry factors (yuan)</td>
<td>783</td>
<td>916</td>
<td>956</td>
</tr>
<tr>
<td>Increase of migrant workers’ average wage when intra-industry differences are eliminated (%)</td>
<td>58.4</td>
<td>64.6</td>
<td>56.6</td>
</tr>
<tr>
<td>Influence of industry distribution on the wage gap (%)</td>
<td>26.7</td>
<td>27.9</td>
<td>29.5</td>
</tr>
</tbody>
</table>

The above results show that

(1) Generally, the wage gap between migrant workers and urban workers is jointly caused by industry distribution and intra-industry factors, and such wage gap is increasingly widened year by year. As seem from absolute numbers, the former is widened from 286 yuan in 2008 to 399 yuan in 2010, and the latter, from 783 yuan in 2008 to 956 yuan in 2010;

(2) Industry distribution is decisive to wages, and the relative influence of industry distribution on the wage gap is increasing year by year, from 26.7% in 2008 to 29.5% in 2010;

(3) If the influence of industry distribution difference is eliminated, the average wage of migrant workers will be improved, for example, by 23.6% in 2010. The bigger this value, the greater the potential to improve the overall wage of migrant workers will be, and it also
indicates that in reality, the wage gap caused by industry distribution difference will be wider.

V. Conclusion and countermeasures

The study results show that industry segmentation between migrant workers and urban workers does exist in the Chinese labor market. First of all, migrant workers and urban workers differ greatly in terms of industry access, and such difference is growing year by year. The wage gap between migrant workers and urban workers is also widened year by year. From the perspective of industry segmentation, the wage gaps caused by industry distribution and by intra-industry differences are equally widened year by year. In particular, the wage gap caused by industry distribution difference is widened both absolutely and relatively. If the influence of industry distribution difference is eliminated, the average wage of migrant workers will be improved.

Reasons of industry segmentation include both the difference in migrant workers’ personal characteristics caused by the difference investment in human capital, and unexplainable factors, namely, factors caused by industry access discrimination. In term of the latter, the first factor is policy-based restriction. Some cities stipulate the scope of jobs for migrant workers, and divide industries into those prohibit, those restrict and those permit, access by migrant workers, creating industry barriers to migrant workers. This is an important reason of industry segmentation. Second, reemployment human capital difference is a main reason of industry segmentation and the wage gap between migrant workers and urban workers. China’s unbalanced distribution of educational and training resources between urban and rural areas makes it persistently impossible for rural labor force to improve their caliber, leaving certain gap with the urban labor force. Moreover, the spatial distribution of the residential areas of migrant workers moving to cities is another reason of industry segmentation. Most migrant workers live in suburbs where labor-intensive industries are distributed, thus facilitating their employment therein, while most high-end industries
concentrate in downtowns. Finally, to reduce labor costs, employers impose industry access discrimination on migrant workers by taking advantage of the differences in their personal characteristics.

Industry segmentation greatly helps create the wage gap between migrant workers and urban workers. To narrow the wage gap between these two groups and reduce the employment discrimination against migrant workers, first of all, the wages of migrant workers and urban workers shall be improved. In particular, the wage of migrant workers shall be improved more remarkably than that of urban workers. To this end, first, restrictions on migrant workers' industries and jobs shall be removed to promote equal opportunities so that more migrant workers have more opportunities to enter those industries with higher wage levels, thus narrowing the wage gap caused by industry distribution; and second, equal pay for equal work shall be promoted so that for the same job, migrant workers will have equal pay as urban workers, thus narrowing the wage gap caused by intra-industry discrimination. The above two measures require both investment in human capital to improve the caliber of migrant workers and the improvement of the employment environment of the labor market so that employment discrimination against migrant workers will be eliminated in each phase.

**References:**


Based on the 2008-2010 national macroscopic statistical data, to reflect the pay gap of migrant workers employment discrimination, using weighted industry division index and factor decomposition model is analyzed, and the results show that: the labor market of our country exists migrant workers and town worker industry division sex, this division to the formation of a migrant workers and urban worker's wage gap produce certain effect, but also influence is the trend of the enlarged year by year. The research results show that migrant workers in our country first in professional access for urban workers and the difference is larger, and the difference in two groups of the pay gap in also enlarged year by year. If the industry to eliminate the influence of the distribution difference, migrant workers the average wage will get promoted, taking 2010 as an example will be increased by 23.6%.

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