



Strengthening Equitable Provision of Public Employment Services in Sichuan Province, People's Republic of China

The PRC Labor Market

The continued transition of the People's Republic of China (PRC) toward a market economy has generated ripple effects that have changed most of the country's economic institutions.¹ Data as of first half of 2010 showed that the country stood as the world's second biggest economy.² Despite this progress, the Government of the PRC has been confronted with major challenges that include increased numbers of migrant workers, surplus labor in the rural areas, strong demand for skilled workers, and provision of increased employment in the private sector.³ Thus, the Government has adopted labor legislation to provide welfare security of its people.

Labor market reform began in the early 1990s. In 2008, the Government implemented the Employment Promotion Law, featuring a special chapter against job discrimination. Under this law, the state must guarantee that women have equal rights to work. The Government established public employment services (PES) to promote economic development; devise active employment policies and support the unemployed; provide vocational training services; ensure harmonious labor relations to promote the quality of employment; and complete the social security system to cover both the urban and rural labor forces, including the provision

of old-age, medical, unemployment, work-related injury, and maternity insurance.⁴

The Government has persisted in promoting employment by way of developing the economy, deepening reform, coordinating urban and rural economic development, and improving the social security system. It also adopted several measures and strategies to increase job opportunities and keep the unemployment level manageable. Some of the measures adopted to address labor market among youth are (i) strengthening vocational training and improving youth employability; (ii) adopting tax incentive policies and employment service measures to encourage unemployed youth in urban areas to seek jobs on their own or start their own business; (iii) promoting employment of university graduates; (iv) facilitating business start-ups among laid-off youth; and (v) promoting employment preparation system to enhance young workers' competence.⁵

Public employment services are important to promote economic development; devise active employment policies and support the unemployed.

ADB's Assistance to the PRC to Address Labor Issues

To address pressing issues affecting the country's labor force, the Asian Development Bank (ADB) provided technical assistance (TA) for Strengthening Equitable Provision of Public Employment Services in Sichuan Province in the PRC. The TA analyzed the potential options to improve the effectiveness of the PES, particularly for rural-to-urban migrants in Sichuan Province, which included analysis of the country's current labor market, capacity constraints in the PES system, service staff levels, the policy environment, market information systems, public-private partnerships, and gender issues.⁶

The TA was implemented in three phases over an 11-month period. The activities of the TA were (i) review of the policies and strategies of the PES system at five levels (province, prefecture, county, township, and village)

in Sichuan, with particular emphasis on Chengdu and Guang Yuan; (ii) identification of challenges and opportunities to improve the PES, especially for the rural population, including a labor supply and demand analysis, economic growth projections, policy analysis, and capacity of PES staff; (iii) survey on migrant workers' needs for PES; and (iv) policy recommendations to improve provision of PES.⁷

A significant outcome of the TA is a comprehensive analysis of choices for improving the effectiveness of the PES for all job seekers, especially rural-to-urban migrants in Sichuan Province. Policy recommendations and key findings during the TA implementation were disseminated among various stakeholders and the general public through various media channels, including official websites, printed materials, and presentations during conferences.⁸

Endnotes

- ¹ Yajing Wang. n.d. *Employment, Labor Relations, and the Union Situation in China*. Available online at <http://frank.mtsu.edu/~jee/pdf/yajing99.pdf>
- ² *The Economist*. 2010. Hello America: China's Economy Overtakes Japan's in Real Terms. 16 August. Available online at www.economist.com/node/16834943
- ³ ADB. 2009. *Proposed Technical Assistance to the PRC for the Strengthening Equitable Provision of Public Employment Services in Sichuan Province*. Manila. (TA7391 – PRC, for \$480,000, approved 1 Dec 2009).
- ⁴ United Nations Development Programme. 2008. *Access for All: Basic Public Services for 1.3 Billion People*. China Institute for Reform and Development. Available online at www.undp.org.cn/downloads/nhdr2008/NHDR2008_en.pdf?bcsi_scan_7823DFCE46415F3E=0&bcsi_scan_filename=NHDR2008_en.pdf
- ⁵ _____. 2009. *HRD Policies in Collaboration with Employment Security in China in the Midst of the Financial Crisis*. Country Report. China Association of Staff and Workers Education and Vocational Training, The People's Republic of China. Available online at www.apecknowledgebank.org/file.aspx?id=2266
- ⁶ ADB Media Center. 2010. *PRC's Sichuan Province to Improve Job Seeking Services for Migrants*. News Release. Available online at www.adb.org/media/Articles/2010/13132-chinese-employments-developments/
- ⁷ Footnote 3.
- ⁸ Footnote 3.

About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to two-thirds of the world's poor: 1.8 billion people who live on less than \$2 a day, with 903 million struggling on less than \$1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

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