

# ***The Economic and Social Impact of Domestic Migration on China's First-tier Cities: A Case Study of Beijing***

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**Abstract:** As China's political, economic, and cultural epicenter, Beijing has naturally evolved into the primary destination for a considerable influx of people. This migration trend primarily includes the substantial growth of the economic floating population, which has had a profound and multifaceted impact on Beijing's economy and society. This paper undertakes a comprehensive examination of the effects brought about by the expanding floating population, taking into account both micro and macro perspectives. At the macro level, the rapid growth of the floating population has posed various challenges and opportunities for Beijing's economy. On the one hand, this influx of labor force has fueled the city's economic growth, particularly in industries like construction and services. On the other hand, it has placed significant strains on public services, housing, and transportation infrastructure, requiring extensive adjustments and investments from the government. From a micro perspective, this paper delves into the daily lives of the floating population. It explores how their migration experience shapes their employment patterns, social integration, and access to healthcare and education. By analyzing these individual-level dynamics, we gain insight into the broader implications for urban planning, social services, and policies aimed at promoting inclusive growth in Beijing. This research aims to provide a comprehensive understanding of the multifaceted influence of the floating population's growth on Beijing. Through this analysis, we can better appreciate the complex interplay between economic development, social integration, and urban planning in one of China's most dynamic and cosmopolitan cities.

**Keywords:** economic impact, social impact, labor migrants, Beijing

## **1. Introduction**

Urban population migration has been a common phenomenon in recent years, especially with the continuous development of the Internet and high-speed transportation; people are choosing to leave rural areas and come to urban life. Firstly, cities have more opportunities and resources. Compared to rural areas, urban economic development is more mature, with more job opportunities and higher salary levels. At the same time, public support facilities such as transportation, education, healthcare, culture, and entertainment in urban areas are also becoming more complete, making cities a place for people to choose from more.

Secondly, the living environment in cities is more convenient and comfortable compared to rural areas. The living environment in cities is relatively superior, with more high-end residences such as

high-rise residential buildings, villas, and apartments available for people to choose from. In cities, people can enjoy more comprehensive facilities, such as more stable and advanced power supply, water supply, and heating facilities. Migratory labor is defined as casual and unskilled employees who move around deliberately from one place to another, giving their skills on a temporary, generally seasonal basis [1]. Migrant workers contribute to the growth and development of their destination.

Finally, cities provide individuals with a myriad of opportunities and platforms to harness their personal talents and tap into a broader spectrum of social resources. The diversity of job opportunities available in urban settings plays a pivotal role in stimulating people's creativity and honing their individual abilities. This exposure to various professional roles and industries not only broadens their skill set but also fosters innovation as they interact with different sectors of the economy. Moreover, cities are hubs of social activity, boasting a wealth of resources that extend well beyond the workplace. People residing in urban areas have the privilege of participating in a multitude of social events, cultural experiences, and community engagements. These engagements offer a rich tapestry of interactions, enabling individuals to expand their social networks significantly. By connecting with people from various backgrounds, professions, and interests, city dwellers can diversify their perspectives and adapt more effectively to the evolving dynamics of society.

In essence, cities act as crucibles for personal growth, providing an environment where individuals can thrive, develop their skills, and establish valuable connections. The wealth of opportunities and the extensive social fabric within urban centers empower residents to not only excel professionally but also to become active and engaged members of their communities. Beijing is the city that is described in previous paragraphs, which is the capital of China, holding important cultural, political, and educational resources. According to the bar chart of the population moving in Beijing from 2013 to 2022, the number of labor migrants to Beijing decreased from 2013 to 2017 and from 2018 to 2022, but there was a very significant increase from 2017 to 2018. The overall amount of labor migrants is from 120,000 to 210,000 [2].

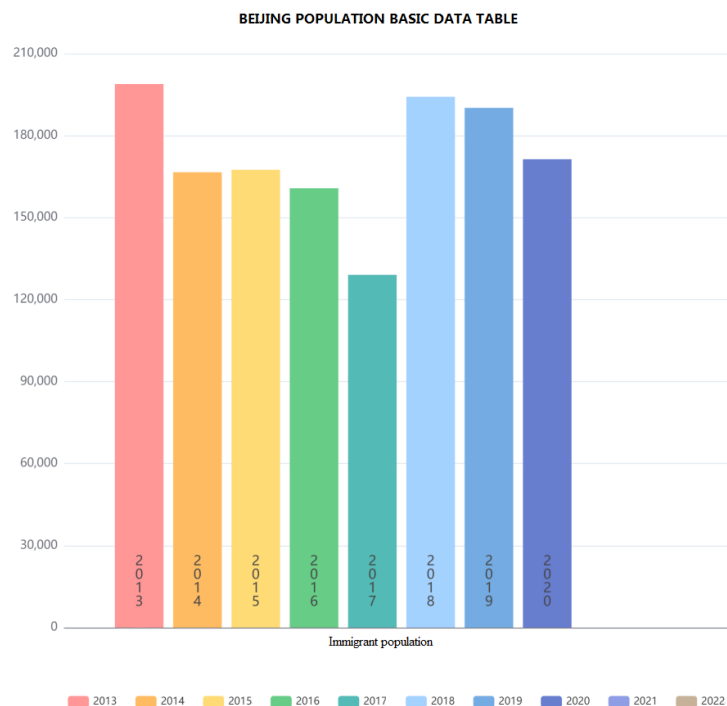


Figure 1: Beijing population basic data table.

Figure 1 records the fluctuation of the total number of migrant populations in Beijing since 1949. We can clearly see that national macroeconomic policies and socio-economic development factors influence the pattern of changes in the migrant population. The fluctuation of the total number of migrant populations in Beijing has roughly gone through a process of "natural growth - strict control - slow growth - rapid growth."

The period from 1949 to 1958 was the natural growth stage of the migrant population in Beijing. Due to the relatively free flow of population at that time, the influx of foreign population began to grow spontaneously and mainly relied on livelihood and refuge-based mobility. During the Great Leap Forward period, a large number of rural laborers entered the city to establish large-scale industries, which pushed the scale of Beijing's migrant population to reach its first peak, with about 270000 people [3]. The period from 1959 to 1965 was a period of strict control over population and social mobility. After the promulgation of the Household Registration Regulations of the People's Republic of China in 1958, Beijing adopted the policy of strengthening the management of urban registered residences and restricting the rural population from entering Beijing. The total number of immigrants dropped rapidly to 70000 in 1960 and remained at a low level of about 100,000 before 1965[4]. 1966-1983 was a period of slow growth in the total number of migrant populations in Beijing. During the Cultural Revolution, the management measures for the registration of temporary residents were interrupted, and the situation of migrant populations from other provinces and cities in Beijing experienced abnormal changes. During this stage, the migrant population in Beijing increased from around 100000 to over 200000[5]. Since 1984, the migrant population has grown rapidly, accompanied by the development of reform and opening up and rural economic system reform.

Table 1: Changes in the Total Amount of Immigrant Population in Beijing from 1949 to 2010.

YEAR	TOTAL		YEAR	TOTAL		YEAR	TOTAL	
1949	6.08		1960	7.42		1970	13.03	
1950	9.37		1961	8.17		1971	14.85	
1951	13.44		1962	8.58		1972	16.49	
1952	12.96		1963	10.54		1973	20.19	
1953	10.45		1964	11.31		1974	22.86	
1954	15.46		1965	11.18		1975	22.09	
1955	7.92		1966	11.89		1976	16.53	
1956	19.24		1967	14.43		1977	22.44	
1957	14.29		1968	13.06		1978	21.85	
1958	27.0		1969	12.08		1979	26.49	
1959	22.8							
YEAR	TOTAL	MORE THAN HY	YEAR	TOTAL	MORE THAN HY	YEAR	TOTAL	MORE THAN HY
1980	18.62	-	1990	-	53.8	2000	308.4	256.1
1981	18.33	-	1991	-	54.5	2001	328.1	262.8
1982	18	-	1992	150	57.1	2002	386.6	286.9
1983	20.93	-	1993	-	60.8	2003	409.5	307.6
1984	21.4	-	1994	329.5	182.1	2005	465	357.3
1985	88	-	1995	-	180.8	2006	-	383.4
1986	-	56.8	1996	-	181.7	2007	-	419.7
1987	115	59.0	1997	229.9	143	2008	855	465.1
1988	131	59.8	1998	-	154.1	2009	763.8	509.2
1989	-	53.9	1999	215.8	157.4	2010	777.6	704.5

With the rapid development of the social economy, the attractiveness of Beijing to the floating population is also constantly strengthening. The influx of the floating population has made outstanding contributions to the economic development, social construction, environmental protection, and other aspects of Beijing while also bringing huge challenges to the construction and management of the city. How to effectively utilize the economic benefits brought by the floating population, truly integrate them into the urban economic and social system and reduce the adverse impact on urban construction is a problem that both the government and scholars are exploring. Therefore, it is necessary to qualitatively analyze the positive and negative effects of the floating population on economic development in order to provide a reference for the management strategies of Beijing's floating population in the following text (Table 1).

## **2. Literature Reviews**

### **2.1. Theory of Population Mobility**

The theory of population mobility began earlier abroad, and it can be traced back to the seven "migration laws" proposed by British economist Levinstein in the 1880s. After the 1950s, the theoretical community was very active in studying population mobility, and various disciplines began to pay attention to this phenomenon and seek a theoretical basis. Later, a series of far-reaching macro theories of population mobility gradually emerged. However, its effectiveness cannot be confirmed, and the needs of policymakers are more specific. Many researchers have shifted their perspective to empirical research on population mobility.

Since the 1970s, micro-theoretical research has emerged, analyzing the psychological and logical characteristics of transfer decision-makers from the perspective of transfer decision-makers. In terms of population mobility theory research, a theoretical system has gradually been established, including Marxist population mobility theory, traditional models of development economics, new labor migration economics, population migration theory, and push-pull theory.

### **2.2. Marxist Theory of Population Mobility**

The Marxist theory of population mobility analyzes the reasons and driving forces of population mobility and reveals the laws of population mobility [6]. Marxist population theory, when analyzing capitalist production methods, found that population mobility is closely related to the development of agriculture and industry. Capitalist occupation of agriculture led to the expansion of the agricultural management scale, resulting in an excess of agricultural labor force and further promoting the flow of surplus agricultural labor to cities and towns. In the process of capitalist population urbanization, the rural migrant population is a powerful driving force for urban development. On the issue of the socio-economic impact of population mobility on rural and urban areas, Marxist population mobility theory believes that population mobility is like a double-edged sword, and both positive and negative impacts must be seen simultaneously.

### **2.3. Labor Transfer**

The research on labor transfer in development economics has a profound impact. The most famous models are the Liu Fei La model, the Jorgensen model, and the Todaro model. On the basis of the Liu Fei La model, the Jorgensen model abandons the assumption that the marginal labor force in the agricultural sector is zero and that both agricultural and industrial wages are fixed wages [7]. It emphasizes the development of agriculture and technological progress and emphasizes the role of market mechanisms in the process of labor transfer. The Jorgensen model is closer to reality but also ignores urban unemployment. Todaro's urban-rural population migration model uses the expected

returns of migrants to the city to explain the transfer of rural labor to the city, establishing a correlation between population migration, urban employment rate, and urban-rural income gap [8]. He pointed out that rural-urban population migration is a balanced force that equalizes the expected income of rural and urban areas rather than making the probability of urban and rural wages equal as in the competition model. Through the construction and analysis of a population mobility model, Todaro has come to the following conclusion: the imbalanced economic growth and economic opportunities between urban and rural areas in developing countries will inevitably lead to the synchronous growth of rural population flowing into cities and urban unemployment; Relying solely on industrial expansion cannot solve the problem of urban unemployment in developing countries; Controlling the scale and speed of rural population migration like urban migration can solve the problem of urban unemployment in developing countries.

#### **2.4. The Economics of New Labor Migration**

Since the 1980s, the economics of new labor migration has supplemented existing research on labor mobility. The economics of new labor migration believes that the calculation of expected income by migrants should consider the direct loss of personal utility caused by income variability, as well as the impact of this variability on future rural and urban income. Innovatively proposed that migration is not an individual behavior, but a collective behavior of families. When considering whether to migrate, individuals not only consider the income gap between urban and rural areas but also consider some personal and family factors. The purpose of individual migration is to maximize expected returns while minimizing household risks. At the same time, it is necessary to break free from the limitations of the labor market and eliminate the restrictions associated with market failures. Therefore, regional income differences and economic development differences are the only necessary conditions for population mobility, even if regional income differences narrow due to the

The market and other institutional arrangements are not fully developed, and rural populations will still flow outward. The economics of new labor migration also believes that international migration is an obstacle to economic progress due to the failure of other markets that handle the material welfare of households. International migration can provide an effective way to minimize risks and overcome capital barriers.

### **3. The Impact of Migrant Labor on the Urban Economy**

#### **3.1. Improve the Total GDP**

On the issue of "employment orientation of floating population", the supply side is the constantly increasing floating population, and the demand side is enterprises with a large demand for personnel caused by industrial structure adjustment. From the supply side, it is necessary to consider growth trends, population attributes, etc. From the demand side, it is necessary to consider adjusting trends and personnel needs. As macro regulators, government departments control the supply and demand relationship to achieve effective balance. As the political, economic, and cultural center of China, Beijing has unique resources and development space. Due to the continuous emergence of emerging technologies and rapid economic growth, more and more foreign populations are seeking development opportunities here. The influx of the floating population has brought opportunities for Beijing's economic development. According to statistics from the National Bureau of Statistics, the floating population in Beijing has significantly increased in recent years. According to the trend of population statistics in the past five years, the total population of this part in 2007 was 6195556, based on the entry "residing in one's own township, town, or street, with a household registration in another township, town, or street, and leaving the registered place for more than half a year". By 2011, the number of migrant workers in this sector had increased to 11488235, with an increase of 85.4%. The

total population continues to grow. According to statistical data, China's total population has grown by over 26 million in the past five years, with a growth rate of 1.97%. The continuous growth of the total population has resulted in a large amount of surplus labor force, which has left their hometown and attempted to seek development in large cities. As a major economic center in China, Beijing has a strong attraction, which is also one of the reasons for the continuous growth of Beijing's floating population. The rapid development of Beijing's economy. GDP is an important indicator for measuring economic development. The GDP of Beijing in 2007 was 984.6 billion, and by 2011, the total amount had increased to 1625.2 billion.[9]

### **3.2. Enhance the Tertiary Industry**

From the perspective of industrial transformation, in 2007, the Beijing Municipal Government had been committed to the development of the tertiary industry. By 2011, the GDP contribution rate of the tertiary industry had increased by 4% from the original level, reaching 76.1%.[10] The prosperity of the tertiary industry based on services cannot be separated from the support of human resources. Due to the influx of population, the Beijing government has vigorously supported the tertiary industry, which has created more job opportunities. As is well known, the service industry requires a large number of human resources, such as "logistics, catering, tourism," etc. Transferring the floating population from traditional industries such as "construction" to the service industry has been a major focus of the government's work in recent years. According to the different characteristics of the service industry, the required human resources are also different. For example, the logistics industry is dominated by male labor, while women dominate the catering industry, and the finance industry requires a large number of talents with professional backgrounds. In this case, through attribute positioning, we can understand the current relevant policies of the country and industry in order to obtain targeted and beneficial information.

## **4. The Impact of Migrant Labor on Society**

### **4.1. Impact on Social and Ecological Environment**

The excessive growth of the urban population seems to affect the ecological environment and social environment of the city to a certain extent. This includes further increasing employment pressure, increasing difficulty in social security, tighter housing, and traffic congestion. Intensify the shortage of resources, ecological environment damage, and environmental pollution in relocated areas. In addition, due to the limited carrying capacity of the environment and the self-purification capacity of pollution, the continuous increase in population, production, and consumption will inevitably exacerbate environmental pollution, The ecological environment has been further damaged. From the perspective of social reality and research results, people often hold a negative attitude toward population migration and urbanization. The strongest reason for negation, or hard indicator, is that the ecological environment and population carrying capacity of the relocation site are limited, and the population cannot continue to increase. The migration and urbanization of the population can only further cause resource shortages, environmental pollution, and ecological damage.

Contrarily, this phenomenon contributes to the enhancement of population quality, increased awareness of environmental protection, improved production efficiency, and more efficient resource utilization. It also fosters pollution control, the comprehensive utilization of resources, and the development of a circular economy. Furthermore, it plays a pivotal role in revitalizing and safeguarding the ecological environment in the areas from which populations have migrated. It is a well-established fact that populations tend to migrate from economically underdeveloped regions to thriving urban centers and coastal areas. In these underdeveloped areas, information flow is restricted, communication is limited, education lags, and public administration often faces substantial challenges



and inefficiencies. Conversely, in economically developed regions, information dissemination is extensive and rapid, fostering increased communication. The educational infrastructure is highly developed, making it easier for individuals to acquire basic knowledge about environmental protection and witness environmentally responsible behaviors.

#### **4.2. Impact on Education**

The population has spread to the periphery, causing significant changes in the geographical distribution of educated individuals. With the increase of Beijing's population, the urban scope of Beijing is expanding. At the same time, Beijing has intensified the renovation of old cities and the functional replacement of urban land,

The population changes in different regions are not consistent with the direction of the total population changes, and the direction of age population changes in each region is also inconsistent with the direction of the total population. This means that the changes in educational demand vary in different regions, and at the same time, it means that the supply of education and the adjustment of educational resources are also different. For example, the number of primary school students has decreased. In order to avoid wasting educational resources, it is required that the number of schools should also be reduced accordingly. In terms of the number of schools, in recent years, Beijing has reduced approximately 100 primary schools annually [11]. The number of primary school students varies in different regions, requiring different adjustments in the regional allocation of primary school education resources.

#### **4.3. Impact on Transportation**

The proportion of the floating population in Beijing's permanent population has exceeded one-third, and a large number of floating populations has indeed increased Beijing's transportation demand, bringing certain pressure to Beijing's transportation. However, the economic conditions, living modes, and the convenience of taking public transportation are different. The proportion of the floating population taking public transportation is higher than that of the registered residence population in Beijing, and they have actively practiced green travel. Although the influx of population has made Beijing's transportation situation more complex, the demand for vehicles is also one of the important ways to stimulate urban GDP growth. The influx of population may increase the demand for transportation, including private cars, public transportation, and taxis. This increase in demand may stimulate the development of car sales and related industries, thereby having a positive impact on the GDP growth of cities. Firstly, there is an increase in car sales: as the population inflow increases, the demand for cars will also correspondingly increase. Immigrants may purchase private cars to meet their travel needs, which will promote the growth of car sales and related industries, including car manufacturing and component supply. Secondly, the demand for public transportation has increased: population influx may lead to an increase in demand for public transportation. Immigrants may use public transportation, such as subways and buses, for commuting and transportation, which will increase the demand for public transportation services and promote the development of related industries. Then, there is an increase in demand for taxis: the increase in the immigrant population may also drive an increase in demand for taxis. New immigrants may use taxis to familiarize themselves with the city and address temporary travel needs, which will stimulate the demand for taxi services and have a positive impact on related industries. It should be noted that various factors, such as urban planning, transportation infrastructure construction, transportation policies, etc., also influence the impact of population inflow on transportation demand. Therefore, when studying the impact of immigration on Beijing's GDP, it is necessary to comprehensively consider the changes in transportation demand and its impact on related industries.

#### 4.4. Impact on Culture

When the population of one region migrates and flows to another region, there will inevitably be contact between two population groups with different cultures, and the process of cultural assimilation, mutual exchange, and cultural integration begins. The fundamental reason for the cultural exchange and integration caused by population migration and flow is the difference between the culture owned by the new immigrants and the culture owned by the population in the destination. The encounter of two or more different cultures will inevitably lead to acculturation, mutual assimilation, integration, and even conflict. Population migration and mobility have led to the mutual contact, assimilation, and integration of two or more cultures, forming a cultural transformation process of absorption, integration, compatibility, and innovation. Cultural assimilation and cultural fusion refer to the forms of cultural change caused by the contact of two or more different cultures. In history, there have been countless examples of the interaction and integration between different cultures due to population migration and mobility, leading to the formation of new cultural systems. People from places such as Shandong, Henan, and Hebei came to Beijing and brought their own cultures, such as Jiaodong culture, Yudong culture, and Yanzhao culture. These immigrant cultures and Beijing's traditional cultures, through the process of cultivation, mutual integration, and integration, have constructed diverse cultures [12].

In the process of population migration and mobility, people not only exchange information but also exchange ideas and emotions. If there is no exchange of information, ideas, and emotions, interaction and communication cannot occur between the immigrant population and the population in the destination without mutual understanding. In the process of cross-cultural population migration and mobility, only when both or more parties have a sufficient understanding of each other's cultural values and behavior can they communicate and interact smoothly. Due to the continuous migration and flow of population, cultural communication and exchange continue to occur. After long-term contact, two or several completely different cultures borrow and adapt to each other, resulting in changes in each other. This leads to cultural acculturation, mutual assimilation, and integration.

#### 5. Conclusion

In conclusion, labor migration has significant economic and social implications in Beijing. Migrant workers contribute to the city's economic growth by filling labor market gaps and stimulating consumption. Their remittances also benefit their places of origin. However, the rapid influx of migrants poses challenges such as strain on infrastructure, social exclusion, and family separation. To fully harness the economic potential of labor migration while addressing these social issues, it is crucial for policymakers to implement comprehensive strategies that prioritize the welfare and integration of migrant workers, as well as invest in infrastructure and public services to support the growing population in Beijing.

However, this paper has limitations. There are some limitations in the study of the impact of immigration on Beijing's GDP, such as data reliability and uncertainty in long-term impacts. Studying the impact of immigration on GDP requires accurate data support, including the number of immigrant populations, employment situation, consumption demand, etc. However, there may be some inaccuracies and incompleteness in the collection and statistics of immigration data, which may affect the accuracy of research results. Studying the impact of immigration on GDP is often based on short-term data and observations, making it difficult to determine its long-term impact. The impact of immigration on GDP may change over time, and more long-term research is needed to draw accurate conclusions.

How to provide reasonable employment guidance for the increasing floating population in the context of industrial structure adjustment is a matter that the government needs to consider in the



future. On the one hand, resettling this portion of the floating population is beneficial for social stability and prosperity. On the other hand, it is hoped that the government can make reasonable adjustments to the employment direction of the floating population so that the floating population can contribute to the growth of the regional economy. As the political, economic, and cultural center of China, Beijing has unique resources and development space. Due to the continuous emergence of emerging technologies and rapid economic growth, more and more foreign populations are seeking development opportunities here. The influx of the floating population has brought both opportunities and challenges to Beijing's economic development. In this situation, government departments need to have an overall evaluation of the future development trend of the floating population and have a clear understanding of whether its quantity and structure are in line with the needs of Beijing's economic development and industrial structure adjustment. On this basis, they need to effectively guide the industrial layout of the floating population in order better to promote Beijing's economic development and industrial structure adjustment.

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