

YOUTH EMPLOYMENT AND MIGRATION

COUNTRY BRIEF: CHINA



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Youth labour market overview

With 1.35 billion people, China has the largest population in the world and a total working age population of 937 million. For historical and political reasons, full employment has been consistently high on the Government agenda. However, because of demographic and economic changes, the Chinese labour market is currently undergoing a profound transformation with consequences for the employment conditions and prospects of young people.

The ageing of the Chinese population constitutes a major upcoming demographic challenge and the number of young people aged 15 to 29 is expected to fall in the coming years. The working-age population has started to shrink for the first time in 2012, losing 3.45 million workers from the previous year. Labour force participation remains significant, with a rate of 88 per cent for men and 79 per cent for womenⁱ, and the employment to population ratio stands at 70.9 per centⁱⁱ, but some labour shortages have appeared in several coastal manufacturing hubs, in parallel with a surplus of skilled labour.



The restructuring of state-owned enterprises (SOEs) in the 1990s resulted in the loss of millions of jobs each year and in the emergence of unemployment as well as the start of a migration process from rural areas. Driven by important job creation in urban factories and construction sites, in particular in the coastal provinces, the

number of urban workers has steadily increased in the past decade. In 2012, the number of employed people in urban areas was 371 million— a growth of 12.66 million from 2011ⁱⁱⁱ - whereas employment in rural areas has declined since 2008ⁱ. The expanding export sector has shown a strong tendency to prefer workers that typically have not reached their 20s, and youth under 30 constitute the great majority of labour migrants (see next section on migration).

The median age for the young population to first enter the labour market, which was 20 in 2005^{iv}, is increasing as students tend to stay in school longer. However, young college graduates have difficulties finding jobs as the demand for skilled labour is still low^v. Recruiters also complain that young graduates have too high expectations as regards their salaries and working conditions^{vi}.

Most young people can quickly and easily find work, but in manual operational works, and often in the informal sector, where the bulk of new jobs are created. Their wages and working conditions are poor, but have increased in south-eastern provinces as shortages in young workers have started to appear. As they gain work experience and grow older, they can access administrative and managerial jobs with better wage^{iv}.

Main features of youth internal migration

China is currently experiencing a large and increasing internal migration. The number of internal migrant workers reached almost 263 million in 2012, rising by 4 per cent from the previous year. According to the National Bureau of Statistics, out of the 151 million rural migrants that had moved to urban areas in 2010, young migrant workers below the age of 30 accounted for about 85 million, which is 58.4 per cent of the total

rural-urban migrant population. Among these young migrants, 40.8 per cent are women^{vii}. The typical internal migrant is a young man, single, or leaving family behind if necessary.

As described above, these important mobility trends are primarily attributable to the rural-urban movements linked to China's evolving economy. Rural inhabitants migrated to urban areas to perform the low-skilled work that has been an important contributor to China's impressive economic development.



Reports have highlighted that urban migration of rural inhabitants can be a strategy for poverty alleviation as potential rural migrants work their way out of poverty in the migration process^{viii}. However, the poorest households do not have the financial resources to afford migration and, most of all, migrants in urban settings do not enjoy the same social rights as local permanent residents, and most of them endure poor living conditions. The livelihoods, professional development and social wellbeing of migrant workers are

among the major contemporary challenges that China has to address.

Young migrants are drawn by employment opportunities and favourable wage-differentials in urban areas. However, most young migrants can only obtain jobs that are manual, menial and, in some cases, exploitative. Many spend long hours in dangerous workplaces (40 per cent of them work more than eight hours a day) and live in squalid housing. They face socio-economic inequalities as well as discrimination – they are often considered as second class citizens. Relatively few migrant workers are covered by social insurance schemes: 13 per cent are covered by pension, 20 per cent by occupational insurance, 15 per cent by medical care, seven per cent by unemployment insurance and five per cent by maternity insurance.

Most vulnerable to marginalization are rural school drop-outs and young migrants with low education and skills. Among the young migrant workers under 30, six per cent have reached primary school, 14 per cent senior middle school, nine per cent technical secondary school and 20 per cent technical secondary school and above. Migrants with low levels of education leave home uninformed of the challenges involved in migration and are ill-prepared to handle them. Young women in particular tend to leave school and migrate at a younger age than men and face a heightened risk of rights violations and abuse. Young migrants would need information on safe migration, job search techniques, and labour rights but there are few channels through which they can access this information.

Policies and programmes for young migrants

In recent years, the Chinese government has shown a real commitment to promote decent work for young migrant workers. A set of policies and programmes have been developed and implemented to support young migrant workers and improve their employment opportunities and working conditions.

The 11th Five Year Plan (2006-2010) and the 12th Five Year Plan (2011-2015) recognize internal migration as an essential component of the national development strategy. The government has set targets as regards pre-departure and migration phases: expand rural education, raise rural residents' off-farm incomes, increase vocational skills, provide adequate access to labour market information and employment services as well as promote health services, social protection and labour rights. The related regulations and policies, such as the Labour Contract Law, the Employment Promotion Law, the Labour Dispute Mediation and Arbitration Law and the Social Insurance Law came into force between 2008 and 2011.



The Chinese government has also taken steps to increase employment opportunities among university graduates. Since 2011, provincial governments are expected to offer favourable policies such as subsidies, tax rebates or access to low-interest loans for graduates who want to start up their own

Box 1. A selection of major government measures to improve the rights of migrants

- *The National Plan for Training Rural Migrant Workers* aimed at providing 60 million potential migrants with short-term vocational and post-departure training between 2003 and 2010.
- The State Council's 2007 Decision on *Fully Enhancing Population and Family Planning Programme and Comprehensively Addressing Population Issues* provides a platform for improved service delivery and health education among migrant workers.
- One of the most important changes in existing legislation to assist migrants' children is the *2007 Amendment to the Compulsory Education Law*, which now guarantees all children access to nine years of schooling, regardless of where they live.
- The *Sunshine Project* provides skills-upgrading training for people in poverty-stricken sending areas.
- The State Council Leading Group Office of Poverty Alleviation and Development endorsed a community participation mechanism for its National Programme of Participatory Village Planning to support the implementation of the China Rural Poverty Reduction and Development Strategy (2001-2010).
- The *National Criterion of Primary Public Health Service*, adopted in 2009 and reviewed in 2011, clearly states that primary public health services should cover both local registered people and migrants in urban and rural areas.

businesses. Also, college graduates are encouraged to teach at rural schools and research institutes are being required to hire more university students. In 2012, registration mechanisms were put in place to guarantee registered unemployed graduates better access to accurate labour market information and career counselling. The 2005 “Three supports and one assistance” programme was designed to motivate graduates to work in rural areas and is still successfully implemented, but the number of applications in 2013 largely outnumbers the vacancies offered.

The MDG-F Joint Programme (Box 2) has contributed to the development and implementation of national plans and priorities on migration. It has supported the reinforcement of institutional capacities, at municipal and county levels mainly, to implement effectively the new laws that were adopted between 2008 and 2011. In particular, the joint programme contributed to the strengthening of labour inspection, through research on labour law implementation, the development of labour inspection training materials and the training of inspectors, as well as through awareness raising campaigns of labour law among young migrant workers and enterprises. The programme also encouraged the development of coordination mechanisms between national ministries and government agencies to mitigate the socio-economic inequality among young migrants. In addition, innovative approaches have been successfully implemented in several parts of the country (Box 2)

ⁱ Ministry of Human Resources and Social Security (MOHRSS)

ⁱⁱ United Nations, 2012. *Statistical Yearbook for Asia and the Pacific 2012*.

ⁱⁱⁱ National Bureau of Statistics of China: *Statistical Communiqué of the People's Republic of China on the 2012 National Economic and Social Development*.

^{iv} ILO, Youth Employment Network and ministry of Labour and Social Security, 2005. *China Youth Employment Report – Analysis Report of China's Survey on School to Work Transition*.

^v Disaggregated unemployment data is hardly available. The official unemployment rate in China is measured only against urban registered unemployed as it is considered that rural workers who own land requiring to be tended cannot be unemployed, even if their main activity is outside agriculture. Urban unemployment does not take into account migrant workers either. The official unemployment rate has thus been standing at around 4.1 per cent over the last decade, even after the 2008 economic crisis which admittedly involved thousands of migrant workers laid off

^{vi} Cited in China Labour Bulletin, 2013. *Employment in China*, <http://www.clb.org.hk/en/view-resource-centre-content/100060> [accessed 5.8.2013]

^{vii} MDG-F, 2012. *Final narrative report - China -Thematic Window Youth Employment and Migration*.

^{viii} World Bank, 2009. *China - From poor areas to poor people : China's evolving poverty reduction agenda - an assessment of poverty and inequality*.

Box 2. Example of innovative approaches implemented by the United Nations Joint Programme “Protecting and Promoting the Rights of China’s Vulnerable Migrants” (2009-2012)

The United Nations Programme Youth Employment and Migration (YEM), funded by the Spanish Millennium Development Goals Achievement Funds (MDG-F) piloted the following initiatives in China between 2009 and 2012:

- *Coordinating efforts in both migrant sending and receiving areas:* The receiving city of Tianjin and the sending city of Cangzhou conducted a joint research on the employability of potential young migrants and their vocational training needs, as well as on job vacancies and requirements in emerging industrial sectors in Tianjin. Adapted vocational skills training programmes and materials for migrant workers were consequently developed jointly by both cities. The training programmes allowed better matching between the supply and demand of labour, as well as mitigated inequality in access to employment services and vocational skills development for migrant workers.
- *Development and dissemination of a “Life skills training package” for potential young migrants in sending areas and migrants in urban receiving areas:* To prevent unsafe migration and support young migrant workers to adapt easily to city life, an integrated Life Skills Training Package was developed by all stakeholders involved in the migration process. The training package, addresses topics such as employment (poverty reduction through decent employment), health (reducing child mortality, improving maternal health and combating HIV/AIDS and other diseases) as well as marriage and family relationships (gender equality and female empowerment). It was delivered to 5,800 potential and actual young migrant workers in middle and vocational schools, training institutions, community centres, workplaces and workers’ evening schools.
- *One-stop community service centres providing integrated social and health services to young migrants:* The centres, which rely on collaboration with civil society at the community level and are based on the principle of user friendly access, have laid the foundation for further integrating resources at the community level as well as establishing comprehensive migrant population services and management for China’s migrant population.
- *Gender differentiated approach to migration:* The programme targeted female migrant workers who are especially vulnerable, in particular those who work in the informal sector, in low-end service industries and as domestic workers. It conducted advocacy campaigns and training on their rights, established psychological and legal support networks, and provided career development counselling.



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