

Youth Employment Policy Brief: China



Inclusive growth for youth
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International
Labour
Organization

Quick Facts

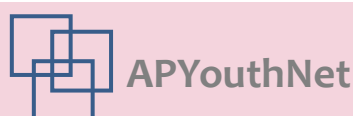


- Population: 1,377 million (2012)¹
- Proportion youth (15-24 yrs.) in total population: 16.3% (2012)¹
- Total unemployment rate: 4.5% (2012)¹
- Youth unemployment rate: 9.7% (2012)¹
- Youth labour force participation rate: 56.2% (2012)¹
- GDP: US\$8.227 trillion (2012)²
- GDP growth: 7.8% (2012)²
- Major industries: Mining, manufacturing (textiles and apparel, consumer products, machinery) and construction²

China has ratified 25 [ILO Conventions](#) including four Core 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)

Sources: (1) [ILO](#); (2) [World Bank](#)



The People's Republic of China has achieved rapid economic and social progress over the last 30 years. However, demographic and global market changes have hampered the employment conditions and prospects of young people, despite full employment being consistently high on the government agenda. The employment gap between the numbers of job creation (estimated at seven to eight million per year) and job seekers has defined the harsh school to work transition of young people. ([Makiko Matsumoto and Sara Elder, 2010](#))

Youth unemployment and underemployment

The Chinese government now faces mounting pressure to provide decent job opportunities for the ten million new urban labour market entrants annually. ([Casale, G. and Zhu, 2013](#)) As the Chinese government has stopped the publishing of youth unemployment rate since 1994, the ILO estimated a rate of 9.7 per cent in 2012 based on its research. ([KILM, 2013](#)) Work is often available but is mainly restricted to manual operational works and the informal sector. Hence, young college graduates continue to face difficulty finding jobs as the demand for skilled labour remains low. ([ILO, 2013](#)) The situation is worsened by the pure economic fact that neither the young labour market entrants' expectations nor their skill levels have adjusted to evolving market needs.

Young women

The unemployment rate for young women (7.8 per cent) is lower than that of young men (11.3 per cent), according to ILO 2012 estimates. ([ILO, 2013](#)) The law on the Protection of Rights and Interests of Women is critical in promoting gender equality, as well as the lawful rights and interests of women. It stipulates that the state shall guarantee that women enjoy equal rights to work and social security, and that equal pay and welfare benefits for equal work shall be applied to both men and women. ([Casale, G. and Zhu, 2013](#))

Internal labour migration

Internal migration in China has continuously expanded. The growing export sector has shown a strong tendency to prefer young workers below their 20s, and youth under the age of 30 constitute the vast majority of labour migrants. The number of young migrant workers below the age of 30 was approximately 85 million in 2012, 58.4 per cent of the total rural-urban migrant population. ([ILO, 2013](#)) Young migrants are especially drawn to better employment opportunities and higher wages in the cities.

Child labour

The legal age of entry into employment in China is 16 years of age. According to the 2010 Census, there were 39.57 million children aged 16 and 17 in China, of which 8.39 million or 21.2 per cent were economically active. ([Unicef, 2013](#)) Rural children enter the labor market earlier. The labour participation rate of rural children aged 16 and 17 was as high as 29 per cent, more than twice that of children in urban areas. ([Unicef, 2013](#))

Education and skills development

In the hopes of improving productivity in the long run, the Government had put effort to expand the education system. It promotes that all children have nine years of primary and junior high school education by the age of 15. As highlighted in the OECD review of China's tertiary education, significant investments were made by universities to more than triple the number of new entrants into tertiary education. Subsequently, the number of university students swiftly rose from 1.17 million in 2001 to 6.6 million in 2011. (OECD, 2011) However, graduates still face difficulty in securing employment opportunities as employment services do not effectively reach out to young people and university curricula are typically unresponsive to changing labour market demand.

Government priorities

The Employment Promotion Law (EPL) instituted in 2007 gives a legal framework to implement the Government's Strategy of Employment as its priority. Through a set of implemented policies and programmes, [the 12th Five Year Plan \(2011 - 2015\)](#) promotes internal migration as an essential component of the national development strategy, ensuring adequate support for young migrant workers and improving their employment opportunities and working conditions. University graduates who want to start up their own businesses also have better access to favourable policies such as subsidies and tax rebates, as well as low-interest loans from provincial governments. (ILO, 2013)

The ILO's involvement

After the signing of an MOU in 2001, the ILO has gained better understanding of China's national conditions and needs through technical cooperation activities. Its strong expertise in employment promotion is highly recognized by Chinese partners and its programmes have benefitted a substantial number of laid-off workers, migrant workers and young people, with networks of trainers and partners established. As a leading agency in creating decent jobs, the ILO recognizes the urgent needs to tackle the young migrant workers and young graduates' employment issues in China and could build on such existing networks and platforms for implementation.

Policy and Programme Recommendations

As part of the [United Nations System-Wide Action Plan on Youth](#) and [China's 12th Five Year Plan \(2011 - 2015\)](#), a range of activities was planned to support youth employment in China, which includes:

- Development of a reliable labour market data and information system on youth employment.
- Advocating for development of a national policy on youth employment and promoting mainstreaming of youth issues into the national employment programme.
- Building more employment service centers for young graduates and strengthening the capacity to provide better career guidance.
- Provision of programmes to develop entrepreneurship skills for rural youth and young college graduates.



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