

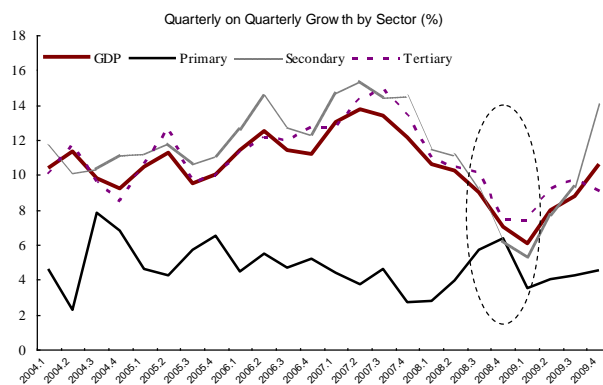
# Key Trends of Growth, Labour Market Outcomes and Inequality in China

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[www.oecd.org/els/social/inequality/emergingeconomies](http://www.oecd.org/els/social/inequality/emergingeconomies)

## A V-Shaped Recovery from the Global Financial Crisis

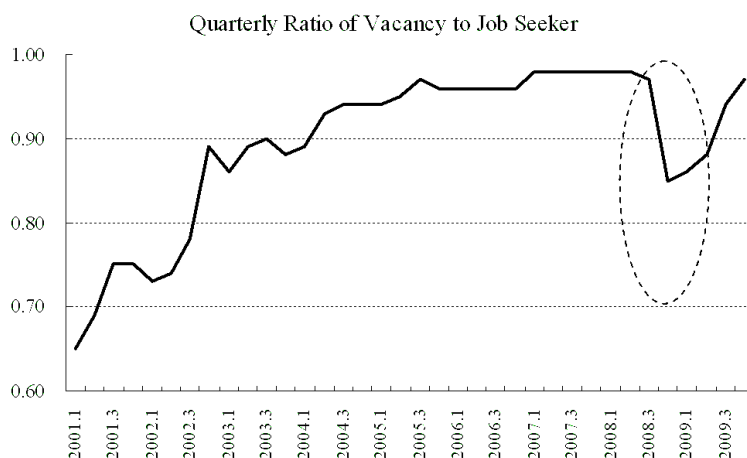


Growth was slowing prior to the crisis and rebounded quickly

## How did the crisis impact the employment?

- Job vacancy rates fell but bounced back quickly
- Up to 20 million migrant workers lost jobs temporarily (MOA, NBS surveys)
- 2/3 of those losing jobs reemployed by summer 2009 (Rozelle et al., 2009)
- By 2010, very low urban unemployment rates but lower labor force participation

## Job vacancy declined during the crisis but bounced back quickly

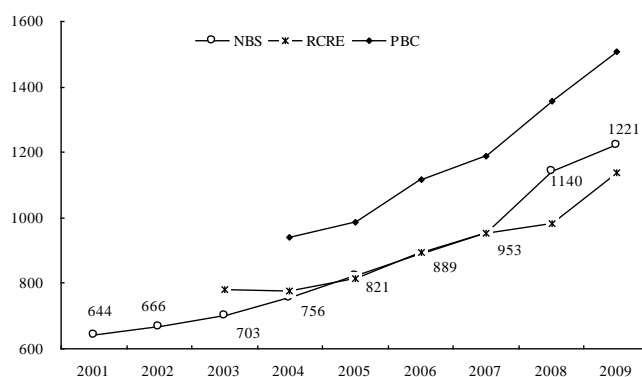


### Changes in employment of migrants versus local residents, China firm survey 2009 (% changes from 6 months earlier)

		Jun-08	Dec-08	Jun-09
All firms	Migrants	4.76	-0.88	5.29
	Local	3.23	-0.07	2.09
Non-exporters	Migrants	5.44	1.23	5.71
	Local	3.51	0.06	3.35
Exporters	Migrants	4.22	-2.74	5.01
	Local	2.80	-0.27	-0.01

All workers affected by the crisis, but migrants more adversely affected than local workers, especially in exporting firms.

### Real wages of migrants continued to increase through the crisis



NBS=National Bureau of Statistics  
 RCRE=Research Center for Rural Economy (Ministry of Agriculture)  
 PBC=People's Bank of China

### Summary:

#### key trends of labor market outcomes

- Impacted manufacturing firms, especially exporters
- Migrants (informally employed) most adversely affected,...but
- Overall, employment and wage impacts short-lived
- Resumption of trend toward increasing labor scarcity that predated the crisis

### Key trends in inequality

- China had seen increasing inequality with fast economic growth
- However, to some extent the inequality trend was over-estimated because current statistical system include the migrants' information insufficiently
- Also, increasing wages for unskilled workers could contribute more to reduce the inequality
- It seems that regional development programs and social programs tend to have impacts on reducing inequality too