



Youth Employment Policy Summary

CHINA



International
Labour
Organization

Background Figures:

Total population:
1.38 billion (2016)¹

**Youth population (%
total):**
201 million (2014);
14.5%²

GDP (USD\$): 10.87
trillion (2015)³

GDP growth: 6.9 per
cent (2015)³

**Urban-rural
breakdown:**
55.6/44.4 per cent
(2015)⁴

Net migration rate:
-0.2 (2010-2015)⁴

**Employment by
sector:**
34.8 agriculture; 29.5
industry; 35.7
services (2011)⁵

**% earning less than
\$2/day:**
27.2 (2009)⁵

Source:
1. Worldometers
2. ILOSTAT;
3. World Bank
4. UNESCAP
5. KIL



Source: Government of
China

Labour Market Situation of Young People

The People's Republic of China – the country with the largest population in the world numbering 1.38 billion in 2016 – aims to achieve full employment for its labour force. Demographic factors, however, present particular challenges with the ageing of the population, a shrinking labour force, and the number of those aged 15-29 predicted to decline in the next years. Youth are also staying longer in education, demonstrated by the increase in enrolment in tertiary education from 7.8 per cent in 2000 to 26.7 per cent in 2012 ([UNESCAP](#)). At the same time, this means that youth are often overqualified for the low-skilled jobs mostly in demand. In this regard, the Government has implemented several policies targeting college graduates, improving the vocational training system, and collaborating with enterprises.

China has also seen an increase of internal rural-urban migration, of which those aged under 30 accounted for more than half of migrants (58.4 per cent) according to the National Bureau of Statistics in 2010. While initially attracted to the better wages in urban areas, young workers often face decent work deficits with long working hours, dangerous conditions and no social protection, with the situation worse for young drop-outs and those with low educational attainment ([ILO, 2013](#)).

One area of concern is the gender ratio among the youth population. In 2013, there were nearly 5 per cent more young men than young women. This skewed gender ratio is an unintended consequence of China's population control policies, with the National State Population and Family Planning Commission estimating that young men will outnumber young women by 30 million by 2020. China has recognised the seriousness of the problem and stopped its One Child Policy as of 1 January 2016. On the positive side, young women have very high rates of education, though of concern is that their labour force participation rate is lower than young men's.

Table 1: Youth Employment Indicators

Indicator	%
Labour Force Participation Rate, ages 15-64 (2013) ¹	71.0
Youth Labour Force Participation Rate, ages 15-24 (2013) ²	56.4
Youth unemployment rate	n/a
Youth Unemployment Rate in East Asia Subregion (2016) ³	10.7
Enrolment in secondary education (2013) ¹	92.4
Enrolment in tertiary education (2012) ⁴	26.7

Source: 1. World Bank; 2. KILM; 3. ILO 2016, WESO; 4. UNESCAP

Youth Employment Policy Approach

The Government, through its policies and legislation, is addressing several key challenges facing the inclusion of youth in the labour market. These revolve around the quality and relevance of general education as well as vocational education, matching labour supply and demand, ensuring a smooth school-to-work transition, and gathering labour market information. The Government's vision is to create a skilled workforce by encouraging "talent" development, modernising education, enhancing the quality of employment and controlling unemployment. Many of its policies target sub-groups of the youth population including college graduates, those in rural areas, urban youth from families facing economic hardship, retired soldiers (many of whom are youth), the disabled and those from frontier regions. The Government recognises youth as those between the ages of 14 and 28.

Policy and Legal Measures

Macroeconomic and Sectoral Policy: The Government's [Employment Promotion Plan](#) has favourable fiscal policy measures for college graduates engaging in self-employment. Those with a low-profit project can apply for small loans and have a **fiscal interest discount** of up to 100,000 RMB. Others who are in their graduating year, possess a "self-employment tax policy" or "college graduates self-employment" certificate and engage in self-employment can receive a **tax reduction** from their business tax, city maintenance and construction tax, educational surcharge and individual income tax, amounting to a maximum of 8,000 RMB per year for 3 years. In terms of **sectoral policy**, local governments are called on to guide graduates to work in rural areas, in health care, science and technology. The *Plan* also mentions that the Government will create more employment for college graduates by further developing the use of modern information technology, the service industry and other industries.

Enterprise Development: The Government's aim is to develop entrepreneurship, promote small and micro-enterprises, and guide college graduates to self-employment through various forms of assistance. For example, the [Employment Promotion Plan](#) provides **tax reductions** for self-employed college graduates (as mentioned above in the Macroeconomic Policy section), and implements **administrative fee waivers** and relaxes market access conditions so that college graduates will be encouraged to be entrepreneurs. Moreover, college graduates receive support in the form of SYB (Start Your Business) **incubator parks**, and unemployed college graduates are encouraged to form internet start-ups by the human resources and social security departments. Business incubators are also made accessible to support young students who return to China after studying abroad. The Government encourages business start-ups particularly in the central and western regions ([Human Resources and Social Security Plan](#)). Regarding **entrepreneurship education**, the [Employment Promotion Plan](#) calls on universities to

Documents containing youth employment policy provisions:

- National Outline for Medium and Long-Term Education Reform and Development (2010-2020)
- The Twelfth Five-Year Plan for a National System of Basic Public Services of the People's Republic of China 2011-2015
- Outline of National Medium and Long-Term Talents Development Programme 2010- 2020 - along with Notice on the Implementation of the 2013 National High-skilled Talent Training Base Construction Projects
- Employment Promotion Plan 2011-2015 – Along with Notice on Further Strengthening the Work of University Graduates' Employment [2011], Notice on the Implementation of Employment Promotion Plan for the Unemployed College Graduates Who Have Left School [2013], and Notice on Promoting the Construction of Business Incubators and Further Implementing Entrepreneurship Support Policy
- Twelfth Five-Year Plan of the Ministry of Human Resources and Social Security 2011-2015 - along with Notice on the Continuance of Implementation of 'Three Supports and One Help' Plan for College Graduates [2011] and Notice on Strengthening Vocational Training to Promote Employment for College Graduates[2012].
- Law of the People's Republic of China on Promotion of Employment 2007

For more information on the policy documents and their provisions, please visit the [YouthPOL webpage](#).

develop and implement entrepreneurship courses, along with vocational schools, which will be incorporated into the credit management system. The **Enterprise Tutor System** will be put in place so that entrepreneurial college students can receive guidance and support ([Notice on Strengthening Vocational Training to Promote Employment for College Graduates](#)).

Education and Training: The Government looks to reform the vocational system so that **enterprises and vocational training institutions** are the main actors. To reflect the demand and industrial development trends, local governments and relevant departments encourage and guide enterprises to provide the relevant training, and vocational colleges and schools are urged to keep strong ties with enterprises ([Law on Employment Promotion](#)). Moreover, the Government emphasises the needs of **rural areas** in vocational training, particularly for training farmers and for supporting those rural migrants who move to the city ([National Outline for Medium and Long-Term Education Reform and Development](#)). The Government promotes free rural secondary

Did you know?

China has ratified 26 ILO Conventions, including 4 Fundamental and 2 Priority Conventions:

Fundamental Conventions:

- Equal Remuneration Convention (No. 100)
- Discrimination (Employment and Occupation) (No.111)
- Minimum Age Convention (No. 138)
- Worst Forms of Child Labour Convention (No. 182)

Priority Conventions:

- Employment Policy Convention (No. 122)
- Tripartite Consultation Convention (No. 144).

education to create skilled rural migrant workers, and aims to gradually make **secondary vocational education free** for everyone and provide a student allowance. Rural migrant workers will also benefit from a training subsidy system and a provincial pooling of training funds for rural migrant workers ([Human Resources and Social Security Plan](#)). Other measures relating to **scholarships** include improving the student loan system and exempting those students from families in financial difficulties and those studying agriculture-related fields from secondary vocational school tuition fees ([National Outline for Medium and Long-Term Education Reform and Development](#)). A particular vocational training programme will be created for **retired soldiers** (many of whom are youth) and training provided free of charge.

Career guidance for college graduates needs to be strengthened, and in this regard the [Medium and Long-Term Talent Development Programme](#) calls for the construction of “double mentor” teacher teams. Integrating work and study through collaboration between schools and businesses is a priority and students are given fieldwork. Moreover, the [Employment Promotion Plan](#) encourages **internships** for college graduates by implementing a basic living subsidy which is paid by the training institutions and the local government; the former also has to ensure accident insurance for the interns. The idea of a “**Dual Certification**” system is also proposed to grant students a

diploma and a vocational permit upon graduation ([National Outline for Medium and Long-Term Education Reform and Development](#)).

Labour Demand: The [Employment Promotion Plan](#) encourages the hiring of youth through several measures. Small enterprises which recruited a certain ratio of unemployed college graduates can receive guaranteed **small loans** up to 2 million RMB and have a fiscal discount. Moreover, the Government will provide **social insurance subsidies** to those businesses which hired college graduates who experienced difficulty in finding a job and **vocational training subsidies** to those businesses which gave pre-services training to college graduates within six months.

Labour Market Policies: The Government is putting a significant effort into reforming public services, particularly **public employment services** so that college graduates can be better aided in finding a job. In addition, particular attention is placed on female university graduates and migrant university graduates. The [Employment Promotion Plan](#) also makes reference to the development of **online employment services** for youth and the [12th Five Year Plan for a National System of Basic Public Services](#) mentions using a public employment service platform on colleges' employment websites to release recruitment information.

For **unemployed college graduates**, 1000 mechanic and vocational training institutions will be mobilised to develop skills training under the "Special Employment Activity for Unemployed College Graduates". **Other target groups** for training include graduates from junior and senior middle schools who have not been able to find employment and high school graduates who will not continue their studies will receive work preparation training ([Law on Promotion of Employment](#)).

College graduates also receive support in the form of **skills testing subsidy** and **training subsidies**. The latter is for those college graduates who participated in vocational skills training within their graduating year, and the former targets those who passed their professional skill test and received their skills certificate within their graduating year. The Government also provides subsidies to those participating in the "**Three Supports and One Alleviation**" programme (university graduates engaged in grass-roots work supporting education, agriculture and health, and poverty reduction). The amount is 20,000 RMB per year for those in the Western region, 15,000 RMB for those in the Central region, and 8,000 for those in the Eastern Region ([Notice on Continuance of Implementation of 3 Supports and 1 Help Plan](#)). Regarding social protection, the [Law on Employment Promotion](#) includes a measure to implement **labour and social insurance policies** to cover those in flexible employment, such as part-time work.

Structure of Governance and Main Actors

The **Communist Youth League** is the institution which manages youth affairs ([YouthPolicy.org](#)). Regarding implementation of the various provisions, while held accountable to the central government, many policies such as public employment services and scholarships are decentralised to the county or provincial levels. Provisions related to supporting enterprise development, as well as employment and social security provisions, are managed by the **Ministry for Human Resource and Social Security**. The *Basic Public Services Plan* is implemented by the National Development and Reform Commission as well as the Ministry of Human Resources and Social Security. **The Central Work Personnel Coordinating Group** coordinates and guides the implementation of the *Talents Programme*. The **Ministry of Education** reports to the State Council for matters of general and vocational education.

References:

- ILO, 2013, Youth Employment and Migration
- ILO, 2014. Key Indicators of the Labour Market (KILM), 8th Edition.
- ILO, 2015. *Global Employment Trends for Youth*.
- ILO YouthPOL eAnalysis 2015, contains information with analysis of policy documents.
- ILO, 2016. *World Employment Social Outlook: Trends for Youth 2016*.
- UNESCAP, 2014, Statistical Yearbook for Asia and the Pacific.
- World Bank, 2015, World Development Indicators.
- YouthPolicy.org, 2014. "China Factsheet."



Source: www.cnto.org