

International
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Speech at the Opening Session of the Asian Employment Forum

Hua Jianmin

State Councilor and Secretary-General of the State Council of China

(13 August 2007, Beijing)

**ASIAN EMPLOYMENT FORUM
BEIJING, CHINA**

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State Councilor and Secretary-General of the State Council of China

Your Excellency Juan Somavia, Director-General of the ILO,
Distinguished Ministers,
Ladies and Gentlemen,

Good morning!

I am glad to attend the Asian Employment Forum in Beijing. On behalf of the Chinese Government, I wish to extend warm congratulations on the opening of the Forum and a very warm welcome to you.

Employment is vital to people's livelihood. Poverty reduction and employment creation are a general goal of economic and social development and a major responsibility of all governments. Respect for work and workers is a value that must be upheld. Asia is home to over half of the world's population and most Asian countries are developing countries. To achieve fast and steady economic growth is the shared desire of all Asian countries. Asia has been the fastest-growing and one of the most dynamic regions in the world in the past two decades. On the other hand, employment has remained a severe challenge for the Asian countries. To balance the relationship between economic growth and employment creation and ensure decent work is a high priority for us Asian countries.

The opening of the Asian Employment Forum sponsored by the ILO

which focuses on Growth, Employment and Decent Work is both highly necessary and timely. It has brought together representatives of Asian government agencies, employers' and workers' organizations and regional organizations to discuss policy measures for job creation and realization of decent work in the process of achieving economic growth. I am sure this Forum will both contribute to peace, stability and prosperity in Asia to the benefit of its people and help non-Asian countries increase employment. I hope this Forum will serve as a platform for expanding common ground, sharing best practices and enhancing cooperation in our common endeavor to ensure economic growth, employment creation and decent work.

With over 1.3 billion people, China is under great pressure to create more jobs. The Chinese Government, guided by the scientific thinking on development, is working to build a harmonious society in China. It sees employment as being crucial to making life better for its people and ensuring all-round development of women and man, and to social harmony. Putting employment high on the agenda of social and economic development, the Chinese Government pursues the goal of realizing fairly full employment and has taken the following policy measures to promote employment.

First, promote economic development to increase employment opportunities. By improving industrial structure, accelerating the growth of service industry and encouraging and supporting labor-intensive industries, the Chinese Government strives to ensure steady economic growth and create more job opportunities. It adjusts employment structure and increases reemployment in the course of economic restructuring. And it promotes both urban and rural employment by ensuring balanced urban and rural development. In short, our goal is to increase employment in the course of promoting economic development. China's GDP has grown at an average

annual rate of over 10% since 2003. Each year, 10 million new jobs were created in towns and cities and over 8 million rural people found jobs in cities. By the end of 2006, China's working population had reached 760 million, and the registered urban unemployment rate stood at 4.1%. China's employment situation is stable.

Second, adopt proactive employment policies to help the unemployed find jobs. The Chinese Government has adopted policy incentives, such as the provision of micro-credit and interest subsidies and the reduction and cancellation of taxes and fees, to assist those who lose their jobs in the course of corporate reform and restructuring in starting businesses or finding jobs on their own. Other policy incentives such as reducing taxes by fixed amount and providing preferential loans are offered to encourage enterprises to employ unemployed workers. We have also created jobs in the public service sector and provided governmental subsidies for social insurance to improve the employment assistance system. Thanks to these proactive employment policies, nearly 20 million laid-off workers from state-owned and collectively-owned enterprises were reemployed from 2003 to 2006. We have thus basically solved the problem of providing employment for workers who were laid off owing to change of company ownership and adjustment of economic sectors.

Third, strengthen vocational training and improve employment skills of workers. The Chinese Government continuously improves the vocational skill training system for all workers and actively develops different types and forms of employment-oriented vocational training to meet market demand. We have in place a labor reserve system to improve vocational skills of new members of the labor market and a life-long learning system to enhance employment stability by strengthening in-service training.

Ongoing re-employment and job-transition training for the unemployed is conducted to help them meet requirements of new jobs. Creation business training is widely provided to improve workers' capability and success rate in starting businesses. We have launched projects to speed up the training of high-skilled workers to meet the need of economic and social development. We are working to expand the labor market, improve the employment service system and promote equal employment for both urban and rural laborers.

Fourth, develop harmonious labor relations and improve employment quality. China has adopted the *Labor Contract Law* and requires the full implementation of the labor contract system. It clearly defines the rights and obligations of the two parties in labor relations pursuant to law, protects lawful rights and interests of workers, and has thus laid a foundation for building harmonious labor relations. Tripartite coordination mechanisms have been set up, which enable representatives of government, trade unions and enterprises to jointly resolve major issues in labor relations through consultation and coordination. We have formulated regulations on collective contract and are vigorously promoting the system of collective consultation, expanding the coverage of collective contract and encouraging collective consultation on wages in different regions and industries. The minimum wage system is in place, and every effort is made to protect the minor and female workers. Child labor is prohibited in China. The adoption of legislations on employment, social security and labor dispute settlement has been stepped up, and law enforcement and punishment for violations have been strengthened to ensure workers' employment rights and interests as well as the realization of decent work.

At the same time, in an effort to set up a social security system that covers all urban and rural laborers, we are improving the pension, medical,

unemployment, work injury and maternity insurance systems, and we increase insurance benefit in keeping with economic and social development to ensure support for the old, medical care for the sick, assistance for the unemployed, relief for the injured and subsidy for child birth. We have also set up labor security work platforms covering urban communities and rural townships to provide socialized management and public services to laborers.

The above is the latest progress China has made in increasing employment and providing social security. China will continue to face huge employment pressure in the years to come, as a large number of young people enter the labor market, and the surplus rural labor force and the workers who are laid off due to economic restructuring need employment. The mismatch between labor competence and job requirements remains an acute structural problem, and much remains to be done to protect the lawful rights and interests of workers and build harmonious labor relations. In view of this, the Chinese Government has set the targets of creating 45 million urban jobs, keeping registered urban unemployment rate within 5% and transferring 45 million surplus rural labor force in the Eleventh Five-Year Plan period (2006-2010). We will continue to implement the principle of attaching equal importance to economic development and increasing employment, promote economic growth in a way that will increase employment, create better job opportunities and realize decent work.

Your Excellency Director-General Juan Somavia,

Ladies and Gentlemen,

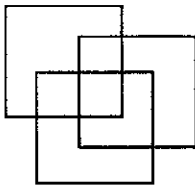
We need to share each other's best practices in our effort to increase employment. China and the ILO successfully co-hosted the China

Employment Forum in Beijing in 2004. And we are now co-hosting the Asian Employment Forum, which provides us with a good opportunity to draw on each other's practices. We will attend the Forum with great interest, fully draw on the best practices of other Asian countries so as to improve China's proactive employment policy measures, truly put into practice the concept and principle of decent work and strive to achieve fairly full employment.

The Chinese Government greatly appreciates ILO's contribution to increasing employment, reducing poverty and protecting labor rights and interests. China will strengthen cooperation with ILO and its exchanges and cooperation with other Asian countries, draw on each other's strength, promote coordinated economic and social development, explore new ways to address employment related issues, and work for the prosperity of Asia and the world as well as the happiness of all the people in the world.

I wish the Asian Employment Forum a full success! And I wish you a pleasant stay in China!

Thank you!



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Expand Employment and Safeguard the Rights and Interests of Employment in the Effort to Build a Harmonious Socialist Society

Tian Chengping

Minister of the Ministry of Labor and Social Security

(13 August 2007, Beijing)

**ASIAN EMPLOYMENT FORUM
BEIJING, CHINA**

**Expand Employment and Safeguard the Rights and Interests of
Employment in the Effort to Build a Harmonious Socialist Society**

Tian Chengping

Minister of the Ministry of Labor and Social Security

Your Honorable State Councilor Hua Jianmin

Your Honorable Juan Somavia,

Distinguished guests,

Ladies and gentlemen,

Good morning!

Today marks the grand opening of Asian Employment Forum of the ILO who has invited delegates from over 20 Asian countries to this exciting event in Beijing in an effort to explore the policies and strategies of expanding employment and realizing decent work in the context of economic growth. Apart from China's participation as a member of Asian community, we are more than privileged to organize this forum upon the request of the ILO. On this occasion, on behalf of the Ministry of Labor and Social Security, I would like to express our warmest welcome to all the guests here today. Our sincere gratitude goes to Mr. Hua Jianmin, the State Councilor who have delivered an important speech in the forum and Juan Somavia, the Director-General of the ILO, who has advocated this forum.

Employment is the cornerstone of livelihood as well as the stabilizer of a state. As a developing country with a large population, China boasts abundant labor resources while it is charged with daunting challenges of promoting employment and eliminating poverty. Over the past few years, the Chinese government has attached great importance to employment and

accorded higher priority to it in our economic and social development plans in the effort to build a relatively well-off and harmonious society. In this process, we have accumulated some experiences and achieved remarkable progress in increasing employment and realizing decent work.

I. Efforts should be made to ensure that employment expansion and economic growth are mutually reinforcing with economic growth as a solid foundation. Over the past few years, the Chinese government has adhered to the proactive fiscal policy and prudent monetary policy to ensure the sustained, rapid and healthy economic growth. For five years in a row, China registered an annual GDP growth of over 10%, which helps a lot in putting in place an economic structure conducive to employment expansion and enabling the economic growth to promote employment. In industry sectors, China achieved steady development of the secondary industry and gave a big boost to the development of the tertiary industry. The share of labor force employed in the tertiary sector in the whole employment rose from 27 per cent in 2001 to 32 per cent in 2006, thus more opportunities for of rural labor force that seek employment in urban areas. A total of over 200 million surplus rural labor forces are now employed in the non-agricultural sector. In terms of ownership structure, China encouraged the development of enterprises of various ownerships including the proprietary business, private enterprises, foreign investment and joint venture. By breaking market monopoly, streamlining review process and relaxing restrictions on sectors for investment, the private economy has been seen as an important source of economic growth and a major channel of employment expansion. In recent years, proprietary business and private enterprises added 5 to 6 million new jobs on an annual basis, accounting for more than 50 per cent of the total new jobs added in cities and towns. In terms of scale, China attaches importance to the development of labor- intensive small and medium enterprises and

micro-enterprises with market demands. To promote small and medium enterprises' development and bring the multiplier effect of starting up businesses into play, China has improved its policies and measures, given more supports and gone through all kinds of undertakings to promote employment. In terms of employment patterns, China encourages and guides part-time work, temporary work, seasonal work, flexible work and other flexible patterns of employment. Measures like minimum hourly wage standard, standardizing the methods of signing labor contract and enlarging social security coverage have been taken to provide flexible employees with relevant social protection. About 30 per cent of laid off workers realized re-employment through flexible employment. The Chinese government keeps a close eye on the impact of economic fluctuation on employment, attentively ensures appropriate intensity and rhythm of the reform and adjustment. The Chinese government has taken necessary unemployment regulation and control measures to standardize the reduction of enterprise employees and guides state owned enterprises to steadily transfer surplus employees through separating secondary lines of business from core business and restructuring secondary lines of business, and to avoid excessively concentrated unemployment to keep the unemployment rate acceptable to the society. With the joint efforts of promoting employment and preventing unemployment, China has made remarkable progress in employment. Between 2003 and 2006, 10 millions employment were added annually. By the end of 2006, urban registered unemployment rate stands at 4.1 per cent, with a tendency of decrease in a steady course.

II. Rely on policy support, enhance vocational skill training and improve employment service system with a view to stabilizing employment. The Chinese government consistently carries out proactive employment policy. It strengthens vocational skill training to enhance the

capabilities of laborers to start a business, to work and to smoothly adapt to occupational transfer. It enhances employment services to promote a quick job matching. Since 2002, the Chinese government has promulgated and implemented fiscal and financial measures including tax and fee reduction and exemption, microcredit, social insurance subsidies and post subsidies to encourage and support laborers to seek employment on their own or start their own businesses, given guidance and incentives for enterprises to absorb more employment, helped those who have difficulty seeking employment re-employed and enhanced the stability of flexible employees. Meanwhile, the Chinese government has mobilized all forces of the society on an extensive scale, actively undertaken labor preparedness training for new entrants into the labor market, re-employment training for laid off workers and unemployed, continuous education for employees at work and transfer employment training for rural labor force. The Chinese government is determined to implement the strategy of strengthening the country through talents. It has put into place a five-year plan of nurturing highly skilled talents and established a vocational training system with multiple types and patterns targeted at laborers in both urban and rural areas. Furthermore, the Chinese government will accelerate the effort to build an effective mechanism for government to fund and buy the training results, guide training institutions to improve their training to be more practical and effective in lien with market demand and employment need. Public employment service system will be further improved to enhance the quality and efficiency of public employment services, to provide registered urban and rural job seekers with job agency services free of charge. Relying on sub-district offices, communities and other grass-roots labor security work platforms, the Chinese government provides zero-employment households and people who have difficulty finding employment with tailored employment services and assistance of posts for public welfare, as well as social insurance subsidies and post

subsidies, to help them get re-employed and obtain steady employment. Under the support and guidance of employment policy, from 2003 to 2006, a total of over 20 million laid off workers from state owned and collectively owned enterprises realized re-employment through various channels and methods. This year, the Chinese government set up a clear working target of basically resolving the problem of urban zero-employment households within the year.

III. Efforts should be made to focus on equal employment, give priority to the development of harmonious work relations and safeguard laborer' legal rights and interests in earnest so as to realize decent work.

The Chinese government attaches great importance to equal rights and interests of employment for all laborers. The Constitution of the PRC, the Labor Law of the PRC, and the Law of the PRC on Safeguarding Women's Rights and Interests all contain provisions ensuring women are entitled to equal labor rights with men, men and women enjoy equal pay for equal work. By the end of 2006, women account for 46 per cent of the whole employment. In May of this year, the Chinese government issued and put into effect a regulation to promote employment of those disabled. The policy regulates that all employers should offer positions for the disabled based on a proper proportion, it supports the establishment of various social welfare corporations and institutions and encourages and guides disabled people to seek employment on their own or start their own businesses. To enhance social protection for laborers, the Chinese government is accelerating the improvement of social security system. In 2006, over 10 million people were newly covered by basic pension, basic medical care, work injury and maternity social insurances. In the meantime, national labor standards were improved. Collective bargaining system for wage was actively promoted to expand the coverage of collective contract. Labor contract system was

extensively put into place to develop harmonious labor relations. Following this, the Chinese government made greater efforts in labor welfare enforcement and inspection and in improving employment conditions and ensuring decent work for various laborers especially migrant workers. Restrictive and discriminative regulations towards migrant workers seeking jobs in urban area were completely abolished, and detailed methods for migrant workers to join in medical care insurance were improved. A "safety program" was set up for migrant workers in high risks enterprises to participate in work injury insurance. The Chinese government carried out targeted employment services and vocational training, and made efforts in addressing the difficulties of migrant workers such as low salary and school enrollment of their children.

China's practice shows that to expand employment growth and realize decent work, it is necessary to properly handle economic growth and employment increase, give full play to policy support, vocational training and employment services, enhance equal employment, improve social security, establish harmonious labor relations and safeguard legal rights and interests of laborers. We have made some achievements on these aspects. However, in China, with a big population base and an unbalanced economic and social development, the overall oversupply of labor force and the structural imbalance co-exist; the pressures of urban employment and transfer employment of rural surplus labor force overlap; the pressure of new labor force, re-employment of laid-offs and unemployed are interweaved. It is a tough task to realize full employment and decent work. Therefore, the Chinese government will draw on the proven experiences and make greater efforts in its work. On the one hand, we will speed up legislation. This year, the Chinese government issued *Labor Contract Law*, *Regulation Prohibiting the Use of Child Labor*, *Regulation Concerning the Disabled Employment*

and other laws and regulations, and is accelerating the process of drafting *Employment Promotion Law, Labor Dispute Intermediation and Arbitration Law* and *Social Insurance Law*. Under these laws and regulations, we will strengthen employment and unemployment management, pursue labor contract system, accelerate the establishment of employment promoting work mechanism and policy system, develop harmonious and stable labor relations, and enhance social protection for laborers. On the other hand, we will make greater efforts in the law enforcement and inspection. We will enforce laws and combat those illegal practices in individual cases such as illegal employment, use of child labor, no labor contract and delay in wage payment. We will earnestly safeguard the legitimate rights and interests of all urban and rural laborers including migrant workers. We will also continue to promote social dialogue, give full play to trade unions, women unions and enterprise unions in promoting employment and protecting the rights and interests of laborers.

Ladies and gentlemen, dear friends,

China has accumulated a lot of experience in promoting employment, however, we still have a long way to go. We need to draw on good experience and practices from other countries. We are looking forward to the delegates' contribution to the employment issues in China. We hope that delegates may have in-depth and fruitful discussions on the themes to maximize synergy and make due contributions to the mutual benefit and common development of Asia.

To conclude, I wish Asian Employment Forum a resounding success!