



Toward an Improved Public Employment Service System in the Western Region of the PRC

The western region of the People's Republic of China (PRC) covers more than 70% of the total area of the country. It is composed of 12 provincial-level administrative entities.¹

Despite the large area covered, the region comprises only 28% of the national population. More than 80% of PRC's ethnic minorities from more than 43 ethnic groups reside in the western region. Majority of these ethnic groups are engaged in agriculture. Notably, national statistics reveal that women in the region have fewer opportunities for employment and education compared to men. In addition, female illiteracy rate is much higher than male illiteracy rate. Consequently, women and the ethnic minority groups are socially and economically disadvantaged in terms of accessing basic social needs.

Given such conditions, providing assistance to the region is therefore imperative. An important support would be to facilitate employment of disadvantaged people, such as ethnic minorities and women, by providing a public employment service (PES) in the remote areas of the region. Districts and communities in distant areas usually do not have a government-administered PES. The presence of a PES facilitates access to labor market information as well as improve economic and social connections. The main challenge however lies in providing the PES in remote communities that are distributed over a large area.

The Public Employment Service in the PRC

The Government of the PRC has exerted considerable efforts since the late 1990s to develop a modernized PES system with the support of a number of policy

instruments.² The PES system was expanded throughout the country, in coordination with various institutions at different levels. The system is designed to assist job seekers—the laid-off and unemployed—as well as become a catalyst for employees and employers in providing fundamental and comprehensive services with regard to labor security. The PES (i) provides legal advice to laborers about their rights and benefits, (ii) acts as a broker for jobs, (iii) provides labor market information and analysis, (iv) administers unemployment benefits, (v) provides vocational training, and (vi) offers special support to disadvantaged populations. A crucial role of the PES is to promote the rational allocation of labor resources in the country.

Establishing the PES has become critical amid the rapid increase of employment opportunities in the PRC. With the robust socioeconomic demand and the changing environment of labor and employment in the country, it is essential to improve the efficiency and effectiveness of the PES. This will involve the strengthening of institutional arrangements, effectively implementing and coordinating decentralization in delegating authorities, and developing proactive

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networking. To accomplish by 2010 the main targets put forth in the PRC's 11th Five-Year Plan (2006–2010), the government has emphasized the need to further strengthen the management of social programs and the functions of various public services, including the PES.³

ADB Intervention⁴

Upon the request of the government, the Asian Development Bank (ADB) approved in November 2008 a technical assistance (TA) for the Improvement of Public Employment Service System in the Western Region. The TA is expected to increase the use of the improved PES by disadvantaged people, including women, ethnic minorities, and those residing in remote areas in the western region. Qinghai Province was selected by the government as the case study province.

The TA will assess the organizational issues of the PES taking into consideration the following: (i) the current decentralized mechanism of the government, (ii) the allocation and mobilization of resources, and (iii) the capacity of public institutions at various levels. It will give recommendations on how to improve the PES system in the western region.

Furthermore, a demand-based and user-friendly system will be developed. Users of the PES include

urban and rural people, job seekers, state and private enterprises, and schools. The TA will evaluate the pilot version of the web-based information service, the Qinghai Labor Market Info Net,⁵ to enhance its usefulness.

In addition, a comprehensive policy note with recommendations will be formulated. This will be a knowledge product of the TA and will be extensively disseminated to policy makers in the central and provincial government levels.

Based on the findings of the TA midterm review mission conducted in December 2009, implementation of the TA is generally satisfactory. Preliminary policy recommendations were presented during the midterm workshop. The review team highlighted the proposed international study visit as one of key project activities wherein participants are expected to learn valuable perspectives and approaches that can be applied in the western region. In addition, an agreement was reached that the policy note, which is one of the outputs of the TA, will be transformed and developed into a knowledge product by ADB and the Qinghai provincial government.

Overall, the TA midterm review team reported that the Qinghai provincial government has strongly supported the implementation of the TA. Improving the PES remains a high priority of the government.

Endnotes

- ¹ The 12 province level administrative entities of the western region are: Chongqing Municipality, 6 provinces (Gansu, Guizhou, Qinghai, Shaanxi, Sichuan, and Yunnan); and 5 autonomous regions (Guangxi Zhuang Autonomous Region [AR], Inner Mongolia AR, Ningxia Hui AR, Tibet AR, and Xinjiang Uygur AR).
- ² Regulation of Labor Market Management 2000, Employment Promotion Law 2008, Regulations on Employment Service and Employment Management 2008.
- ³ The main targets of the PRC's 11th Five-Year Plan (2006–2010) include (i) new jobs created for urban residents reaching 45 million in 5 years, and (ii) number of rural laborers transferred to nonagriculture sectors reaching 45 million in 5 years.
- ⁴ ADB, 2008. *Technical Assistance to the People's Republic of China for Improvement of Public Employment Service System in the Western Region*. Manila (TA 7163-PRC).
- ⁵ 2008. *Qinghai Labor Market Info Net*. Available in Chinese: www.qhlm.gov.cn. The web-based information service administered by the Qinghai Provincial Bureau of Labor and Social Security provides labor market information and analysis.

About the Asian Development Bank

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