

ILO/MOLSS  
Seminar on the Employment Promotion Draft Law

Beijing, 29-30 September 2005

Opening Remarks  
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ILO Director

Honorable Minister Bu Zhenfa  
Representatives of MOLSS, CEC, ACFTU and other organizations  
Colleagues from Geneva, Bangkok and Beijing

It gives me great pleasure on behalf of the ILO Director General to open this seminar and to participate in these proceedings.

In the Common Understanding reached at the China Employment Forum, in which many of you here today were involved, the Government of China and the ILO agreed to make concerted efforts, drawing on the core elements of the Global Employment Agenda, in promoting full and decent employment as the means to improve living standards and meet the needs and aspirations of all men and women in the country. In this meeting we are living up to this commitment.

The Ministry of Labour and Social Security has invited ILO international experts, national experts, ACFTU, CEC and other Chinese social partners here today to examine and exchange views to assist them in their preparation of Employment Promotion Law. We commend the Ministry for its foresight and effort in preparing the draft. We consider it a privilege to be asked and to be able respond to the request of the Government. This is exactly the kind of cooperation that was foreseen in the MOU between the MOLSS and the ILO.

I know that in this room we start these discussions on a basis of mutual understanding. We all agree that employment is the key to people's livelihood and to sustained economic development and higher living standards. Employment is also a means by which people find self-esteem and integrate into the society. Therefore, employment, and in particular equal employment opportunities for all, is a key factor in achieving social harmony and stability.

Mr. Minister, many of us have just participated in a workshop organized with MOLSS and the Institute for Labour Studies on flexibility measures in employment. In that workshop, there was a consensus of national and international experts shift focus from promoting flexibility to promoting a balance between flexibility and security in employment. In order to provide stable, productive and harmonious labour relations and a well functioning labour market, the introduction of flexibility measures in employment needs to go hand in hand with the provision of security, and the protection of the rights and interests of employees and jobseekers. The need to strengthen enforcement of laws protecting all workers was stressed, as was the importance of the role collective bargaining could play.

We all agree that China has made remarkable progress in promoting both economic development and social progress and it continues to place a priority on maintaining this balance. Its achievements in poverty reduction, economic transition and employment creation are well documented and acclaimed.

We can all agree that China is expected to continue at a fast pace in its economic transition towards a market economy with Chinese characteristics. Within this momentum, policymakers are keeping a careful eye on the employment situation

and levels of income. Promoting 'jobful' growth is a pressing imperative. Reducing the growing income gap has become a high priority.

Mr Minister you have set out very well the challenges, emphasizing that despite significant accomplishments in job creation and a high GDP growth, at present there is an insufficient number of jobs to meet demand. An immediate pressure on the demand side is laid off workers from state owned enterprises aged 40 to 50 who are constrained in their 'reskilling' potential. There is a great need to facilitate safe and orderly migration of workers from rural to urban areas. New entrants, particularly university graduates, also are placing increasing pressure on the labour market.

Within any economic and social transition there are always going to be persons and groups of persons who are not benefiting from the changes, who become vulnerable to risks, social exclusion and poverty. China is no exception. Among those who require targeted action to enhance employment and income opportunities include disabled persons, ethnic minorities, and rural surplus labour. Some women have been disadvantaged as compared to men in terms of being laid off and having fewer reemployment opportunities. There fore the emphasis on equity and equality is well warranted.

All of these elements appear to have been taken into consideration in the drafting of the Employment Promotion Law. But we can all agree that such an undertaking is a very challenging task and there is no absolute right and wrong way to go about it. But there have been lessons learned through research and comparative experience.

The ILO has a broad range of international labour standards and policies that offer guidance on the objectives, formulation and review of employment policies and employment promotion legislation. ILO policy research and operational activities in the employment field aim to enhance national capacity to formulate and carry out employment strategies and development national plans and policies.

China has ratified the basic Employment Policy Convention, 1964 (No. 122), which has as its focus “stimulating economic growth and development, raising levels of living, meeting manpower requirements and overcoming unemployment and underemployment...” (Article 1). Emphasis on efforts to achieve higher levels of economic growth and more equitably distribute its benefits, while addressing regional and sectoral imbalances, lay at the foundation of the application of this Convention and the Global Employment Agenda within any national economy. An employment-oriented strategy is typically the guiding force. Legislation also has its role to play but most often to establish a legal and regulatory environment for specific policy or institutional areas, with a view to encouraging desirable and preventing undesirable behaviour by individuals and corporate actors. The operation of labour markets, trade, fiscal policy, including taxation, and enterprise development are just a few of the areas in which legislation can influence employment outcomes.

The employment promotion legislation usually represents a legal commitment by States to increase employment, improve labour market performance, prevent discrimination, achieve greater employment equity for disadvantaged groups and adapt labour market institutions to new economic realities. The realization of such objectives, however, depends upon the design and, perhaps even more importantly, the implementation of appropriate plans, policies and programmes, the active

involvement in these initiatives of key actors, in particular workers and employers representatives at various levels, the monitoring of results, and the establishment of machinery to ensure compliance with employment promotion laws once adopted. ILO experience with comprehensive employment strategies and laws has demonstrated that no matter how solid the formulation or design side of the exercise, ultimate success or failure depends on the implementation capacity of national structures, the willingness of national actors to take sometimes difficult decisions, and the effectiveness of enforcement and compliance machinery.

We hope the preparation of the background paper on employment promotion laws and policies as well as the paper containing the ILO technical comments on the specific provisions of the proposed draft law are useful to our discussions over the next two days and to your preparation of a final draft. We stand ready to continue to cooperate as MOLSS finalizes the draft, and ultimately establishes the institutional mechanisms and implements the law. We can once again only applaud the initiatives you have undertaken to keep a people centered focus of national policy, law making and capacity building on the promotion of decent work for all.