

# The Impact of Labor Mobility on Consumption Structure in Rural Households

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**Abstract:** Rural labor migration is considered a key pathway to improving the quality and efficiency of rural household consumption structure, and it is crucial for addressing the challenges in the process of urban-rural integration. This study takes labor migration as its research perspective, exploring how it affects rural household consumption structure through both income and cost mechanisms. Based on data from the China Labor Force Dynamics Survey (CLDS), this paper conducts an empirical analysis. The study finds that rural labor migration has a positive impact on household consumption in both basic subsistence and development/enjoyment, but its impact on development/enjoyment consumption is more significant, resulting in a substantial overall improvement in household consumption structure. Further robustness analysis yields similar conclusions. This paper also selects relevant instrumental variables to discuss their impact on household subsistence consumption, with significantly positive results. Finally, heterogeneity analysis reveals that when rural laborers with lower total household income migrate for work, households are willing to spend more, which helps optimize the consumption structure. Therefore, low-income rural households possess considerable consumption potential, providing support for relevant policy recommendations.

**Keywords:** Rural labor force, Labor mobility, Consumption structure, Subsistence consumption.

## 1. Introduction

The report of the 20th National Congress of the Communist Party of China emphasized the importance of strengthening domestic demand in driving economic growth and enhancing the fundamental role of consumption in economic development. Currently, China is in a critical period of transition from a stage of high-speed growth to a stage of high-quality development. To build a new development pattern, the primary step is to activate and promote the effective operation of the internal economic circulation mechanism. The core strategy of the internal economic circulation lies in expanding the breadth and depth of domestic consumption demand, with a key focus on tapping the consumption potential of rural areas. Given the current sluggish domestic demand, developing the rural consumer market has become a key solution, aiming to fully unleash the consumption potential of rural areas. Furthermore, promoting the upgrading of rural residents' consumption concepts and shifting towards enjoyment-oriented consumption can not only significantly improve their sense of well-being but also effectively promote demand expansion, thereby contributing to economic development. According to the latest statistics released by the National Bureau of Statistics, China's per capita consumption expenditure reached 26,796 yuan in 2023. Specifically, the per capita consumption expenditure of urban residents was 32,994 yuan, nearly double that of rural residents (18,175 yuan). From the absolute figures of these data, significant differences in consumption levels still exist between urban and rural areas. In recent years, guided by the new development pattern strategy, China's household consumption patterns are gradually transforming, shifting from consumption focused on basic survival needs to development-oriented and enjoyment-oriented consumption that emphasizes improving quality of life. However, the gap in consumption levels between urban and rural areas remains significant. Specifically, in 2023, urban residents' per capita expenditure on development-oriented and enjoyment-oriented consumption reached 13,797 yuan, while rural residents' per capita expenditure on similar consumption was only 7,680

yuan.

In exploring ways to optimize rural household consumption structure, scholars have demonstrated through extensive and in-depth research that increasing rural residents' income levels, improving rural consumption conditions, and popularizing rural financial services are all effective means to promote the rationalization of rural household consumption structure, with rural residents' income considered the core driving force. Currently, the accelerated pace of urbanization and the surge in social demand for "skilled workers" have prompted many farmers to choose to work outside their hometowns in search of higher wages. According to statistics, in 2023, the total number of migrant workers nationwide reached 176.58 million, an increase of 4.68 million from the previous year, representing a growth rate of 2.7%. Among the migrant population, inter-provincial migration reached 67.51 million, accounting for 38.2% of the total, while intra-provincial migration reached 109.07 million, accounting for 61.8%. Regarding regional differences, the proportion of inter-provincial migration was 13.8% in the eastern region, 51.7% in the central region, 44.5% in the western region, and 30.9% in the northeast. The employment characteristics of migrant workers can be analyzed from two dimensions: first, the tertiary sector's ability to absorb migrant workers is continuously increasing; second, the monthly income level of migrant workers shows a continuous upward trend. Rural labor mobility is not only productive but also consumer-driven, profoundly impacting residents' consumption patterns. On the one hand, migration opens up more employment opportunities and higher income sources for rural laborers, allowing them to access more diverse goods and better lifestyles, thereby promoting the upgrading of household consumption structures. On the other hand, the high costs associated with migration reduce the disposable income of rural laborers, making them more willing to save rather than consume, thus having a cost effect on household consumption structures. Against this backdrop, this study focuses on rural labor mobility, deeply analyzing its impact on household consumption structures, exploring whether labor mobility can

effectively improve household consumption structures, considering the heterogeneous impact caused by differences in household income, and testing the robustness of the research results. This study not only provides theoretical support for understanding how rural labor mobility promotes household consumption and revitalizes the rural consumer market but also provides practical guidance for governments to formulate policies to guide the orderly flow of labor and increase the income of migrant workers, aiming to improve the efficiency of rural population resource allocation and optimize its spatial distribution pattern.

## 2. Literature Review

Against the backdrop of China's reform and opening up, and facing strong demand in the labor market and a surplus of labor in rural areas, scholars both domestically and internationally have introduced various theoretical models, such as Lewis's dual economic structure model, to conduct extensive research on the migration trends of rural labor in China. These studies reveal the importance of labor mobility in improving the allocation of surplus rural labor resources, enhancing the marginal efficiency of capital, and promoting integrated urban-rural development. Nevertheless, since the primary driver of labor mobility is the pursuit of higher income, most existing literature focuses on the relationship between mobility and income, including issues such as individual income levels, household income, and urban-rural income disparities. Simultaneously, with social development, migration-related costs are increasingly being considered a significant factor influencing labor mobility decisions. Therefore, the phenomenon of labor outflow driven by the pursuit of income and the resulting cost effects leading to labor return to rural areas has become a topic of current research.

Current research on the impact of labor mobility on household consumption structure is mainly divided into two schools of thought. Some scholars believe that labor mobility can significantly promote the optimization and upgrading of household consumption structure. Huang Dahu (2022), based on the spatial effect perspective, argues that rural labor migration significantly promotes the growth of various consumption expenditures and plays a positive role in promoting the upgrading of rural consumption structure. Song Mingyue et al. (2022), based on micro-survey data, found that when there is a migrant population in rural households, their consumption level is relatively high. Specifically, rural residents who migrate within the province have a stronger sense of identity, and their household consumption level exceeds that of those who migrate across provinces. Other scholars analyze the impact of labor mobility on consumption structure from an industry perspective. For example, Wang Xiwen (2019) found that agricultural labor mobility increases their purchases of rural housing, self-use and commercial products, while non-agricultural labor mobility leads to an increase in the purchase of fashionable and innovative products. Yang Yonggui et al. (2017), through empirical analysis, believe that family migration significantly improves the urban consumption capacity of migrant workers. As the proportion of family members working away from home increases, migrant worker families' consumption expenditure in cities also increases, and this trend is not limited by the

family's original consumption level. Jackson and Hewings (1984), based on input-output models, also concluded that labor mobility has a positive effect on people's consumption. Sun Heng and Chen Jiancheng (2024), from a traditional research perspective, innovatively discovered that digital inclusive finance and labor mobility can improve the consumption capacity of rural residents. If consumption is broken down into enjoyment-type and survival-type consumption, Zhang Linguan (2019) believes that as more and more rural residents work away from home, families will increase their expenditure on medical care, transportation, etc., and gradually shift to higher-level needs. Based on this, Zhu Yaling (2022) also found that through income and cost effects, rural labor migration will reduce the family's expenditure on necessities and increase expenditure on higher-level needs, thereby promoting the upgrading of the family's consumption structure. Huang Rong and Pan Mingqing (2014), based on the LAIDS model, found that labor migration often leads to an increase in consumption of clothing, cultural entertainment, and services, while it may reduce food and housing consumption, but has little impact on the consumption of household goods. In addition, Liu Lijun (2016) referenced Cai Fang (2009)'s literature to study the interaction mechanism among urban-rural income gap, rural labor mobility and consumption, and also concluded that rural labor mobility can promote consumption.

Another group of scholars argues that labor migration cannot optimize consumption structure and may even inhibit the upgrading of household consumption structure. Carroll et al. (2000) believe that although income increases, household consumption will not show significant changes in the short term; Sun Wenkai (2019) found that the insufficient sense of identity among migrant workers and the large differences in their background culture will inhibit household consumption and the optimization of consumption structure. Meanwhile, Nie Zhengyan (2014) observed that, given the high pressure of urban life, the income of rural migrant families mainly flows to consumption that meets basic survival needs. In addition, due to the existence of some uncertainties, the migrant population is more inclined to save money (Yin Zhichao et al., 2020). Therefore, the effect of labor migration on the adjustment of consumption structure is not prominent. In addition, due to the current problem of population aging, the change in social demographic structure has brought about a change in consumption patterns. The excessive burden of family elderly care will lead to a downgrade in family consumption; however, Weil (1994) believes that the increase in the number of children and the elderly in the family will lead to an increase in expenditures on medical care, entertainment and other activities. While working away from home brings benefits such as increased income, it also carries both risks and rewards. Therefore, Michael (2000) proposed that migrant workers often reduce their current household consumption expenditure to mitigate potential risks. The above studies generally conclude either that it promotes or inhibits consumption. However, Luo Zhengye (2023) proposed in his paper that labor mobility significantly improves residents' consumption structure. Furthermore, mobility also leads to changes in population structure; specifically, the larger the scale of labor mobility, the more likely residents' consumption structure will show a downward trend. It is evident that the impact of labor mobility on

consumption structure may change due to different mediating mechanisms.

When exploring the impact of labor mobility on household consumption structure, scholars often focus on the relationship between the two, frequently neglecting the mechanisms underlying this relationship—that is, the reasons for its promotion or inhibition. Therefore, the research by Liu Yucheng and Wang Liying (2023) fills a gap in previous studies. Their research shows that labor mobility does indeed promote household consumption, but the degree of upgrading still has significant potential. Furthermore, heterogeneity analysis reveals that labor migration primarily leads to increased spending by male heads of households and the elderly, with its positive effect on consumption being more pronounced in rural and central regions. However, Yang Chunli (2021) argues that population mobility does not significantly impact consumption, but the flow of talent promotes household consumption, with this effect being more pronounced in eastern and central regions. These studies play a crucial role in promoting further labor mobility, enhancing household consumption, and improving quality of life.

Based on previous research, this paper analyzes the relationship between the number of rural households working away from home and their household consumption structure. It enhances the persuasiveness of the paper through endogeneity tests, robustness tests, and heterogeneity analysis, with the aim of proposing relevant policies.

### 3. Theoretical Analysis and Research Hypotheses

According to consumption structure theory, consumers' income levels can influence consumption structure through two pathways: the "income effect" and the "demonstration effect." First, based on the "altruism" hypothesis proposed by Cass and Stark, rural household laborers tend to make altruistic decisions, meaning they are inclined to allocate a portion of their income to household public consumption, thereby improving the overall well-being and welfare index of family members. In reality, members working away from home typically send money back for daily consumption and gradually shift towards higher-level consumption needs, thus improving their quality of life. Second, due to the demonstration effect, laborers migrating from rural to urban areas are often influenced by locals, leading to changes in their consumption concepts and behaviors. When they return home, the new consumption concepts and habits they encounter can have a demonstrative effect on the consumption behavior of family members remaining in their hometowns, potentially triggering changes in the entire household consumption structure. Therefore, this paper proposes Hypothesis 1: Rural labor migration has a positive effect on household consumption structure, and Hypothesis 2: Rural labor increases subsistence and developmental consumption, but has a greater impact on developmental expenditures.

Furthermore, according to the theory of diminishing marginal propensity to consume, as income increases, consumers may spend more money on luxury goods or on development and enjoyment. However, the propensity to consume luxury goods is generally lower than that for necessities. Therefore,

although income increases, the marginal propensity to consume decreases, and the increase in development and enjoyment expenditures may not necessarily exceed the increase in subsistence expenditures. This leads to Hypothesis 3: In rural areas, the increase in development and enjoyment consumption brought about by labor migration from low-income families is significantly greater than that from high-income families.

## 4. Empirical Analysis

### 4.1 Data Sources, Variable Descriptions and Model Specifications

#### 4.1.1 Data Source

The data used in this paper comes from the China Labor Force Dynamics Survey (CLDS) 2018. The CLDS, conducted by the Center for Social Science Survey at Sun Yat-sen University, aims to track and collect data at the individual, household, and village/community levels, focusing on the living conditions, employment, and economic situation of urban and rural residents in China. This database contains information on rural population mobility and household economic status, which is largely consistent with the research content of this paper. This paper selects the 2018 CLDS data and filters out the rural-registered labor force migration group. Individual and household questionnaires are combined, and samples that cannot be matched, outliers or missing values of key variables, and samples with answers such as "don't know" or "not applicable" are removed, ultimately retaining 2342 valid samples.

#### 4.1.2 Variable Description

1) Explained variables: subsistence consumption and development and enjoyment consumption of rural households. This paper refers to relevant literature and the research of scholars such as Zhu Yaling, and selects food, housing and housing expenditures to construct subsistence consumption, and selects eight expenditures such as transportation, medical care and education to construct development and enjoyment consumption. In order to enhance the normality of the sample data and reduce heteroscedasticity, this study summarizes the two types of consumption expenditures and takes the natural logarithm of their sum.

2) Core explanatory variable: number of rural household laborers. This paper first screens the rural population in the database, merges individual questionnaires and household questionnaires, and calculates the total number of migrants in each household based on "whether they have experience working outside the county (more than half a year)?"

3) Control variables: Referring to the research of relevant scholars, the following variables were used as control variables: total household income, financial assets, liabilities, living conditions, whether or not the household is engaged in agriculture, family relationships, and the political affiliation, educational background, health status, and medical insurance payment status of the head of household. The results are detailed in Table 1.

**Table 1:** Variable Definitions and Statistical Descriptions

variable	mean	Standard deviation	Minimum value	Maximum value	Variable meaning
Subsistence consumption	9.163	1.164	5.081	14.528	The sum of expenditures on food, housing, etc. (unit: yuan) is taken as the natural logarithm; the sum of expenditures on transportation, healthcare, education, etc. (unit: yuan) is taken as the natural logarithm.
Develop enjoyment type Consumption	9.081	1.927	0	13.336	
Labor mobility Number of people	0.405	0.657	0	3	Number of migrant workers from their hometowns (unit: person)
Household income	9.971	1.864	0	14.509	Annual household income (unit: yuan) is calculated using the natural logarithm.
Financial assets	0.558	2.167	0	13.816	Household property income (unit: yuan) is calculated using the natural logarithm.
Household debt	0.355	0.479	0	1	None = 0, Existence = 1
Family living situation	0.959	0.198	0	1	Do you own your own home? No = 0, Yes = 1
Does the family engage in agriculture?	0.734	0.442	0	1	No = 0, Yes = 1
Family relationships	7.192	1.661	1	10	Indifference = 1, Closeness = 10 (the higher the number, the closer the relationship).
Political affiliation	0.070	0.255	0	1	Non-Party Members = 0, Party Members = 1
Educational background	0.154	0.361	0	1	Junior high school and below = 0, junior high school and above = 1
health status	3.657	1.040	1	5	1 = Very unhealthy, 2 = Somewhat unhealthy, 3 = Average, 4 = Healthy, 5 = Very healthy
Urban and rural residents' medical insurance	0.089	0.285	0	1	Unpaid = 0, Paid = 1

Source: Compiled by the author.

### 4.1.3 Model Setting

Based on the selection and definition of each variable above, the following econometric model is constructed:

$$lnsub_i = \alpha_0 + \alpha_1 labor\_off_i + \alpha_k X_i + \mu_i$$

$$lndev_i = \beta_0 + \beta_1 labor\_off_i + \beta_k X_i + \varepsilon_i$$

Where is  $X_i$  the control variable matrix,  $\mu_i$  and  $\varepsilon_i$  are the error terms.

## 4.2 Empirical Analysis

### 4.2.1 Benchmark Regression

This paper first clearly defines subsistence consumption and development and enjoyment consumption, and then examines the impact of rural labor migration on these two types of consumption expenditures. As shown in columns (1) and (2) of Table 2, when other conditions are constant, rural labor migration has a significantly positive impact on both types of household consumption. Specifically, the impact coefficient of rural labor migration on subsistence consumption is 0.122, while the impact coefficient on development and enjoyment consumption is 0.220, with the latter coefficient being significantly larger. The reasons for this result may be as follows: First, it is influenced by the income effect. Laborers choose to work outside their hometowns to obtain higher incomes, and as income increases, people may consume more. According to Maslow's hierarchy of needs, after satisfying their basic needs for food, clothing, housing, and transportation, migrant workers may choose to spend on higher-level consumption, thus making the proportion of subsistence consumption relatively smaller than that of development and enjoyment consumption. Second, the increase in the number of migrant workers has a positive impact on household subsistence expenditures, possibly due to increased costs. Because migrant workers may have to rent housing and pay for food, their living expenses may increase. On the other hand, with the aging population becoming more prominent in recent years, the number of elderly people left behind at home has increased. Migrant workers tend to send money home to these elderly people for basic needs such as

food, which also increases their spending on necessities.

Regarding control variables, total household income, household debt, and close family relationships all have significant positive effects on subsistence consumption and development/enjoyment consumption. Specifically, when total household income increases by 1%, the proportion of households increasing subsistence consumption is 12.5%, while the increase in development/enjoyment consumption reaches 16.7%, both statistically significant at the 1% level. Household financial assets have a positive effect on subsistence consumption, but the impact on development/enjoyment expenditure is not significant. This may be because the wealth effect of financial assets increases household consumption capacity, thus increasing subsistence expenditure; however, this effect may not be significant for development expenditure, which requires long-term wealth accumulation and planning. Regarding household debt, debt has a significantly positive impact on both subsistence and development/enjoyment consumption. This may be because, under favorable credit policies and market conditions, groups previously restricted by credit can more easily obtain loans. This change not only stimulates households' willingness to borrow but also increases consumers' risk tolerance. As borrowing becomes more prevalent, households may increase their consumption expenditures, encompassing various types of spending, from basic survival needs to higher-level development needs. On the other hand, despite the pressure of increased debt, consumers may view investments in education, training, and other areas as crucial to enhancing their competitiveness. Therefore, they may strive to maintain or increase spending in these areas in hopes of achieving better career development or income levels in the future. Consequently, development and enjoyment expenditures will increase even further on top of already high survival-related expenses. Closer family relationships tend to lead to greater consumption, with development and enjoyment expenditures increasing significantly. This may be due to shared lifestyle habits and hobbies among family members, leading to increased spending, greater investment in elder care and childcare, and increased transportation costs due to frequent travel.

Secondly, from an individual perspective, a higher level of education among the head of household is often accompanied by increased spending on enjoyment-related consumption. This phenomenon may be because a higher level of education typically means the head of household has received more in-depth education, potentially leading to higher income and a broader perspective. These factors collectively drive the head of household to continuously improve their quality of life, thereby optimizing and upgrading the overall family consumption structure, specifically manifested in an increased proportion of enjoyment-related consumption.

**Table 2: Impact of Rural Labor Migration on Household Consumption Structure (Baseline Regression)**

variable	(1) Subsistence consumption	(2) Develop enjoyment - oriented consumption	(3) Consumption upgrade
Labor mobility	0.122*** (0.0359)	0.220*** (0.0547)	0.0219** (0.00862)
Household income	0.125*** (0.0179)	0.167*** (0.0334)	0.00238 (0.00313)
Financial assets	0.0274** (0.0119)	-0.00506 (0.0209)	-0.00344 (0.00277)
Household debt	0.250*** (0.0498)	0.485*** (0.0845)	0.0440*** (0.0122)
Family living situation	0.317*** (0.115)	0.231 (0.193)	-0.0339 (0.0253)
Does the family engage in agriculture?	-0.337*** (0.0527)	-0.0585 (0.0953)	0.0135 (0.0131)
Family relationships	0.0588*** (0.0136)	0.108*** (0.0234)	0.0107*** (0.00343)
Educational background	0.184*** (0.0668)	0.247** (0.110)	-0.00648 (0.0160)
Political affiliation	0.114 (0.0904)	0.0742 (0.175)	0.0123 (0.0219)
health status	0.0551** (0.0236)	-0.0505 (0.0438)	-0.0224*** (0.00575)
Urban and rural residents' medical insurance	0.0416 (0.0673)	-0.0269 (0.137)	0.000212 (0.0189)
constant term	7.043*** (0.221)	6.353*** (0.416)	0.477*** (0.0476)
Observations	2,342	2,342	2,342
R-squared	0.113	0.066	0.025

Note: \*\*\*, \*\*, and \* represent significance at the 1%, 5%, and 10% levels, respectively. The values in parentheses are standard errors. Same as below.

4.2.2 Instrumental variable regression

Regarding the issue of endogeneity, this paper selects the instrumental variable method for regression analysis. Specifically, the instrumental variable is constructed using the interaction term of the total number of working-age persons in rural households and the number of migrant workers. This instrumental variable was chosen because it is correlated with the explanatory variables, and the regression analysis confirmed this correlation. Furthermore, the F-value of the weak instrumental variable test was 2512.51, rejecting the null hypothesis of a weak instrumental variable. The results in the table below show that rural labor migration has a positive impact on both subsistence and development / enjoyment - related expenditures of households, significant at the 5% and 1% levels respectively, largely consistent with the above conclusions. However, the coefficient and significance of subsistence-related consumption decrease, while the coefficient of development/enjoyment-related consumption increases. This indicates that the issue of endogeneity warrants attention. The data in the table also show that labor migration has a stronger income effect and demonstration effect on household consumption structure, which contributes to the upgrading of household consumption.

**Table 3: Endogeneity Analysis of the Impact of Rural Labor Migration on Household Consumption Structure**

variable	(1) Subsistence consumption	(2) Develop enjoyment - oriented consumption
Labor mobility	0.0901** (0.0405)	0.285*** (0.0533)
Household income	0.0408 (0.0670)	-0.0253 (0.137)
Financial assets	0.125*** (0.0179)	0.166*** (0.0332)
Household debt	0.0272** (0.0119)	-0.00452 (0.0209)
Family living situation	0.254*** (0.0497)	0.477*** (0.0843)
Does the family engage in agriculture?	0.316*** (0.115)	0.232 (0.193)
Family relationships	-0.338*** (0.0526)	-0.0565 (0.0952)
Educational background	0.0594*** (0.0136)	0.107*** (0.0233)
Political affiliation	0.182*** (0.0667)	0.250** (0.110)
health status	0.110 (0.0900)	0.0835 (0.174)
Urban and rural residents' medical insurance	0.0555** (0.0236)	-0.0513 (0.0437)
constant term	7.048*** (0.221)	6.344*** (0.415)
Observations	2,342	2,342
R-squared	0.113	0.065

4.2.3 Robustness test

This paper references the research methods of Zhu Yaling et al., replacing the core explanatory variable by changing “the number of rural laborers migrating” to “whether there are migrant workers in the household” for regression, and conducting a robustness test on the model. Furthermore, this paper uses the proportion of development and enjoyment expenditures to total expenditures to construct the “consumption upgrade” variable, which adds robustness to the results of this study. The results are basically consistent with the above, as shown in Table 4 below.

**Table 4: Robustness test of the impact of rural labor migration on household consumption structure**

variable	(1) Consumption upgrade	(2) Subsistence consumption	(3) Develop enjoyment-oriented consumption
Does the family have any members working away from home?	0.0263** (0.0122)	0.166*** (0.0498)	0.285*** (0.0811)
Household income	0.00236 (0.00314)	0.125*** (0.0179)	0.166*** (0.0335)
Financial assets	-0.00357 (0.00277)	0.0268** (0.0119)	-0.00626 (0.0210)
Household debt	0.0447*** (0.0121)	0.253*** (0.0497)	0.491*** (0.0849)
Family living situation	-0.0336 (0.0253)	0.319*** (0.116)	0.234 (0.194)
Does the family engage in agriculture?	0.0128 (0.0131)	-0.340*** (0.0526)	-0.0653 (0.0955)
Family relationships	0.0107*** (0.00343)	0.0586*** (0.0137)	0.107*** (0.0233)
Educational background	-0.00723 (0.0160)	0.179*** (0.0668)	0.240** (0.110)
Political affiliation	0.0128 (0.0220)	0.120 (0.0905)	0.0822 (0.175)
health status	-0.0220*** (0.00575)	0.0575** (0.0237)	-0.0462 (0.0439)
Urban and rural residents' medical insurance	-0.000734 (0.0189)	0.0360 (0.0676)	-0.0367 (0.137)
constant term	0.476*** (0.0477)	7.038*** (0.221)	6.345*** (0.417)
Observations	2,342	2,342	2,342
R-squared	0.024	0.113	0.065

#### 4.2.4 Heterogeneity Analysis

Based on the regression analysis of the overall sample, this paper further screened the sample. This screening process was based on the total income of migrant households. The samples with household income higher than the average of this variable and the samples with household income lower than the average were used as independent variables for heterogeneity analysis, respectively. Finally, 1369 and 973 valid samples were retained, and the results are shown in Table 5 below.

The results in the table show that the impact of rural labor migration on different types of consumption varies depending on household income. Specifically, high-income households have no significant impact on subsistence consumption, while low-income households experience a significant positive effect. This is likely due to income and substitution effects:

for low-income households, the increased income from migrant work may lead to increased subsistence consumption, as these are necessities for them. For high-income households, the increase in income may lead to more development-oriented consumption, as they have already met their basic survival needs, and more income will be used for enjoyment and development-oriented consumption. However, the effect of labor migration on development and enjoyment expenditures is more pronounced among low-income households. This is because high-income households, due to factors such as consumption concepts and social relationships, are already more inclined to engage in development and enjoyment-oriented consumption, while low-income households do not invest as much in this area. Therefore, all other things being equal, for every unit increase in the number of migrant workers, low-income households will see a greater increase in development and enjoyment expenditures.

**Table 5:** Heterogeneity Analysis of the Impact of Rural Labor Migration on Household Consumption Structure

variable	Subsistence consumption		Develop enjoyment-oriented consumption	
	High-income families	low-income families	High-income families	low-income families
Labor mobility	0.0367 (0.0393)	0.189*** (0.0654)	0.129* (0.0699)	0.375*** (0.0883)
control variables	control	control	control	control
Observations	1,369	973	1,369	973
R-squared	0.100	0.079	0.041	0.097

## 5. Conclusions and Recommendations

This paper, based on CLDS data, studies the impact of labor mobility on household consumption structure and draws the following conclusions:

First, rural labor migration promotes both subsistence and development/enjoyment-oriented expenditures for households, and upgrades household consumption structure. Specifically, migrant workers lead to a shift in household consumption patterns, with a greater proportion of spending on development/enjoyment-oriented activities. Second, rural labor migration has a positive effect on both subsistence and development/enjoyment-oriented consumption for low-income households, and a positive impact on development/enjoyment-oriented consumption for high-income households.

Based on the above conclusions, this paper offers the following policy recommendations: First, since labor mobility optimizes household consumption structure, the government should continue to promote labor mobility policies to encourage surplus rural labor to work outside their hometowns. Second, to increase the income of rural migrant workers, training in cultural and professional skills should be strengthened. Furthermore, deepening the connection between rural and urban areas, promoting urban-rural integration, and increasing the participation of rural residents in non-agricultural industries will increase farmers' economic benefits. Additionally, special attention should be paid to low-income rural families, creating a favorable consumer market environment through welfare policies to unleash their consumption potential. Finally, the government should expand the supply of public goods such as medical insurance and education to enhance their developmental and enjoyment-oriented consumption, and ensure the welfare of

left-behind elderly and children, aiming to improve the overall consumption capacity of migrant families.

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