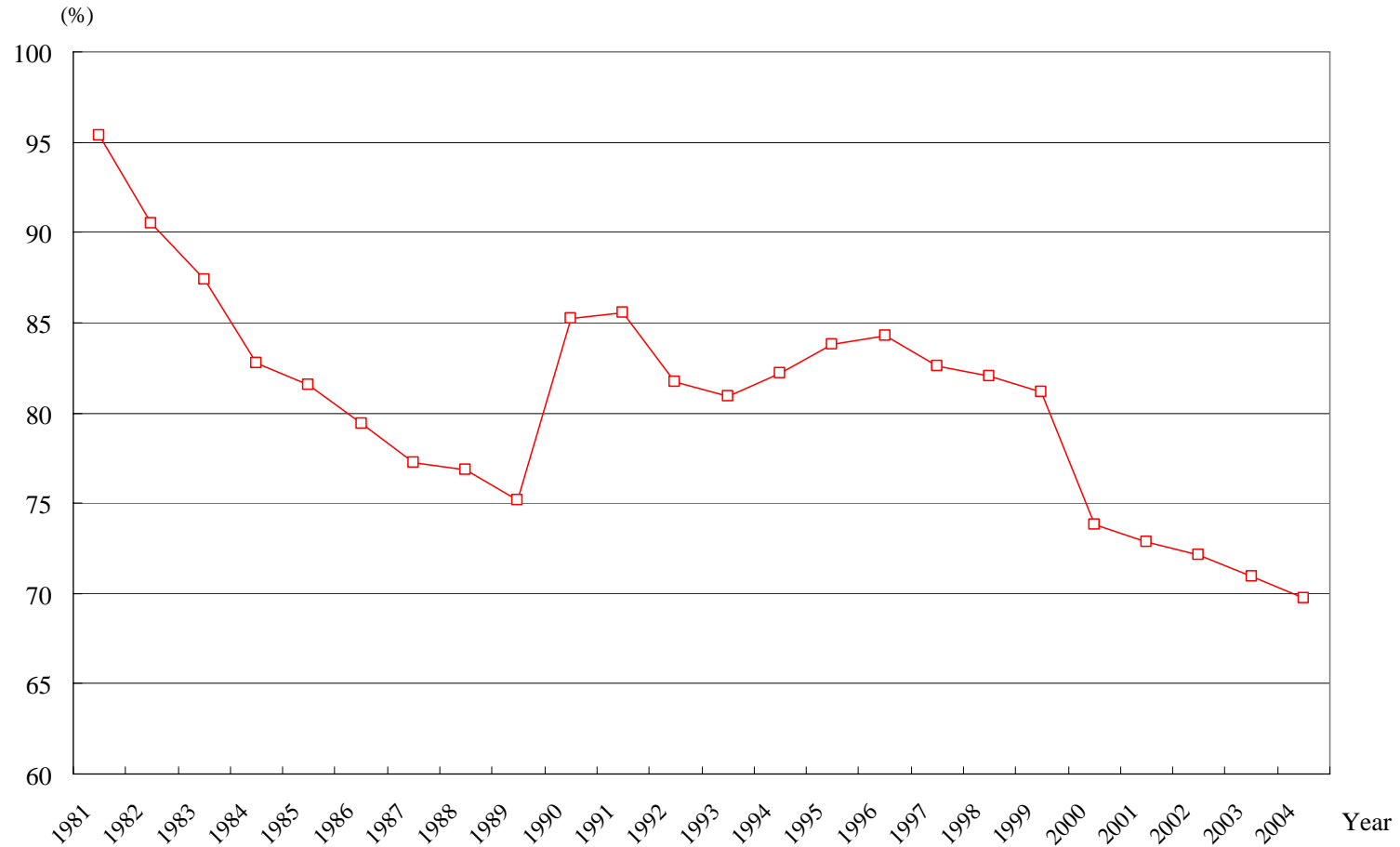


Labor Market Reform and Employment Restructuring in China

Ming LU
(Fudan University)
Harvard, April 2007

Labor force participation rate (1981-2004)

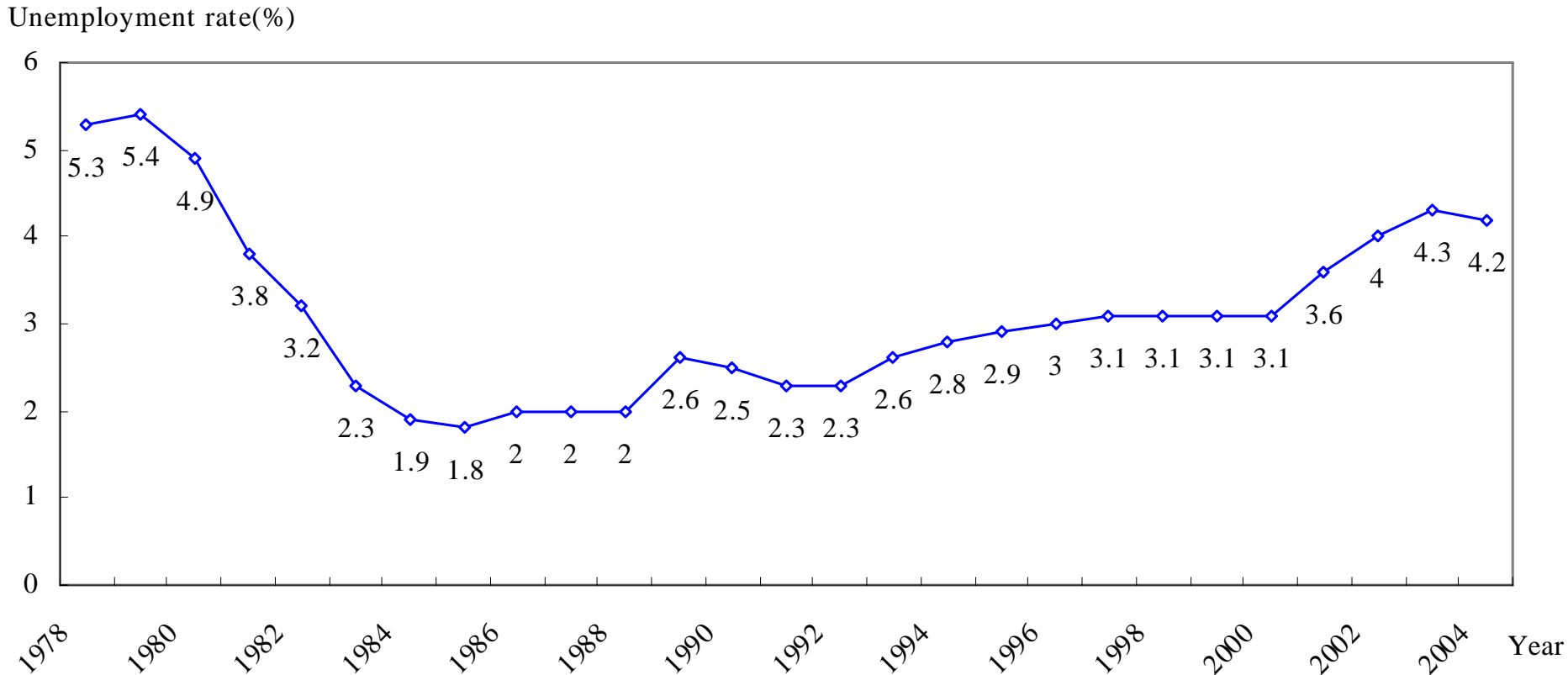
(employment + unemployment) / working age population



LFPR is dropping. 69.73% in China in 2004.

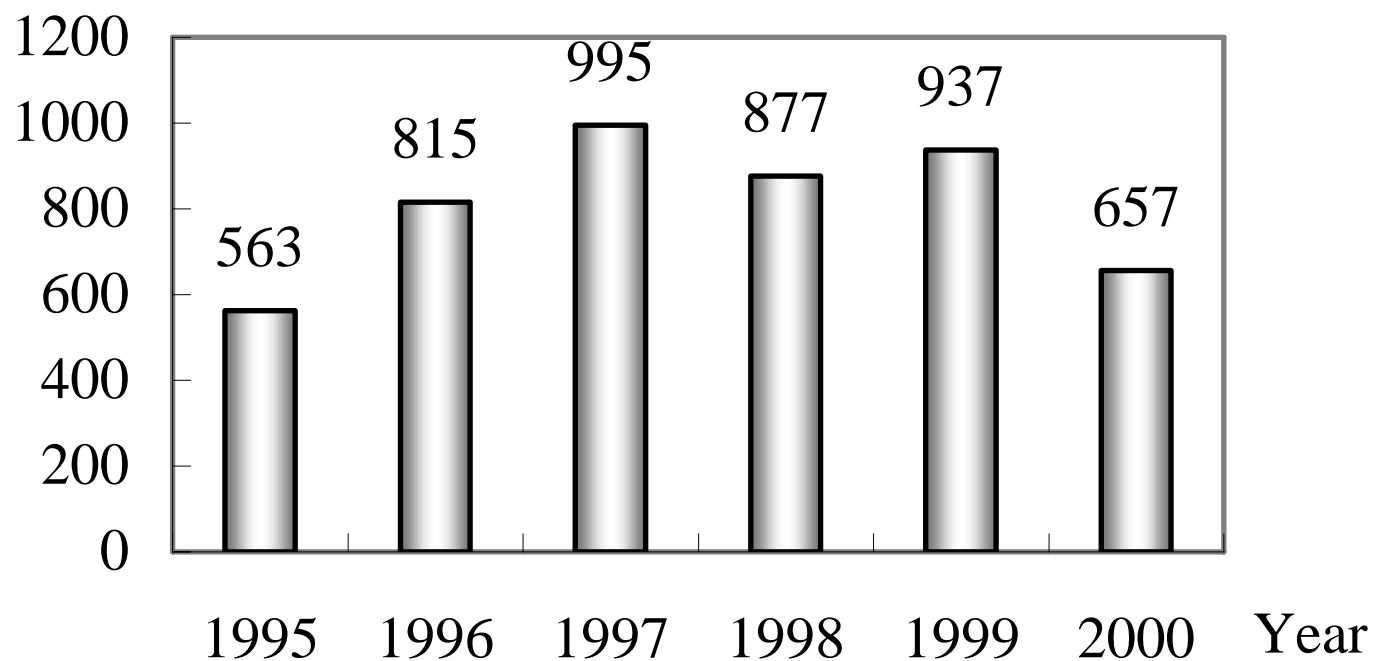
66.28% in Korea, 69.13% in France, 75.41% in US in 2005.

Urban registered unemployment rate (1978-2004)



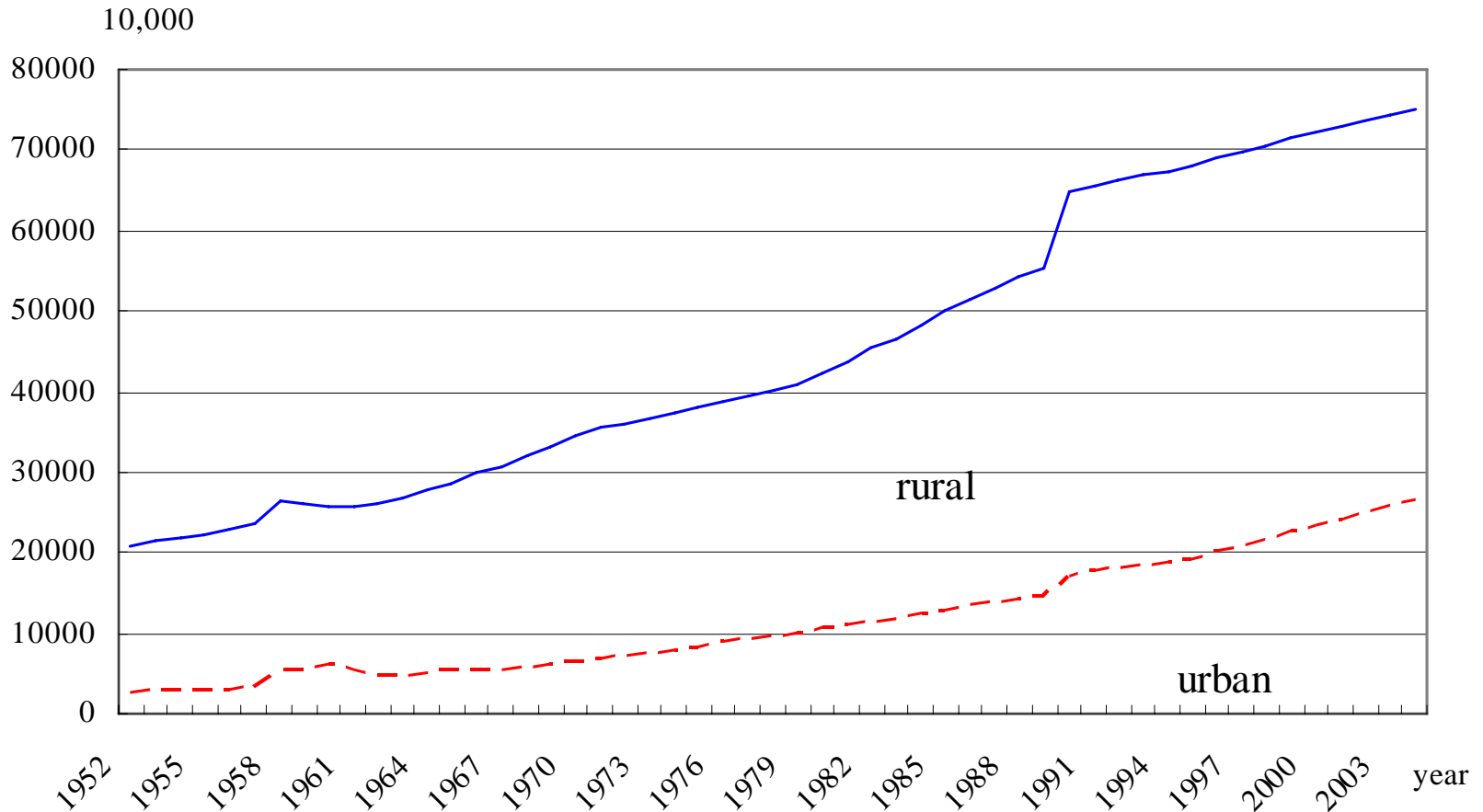
Unemployment rate is rising, but under estimated.

The number of laid-off (*Xiagang*) workers (1995-2000) (in 10,000)



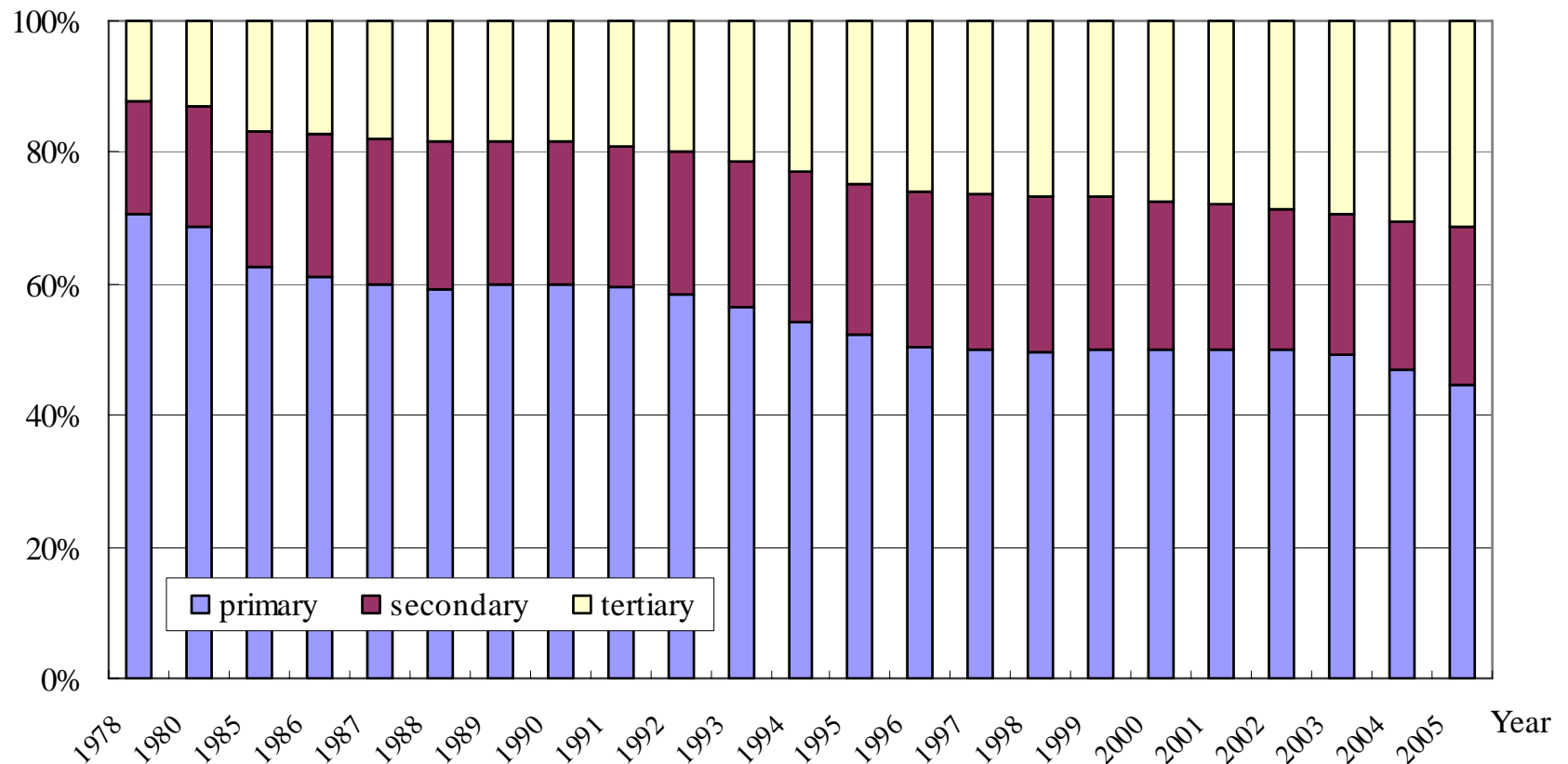
The real urban unemployment rate according to population census in 2000 is 8.3%.

Employment (urban-rural) (1952-2004) (in 10,000)



Urban share is rising. Reaches 35.2% in 2004.

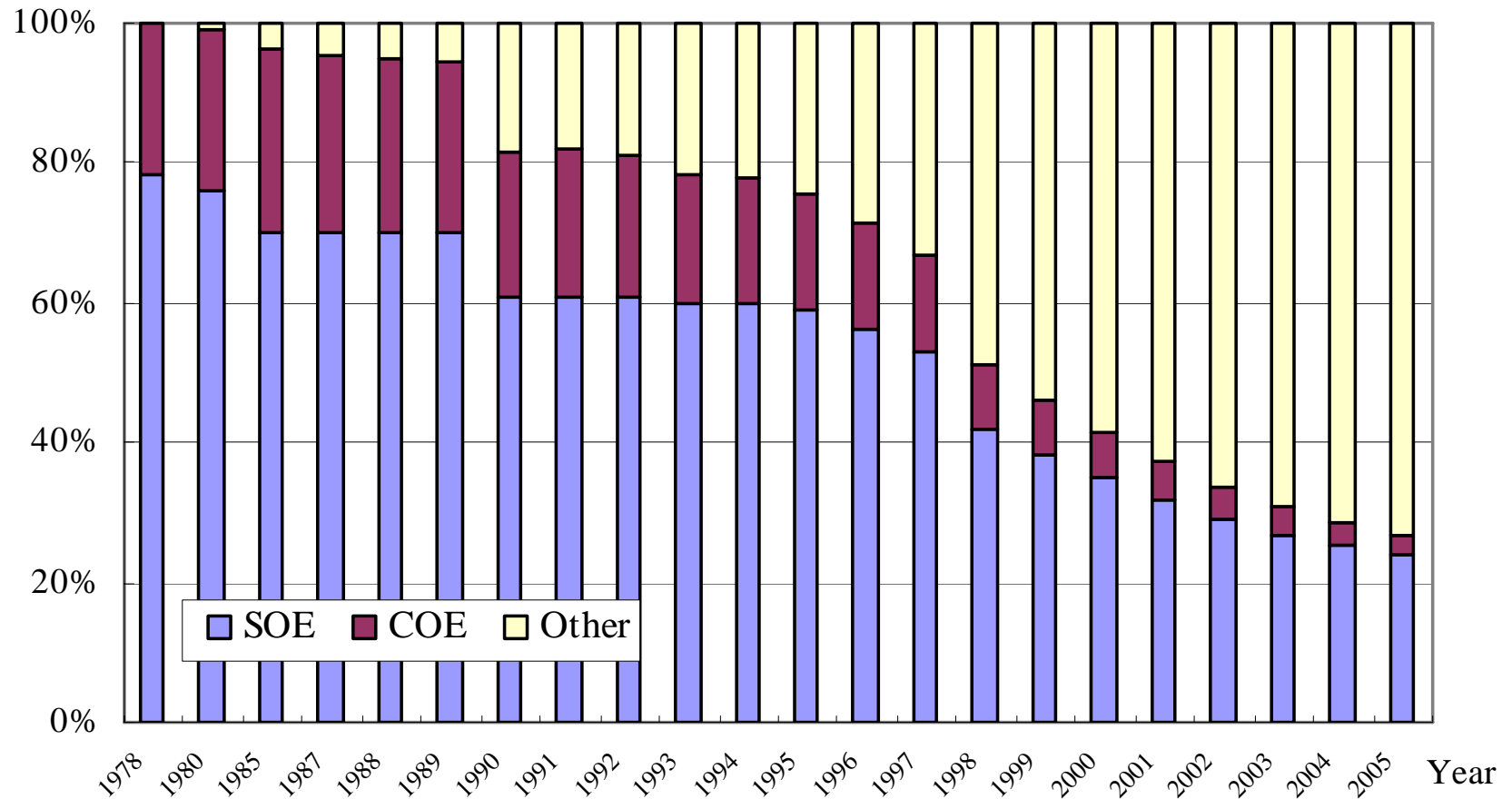
Employment by industry (1978-2005) (primary, secondary and tertiary)



Secondary and tertiary shares are rising. 44.7% primary, 23.9% secondary, 31.4% tertiary in 2005.

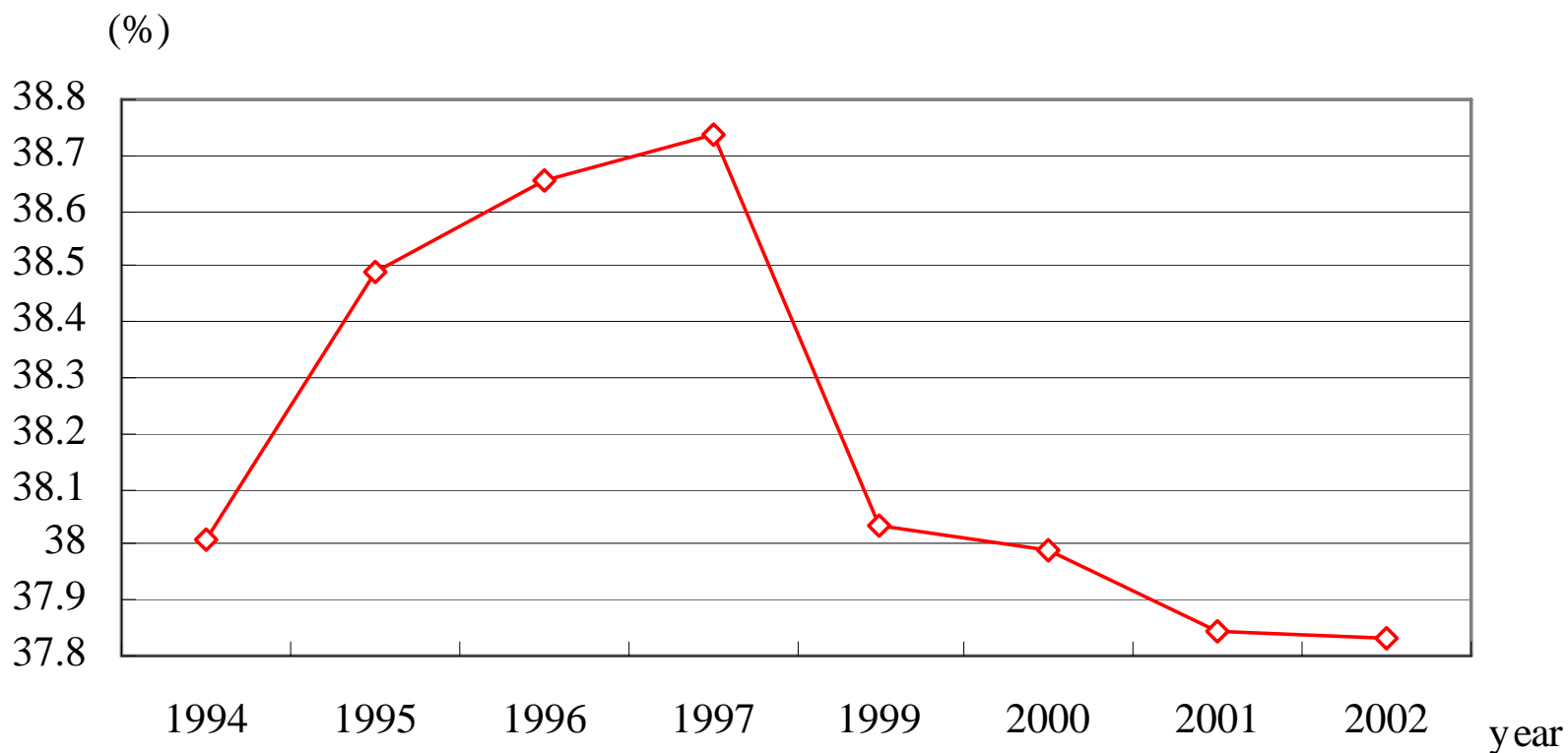
Employment by ownership (1978-2005)

(State-owned, collective-owned and other)



Other's share is rising. 73.3% in 2005.

Women's share in employment in urban units (1994-2002)



Women's share is dropping after 1997. 37.83% in 2002.
Women account for 45.4% in total employment in 2005. One possibility is that women are more likely to be in informal employment.

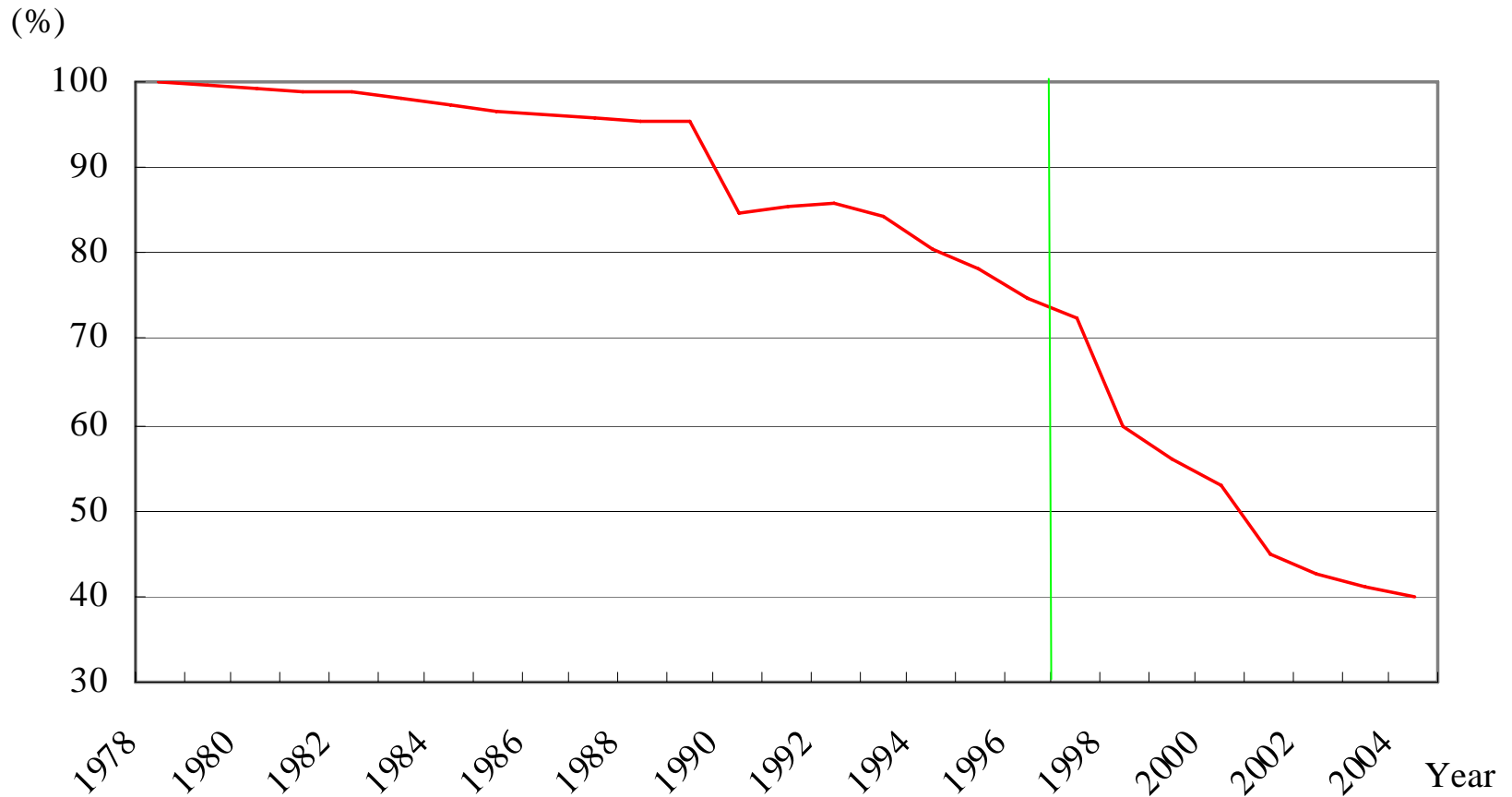
Employment structure by status (2004)

	Total	Urban Units Employment	Township Enterprises Employment	Agriculture Employment
Total	100	16.4	3	54
Male	100	17.6	3.2	49.8
Female	100	14.9	2.7	59.2
	Private Sector Employee	Private Employer	Self- Employed	Others
Total	12.7	3.8	8.1	2.1
Male	13.2	4.5	9.4	2.4
Female	12.1	3	6.4	1.9

The 3 categories in red account for 74.9% in total employment.

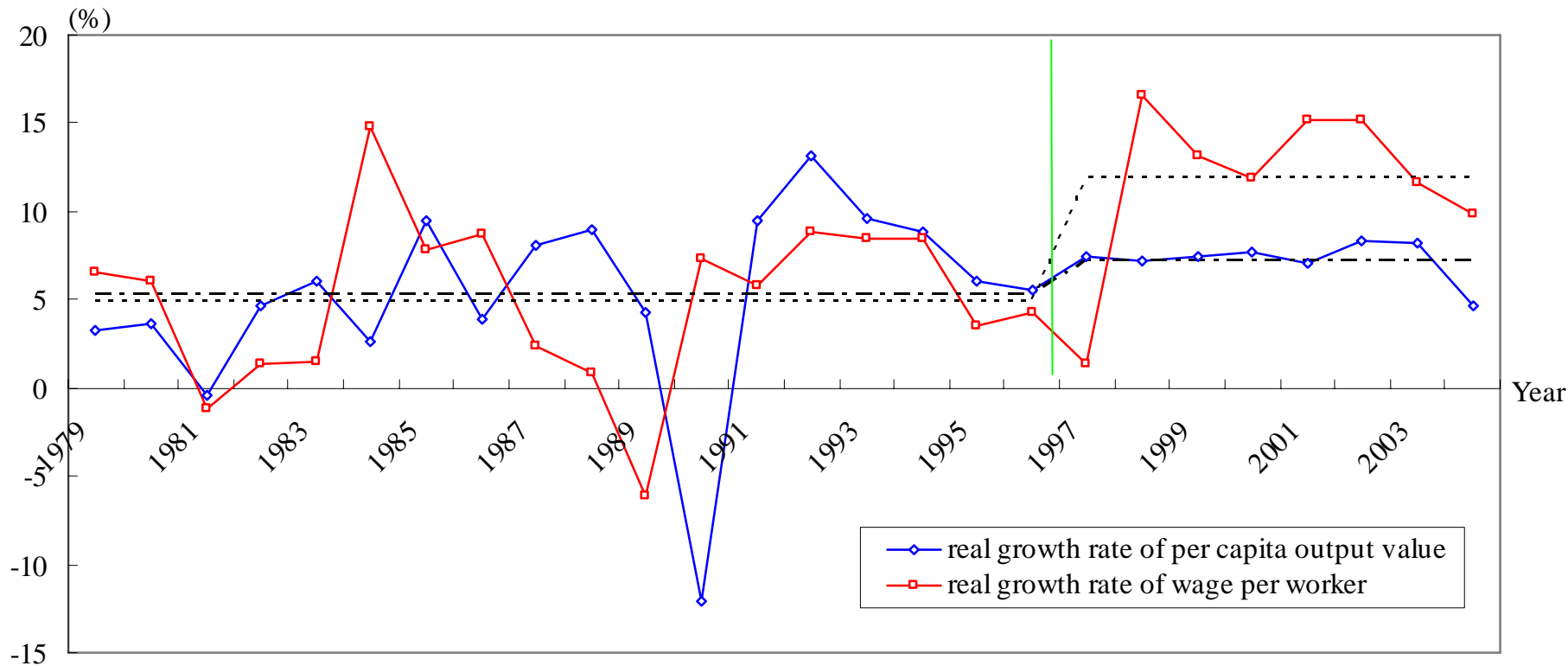
The informality-productivity-growth relationship?

Paid employee as a share of total employment (1978-2004)



Declining, and much more drastically since 1997.

Growth of productivity and wage



Both average growth rates of wage and per capita output in 2nd and 3rd industries are higher after 1997.

- *Thanks!*