

# Literature and Theory Review of Labor Mobility and Industrial Structure Adjustment

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## ABSTRACT

*At present, China's economy is developing rapidly, and the industrial structure has changed from "two, three, one" to a "three, two, one" model. The flow of labor is closely related to changes in the industrial structure. The former will promote the upgrading of the industrial structure. At the same time, the optimization and upgrading of the industrial structure will also affect the flow of labor. In recent years, the quality of the migrant labor force has improved, which has promoted the adjustment of the regional industrial structure and the rapid economic development. As a big city with both opportunities and risks, Beijing is full of opportunities and challenges, attracting many "Beijing people" who come to Beijing to work and live. How will the increase in the number of "Beijing drifters" bring about adjustments to Beijing's industrial structure? For this question, we conducted a correlation study.*

**Keyword:** *labor mobility, industrial structure, review*

## 1. Introduction

Throughout domestic and foreign research, the labor mobility and industrial structure are mainly divided into the following parts.

### 1.1 Summary of Labor Mobility Research

ShryockH.s & CB.Nam. (1965) proposed that labor mobility is related to education level, and the scale of labor mobility increases with the improvement of education level. Todaro's (1970) model proposes that unemployment is widespread in developing countries. The flow of labor will increase urban unemployment and lead to a shortage of rural labor, thus affecting the development of agriculture. Therefore, the government should take measures to control the migration of rural labor. Yu Yunjiang (2015) analyzed the "forward linkage" mechanism in New Economic Geography and found that the flow of labor across provinces tends to be in areas with greater market potential. And it is concluded that the decisive factor of labor mobility across provinces depends on the potential of the tertiary industry market in the region.

### 1.2 Summary of Studies Affecting Industrial Structure Adjustment

Baumol (1967) put forward the hypothesis of unbalanced growth. The labor force moves from low-productivity to high-productivity sectors, thereby reducing the amount of capital per capita in high-productivity sectors and turning industrial structure dividends into burdens. Zhang Hui (2009) found that the allocation of resources among industries in a region has a greater impact on the region's economic growth by studying relevant data in Beijing. Gu Yanfang et al. (2009) found that the industrial structure is affected by factors such as household registration policies, social security, wage levels, and industry differences. At the same time, the high cost of labor mobility and the low quality of labor are also one of the important reasons hindering industrial optimization and upgrading.

### 1.3 Summary of the Impact of Labor Flow and Industrial Structure Changes

Cheng Mingwang and Shi Qinghua (2007) concluded through empirical analysis that the tertiary industry is the main industry that accepts labor mobility, while the primary industry only promotes labor mobility. Gao Bo, Chen Jian et al. (2012) used the model in New Economic Geography to conduct research, and at the same time analyzed the housing price as a variable of the model. The results showed that housing price changes caused labor mobility, which affected the transfer between industries. Ji Shao and Zhu Zhisheng (2014) studied the correlation between labor mobility and industrial structure changes in Beijing from 1978 to 2011, but it was affected by the length of time.

This article adopts literature research method, data analysis method, and research method combining qualitative analysis and quantitative analysis. First of all, this article outlines the current situation of labor mobility and industrial structure changes in Beijing, and conducts a descriptive study on labor mobility changes and industrial structure conditions, and specifically examines the scale of labor mobility in Beijing, the employment distribution of migrant labor, and the structure of three industries. The changes in the employment structure of the three industries and the employment elasticity coefficient. Secondly, it conducts a correlation study on the status quo of labor mobility and industrial structure in Beijing. Furthermore, using the data from Beijing's relevant statistical yearbooks, and using the analysis method of gray correlation, the research on the correlation between labor mobility and industrial structure changes in Beijing. Finally, the method of qualitative analysis is adopted, based on the conclusions of the previous chapter, the problems existing in the adjustment of Beijing's industrial structure are put forward, and the corresponding suggestions are put forward.

## 2. Related Theories about Labor Mobility and Industrial Structure Changes

### 2.1 Related Theories of Labor Mobility

Labor mobility is generally affected by mobility costs and income. When the former is less than the latter, the labor will choose to move. The main theories of the basic motivation of labor mobility are: Petty Clark theorem、Departmental transfer theory and workforce flow.

"Petty-Clark theorem" comes from William Petty, and was later summarized and verified by Colin Clark. The theorem means that the flow of labor is affected by the level of income, and moves based on the level of income. Furthermore, due to the rapid development of industry and service industries, the secondary and tertiary industries have a strong ability to absorb labor.

Lilian put forward the theory of inter-departmental transfer, which refers to the movement of labor from backward industries to emerging industries. Changes in labor demand are also affected by changes in market consumer demand, resulting in wage differences and indirectly driving labor to move between industries. In development economics, Jorgensen believes that workforce flow is mainly affected by factors such as expected income differences and demand pull.

### 2.2 Related Theories of Industrial Structure Changes

The development of industrialization promotes the evolution of the industrial structure. The development of the industrial structure is from low-level to high-level. The development of the previous stage will lay a solid foundation for the development of the latter stage, so each stage is very important. The industrial structure theory mainly includes: industrialization stage、Hoffman's rule of thumb、Kuznets's theory of per capita income.

Channery proposed the theory of stages of industrialization, which examined the changes and roles of various sectors in the secondary industry, and pointed out that there are correlation effects between various sectors. Hoffman's rule of thumb illustrates the evolution of heavy industry in the process of industrialization. In the process of industrialization, the proportion of capital goods industrial output value continued to rise. Kuznets specifically studied the relationship between changes in industrial structure and economic development. He used per capita GDP as a benchmark and concluded that per capita national income affects changes in industrial structure.

### 2.3 Labor Mobility and Industrial Structure Changes Affect Each Other

The flow of labor is closely related to changes in the industrial structure. The former will promote the upgrading of the industrial structure. At the same time, the optimization and upgrading of the industrial structure will also affect labor mobility. The flow of labor will aggravate the malignant competitiveness of cities, and will also bring a serious burden to the environment, but the positive impact of labor mobility is far greater than the harm caused by the negative. Therefore, cities with a large amount of labor mobility have many opportunities and good development, which indirectly drives the rapid development of consumption and economy, thereby promoting the transfer and upgrading of the industrial structure. The optimization and upgrading of a city's industry will also attract more labor. Therefore, the upgrading of the industrial structure and labor mobility have a mutual influence.

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