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The time use pattern and labour supply of the left behind spouse and children in rural China $\overset{\curvearrowleft}{\backsim}$

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ABSTRACT

Studies on the impact of rural-urban migration on the left behind, in particular, their time use and labour supply are few. The migration of a household member might lead to an "income effect" which could reduce the labour supply of the left behind and/or to a "substitution effect" which would work in the opposite direction. Thus the total effect of migration on the left behind is an empirical question. This paper uses panel data from the China Health and Nutrition Survey (CHNS), and uses the wage gap sorted by education level as instrumental variable to control for the "endogeneity" of migration. The findings show that the time use of the left behind spouse and children is not statistically different from those same members of non-migrant households, suggesting that the income effect is offset by the substitution effect. The result proves to be resilient to various robustness checks.

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1. Introduction

China has seen dramatic changes in its labour market over the past few decades, with hundreds of millions of workingage peasants moving from rural to urban areas (Démurger & Li, 2013). This is the largest labour flow in world history (Knight, Deng, & Li, 2011; Knight & Gunatilaka, 2010; Zhao, 1999). The thing is rural migrants working in China have been regarded as cheap labour and for a long period of time, they have been the power behind China's industrialisation and economic growth. Migrant-sending areas have also benefited from the relationship between the migrants and their non-migrant family members left behind. This benefit comes through remittances sent by the migrants, capital and human capital of return migrants and increased opportunities for urban employment based on the migrant network.







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Migrants contribute greatly to rural and urban development in China when they try to maximise the welfare for themselves and their families. Academic research has focused on the migrants living in urban areas, determinants of migration and return migration (Frijters, Kong, & Meng, 2011; Giulietti, Wahba, & Zimmermann, 2013; Knight & Song, 2003; D. Zhang, Meng, & Wang, 2010). However, as pointed out by Démurger and Li (2013), "there is still little empirical evidence on how migration and remittances affect individuals and households who stay behind."

Many women, children and elderly parents in migrant families are left behind in rural areas, due to the multiple reasons. First, women, especially the elderly and married women, are at a disadvantage when it comes to employment in urban areas, because of the social-cultural traditions and employers' preferences for young and single women, when hiring females (Fan, 2003). Second, institutional constraints like the household registration system "create many difficulties for migrants living in urban areas in terms of good and secure jobs, housing and access to public services and these difficulties deter or prevent migrant workers from bringing their families with them to urban areas" (Knight et al., 2011). Finally, under the land ownership policy in China, each rural household has the right to cultivate a piece of land (farmland, woodland, lakes, etc.) and labour is needed to work on this land if the households want to sell or consume the agriculture products.

Migration forces the left behind members to reallocate time across different activities - off-farm, farm work and domestic work. How migration affects the time use and labour supply of the left behind spouse and children remains an open empirical question.

Theoretically, "the global net effect of migration on the diversification of income-generating activities in sending communities is uncertain" (Démurger & Li, 2013). This paper studies the impact of male household head migration on the time use in housework, agriculture and wage labour of left behind children and women, while Démurger and Li (2013) evaluates the similar outcomes of all left behind family members as a whole using a cross-sectional data.

Migration affects the time use and labour response of the left behind through two channels, the "income effect" and the "substitution effect". In the context of migration, "income effect" is the effect of non-labour income (remittances) from migration that would raise the reservation wage of the left behind family members. The income effect of migration occurs if the left behind family members receive remittances from the migrants. "Substitution effect" comes from the fact of time-allocation for family activities like housework, household farm, etc. When one family member of the household migrates, the left behind ones need to adjust their time allocation accordingly to compensate for the lost labour.

The income effect stemming from remittances "would raise the reservation wage of non-migrants and thus potentially decrease labour force participation" (Antman, 2013). In the case of Chinese rural to urban migration, the "remittances from migrants affords the left behind household members to spend less time on off-farm or farm work" (Chang, Dong, & MacPhail, 2011). On the other hand, as migrants leave, the total labour supply of the household decreases; as a consequence, migration may increase the time and labour supply of the left behind members to compensate for the lost labour.

The income effect and substitution effect of migration work in opposite directions, the net effect of migration on the time use and labour of the left behind is not evident. In accordance with economics theory of migration and previous empirical findings, it is assumed that, firstly through the income effect, time use and labour supply of the left behind decreases; secondly through the substitution effect, left behind women and children increase their time use and labour supply. This paper focuses on the net effect of migration to ascertain whether the income effect or substitution effect has a greater impact. However, how the time use aspects of the left behind are impacted by the migration of the male household head does not reflect if a household with a male migrant household head is better off or not.

This paper investigates the time use and labour supply of the left behind members in response to migration in China, using the China Health and Nutrition Survey (CHNS), which contains time use information, migration and other social-economic characteristics of individuals, households and villages. This paper uses an instrumental variable approach to control for the endogeneity issue in the model. Lack of remittance information in the data makes it difficult to measure the non-labour income and the timing of "income effect". This paper assumes that all the left behind family members receive remittances. It identifies that, overall, the time use and labour supply of the left behind spouse and children are not statistically different from the members in non-migrant households. The findings suggest that the income effect is offset by the substitution effect, while the net effect of migration is not considerably significant. This result also survives various robustness checks.

Limited studies focus on the rural to urban migration in China, especially on the left behind. Research on the left behind family members are important as these are closely related to poverty reduction, inequality and rural development due to the huge number of children and spouses left behind in the vast rural areas in modern China. As estimated from the Chinese census, there were 61 million children left behind in 2010.¹ These numbers are large and are nearly equivalent to the entire population of the UK. It is estimated that, in 2006, there were around 50 million left behind children and spouses, are related to many other aspects of welfare for individuals and households. For instance, the education of the children may be affected. Some children may have to quit school at an earlier age to compensate for the lost labour in the family due to the substitution effect of migration. The left behind women, who are living without the male household head, may take up the main responsibilities for the household and may suffer from possible physical or psychological health issues. The migration of the male household head also relates with the household bargaining. At the macro level, the Chinese authorities would care more about the left behind families and amend their policies, as otherwise, there may be many potential social and economic problems. First, as

¹ Chinese the official news agency, The people's daily http://acwf.people.com.cn/n/2013/0510/c99013-21437965.html.

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