The Dual Dualism of Labor Markets Segmentation in China:
Theory and Evidence

**Abstract**: The main feature of labor markets segmentation in China is institutional segmentation under the migration of rural labors. In this paper, the hypothesis of Dual Dualism of labor market Segmentation in China, the Internal-External Dualism of natural evolutionary process of labor market itself and the Urban-Rural Dualism of the path dependency of artificial institutional designs from planning economy period, is forward based on the Theory of Dual Labor Market in Labor Economics, Theory of Dual Economy in Development Economics and the empirical evidences in China. The characters of Dual Dualism is, 1) Urban-Rural Dualism is nesting in secondary sector of Internal-External Dualism. 2) Such rural-urban dualism on the one hand aggregate the income gaps between Primary and Secondary Sector, and on the other hand made the migrated rural labors and his offspring forever being employed in Secondary Sector because of the allocation distortion of limited educational resources. 3) The destination of rural-urban migrations is secondary sector of urban labor markets, accordingly, there comes into being Migration Trap due to *Hukou System*. In order to test this hypothesis, three principal components reflecting personal information are acquired with Principal Component Analysis. And, according to the PCA's results, Cluster Analysis is employed to classify all samples. The results indicate that the characteristic of labor markets segmentation in China is *dual dualism*.

**Key words**: Labor Markets Segmentation, Dual Dualism, Nesting, Migration Trap, Cluster Analysis