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Gender Equality and the Labor Market: Women, Work and Migration in the People's Republic of China

Asian Development Bank

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Gender Equality and the Labor Market: Women, Work and Migration in the People's Republic of China

Abstract
The People's Republic of China (PRC) has made advances in narrowing gender gaps in its labor market. It has one of the highest female labor force participation rates in Asia and the Pacific at around 64% in 2013, and one of the narrowest earnings gender gaps. This study investigates how women are faring in the transition to the PRC’s new growth model, and what can be done to promote women's participation. It shows how the PRC is undergoing multiple transitions that have implications for gender equality and work. For example, during the market transition, gender wage gaps and gender wage discrimination increased, reaching 33% in urban areas and 44% in rural areas. Find out how evidenced-based gender analysis can foster gender responsive policy approaches to promote women’s equality in the labor market.

Keywords
China, gender gap, labor market, gender equality, female labor force participation rates

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GENDER EQUALITY AND THE LABOR MARKET
WOMEN, WORK, AND MIGRATION
IN THE PEOPLE’S REPUBLIC OF CHINA
Gender Equality and the Labor Market: Women, Work and Migration in the People’s Republic of China

The People’s Republic of China (PRC) has been one of the most successful developing economies over the past 30 years based on a range of economic and development indicators. However, it has a highly complex and dynamic labor market with the implications for women’s work in need of systematic analysis. This technical note will add value by bringing together evidence on trends in women’s employment, migration and gender gaps. The statistical review identifies the sectors in which women work and documents the gendered impacts of the PRC’s market, structural, growth and demographic transitions. The technical note ends with a set of conclusions and recommendations illustrating how evidenced-based gender analysis can effectively foster gender responsive policy approaches to promote women’s equality in the labor market.

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In November 2016, the Asian Development Bank (ADB), the International Labour Organization (ILO), and national partner, the Beijing Normal University, Department of Social Policy shared the findings of this ADB and ILO joint study on Promoting Gender Equality in the Labor Market: Women, Work, and Migration in the People’s Republic of China at a national workshop. We would like to extend our thanks to Professor Xu Yuebin and his team at the Beijing Normal University for hosting this workshop and enabling the findings of the study to be shared with a wide range of stakeholders.

The background to this joint study is an increasing international body of literature that clearly demonstrates that gender equality is not just an equity issue; it inhibits progress for national economies as well as individual women (and men). The 2016 ADB study, “A Model of Gender Inequality and Economic Growth”, models the significant economic benefits of removing gender inequality in regional economies. The study estimated that per capita income would rise by 30.6% after one generation, and 71.1% after two, by improving women’s and girls’ time use allocation, promoting education and training, and increasing women’s labor market participation.

The People’s Republic of China (PRC) has made significant advances in narrowing gender gaps in its labor market. It has one of the highest female labor force participation rates in the Asia and Pacific region, at around 64% in 2013, and one of the narrowest earnings gender gaps. The PRC has recognized the importance of gender equality in the labor market in its 5-year development plans, the recent White Paper on Gender Equality, specific legislation, and government machinery to implement specific policies and regulations. It has also been at the forefront in Asia of passing good legislation to promote women’s equality. The Law of the People’s Republic of China on the Protection of Women’s Rights and Interests, which clearly prohibits gender discrimination in employment, was passed some 25 years ago. The PRC ratified the relevant fundamental labor standards more than a decade ago: the Equal Remuneration Convention, 1951 (No. 100) in 1990, and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111) in 2006.

The PRC is committed to the “new” Sustainable Development Goals (SDGs), which contain a stand-alone goal on gender equality, SDG 5, and specific actions and targets for promoting gender equality in the labor market. SDG Goal 8 is very clear: by 2030, it seeks to achieve “full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for equal work of equal value.” SDG 8 commits countries to “protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.” Together, these SDGs seek to ensure gender equality in employment and, in particular, the protection and promotion of the rights of women migrant workers.
This study looks beneath the surface of these considerable gains, to investigate how women are faring in the transition to the PRC’s new growth model, and what can be done to promote their participation. It shows how the PRC is undergoing multiple transitions, with complex implications for gender equality and work. It demonstrates how each of the four transitions: market, structural, growth, and demographic, has had an impact on the labor market, and provides evidence of areas where gender inequality remains, and where this inequality is increasing. For example, during the market transition, gender wage gaps and gender wage discrimination increased, reaching 33% in urban areas and 44% in rural areas. The structural transition from agriculture to industry and services was accompanied by a very large rural to urban migration, generating 274 million migrants in 2014 (some 34% of the economically active population). Women comprised about a third of the migrants. The interaction of gender norms and the hukou system produced gendered migration patterns that reflect who migrates, motivations, and outcomes. The study also highlights the particular challenges facing women migrant workers. They tend to be at the bottom rung of the economic ladder, with higher rates of vulnerable employment, lower earnings than men migrants, and less social protection. They are less able to pursue occupational advancement, and they endure poorer working conditions. Migrant mothers face further challenges in combining paid and unpaid work, and, like nonmigrant women workers, endure a “motherhood penalty” if they have young children. Some of the recommendations emanating from this ADB and ILO joint study include: rethinking the provision of care for a rapidly aging population so the burden is shared more equally between men and women, adopting measures to address sex segregation in the labor force, addressing gender wage discrimination, expanding protections for workers that will benefit women, systematically collecting and publishing sex-disaggregated data, and undertaking specific research studies to address gaps in the literature.

We hope that this study and its recommendations will provide useful inputs into this important reform agenda.

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Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>ACTRAV</td>
<td>International Labour Organization Bureau for Workers’ Activities</td>
</tr>
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<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>CHIP</td>
<td>China Household Income Project</td>
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<tr>
<td>GDP</td>
<td>gross domestic product</td>
</tr>
<tr>
<td>HDI</td>
<td>Human Development Index</td>
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<tr>
<td>LFPR</td>
<td>labor force participation rate</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organization</td>
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<tr>
<td>MHRSS</td>
<td>Ministry of Human Resources and Social Security</td>
</tr>
<tr>
<td>NBS</td>
<td>National Bureau of Statistics</td>
</tr>
<tr>
<td>PRC</td>
<td>People’s Republic of China</td>
</tr>
<tr>
<td>RUMIC</td>
<td>(Longitudinal Survey on) Rural Urban Migration in China</td>
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<tr>
<td>SOE</td>
<td>state-owned enterprise</td>
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<tr>
<td>TA</td>
<td>technical assistance</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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Note

In this report, “CNY” refers to yuan, the currency unit of the People’s Republic of China.
Executive Summary

This report provides a high-level overview of women’s employment and gender equality in the labor market in the People’s Republic of China (PRC). While the question, “How have women been affected by development transitions over the course of the past three and a half decades of economic reform?” may seem straightforward, the answer is complicated. This is because women are not a homogenous group: they differ by age and education; by the household registration system (hukou) status, and as a result of their unpaid work activities as grandmothers, mothers, wives, daughters, and sisters. Further, women work in many different sectors, including agriculture, manufacturing, services, and the private, state, and informal sectors. In addition to these differences, this report studies not simply women in isolation, but also gender relations.

To analyze this complexity, the report breaks down the PRC’s recent history into four separate but interconnected development transitions, each with its own logic and impact. An overview is provided of how these transitions—market, structural, growth, and demographic—had gendered impact on work. Gender equality in the labor market is analyzed in terms of equality of opportunity (e.g., participation) and treatment (e.g., benefits such as wages and social protection).

These impacts are conditioned by, or mediated through, a set of societal factors. These include gender norms, meaning the gendered values, beliefs, and attitudes affecting roles, behavior, work, and resources. These gender norms ascribe different roles to women and men in the household, workplace, and society. Of course, these are not static, as attitudes and values change over time. Gender norms also operate beyond the household, often in invisible ways, and structure public institutions and systems, including the hukou, laws, policies, and services. These norms affect how women and men are incorporated into the labor market, how much and what forms of human capital they bring with them, hiring and promotion decisions, the legal protections they receive, and the state services they can use. The impact of the transitions is also conditioned by voice—the ability of labor market participants to protect and advance their interests—individually and collectively.

The importance of gender equality in the labor market is recognized by the PRC as evident in its 5-year development plans, the recent White Paper on Gender Equality, specific legislations, and government machinery to implement specific policies and regulations. Gender equality is now widely acknowledged by economists and international development partner agencies as a human right and a determinant of productivity, and for its contribution to improvements in overall equality and economic growth.
Notwithstanding the commitments to gender equality made by the PRC, this report argues that the multiple transitions had significant impacts on gender equality in the labor market. The report demonstrates that pervasive and increasing gender inequalities in the labor market remain, caused by four interacting transitions. Therefore, these transitions require effective policy intervention if labor market outcomes are to match stated gender equality commitments.

The market transition, initiated in 1978 and ongoing, is characterized by features such as the decline in importance of state-owned enterprises in urban areas, and a shift to the household responsibility system in rural areas. One of the key changes in urban areas was the shift away from administrative mechanisms for employment and wage setting to market mechanisms. In addition, as production and employment shifted into the private sector, state and private sector employer-provided care services for children and the elderly declined. In rural areas, women’s access to wage employment changed and so did their access to other resources, such as land, particularly as the duration of land leases lengthened.

These changes were mediated through a greater role for gender norms in structuring and rewarding work in all sectors, and gaps in implementing laws. In rural areas, women had less access to off-farm employment than men. There is a gender gap in urban areas, with women more likely to be in informal employment and less likely to be entrepreneurs.

Gender wage gaps and gender wage discrimination increased as a result of the market transition. The gender wage gap reached 33% in urban areas and 44% in rural areas. Over 90% of these gaps were estimated to be due to gender wage discrimination. The smaller role for state-owned enterprises and the general decline in the provision of care services, which are features of the market transition, contributed to the increased “motherhood” or “caregiving” wage penalty, estimated to be 37%.

The structural transition started in the 1950s, and intensified in the 1990s with migration. The structural transition refers to shifts in shares of national production away from the primary or agriculture sector toward the secondary and tertiary sectors (industry and services). The structural transition is associated with the export-led development strategy that increased demand for labor in manufacturing in coastal provinces.

While the structural transition affected both men and women, the shift in employment to the secondary sector was greater for men than women. Thus, the (lowest productivity) primary sector accounts for a greater share of women’s employment than men’s employment. The shift into the secondary sector was accompanied by industrial gender segregation, with women concentrated in the lowest-paid industrial sectors. For example, in the manufacturing sector, in textiles and apparel, where women comprise 67% of the workforce, wages are only 81% of the sector average.

The structural transition from agriculture to industry and services was facilitated by rural–urban migration—one of the most important features of the PRC’s labor market over the past 2 decades. According to national statistics, there were 274 million migrants in 2014 (34% of the economically active population). While women comprise about a third of all migrants, there is gender parity among young migrants—equal numbers of young
women and young men migrate. Due to the hukou system, rural–urban migration tends to be temporary or circular, since people with a rural hukou are constrained in accessing health care and education services for their children in urban areas. Thus, gender norms interact with the hukou system to determine gendered patterns of migration. Motivations for migrating and returning are gendered, with women more likely than men to migrate to earn money to support the family and to return to fulfill unpaid care responsibilities.

Women migrant workers are at the bottom of the ladder, as they have higher rates of vulnerable employment, earn less than men migrants, have less social protection coverage, face a glass ceiling that prevents occupational advancement, and endure poor working conditions (including in the “dormitory labor regime”). Migrant mothers are especially challenged in combining paid and unpaid work.

Despite the changes in the attitude and behavior of second-generation women migrant workers, their relative position has not improved in many respects. Their wages have increased (along with wages generally, including minimum wage increases), but rural migrant women’s wages have not increased to the same extent as those of other groups. Technological upgrading in the manufacturing sector and the movement inland of manufacturing enterprises have ambiguous impacts on gender equality in the labor market. While being closer to home may make it easier to resolve paid and unpaid work issues, working conditions may deteriorate and women may have less access to higher-skilled manufacturing jobs. The impact of out-migration is significant in rural areas, and it is gendered, with greater increases in work time for elderly women and girls than for elderly men and boys.

The growth transition refers to the shift in policy toward less reliance on export-led growth and a greater role for domestic demand-led growth. This has been a policy drive since the early years of the first decade of the 2000s but recently has been more strongly emphasized. This transition is marked by a rise in service sector employment.

There is considerable sex segregation within the service sector and women are disproportionately located in low-wage sectors, including hotels and catering services, retail trade, and domestic services. The service sector also often involves work that is gendered because it draws on, or reinforces, gender norms and stereotypes about women and men. Age, physical appearance, and residency status all play roles in determining where women can work and, therefore constrain choice, equality of opportunity, and efficient labor market operation. In many service sectors, it is harder to monitor and enforce labor laws and regulations, and some service sectors lie outside labor law altogether; this is particularly important for women.

Some female-dominated service sectors face especially high decent work deficits, including the lack of social protection and voice. For example, most of the estimated 20 million domestic service workers in the PRC are female rural migrant workers. Conditions of work often involve low pay, long working hours, no additional overtime pay, exposure to physical risk, isolation, and the lack of a collective voice.

The PRC experienced a demographic transition over the past 30 years that in most industrialized countries took over a hundred years to complete. The PRC’s population is rapidly aging, and there is a significant shift underway in the elderly dependency rate.
Over the past 15 years, the elderly dependency rate increased by about 40%, while the child dependency rate fell by 14%. In 2010, there were 178 million people in the PRC ages 60 and over. The United Nations expects this number to increase to 340 million by 2030 (accounting for 24% of the population), and to 440 million by 2050.

This demographic transition has implications for not only labor force participation and employment, but also the potential shift between paid and unpaid work necessary to provide care for the aging population. The increased demand for eldercare is likely to be met predominantly by women. Gender norms have assigned girls and women greater responsibility for unpaid domestic work, and have clearly affected behavior and work time: women take on 85% of household chores, women are more likely than men to provide eldercare, women in both rural and urban areas spend on average from two to three times more hours per week performing housework than men, and the gender gap in unpaid work time is 2 hours and 24 minutes per day.

The demographic transition, in the context of decreased state support for care, is likely to increase women’s unpaid work burden, intensify their paid–unpaid work conflicts, and reduce their labor force participation rate. It is also likely to lead an expansion of female-dominated paid care employment, which is characterized by low pay and poor working conditions.

The transition framework highlights some of the drivers of the gendered labor market and gender inequality, and these transitions often interact and may be mutually enforcing. For example, market reforms and gender wage discrimination interact with the demographic transition to reinforce gender inequality. The result is continuing pervasive gender labor market inequality, with many indicators showing a worsening trend. This means that broad-based policy interventions are needed to address inequality and to deliver stated goals.

This report recommends six key areas: (i) reduce industrial and occupational gender segregation, (ii) address gender wage discrimination, (iii) promote and expand decent work, (iv) promote women’s entrepreneurship, (v) rethink the provision of care, and (vi) fill gender knowledge gaps.
The remarkable economic growth of the People’s Republic of China (PRC) over the past 3 decades resulted in an increase in per capita income from $330 in 1990 to $7,380 in 2014,\(^1\) and a fall in the poverty headcount from 67% in 1990 to 11% in 2010.\(^2\) Behind these figures is an economic transformation, as the PRC became the world’s largest exporter of goods; the value of exports (with 2000 as the base year of 100) increased from 25 in 1990 to 887 in 2013.\(^3\) It is well documented that income inequality increased substantially during the economic reform period because the benefits of growth were unequally distributed. One measure of rising income inequality, the income share of the lowest 20%, fell from 8.0% in 1990 to 4.7% in 2010 (footnote 3). Who benefits from this growth depends on the nature of the economic transformation and on the social, institutional, and policy contexts within which it takes place.

The PRC’s economic growth is based on a series of transitions, each impacting the labor market. There has been a major change in the economic system from a planned to a market economy. This market transition, which started in 1978, included the rise of the private sector and the decline of state-owned enterprises (SOEs), offering new opportunities but also increasing vulnerability for workers. The second transition, involving shifts in the structure of the economy, has been ongoing for several decades. This structural transition moved the PRC from a primarily agricultural economy to an industrial economy, and involved an accompanying shift of employment from agriculture to manufacturing, including the vast transfer of labor from rural to urban areas to provide labor for expanding coastal manufacturing industries and cities. This industrial shift was most recently accompanied by a technological transition as Chinese enterprises attempted to move up the value chain. The third transition, a policy change beginning in the first decade of the 2000s, is toward a more balanced economic growth path, which relies more on domestic demand. This growth transition, by placing greater emphasis on domestic demand as a source of growth, may increase the role of services in the sector composition of output and employment. The fourth transition is a demographic one associated with the PRC’s rapidly aging population, partly a result of the one-child policy, which has implications not only for labor force participation and employment, but also for the potential shift in paid and unpaid work necessary to provide care for the aging population.

These multiple transitions and their associated labor market impacts require a gender analysis, since the labor market is permeated with gendered constraints resulting from competing burdens of paid and unpaid work, social norms affecting employment choices, and education levels. A gender analysis of labor markets is required to identify and document the impacts of the PRC’s multiple transitions.

Gender equality is both a human right and “smart economics” contributing to inclusive and balanced growth. Investing in women’s full economic potential is critical to increasing productivity and economic growth, and increasing industry’s ability to compete in global markets. Not doing so is an under-use of available human resources. Moreover, reducing gender barriers to decent employment is fundamental to advancing the inclusive growth agenda and optimizing the positive spin-off effects of increased income levels for women, and, therefore, their families, and communities. In other words, investing in gender equality plays a key role in harnessing domestic demand and rebalancing growth.

Gender equality in the labor market, following International Labour Organization conventions, requires both equality of opportunity and equality of treatment. “Equality of opportunity” refers to equal access for women and men to the labor market for overall employment, to jobs across the occupation and industry spectrum, and to education and training opportunities. Equality of treatment in the labor market requires nondiscrimination in remuneration, working conditions, and social protection. Improving gender equality in the labor market contributes to inclusive growth through increased productivity and improved resource allocation. Moving beyond economic growth, gender equality in the labor market may contribute to women’s economic empowerment.

The commitment to gender equality is also evident in the PRC’s policy documents. For example, Chapter 66 of the Thirteenth Five-Year Plan (2016–2020) includes the provisions to “guarantee women’s equal rights and opportunities and access to education, employment, and marital property and participate in social affairs; protect rural women’s land rights and interests; and involve more women in decision-making and management.” Commitment to gender equality is also expressed in the White Paper on Gender Equality and Women’s Development in China, which states: “Equal participation in economic activities and equitable access to economic resources are the basic conditions for the well-being and development of women. While pressing forward with strategic adjustment of its economic structure and reform and innovation of its growth model, China fully protects the economic interests of women, promoting women’s equal participation in economic

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development and equal access to the fruits of reform and development.” The PRC has implemented national institutions to promote the status of women, including the National Working Committee on Children and Women and support for the All China Women’s Federation.

The purpose of this technical note is to identify at a high level the impact of four transitions in the Chinese economy on one of these goals: women’s, equal opportunities in, and access to, employment. Particular emphasis is given to migrant women’s employment. It concludes by identifying key issues requiring gender-responsive policies to ensure that women can participate equally in these transitions.  

The following analysis is based on publicly available data and literature. The main data sources for employment trends and patterns are the China Statistical Yearbook 2015 of the National Bureau of Statistics (NBS), and the China Labour Statistical Yearbook (2004 and 2014) of the NBS and Ministry of Human Resources and Social Security (MHRSS). These are supplemented with appropriate data from other national sources and from international organizations. National data on migration flows by gender are not available in the, and the discussion of gendered migration employment issues draws primarily upon academic and international organization literature. Information about treatment in employment is drawn primarily from peer-reviewed publications and reports published by international organizations.

It should be noted that data constraints limit the ability to provide a comprehensive picture of women’s work and gender equality in the labor market in the PRC in this report; sex-disaggregated data is only available for some series. Urban data is more readily available than rural data. The limited data on rural employment by sex necessarily means this report contains only brief discussion of rural women’s employment, despite its significance in a complete analysis of gender and labor in the PRC. While urban data is more readily available, it is nevertheless uneven. The richest data available is for employees in “urban units,” defined as “those who work in (and receive income from) units with state ownership, urban collective ownership, joint ownership, shareholding stock ownership, limited liability corporations, foreign and Hong Kong, China; Macau, China; and Taipei, China; and units or other ownership and their affiliated units.” As such, “urban units” exclude “urban private enterprises and individual units” and, thus, cannot be considered to cover all urban employment. The data on urban units captures only about 54% of total urban employment (footnote 15, and Table 1–7). Therefore, bear in mind when reading the report that the available data is limited. Collecting a wider range of sex-disaggregated variables beyond urban units would considerably enhance possibilities for future analysis. Finally, the report

11 While the combination of transitions discussed is perhaps unique to the PRC, the drivers of gender inequality in the labor market have parallels with transitions occurring in other countries. A systematic comparison between the gendered processes and outcomes of these transitions in the PRC and elsewhere is beyond the scope of this report, which focuses on documenting and analyzing the PRC’s transitions.
12 Therefore, the report is limited by relying on existing data sources. No field surveys were conducted specifically for this report and statistical analysis of existing survey data has not been undertaken. This is consistent with the terms of reference for this report.
focuses upon participation and benefit, two key aspects of economic empowerment. However, it offers a more limited analysis of a third dimension, namely, voice.

This report synthesizes evidence of trends in women’s employment in the context of the transitions identified above. The research is intended to strengthen the evidence basis for gender-inclusive and gender-sensitive projects, programs, policies, and laws in the context of a rapidly changing labor market undergoing multiple transitions. The report is planned to complement the following: the Asian Development Bank (ADB) technical assistance (TA) to the State Council on market reform, the ADB TA on Urban Poverty and Migrants, the ILO (2015) report on Women in the Labour Market in China, the forthcoming ILO China Labour Market Profile report, and ILO cooperation with the Chinese Academy of Social Sciences on decent work indicators.

This report argues that the multiple transitions impact upon gender equality in the labor market. It argues that pervasive and/or increasing gender inequalities remain in the labor market caused by the four interacting transitions. These transitions require effective policy intervention, if labor market outcomes are to match stated gender equality commitments.

To reach this conclusion, this report develops a framework that traces the impacts of the four transitions on gender equality in the labor market. Gender equality in the labor market is analyzed in terms of equality of opportunity (e.g., participation) and treatment (e.g., benefits in terms of wages and social protections).

These impacts are conditioned by, or mediated through, a set of societal factors. These include gender norms, which are the gendered values, beliefs, and attitudes affecting roles, behavior, work, and resources. These gender norms ascribe to women and men different roles in the household, the workplace, and society. Of course, they are not static because attitudes and values change over time. Gender norms also operate beyond the household, often in invisible ways, and structure public institutions and systems, including the traditional household status system (hukou), laws, policies, and services. These norms affect how women and men are incorporated into the labor market, how much and what forms of human capital they bring with them, hiring and promotion decisions, what legal protections they receive and what state services they can use. The impact of the transitions is also conditioned by voice—the ability of the labor market participants to protect and advance their interests—both individually and collectively.

The framework that guides this report is shown in Figure 1.
This framework will be used to analyze each of the four transitions identified in Sections 3–6. First, Section 2 provides an overview of some important gender norms and their outcomes and gender equality indexes, since these provide the context for all four transitions.
The People’s Republic of China
Context: A Gendered Society

The PRC, like all countries, is a gendered society. The multiple dimensions of how gender structures and affects societies can be measured by “gender gaps.” Many international agencies and other organizations measure and publish these gender gaps as indicators of how societies are gendered, and as guides for areas where policy intervention is desirable. For example, the United Nations Development Programme (UNDP) Gender-Related Development Index adjusts the Human Development Index (HDI) for gender inequality in the three dimensions covered by the HDI: life expectancy, education, and income. The UNDP Gender Inequality Index reflects inequality in achievement between women and men in the dimensions of reproductive health, empowerment, and the labor market. The World Economic Forum Gender Gap Index also uses a broad range of indicators to capture gender gaps in economic participation, economic opportunity, political empowerment, and educational attainment. These provide examples of the dimensions of gender differences within countries, and allow for points of comparison across countries.\(^{18}\)

For reference, in 2014, the PRC was in “group 3” of the Gender-Related Development Index, which divides countries into five groups by absolute deviation from gender parity in HDI values (with group 1 having the least deviation). Therefore, the PRC falls in the middle category of countries as measured by the deviation from gender parity.\(^{19}\) The 2014 UNDP Gender Inequality Index ranks the PRC 40th of 188 countries (footnote 19, and Table 5, pp. 224–227). The Gender Gap Index for 2015 ranked the PRC 91st of 145 countries.\(^{20}\)

These measures are useful for highlighting at a high level the multiple dimensions of gender inequality and form that gender differences can take. They are also useful in showing that the PRC has gender inequalities that need to be addressed if the United Nations’ Sustainable Development Goal—achieve gender equality and empower all women and girls—is to be realized. The measures also demonstrate that the PRC’s ranking among countries varies considerably, depending upon which indicators are used in the construction of the index. This points to the need to be cautious in drawing inferences from any one or a few indicators.

Nevertheless, a review of several indicators provides a good entry point to understanding the gendered nature of the PRC’s society, and can provide important background context for the gender analysis of the multiple transitions identified above.

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\(^{18}\) For further discussion of these and other gender indicators, see http://www.oecd.org/dac/gender-development/43041409.pdf


One of the main social manifestations of the gendered society in the PRC is the “preference for sons,” arising in large part from the social norm that sons are responsible for supporting parents in their old age.\(^\text{21}\) The result, when combined with the one-child policy, is a high male to female sex-ratio. In 1980, there were 106 boys under the age of 5 for every 100 girls.\(^\text{22}\) However, as shown in Figure 2, by 2014, this ratio had risen to 117:100 for the same group.

In addition to the imbalance in the sex ratio at young ages shown in Figure 2, girls have higher rates of juvenile mortality than boys, are more likely to be given up than boys, and adopted girls are more likely to be living in conditions akin to domestic servitude.\(^\text{23}\)

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\(^{22}\) ADB. 2014. Human Resource Transformation: The Role of Education in Moving the PRC to a Knowledge Society. Manila (p. 5).

The gendered society is also demonstrated in the different levels of educational attainment between men and women at the national level. Lower female levels of educational attainment are reflected in the lower levels of educational attainment among employed women. While education levels increased for both employed men and women in the past decade, the ILO notes that the largest gain in employment share for women was among those with a junior secondary level of education, whereas for men it was for those with a senior secondary level of education. The result was that “the overall education of employed men, therefore, tended to move toward a higher education profile than that of employed women” (footnote 24). The share of employed men with senior school education in 2003 was 15.2%, and by 2013, had increased to 19.0% (Figure 3). Among employed women, the largest change occurred in junior secondary school education, where the share increased from 39.5% to 46.1% from 2003 to 2013 (Figure 3). More generally, the percentage of employed men with low levels of education is lower compared with employed women. In 2013, 66.1% of employed men had junior school education or less, compared with 71.0% of employed women (Figure 3).

Despite these trends, gaps in enrollment rates from primary to tertiary education substantially narrowed between boys and girls over the past decade and, in some cases, girls now constitute the majority (footnote 23, p. 12). This closing gender gap in education

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Figure 3: Distribution of Employed Women and Men by Level of Education, 2003 and 2013

![Graph showing the distribution of employed women and men by level of education in 2003 and 2013.](chart.png)

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levels, largely a result of policy,\textsuperscript{25} indicates that workforce educational attainment levels by gender should become more equal. Nevertheless, evidence from other countries shows that, despite women’s educational investments, occupational and industrial gender segregation persist, contributing to gender pay gaps, and limiting women’s access to higher level jobs.\textsuperscript{26} Such outcomes will be discussed for the PRC.

For paid work, the gendered society is also shown by women’s participation in the labor force being lower than men’s (Figure 4).

While the labor force participation rates for both women and men fell over the past 15 years, the greater decline in women’s participation means that the gender gap in labor force participation rose, from 12.4 percentage points in 2000 to 14.4 percentage points by 2013. Further, labor force participation is only one element, and the quality of work is even more important for gender equitable economic development. The gendered differences in job quality and decent work in particular sectors are discussed further below.

\textsuperscript{25} The last decade has seen a concerted policy effort to ensure that 9 years of compulsory free education are available to all, including in rural areas. However, a significant quality gap exists in the education provided between rural and urban areas that continues to disadvantage rural residents. Rural schools have teachers with lower qualifications, lack specialist teachers, and receive lower funding per student than urban schools. S. McQuaide. 2009. Making Education Equitable in Rural China through Distance Learning. International Review of Research in Open and Distance Learning. 10 (1). pp. 1–21.

While female labor force participation in the PRC fell over the past decade and the gender gap increased, the gender gap in labor force participation is not as pronounced in the PRC as in many other Asian countries. The female-to-male labor force participation ratio of 82% in 2013 was substantially higher than that in Pakistan (30%), India (34%), Indonesia (61%), and the Republic of Korea (70%) (Table 1). The female labor force participation rate for the 15 years and older age group stands at 64%, and is comparable with levels found in North America and Northern Europe. Indeed, the PRC’s relatively high female labor force participation rate makes it an “outlier among middle-income countries” (footnote 23, p. 12). High women’s labor force participation rates have roots in the organization of the

Table 1: Ratio of Labor Force Participation Rates (women to men), Selected Asian Countries, 1990 and 2013

<table>
<thead>
<tr>
<th>Year</th>
<th>People’s Republic of China</th>
<th>Pakistan</th>
<th>India</th>
<th>Republic of Korea</th>
<th>Indonesia</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>81.6</td>
<td>29.7</td>
<td>33.8</td>
<td>69.5</td>
<td>61.0</td>
</tr>
<tr>
<td>1990</td>
<td>85.7</td>
<td>15.8</td>
<td>40.9</td>
<td>64.2</td>
<td>61.9</td>
</tr>
</tbody>
</table>

economy, together with an ideological commitment to women’s equality, following the 1949 establishment of the PRC. The decline and the increasing gender gap in the labor force participation rate, particularly evident from around the start of the new millenium are discussed further below.

For unpaid work, women in both rural and urban areas in the PRC spend on average two to three times more hours per week performing housework than men. In 2008, the gender gap in unpaid work time was 2 hours and 24 minutes per day. The organization of household and care work, the social norms that contribute to the gendering of that work, and the divisions between public and private provisions, condition women’s participation in the paid economy in the PRC as elsewhere. For asset ownership, men are nearly twice as likely as women to own real estate and nearly three times more likely to own a car than women (footnote 27, Chart 9–6).

The picture that emerges is that the PRC is a gendered society with an enduring social preference for sons. And yet, policy changes have been effective in achieving change in many areas, and point to the importance of continued policy development. For example, policy changes led to significant gains in female education levels, especially for the youngest age groups. Although female participation in the labor force is falling, and the gender gap in this indicator is increasing, it is still significantly higher than in other Asian countries. Attitudes are changing too. For example, in 2000, only 25.7% of respondents in a national survey agreed that daughters and sons should share equal rights to property inherited from their parents (provided they had fulfilled their obligation to support their parents). In 2010, this increased to 76.3% (footnote 27, p. 131). Therefore, social norms are changing in some ways; they also differ between regions, urban and rural areas, and ethnicities. While much of the statistical economic data presented is national in scope, the social structures behind these numbers can differ; the PRC is a large country and regional variations in social structures and norms must be considered in identifying the need for, and design of, policy interventions. These findings point to a complex interaction of social norms, public institutions, and economic change.

These complex interactions affect gender equality in the labor market in the PRC, and are analyzed separately for each of the four main major transitions in the economy. Three of the transitions are associated with the economic reform process—market, structural, and growth transitions—and the fourth is a demographic transition related to the aging population. Each of these transitions is examined below to analyze how women’s work is changing, where there have been gains for women, and where significant policy challenges remain.

These complex interactions affect gender equality in the labor market in the PRC, and are analyzed separately for each of the four main major transitions in the economy.
Key Points

The People’s Republic of China (PRC), like all other societies, is gendered. The ways in which women and men experience society unequally are multidimensional. Depending on which dimensions are considered, the PRC ranks between the top quarter and the bottom two-fifths in global gender indexes.

The PRC has a large sex ratio imbalance and a persistent “son preference.”

While the female labor force participation rate (LFPR) is relatively high, the gender gap in the LFPR has been increasing over the past decade.

The education gap between employed women and employed men has been increasing in favor of the latter. The gender gap in school enrollment rates, however, is closing.

There is a large difference in the unpaid work burdens of women and men.
3 The Market Transition

3.1 General Features

The PRC’s transition from a planned to a market economy began in 1978 in rural areas, with the abolition of the commune system and the introduction of the household responsibility system. Market-oriented reforms were introduced into the urban industrial sector in 1985 and, since then, the economy has “grown out of the plan,” and the market transition was reinforced and accelerated after the PRC’s entry into the World Trade Organization (WTO) in 2001. This transition was reflected in a steady decline in the share of industrial output produced in the SOEs and increases from other domestic “mixed ownership” forms such as some limited liability corporations and shareholding corporations, joint ventures, foreign-invested enterprises, and the private sector. This trend is expected to continue with the “supply-side structural reform” envisaged in the Thirteenth Five-Year Plan (2016–2020). Not only did the ownership structure change substantially, but the role of the market in allocating resources was progressively enhanced and, as announced at the Third Plenum in 2013, is now officially accorded the “decisive” role.

In 2014, “pure” SOEs had assets worth approximately CNY6.7 trillion (although the state also had ownership stakes in other ownership types). The comparable figure for domestic private enterprises was CNY21.3 trillion, joint ventures CNY5.6 trillion, and foreign-funded enterprises CNY5.5 trillion (footnote 12, Table 13-1).

The composition of urban employment also changed. From 1994 to 2003, the absolute number of women and men employed in SOEs fell; and from 2003 to 2013 (after the initial and most dramatic reforms), the numbers remained roughly constant (Figure 5). However, the share of employment (women and men combined) accounted for by SOEs fell substantially as employment in the private sector expanded: the share of urban employment in SOEs fell from 62.7% to 35.1% from 2003 to 2013 (Figure 6).

Figure 5: Number Employed (million), by Enterprise Type, Urban Units, by Sex, Selected Years


Figure 6: Distribution of Employment (women and men combined) by Enterprise Registration Status (%), Urban Units, 2003 and 2013

Two key features associated with the market transition are particularly important in understanding the gendered impact of the market transition on the labor market. First, the shift in employment from SOEs to the private sector means that administrative forms of employment and wage setting common in the planned era and used in the SOEs were replaced with market forms of employment and wage setting. Second, the shift in employment toward the private sector meant a decline in employer-provided care services for children and the elderly.\(^{35}\)

### 3.2 Women’s Employment and the Market Transition

As the ownership structure of enterprises changed, so did the distribution of women’s employment among enterprise types in urban areas. As might be expected, the percentage of women working in the state-owned sector decreased while the percentage working in the “other” category (private domestic, joint ventures, and foreign-invested enterprises) increased. For example, the share of women’s employment in SOEs declined from 60.7% to 39.0% from 2003 to 2013 (Figure 7). Total employment (women and men combined) declined from 62.7% to 35.1% (Figure 6).

**Figure 7: Distribution of Women’s Employment by Enterprise Registration Status (%), Urban Units, 2003 and 2013**

<table>
<thead>
<tr>
<th>Enterprise Registration Status</th>
<th>2003</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>State-owned units</td>
<td>60.7</td>
<td>39.0</td>
</tr>
<tr>
<td>Urban collective-owned units</td>
<td>9.3</td>
<td>2.8</td>
</tr>
<tr>
<td>Other ownership units</td>
<td>29.8</td>
<td>58.2</td>
</tr>
</tbody>
</table>


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The number of women employed in the state-owned sector fell slightly over the past decade and the number of women employed in the “other” category tripled, from 12.4 million to 36.9 million (Figure 5).

The different ownership sectors are not necessarily organized and changing in the same ways when it comes to the operation of their labor markets and the gender dynamics evident in them. Therefore, it is necessary to analyze the state and nonstate sectors separately to assess the impacts of the market transition on gender equality in the labor market.

The market transition also affected the agricultural economy. In the initial stages, this meant the transition to the household responsibility system and the establishment of land leases. D. Hare, L. Yang, and D. Englander report that, in early rounds, when land leases were relatively short and land redistribution common, women were unlikely to be adversely affected by marriage; that is, when they moved to their husband’s household, it would receive additional land and their natal household would lose land in the next readjustment, because of the two households’ compositional change. Women were still typically disadvantaged because they were registered as the holder of the land rights, but they did retain access through land adjustment processes. As land tenure leases became longer in the late 1990s and continued in the wake of the WTO entry in 2001 (when efforts to increase agricultural efficiency through greater security of land use rights came to the fore), the frequency of land redistribution was much reduced. The result was that, when women married, their new household did not gain land while their natal household did not lose land but, in practice (although not in law), women were not able to reclaim it. This meant that women were disadvantaged in their new households by not having a source of land; widows and divorced women were also particularly disadvantaged. In this way, the new policies designed to increase the security of land rights paradoxically had the opposite impact on women’s land claims (footnote 36). This not only disadvantaged women economically, but evidence shows that women who lost claims to contract land are at higher risk of domestic violence.

At the same time, in the face of small farm sizes and low agricultural productivity, government policy in the agriculture sector attempted since the late 1990s to spur “modernization.” The aim was to increase production scale with a central mechanism being the “government promotion of so-called ‘dragon head’ agribusinesses.” These enterprises “supply urban markets through large-scale, rurally located agribusiness operations (e.g., in poultry, livestock, and food processing).” These enterprises facilitated the market transition in the rural PRC and contributed to the rise in wage labor, albeit within the context of collective land rights. This “led to a distinctive, and more egalitarian, form of agrarian capitalism than found in other developing countries.” However, there is no analysis from a gender perspective of how women, whether as contract farmers, traders, or employees, of the new agribusiness conglomerates have been affected. Who is being linked with these new firms and by what

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Footnotes:
methods, and who are the main beneficiaries, need to be analyzed from a gender perspective. This is an area where further research is needed so that the gender impacts of the market transition and agricultural modernization can be understood.

### 3.3 Gender Equality in the Labor Market and the Market Transition

#### 3.3.1 Decline in Women’s Employment in State-Owned Enterprises

The aggregate data presented above shows that women and men lost jobs in the SOE sector at around the same rates. However, more detailed studies based on specialized data sets reveal some important gender differences in both layoff and reemployment dynamics. For example, S. Appleton et al., using the 1999 Chinese Academy of Social Sciences Household Survey, found that women were more likely to be retrenched than men, and that this was “suggestive of discriminatory retrenchment policies.” The study also found that the probability of women with young children being reemployed fell by 23% in households with no older people. J. Giles, A. Park, and F. Cai, using the 2001 China Urban Labour Survey, found a “strong positive relationship between education and the probability of reemployment and a negative relationship between age and reemployment, with these effects being particularly strong for women.” Thus, less-educated and older women were less likely to find jobs after being retrenched. The study also reported that women with college-age children were more likely than those with older children to find new employment. This is because women with older children were more likely to be involved in looking after grandchildren or parents. This partially explains how family circumstances (the necessity of paying for education and caring for the young and elderly) could have caused a rapid decrease in female labor force participation rates during this period.

Consistent with these findings of the gender impacts of state sector retrenchment, X. Dong and M. Pandey report that the sensitivity of female employment to output shocks was much higher in reformed than unreformed SOEs. While SOE restructuring led to large job losses for both men and women, the increasing role of the market in Chinese industry negatively influenced the gender composition of employment in SOEs, with women more likely to be laid off and less likely to be hired, reflecting inequality of opportunity. The loss of employment for women in the state-owned sector not only meant they were excluded from relatively better waged employment but also from employment that typically provided higher workplace benefits and childcare provision.

According to national data, from 1994 to 2003, women’s employment in SOEs fell from over 40 million to 25 million. This was the period of major job losses for women (and men) in this sector. As reforms progressed in the following decade, women’s total employment in

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the SOEs remained relatively stable (Figure 5). SOE employment practices have become much more heterogeneous, with some seeking to compete by reducing wages, and at least some others moving to employment relationships that are more similar to “Japanese-style capitalism,” and include employee welfare provisions. Regardless of the direction taken by SOE enterprises, this sector has become less important in urban areas as other ownership categories increased in absolute and relative importance for urban women employees. Figure 7 shows that, in 2003, the share of women’s employment in SOEs was twice that of the share employed in the “other” ownership units. By 2013, the share of women’s employment in the “other” sector was nearly 50% higher than the share of women’s employment in SOEs. Women’s employment in SOEs stagnated and employment in the “other” sector grew from 12 million to almost 37 million over the decade. Therefore, it is important to place stronger emphasis on policy reform and legal protection in the private sector, to reflect the increasing importance of this sector to women’s employment.

3.3.2 Increased Gender Wage Discrimination

The market transition involved a shift in the share of employment away from SOEs to private enterprises and, thus, a movement away from wages determined by administrative rules to wages determined in competitive markets. The implication of this for gender wage gaps is an empirical question.

While separate data on wages for men and women is limited in national statistical series, evidence indicates that the gender wage gap is increasing, reflecting increased gender inequality in treatment in the workplace. The World Bank reports that the ratio of wages for women to men fell from 83% in 1990, to 70% in 1999. In 2010, the ratio of income of employed women to employed men in urban areas was 67.3%, and in rural areas 56.0% (Footnote 27, p. 57), suggesting a further decline in the gender wage ratio. While the exact women–men earnings ratio clearly depends on factors included in the analysis, such as type of income (e.g., wages, self-employment earnings, and value of pensions); age group; location; and employment status, among others, nonetheless, it appears that gender wage inequality increased.

Empirical studies reported not only a rising gender wage gap, but also, in many cases, rising gender wage discrimination. The bulk of evidence reviewed indicates that the market transition period is associated with increased gender wage discrimination, which is

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... the gender wage gap is increasing, reflecting increased gender inequality in treatment in the workplace

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47 Gender wage discrimination refers to gender differences in the return to endowments, such as education and labor market experience, which determine productivity and wages. Empirical analyses of the gender wage gap typically distinguish between the explained portion of the gap and the unexplained portion of the gap which is attributed to discrimination or unobserved factors affecting productivity. The explained portion of the gap refers to gender differences in productivity-enhancing characteristics such as endowments of education or labor market experience at the individual level of job characteristics. The unexplained portion of the gap refers to the differences in the return to these productivity-enhancing characteristics.
48 Estimates of the degree of gender wage discrimination vary in the number of variables reflecting productivity-enhancing characteristics included in the degree of disaggregation in these variables and, particularly, in the occupation variable, the sample size and representativeness in the sense of number of provinces included, and years covered. Most of the studies use data for workers with wage employment with urban hukou and, thus, exclude self-employed workers and migrant workers in urban areas, and all workers in rural areas.
estimated to have increased from about 50% in 1988 (B. Gustafsson and S. Li, using data from the Urban Household Income Survey, for 10 provinces),\textsuperscript{49} to 86% in 2001 (M. Wang and F. Cai, using data from China Urban Labor Survey for five large cities).\textsuperscript{50} B. Su and A. Heshmati provided a similar estimate of 86%, using data from the China Family Panel Studies.\textsuperscript{51} Most recently, the ILO reported estimated gender wage discrimination at greater than 90%, based upon the China Family Panel Studies, which covers both rural and urban PRC, and using a comprehensive set of variables, including age, age squared, education, location, occupation, tenure in job, location, and urban and rural provinces.\textsuperscript{52}

There is evidence the declining SOE employment associated with the market transition is linked with a rising gender wage gap. Several studies report lower gender wage gaps in the state-owned sector compared with the private sector. Using data for Shanghai and Jinan in 1995 and 1996, P. Liu, X. Meng, and J. Zhang found that the gender wage gap is higher in the private sector than in state sector\textsuperscript{53} (see also J. Hughes and M. Maurer-Fazio),\textsuperscript{54} and other studies found that gender wage discrimination is highest in the most market-oriented firms.\textsuperscript{55}

One of the most comprehensive studies, using data from 1989 to 2009, showed the gender wage gap increasing, with the decline in the state sector employment as one of the reasons. However, the impacts were not equal across different groups of women, as mothers were increasingly disadvantaged while single women maintained their position relative to men.\textsuperscript{56} Other research, within the PRC and internationally, documented that mothers experience a large wage penalty; 37% in the case of the PRC.\textsuperscript{57} Further, the earnings gap between mothers and childless women with the same human capital characteristics was found to increase sharply over the first decade of the 2000s in the private sector.\textsuperscript{58}

\begin{itemize}
\item ... the ILO reported estimated gender wage discrimination at greater than 90%, based upon the China Family Panel Studies, which covers both rural and urban PRC, and using a comprehensive set of variables including age, age squared, education, location, occupation, tenure in job, location, and urban and rural provinces
\end{itemize}


\textsuperscript{53} This study, by comparing wages in the state, collective, and private sectors, finds that the gender wage gap is highest in the private sector, as is the absolute level of gender wage discrimination. However, in the private sector, the share of the gender wage gap explained by discrimination is the lowest. That is, the increase in the gender wage gap due to marketization is much greater than the increase due to discrimination. P. Liu, X. Meng, and J. Zhang. 2000. Sectoral Gender Wage Differentials and Discrimination in the Transitional Chinese Economy. Journal of Population Economics. 13. pp. 331–352.


\textsuperscript{56} This study was based on annual wage earnings from 1989 to 2009 as collected by the China Health and Nutrition Survey, which is based on data from eight provinces. Y. Zhang and E. Hannum. 2015. Diverging Fortunes: The Evolution of Gender Wage Gaps for Singles, Couples and Parents in China, 1989–2009. Chinese Journal of Sociology 1 (1). pp. 15–55.


\textsuperscript{58} This finding is based on N. Jia and X. Dong. The Effect of Paid Maternity Leave on Breastfeeding Duration: Evidence from Urban China. Unpublished manuscript, which used urban responses from the China Health and Nutrition Survey, 1991–2006. Both annual wages (including bonuses) and hourly wages were used (footnote 43, p.5). The results showed that the motherhood pay gap (caused in part by mothers working part-time and taking low-paid jobs) increased substantially in what the authors call the rapid liberalization period (post-1999), but not in the previous period, and in the nonstate sector, but not in the state sector. The orders of magnitude of the motherhood penalty are comparable with those reported by D. Grimshaw and J. Rubery (footnote 57).
While the PRC’s labor market has become more competitive, studies show that significant elements of segmentation remain, meaning that pay and conditions can differ for workers with the same human capital characteristics, depending on the sector in which they work. With respect to segmentation based upon ownership sector, a study using data points from the mid-1980s, 1990s, and 2000–2009 found that gender earnings differentials increased over time and across the earnings distribution. It also found evidence of a “sticky floor effect” which affected women production workers in the non-SOE sectors who had relatively low pay and education levels; these women, the study concluded, “may face aggravated pay discrimination.” The results, concluding that women were relatively better-off (meaning the gender earnings gap was lower) working in the state sector than in the private, foreign, and joint venture sectors, were consistent with other studies using a cross-section approach (footnote 61, p. 256).

Other studies also found an increasing gender wage gap in urban areas, attributed to the difficulty women found securing employment while having to take on increasing care responsibilities as state provisions declined. As a result, there was a greater likelihood of women than men experiencing downward occupational and industrial mobility following state sector restructuring, and more women than men being pushed into the low-paid informal sector. Therefore, this is one explanation of the increasing gender earnings gap (footnote 43, p. 5).

While there is evidence of rising gender wage discrimination during the market transition, its existence and degree may vary among types of firms in the private sector. Firms that were more globally integrated tended to pay their female employees their marginal product or higher, whereas domestically oriented firms were found to engage in gender wage discrimination.

There is evidence that women’s employment in the lower occupation levels (within any broad occupational group) is a key determinant of the increase in the overall gender wage gap in wage discrimination. L. Xiu and M. Gunderson demonstrate the importance of examining this intra-occupational segregation, using data from the 2005 Census. For specific broad groups, such as the professional and manufacturing occupations, accounting for the intra-occupation distribution is important. L. Xiu and M. Gunderson found that women are concentrated in the lower-paying areas (within occupations), indicating gender

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60 Where the gender wage gap is greater at lower levels of wages.


63 Evidence of gender wage discrimination is also counter to the theoretical argument that gender discrimination should be reduced (or eliminated) in more competitive market-oriented sectors.


inequality in opportunity, which gives rise to the gender wage gap and contributes to the gender wage discrimination estimate. W. Chi and B. Li identified the sticky floor effect using data from the Urban Household Surveys of 1987, 1996, and 2004. They concluded that low-waged women workers, with low levels of education, working in the nonstate sector experience higher wage discrimination (footnote 61).

The complexity of the changes in, and drivers of, the gender gaps is also evident in the analysis of gender earnings (as opposed to wages) undertaken by X. Dong, S. Li, and S. Yang (footnote 43, p. 29). They found that the gender earnings gap increased for urban hukou and rural workers, but decreased for migrant workers. For other individual characteristics, they also reported that the gender earnings gap increased for all age groups, except for the oldest and youngest, all educational categories, and all groups differentiated by marital status and the presence of young children.66

The rise in reported gender wage gaps and gender wage discrimination over the past 30 years, corresponding with market transition and increased privatization, provides evidence for the hypothesis that increased market influences and competitiveness have not overcome the patriarchal norms negatively affecting women’s treatment in the labor market.

The implication of these studies is that, given the high degree of wage discrimination, increasing women’s endowments alone will not reduce the gender wage gap, and ways must be found to increase the return to women’s endowments. Improving women’s position in the industrial hierarchy is important. Further, as L. Xiu and M. Gunderson note, it is important to remove the barriers women face in advancing their careers within occupations, and to improve their ability to balance home and work responsibilities (footnote 65).

Women employed in the private sector face a range of working conditions, depending on the industrial sector in which they work, their education level, and their household registration status. Migrant women working in manufacturing are discussed in the next section, as well as women working in the urban service sector. Here, the focus is on the rise of the private sector and the position of women in the professions, as entrepreneurs, and in self-employment.

It should also be noted that, to the extent that a choice is possible, the changing dynamics of the labor market and the shift to private sector employment, in particular, are sometimes negotiated at the household level. That is, while we focus on gender differences, it is also the case that household strategies are followed. In urban areas of the PRC, this might take the form of one spouse working in the state sector to obtain the security and benefits that come with that employment, while the other seeks private sector employment to obtain higher income than might be available in the state sector; this was more likely the case some decades ago before the large decrease in state-sector employment. Household strategizing is, of course, also applicable more generally to rural households and to

66 Also reported is that the gender earnings gap was larger for married workers than for unmarried workers, and for workers with young children than those without.
migration decisions where households diversify income sources to reduce risk, although this typically has more to do with different forms of private nonfarm employment than different ownership forms. This highlights the complex dynamics of employment shifts, and the need to be aware of household strategies and intra-household decision-making and distributional considerations (see F. Carlsson et al. on intra-household decision-making). Here, we focus on the gendered outcomes rather than the household decision-making processes.

### 3.3.3 Rise in Women’s Employment in the Private Sector: Professionals, Entrepreneurs; and Self-Employment and Informality

The World Bank Enterprise Survey documented that 17.5% of firms in the PRC had a female as top manager, compared with 19.7% in upper middle-income countries, and 29.3% in East Asia and the Pacific. The percentage of firms with a female top manager in the PRC was higher for enterprises with 19 or fewer employees (21.8% female top managers) than for large enterprises with over 100 employees (12.8% female top managers).

Other estimates place the PRC lower down the ranking, with reportedly the lowest percentage of female managers and professionals (16%) in a study of 20 countries. This again points to the need for standardized and systematic data collection disaggregated by gender, and suggests that women still experience barriers to promotion, climbing internal job ladders, and assuming managerial and professional roles within firms. In the case of one expanding profession, the legal profession, women’s employment opportunities increased, but they earn less and are less likely to be partners than their male counterparts.

International evidence finds that gender diversity at senior management and board levels improves firm performance. According to Global Women Entrepreneur Leaders data, only 5.6% of chief executive officers and 8.0% of board members in the PRC are women. The ILO refers to a report showing that the PRC ranked 88th out of 126 countries in progress on women in top management positions, with only 16.8% of such positions filled by women again indicating occupational segregation.

While women are less prominent in the professions, in senior management, and on company boards, what of women entrepreneurs? ADB notes that “the PRC has spawned...

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... only 5.6% of chief executive officers and 8.0% of board members in the PRC are women

---

69 The Enterprise Survey also shows that the PRC has a substantially higher proportion of firms with female participation in ownership (64.2%) than upper middle-income countries (38.4%), and a slightly higher proportion than in East Asia and the Pacific (58.7%). World Bank. 2012. China: Country Profile 2012. Enterprise Surveys. Washington, DC (p. 13).
70 M. Davidson and R. Burke. 2011. *Women in Management Worldwide: Progress and Prospects*. Second edition. Farnham, UK: Gower. (p. 7). Also of note is the finding by X. Dong, S. Li, and S. Yang (footnote 43, p. 20) that the unemployment rate of those with college and university education increased during the first decade of the 2000s and that the “gender unemployment gap for the most educated became more pronounced.” One area of future research would be to examine the causes of the relatively low reported percentage of female managers and professionals and the increase in the gender unemployment gap of the most educated workers, which indicate that women experience greater difficulty than men in obtaining employment.
half of the world’s self-made women billionaires” (footnote 23, p. 23). However, the PRC ranked 15th out of 31 countries in the 2015 Global Women Entrepreneur Leaders Scorecard (footnote 73).

Women entrepreneurs are found in nontraditional sectors. In a study of entrepreneurs in the electronics industry, J. Tan found women entrepreneurs to be more willing to take higher risks in return for the prospect of higher rewards, and to outperform their male counterparts. These results are important for illustrating the heterogeneity of the entrepreneur category, and for suggesting that caution is necessary in ascribing stereotypical features to women entrepreneurs, such as working exclusively in low-end services and responding to necessity rather than opportunity. While this evidence may show that well-educated, well-connected women in the PRC may become successful entrepreneurs, are there general conclusions that can be reached with respect to the PRC’s entrepreneurs?

3.3.3.1 Women are Less Likely to be Entrepreneurs

The first general conclusion that can be made is that women are less likely to become entrepreneurs than men, as shown in official documents stating that women account for only one-quarter of all the PRC’s entrepreneurs (although the trend is upward) (footnote 10). Using data from surveys of a “randomly selected, almost nationally representative sample of 60 villages in six provinces of rural China” for the period 1981–2000, women were found to be significantly less likely to be engaged in high productivity self-employment than men. A representative national urban household survey administered in 2000 concluded that women were less likely to be entrepreneurs. Thus, the market transition expelled women from the state-owned sector, but they are underrepresented as entrepreneurs in the emerging private sector.

Government policy encouraged migrants to return to their rural homes to set up enterprises, using the knowledge and skills gained during their urban migration. Studies found that migrants returning to rural areas sometimes have the option (or face the necessity) of becoming entrepreneurs, but for this group, too, it was found that married men are more likely to become entrepreneurs than married women, and that men often drew on intrafamily work-sharing resources (in other words, their wives worked for them)

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75 Who qualifies as an “entrepreneur” is not a straightforward question and researchers differ on the use of terminology. In the study by S. Mohapatra, S. Rozelle, and R. Goodhue, the self-employed are divided into those engaged in high productivity activities (as indicated by relatively high levels of education and capital intensity of production) and low productivity activities, with the former associated with entrepreneurship. The educational differences between men and women who are self-employed are used as a point of departure in the later discussion of self-employment. It should be noted that, even here, the use of the term “self-employment” is open to interpretation; technically, farmers are “self-employed,” but they are typically excluded from studies and measurement. Others distinguish between those in the self-employed sector on whether they employ others; this is the case for the later discussion of the informal sector. Since much activity in the informal sector is in firms not registered as business units, this is another reason why self-employment in this sector is not included in entrepreneur counts. S. Mohapatra, S. Rozelle, and R. Goodhue. 2007. The Rise of Self-Employment in Rural China: Development or Distress? World Development. 35 (1). p. 171.


77 For example, in mid-2015, the central government announced “Back to the Countryside” policies aimed at facilitating return migration and starting new businesses (State Council. 2015. State Council’s Suggestions on Supporting Migrant Workers Returning Home as Entrepreneurs. (In Chinese). Document No. 47. Beijing (21 June). These policies are in their infancy and a gender assessment of their operations and outcomes would be an important future exercise.
in the family business). This is consistent with national labor force data, which shows that 4.5% of women work as unpaid family workers, compared with only 1.1% of men (footnote 15, Table 1–39).

For women who become entrepreneurs, social networks are likely to be important. While women are less likely to be entrepreneurs than men, networks are important for both and, for women, the likelihood of becoming an entrepreneur is increased if the woman has a mother who is/was a skilled professional and has a larger social network (footnote 78, p. 782). J. Scott et al. also stress the importance of guanxi networks for women in becoming successful entrepreneurs.

Women entrepreneurs are also reportedly discriminated against in credit markets. A recent study in Chengdu found that the prevalence of gender stereotyping meant that many women entrepreneurs felt discouraged from even applying for bank loans. Further, the bank had no monitoring system to assess whether there was gender bias in its loan portfolio. Thus, women’s participation in the economy as entrepreneurs faces many social and economic barriers, resulting in their being underrepresented among entrepreneurs, and more likely to be found in lower-end activities. While some policy initiatives were introduced to address this, such as the incubators to assist women entrepreneurs set up in Tianjin in 2000 and Qingdao in 2012, it is argued that these are more geared toward well-educated, urban women, and a large proportion of women entrepreneurs who need support are not receiving it.

The need to provide gender-targeted entrepreneurship programs is confirmed by international evidence, which acknowledges that women face time and decision-making autonomy barriers that limit their potential as entrepreneurs.

The economic significance of facilitating more women entrepreneurs is clear. The Global Women Entrepreneur Leaders data suggests that, if female and male entrepreneurs increased at the same rate, this would lead to an additional 7.4 million business start-ups and 74.4 million additional jobs over 2 years (footnote 73). A similar conclusion is reached by the ILO, which reports that “the relatively low entrepreneurial activity rate of women may mean that there are barriers to setting up businesses for women which leads to a loss of potential contribution of women to the Chinese economy (footnote 24, p. 9).”

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3.3.3.2 Gender Differences in Self-Employment and Informality

The realm of self-employment is heterogeneous, especially when including both urban and rural sectors, and is not well-studied. One of the few studies to examine self-employment systematically (although relying on 1996 data) found that women’s self-employment earnings in urban areas of the PRC were, on average, just 42% of men’s earnings.\(^{83}\) Much of this can be attributed to industrial or occupational segregation, with women found more often in lower-paying unskilled areas, such as domestic service and street vending, than men, who were more likely to be involved in skilled areas and small businesses (which also had some employees). This is consistent with the earlier discussion on entrepreneurs in which continued patriarchal norms reserve the position of head of the family business to men, and rely on the unpaid labor of women family members including the spouse; those self-employed in small businesses that also had some employees were more likely to be men.

Segregation of the self-employed in industry is consistent with the distribution of educational attainment and self-employment, where less-educated women are more likely to be self-employed than men with the same level of education, whereas among those with higher levels of education, men are more likely to be self-employed than women (footnote 43, Table 1–51). One hypothesis is that less-educated women find it harder to find employment and are, therefore, more likely to be self-employed out of necessity, but this area requires further research.

The market transition, ongoing for over 3 decades but more intense since the SOE restructuring in the mid-1990s, can also be seen by the increase in the informal sector dating from that time. Measurement is problematic in this area but some studies work with existing data to estimate the size of, and trends in, informality.\(^{84}\) According to D. Yang and W. Meiyang, informal employment increased substantially after 1997 and now accounts for approximately one-third of urban employment. Their approach calculates informal employment as a residual using national statistical sources. They calculate the size of the informal sector as the difference between “total employment based on the labour market survey” and the employment data from the “Labour Comprehensive Reporting System,” which includes all registered enterprises.\(^{85}\) This assumes that the informal sector consists of workers outside registered enterprises. On this basis, they show a large increase in the size of the informal employment from the mid-1990s until around 2002, and a stable number of informal employees thereafter.

In relation to the gender composition of the informal sector, D. Yang and W. Meiyang used data from the 2005 China Urban Labour Survey to report that female workers are disproportionately represented, with 35.1% of women 40 years of age and below employed in the informal sector (compared with 30.3% of men), 36% of women ages 41–50 years of age (compared with 32.6% of men), 36% of women 51–60 years of age (compared with 24% of men), and 45.5% of women

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84 There is no official data on the size of the informal sector. The forthcoming ILO report, China Labour Market Profile, will include a section on estimating “nonstandard” employment and “informal work.” Two studies are reviewed here that advance definitions and analysis based upon them.
over 61 years of age (compared with 41.2% of men) (footnote 85, p. 25). Thus, elderly women are more likely than younger women to be employed in the informal sector, and women of all age groups are more likely than men to be in the informal sector.

In another recent study, X. Dong, S. Li, and S. Wang (footnote 43, pp. 24–25) calculate informal employment in total nonagricultural employment as informal self-employment (i.e., own-account workers and unpaid contributing family workers) plus informal wage employment (i.e., wage workers without labor contracts and casual workers). They, therefore, use a job-based, rather than an enterprise-based, definition. Using survey data from 2002 and 2010, they report that informal (nonagricultural) employment declined as a percentage of the labor force from 2002 to 2010, although it still represented over 40% of employment for both men and women in the later year. Informal wage employment was by a substantial margin the most important type of informal employment for both women and men. In terms of gender gaps, female urban hukou holders recorded a 4.2 percentage points higher level of informality than their male counterparts, and female migrant workers a 10.3 percentage points higher level of informality than male migrant workers. There were large differences between women, with 64.1% of female migrant workers, 54.2% of rural women workers, and 22.8% of female urban hukou holders classified as being in informal employment.

When including the agriculture sector, X. Dong, S. Li, and S. Yang calculate a different but related concept, “vulnerable employment,” as the sum of own-account workers in agricultural and nonagricultural activities and unpaid contributing household workers (footnote 43, pp. 22–24.). They report that women are disproportionately represented in less-secure employment, with a gender gap in vulnerable employment of 11.9 percentage points in 2002, and 11.6 percentage points in 2010.

Informal employment is clearly a large sector in which women are disproportionately represented. The importance of understanding its dynamics and possible policy responses to improve the working lives of women is also clear. More research would be beneficial in this area.

The impacts of the market transition on gender equality in the labor market are summarized in Figure 8.

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86 The data used in this report comes from the 2002 and 2010 Household Income Project (CHIP) cycles. This data set is described further in footnote 103.

87 Migration is discussed in greater detail in Section 4.3.
Figure 8: Gender, Work, and the Market Transition

Market transition
- Land use rights privatized
- Employment shift to private sector
- Shift to market wage determination

Gaps in implementing laws
- Greater role for gender norms
- Reduced social protections
- Reduced state-provided care

Reduced assets for rural women
- Gender gaps in informal employment
- Fewer women entrepreneurs
- Hiring discrimination
- Increased gender wage gaps and wage discrimination
- Increased motherhood wage penalty

Source: Author.
4 The Structural Transition

4.1 General Features

Structural change in the PRC, as elsewhere, involves the shift of production away from the primary sector, dominated by agriculture, to the secondary sector, dominated by manufacturing (see H. Chenery and M. Syrquin for analysis of structural change and development). The structural transition in the PRC started in the 1950s, and intensified in the 1990s with migration. The structural transition is associated with the export-led development strategy that increased demand for labor in the manufacturing sector of coastal provinces. Structural change is less evident from changes in shares of gross domestic product (GDP) (Figure 9) than shares of employment (Figure 10), but it is significant by any measure. This sector shift explains a good part of the rapidly increasing per capita incomes over the past 3 decades identified in Section 1.

Figure 9: Distribution of Gross Domestic Product by Sector (%), 2000–2014

The Structural Transition

The shift toward the tertiary sector is also evident in Figures 9–10, showing the share of GDP and employment increasing steadily over time. This shift is more evident in some parts of the country than in others (particularly in the eastern coastal provinces), but is certainly observed at the national level and is targeted to continue under the Thirteenth Five-Year Plan (2016–2020). The structural transition, involving the transfer of labor from lower- to higher-productivity sectors can, therefore, be seen in the changing structure of the PRC’s economy from agriculture to industry and, especially in the higher-income regions, in a post-industrial shift toward services.

There were significant shifts in the sector composition of employment, especially in the decline in the percentage of the labor force employed in the primary sector. However, that the primary sector still accounts for 31% of employment, but contributes only 9% of GDP, indicates that labor productivity is still much lower in this sector, and that further labor transfers and sector shifts can be expected.

4.2 Women’s Employment and the Structural Transition

While the structural transition affected both men and women, a disproportionate number of women still work in the agriculture sector. While the proportion of men and women in this category has been falling, it still accounted for 31% of men’s employment and 43% of
women’s employment in 2013, down from 54% for men and 63% for women in 2003. Therefore, a substantial shift of employment out of agriculture is continuing, but the pace of transfer is faster for men, and women are disproportionately engaged in the lowest average productivity sector. X. Dong, S. Li, and S. Yang also note that segregation takes the form of women being concentrated in agriculture and low-end services and men being employed in industry and high-end services. They report that women’s employment in agriculture is 11.3 percentage points higher than men’s, and 5.7 percentage points higher than men in low-end services (footnote 43, pp. 22–23). In contrast, women’s employment is 10.2 percentage points lower than men’s in industry, and 6.8 percentage points lower in high-end services. These findings are consistent with the ILO’s conclusion that “there is clearly a concentration of women workers at the lower end of the skill and productivity spectrum, relative to men” (footnote 52, p. 3).

This pattern is evident in industry where it can be documented in more detail, given the available data. Industrial segregation by sex is a standard indicator of “the extent to which women and men benefit from different opportunities and treatment in work life”. The extent of industrial segregation by sex is discussed first here. The discussion then analyzes whether women are disproportionately employed in lower-paid industries, thereby indicating that industrial segregation works to women’s disadvantage.

Within the urban economy, manufacturing dominates female employment in urban units, employing over 20 million of the 63 million women employed in urban units, in 2013 (Table 2). Another significant employer of women in urban units in the secondary sector is construction (2.95 million). In the tertiary service sector, the largest employers of women are the wholesale and retail trades, with 4.36 million women employed, financial intermediation with 2.72 million, education with 8.76 million, health and social services with 4.73 million, and public management with 4.65 million.

While this data points to the importance of urban sectors by the absolute number of women employed in them, women are not equally found in all sectors. In fact, women clearly dominate some industries in the urban economy, as illustrated in Figure 11, which shows that women make up 35% of the total workforce in urban units, but there is considerable variation in their share of employment by sector. This is also the case within sectors.

For example, within the manufacturing sector (the largest employer in terms of total number of women employees in urban units), there is also a gendered division of labor. While women comprise 39.4% of the urban manufacturing labor force, they constitute over 50% of the labor force in the following manufacturing industries:

- textiles (59.1%);
- textiles and apparel (66.5%);
- leather, fur, feather, and footwear (59.3%); and
- arts and crafts, sports and entertainment equipment (57.3%).

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89 The figures are for those whose occupations are classified as “agriculture and water conservancy laborers.” This classification does not correspond exactly to the definition of “primary industry” discussed above. Also, footnote 15, Table 1–51 and footnote 16, Table 1–38.


91 Data in this, and the next five paragraphs, is calculated from NBS and MHRSS (footnote 15, Table 3–1), except where otherwise indicated.
### Table 2: Women’s Employment and Share of Employment, Average Wages by Industry, Urban Units, 2013

<table>
<thead>
<tr>
<th>Sector</th>
<th>Women Employed (million)</th>
<th>Share of Women Employees in Total Employees (%)</th>
<th>Average Annual Wage (yuan)</th>
<th>Subsector Average Wage/National Average Wage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>20.738</td>
<td>39.4</td>
<td>46,431</td>
<td>90.2</td>
</tr>
<tr>
<td>Textiles</td>
<td>1.304</td>
<td>59.1</td>
<td>36,811</td>
<td>71.5</td>
</tr>
<tr>
<td>Textiles, wearing apparel, and accessories</td>
<td>1.750</td>
<td>66.5</td>
<td>37,581</td>
<td>73.0</td>
</tr>
<tr>
<td>Leather, fur, feather, and footwear</td>
<td>1.088</td>
<td>59.3</td>
<td>34,519</td>
<td>67.1</td>
</tr>
<tr>
<td>Electrical machinery and apparatus</td>
<td>1.625</td>
<td>40.7</td>
<td>47,436</td>
<td>92.1</td>
</tr>
<tr>
<td>Computers and communication equipment</td>
<td>3.604</td>
<td>48.5</td>
<td>50,143</td>
<td>97.4</td>
</tr>
<tr>
<td>Production and supply of electricity, heat, gas, and water</td>
<td>1.098</td>
<td>27.1</td>
<td>67,085</td>
<td>130.3</td>
</tr>
<tr>
<td>Construction</td>
<td>2.954</td>
<td>10.1</td>
<td>42,072</td>
<td>81.7</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>4.463</td>
<td>50.1</td>
<td>50,308</td>
<td>97.7</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>1.684</td>
<td>42.0</td>
<td>65,615</td>
<td>127.4</td>
</tr>
<tr>
<td>Retail trade</td>
<td>2.778</td>
<td>56.7</td>
<td>37,674</td>
<td>73.2</td>
</tr>
<tr>
<td>Transport, storage, and post</td>
<td>2.19</td>
<td>25.9</td>
<td>57,993</td>
<td>112.6</td>
</tr>
<tr>
<td>Hotels and catering services</td>
<td>1.688</td>
<td>55.5</td>
<td>34,044</td>
<td>66.1</td>
</tr>
<tr>
<td>Information transmission, software, and information technology</td>
<td>1.289</td>
<td>39.4</td>
<td>90,915</td>
<td>176.6</td>
</tr>
<tr>
<td>Financial intermediaries</td>
<td>2.723</td>
<td>50.6</td>
<td>99,653</td>
<td>193.6</td>
</tr>
<tr>
<td>Real estate</td>
<td>1.341</td>
<td>35.9</td>
<td>51,048</td>
<td>99.2</td>
</tr>
<tr>
<td>Leasing and business services</td>
<td>1.385</td>
<td>32.8</td>
<td>62,538</td>
<td>121.5</td>
</tr>
<tr>
<td>Scientific research and technical services</td>
<td>1.171</td>
<td>30.2</td>
<td>76,602</td>
<td>148.8</td>
</tr>
<tr>
<td>Management of water conservancy</td>
<td>1.046</td>
<td>40.4</td>
<td>36,123</td>
<td>70.2</td>
</tr>
<tr>
<td>Education</td>
<td>8.766</td>
<td>52.0</td>
<td>51,950</td>
<td>100.9</td>
</tr>
<tr>
<td>Primary education</td>
<td>3.278</td>
<td>56.0</td>
<td>47,066</td>
<td>91.4</td>
</tr>
<tr>
<td>Secondary education</td>
<td>3.632</td>
<td>48.6</td>
<td>51,084</td>
<td>99.2</td>
</tr>
<tr>
<td>Health and social services</td>
<td>4.738</td>
<td>61.5</td>
<td>57,979</td>
<td>112.7</td>
</tr>
<tr>
<td>Public management, social security, and social organization</td>
<td>4.655</td>
<td>29.7</td>
<td>49,259</td>
<td>95.7</td>
</tr>
<tr>
<td>National</td>
<td>63.383</td>
<td>35.0</td>
<td>51,483</td>
<td></td>
</tr>
</tbody>
</table>

Note: The sectors chosen were selected from those employing more than 1 million women workers.


The share of women’s employment in the manufacturing sector fell over the decade from 43.4% in 2003 to 39.4% in 2013.\(^{92}\) Thus, women have been losing their share of manufacturing jobs to men; whether this is a result of technological upgrading in the manufacturing sector (see discussion below) or other factors remains to be determined.

\(^{92}\) The percentage for 2003 is from NBS and MHRSS (footnote 14, Table 1–13).
In 2003, the percentage of women workers in the four manufacturing industries was 65.1% for textiles; 72.0% for textiles and apparel; 68.9% for leather, fur, feather, and footwear; and 62.9% for arts and crafts, sports and entertainment equipment. Therefore, the data shows that, while segregation by gender in industry persists over time, it diminished somewhat in the past decade. This trend is replicated in occupational segregation. Here, the ILO finds that employed men are three times more likely to be “unit heads” than employed women, but there is some evidence of the gender gap closing over time (footnote 24, p. 11).

Returning to the data for 2013, men hold a majority of the positions in all of the other 27 manufacturing categories (although in some of these categories, women hold a higher percentage of positions than their share in the manufacturing workforce, even though they remain the minority). For example, women constitute 48.5% of those employed in the manufacture of computers, communication and electronics equipment, which is higher than their share in manufacturing employment (39.4%), and their share in total urban employment (35.0%).

93 Data for 2003 is from NBS and MHRSS 2004.
The manufacturing subsectors in which women dominate are also among the lowest paid. The average wage in the manufacturing sector as a whole is 90.2% of the national wage. Within the sector, the average wage in textiles is 79.3% of the sector wage: 80.9% in textiles, wearing apparel, and accessories; and 74.3% in leather, fur, feather, and footwear (Table 2). Each of these subsectors employs over 1 million women, who constitute the majority of the workforce, and their pay is among the lowest in the sector, which itself pays below the national average (Table 2). The argument that sectors with a high female share of employment are associated with low wages is illustrated by the scatter plot presented in the Appendix, and the Pearson correlation coefficient of minus 0.27.

Gendered division of work is again observed within the urban service sector, with women holding the majority of positions in

- the retail trade (56.7%),
- hotels and catering (55.5%),
- insurance (54.9%),
- primary education (56.0%), and
- health and social services (61.5%) (Table 2).

Men hold the majority of positions in the other 40 service sector subcategories. The gendered division in both the manufacturing and service sectors is generally more pronounced in the private sector than the state-owned sector.\(^\text{94}\) The service sector is discussed further in Section 5.

Taking the employment shifts as a whole, an ILO report concludes that “while the move out of agricultural work may have resulted in some improvements in the earnings of women and men, women tend to dominate in the lowest-paying occupations” (footnote 24, p. 16).

Unemployment in the urban sector is also gendered, with women recording a larger rise in unemployment than men from 1988 to 2009 (to around 10% for prime-aged women).\(^\text{95}\) Women are also likely to remain unemployed for a longer duration than men (Figure 12). Research suggests that this is not due to less motivation or job search activity by women, but to weaker social networks, less entitlement to reemployment services and gender-differentiated mandatory retirement policies.\(^\text{96}\)

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\(^{94}\) See NBS and MHRSS (footnote 15, Table 1–17). The private sector in this context means the “other ownership units.”


\(^{96}\) F. Du and X. Dong. 2009. Why Do Women Have Longer Durations of Unemployment than Men in Post-Restructuring Urban China? \textit{Cambridge Journal of Economics.} 33 (2). pp. 233–252. The PRC, unusually in Asia, has a gender difference in retirement policies, with retirement for women at age 50 (55 for the public service) and 60 for men (footnote 9, p. 28). The impacts on women of reforming the gendered retirement policy are controversial; for some women, the gendered policy is seen as an impediment to equal career advancement and to equal retirement income, while others fear that raising the retirement age for women may simply lead to greater unemployment for women in their 50s.
The high levels of female employment in the manufacturing (and other) sectors, are facilitated by intra- and inter-provincial migration. Patterns of migration are examined in the following section, and Section 4.4 provides a “decent work” analysis for female migrants in manufacturing. Women’s employment in the service sector is discussed in Section 5.

4.3 Gender, Migration, and the Structural Transition

The shift from agriculture to industry was facilitated by the transfer of labor from rural to urban areas by temporary migration. There were 274 million migrants in 2014 and a further increase to 277 million in 2015. Internal migration increased dramatically as a result of structural change (and reforms) with the number of migrants in 1982 reported to be only 6.6 million. From 2000 to 2010, the number of migrants increased by 100 million, from 121 million to 221 million (footnote 13, Table 2–3). The scale of migration in relative

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97 Data on migrant workers has not been systematically collected in the same way as other population data because of the difficulty in collecting data for a mobile group without fixed residency (and often living in factory-provided dormitories). Further, there are multiple types of migration (rural–rural, rural–urban, and urban–rural), and migration of different duration, including circular migration. As a result, estimates of the size of the migrant workforce vary depending on the definition used and data collection methods.


The transfer of labor from rural to urban areas, through temporary rural–urban migration, is a striking labor market change that is expected to continue, with rapid urbanization predicted by the Thirteenth Five-Year Plan (2016–2020). As X. Meng argued, “China’s single most important labor market change over the past two decades is probably the rapid growth in rural-to-urban migration” (footnote 95, p. 87).

Given the relatively low agricultural productivity and low wages in the off-farm, rural sector, the higher wages in urban areas are a key pull factor for migrant labor. Average urban income is more than three times higher than average rural income, and the ratio increased over the first decade of the 2000s. The average urban-to-rural income ratio increased from 3.2 to 3.8 from 2002 to 2008, based upon national China Household Income Project (CHIP) data. As further evidence of the rural–urban income gap, J. Knight, Q. Deng, and S. Li report that the wages of rural migrants in urban areas are 2.4 times higher, on average, than the migrants’ estimate of their monthly income had they stayed in their home village (in 2007 based on the CHIP data). Rural–urban migration was also facilitated by further relaxation of the hukou in some cities, making it easier for rural workers to migrate to and stay longer in cities.

Women make up a substantial proportion (at least one-third) of this rural–urban migrant population (footnote 98), and women and men are equally represented among migrants 18–21 years of age. There are several notable features of the gendered migration flows. First, despite equal numbers of young women and men migrating, there are gender differences in the reasons for migration that point to the importance of gendered norms regarding expectations of sons and daughters. Y. Chiang, E. Hannum, and G. Kao (footnote 103) report that young women are more likely than young men to report altruistic or family reasons for migrating over personal development and individual

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100 Migration as percentage of the urban population = 273.95/749.16*100; migration as a percentage of the national economically active population = 273.95/796.90*100. The economically active population is defined as “the population aged 16 and over who are capable of working, are participating in or willing to participate in economic activities, including employed persons and unemployed persons” (footnote 13, Explanatory Notes). The number of migrants is from NBS (footnote 15); urban population and economically active population are from NBS (footnote 13, Tables 2-7 and 4-1).

101 S. Li, C. Luo, and T. Sicul. 2013. Overview: Income Inequality and Poverty in China, 2002–2007. In S. Li, H. Sato and T. Sicul, eds. Rising Inequality in China: Challenges to a Harmonious Society. New York: Cambridge University Press (pp. 44–84). The CHIP data set is one of the major sources of data on migrant workers. However, it is subject to some bias as, e.g., the 2002 survey showed that 60% of migrant workers were self-employed, a figure which is widely considered to be over-estimated. Urban income is measured by including migrant income and using the CHIP definition of income. Excluding migrant workers from the average urban wage calculation and/or using NBS definitions of income change the figures slightly, but does not alter the general point.


103 Y. Chiang, E. Hannum, and G. Kao. 2015. It’s not just about the money: gender and youth migration from rural China. China Sociological Review. 47 (2). pp. 177–201. The sex composition of migrants has varied over time. In the 1980s, it was predominantly women who migrated, but this changed in the 1990s and from 2000 to 2009 for a multitude of reasons. See footnote 99, pp. 8–9.

Second, women and men migrants also have different reasons for returning home that illustrate the continued importance of gender norms, especially caregiving for women and “breadwinning” for men. Among women migrants, the top three reasons for returning home are getting married, taking care of children (in school), and taking care of family members; among men migrants, the top three reasons are not making enough money, not satisfied with job, and having better opportunities at home (footnote 104). Almost half of returned migrants plan to migrate again (footnote 104), indicating the circular and temporary notion of migration.

Third, family migration is increasing, and migrant mothers experience particularly difficult choices in balancing paid work and unpaid care work. This likely arises because migrant mothers cannot rely on grandparents to provide care, unlike mothers with an urban \textit{hukou}, and mothers in rural areas. Further, migrant mothers are less likely to be able to access publicly provided childcare, compared with mothers who have an urban \textit{hukou}.

That women constitute a significant part of the migrant population is attributed to a number of factors, including the Marriage Law, introduced in 1950, and the growth of labor-intensive export manufacturing (footnote 23). By providing the legal footing for individual consent to be the basis of marriage, the Marriage Law freed young women from the authority of their fathers and families, and transformed social and geographic mobility for women (footnote 24, pp. 1–2; see also ILO, and Z. Zheng [footnote 104]). On the demand side, the post–1978 expansion of export-led manufacturing provided many of the new employment opportunities in coastal regions.\footnote{The migration of workers from inland to coastal provinces was facilitated in myriad ways by sending and receiving provincial authorities, and by informal and private channels. These mechanisms and policies, except for the national \textit{hukou} policy framework, are not considered here. For a systematic analysis of government policy interventions see ILO (forthcoming) \textit{China Labour Market Profile}. See also X. Dong, S. Li, and S. Yang. 2016. Trade Liberalization, Social Policy Development and Labour Market Outcomes of Chinese Women and Men in the Decade After China’s Accession to the World Trade Organization. \textit{Discussion Paper No.9}. New York: UN Women (February), for a discussion of policies aimed at mitigating the impacts of trade liberalization.}

These legal and social norms enabling women to move freely in social spaces, together with the export-led growth strategy, resulted in relatively high levels of female labor force participation (higher than in other Asian countries). These levels have been described as a sign of the “emancipation of China’s adult women”\footnote{ADB. 2008. \textit{People’s Republic of China: Urban Poverty Strategy II}. Consultant’s report. Manila (TA 4694–PRC).} Footnote 26, p. 4. In important respects, the PRC’s export-led growth can also be described as “female-led growth,” given the prominence of young, female migrant workers in key export sectors. However, as documented below, women typically migrate to lower-quality jobs with lower pay and continue to face discrimination in the workforce. That women are better able to participate in the labor force than those in some other countries should not disguise the conditions under which much of that participation takes place.

Data limitations notwithstanding, some studies provide insights into the characteristics of migrant workers from a gender perspective. The characteristics of female migrant workers using the 2004 Rural Household Survey\footnote{ADB. 2008. \textit{People’s Republic of China: Urban Poverty Strategy II}. Consultant’s report. Manila (TA 4694–PRC).} and using a 1\% microsample of the 2000 Census (footnote 23 p. 4) are shown in Table 3.
Table 3: Characteristics of Women Migrant Workers, 2004 Rural Household Survey and 2000 Census

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Women’s share</td>
<td>34% of migrant workers are women; a higher percentage (37%) of migrants in the coastal region are women. In some areas, such as Shenzhen and the Pearl River Delta, women constitute a large majority of migrant workers.</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>62% of female migrant workers are 15–24 years old.</td>
<td>Heavily concentrated among the young.</td>
</tr>
<tr>
<td>Age (compared with male migrants)</td>
<td>Compared with male migrant workers, women migrant workers are younger and more likely to be unmarried.</td>
<td></td>
</tr>
<tr>
<td>Age (compared with rural female labor force)</td>
<td>The median age of a female migrant worker is 15.1 years younger than her counterpart in the rural labor force.</td>
<td></td>
</tr>
<tr>
<td>Education (compared with male migrants)</td>
<td>Educational levels of female migrant workers are significantly lower than those of their male counterparts.</td>
<td>Within the migrant population, women form the majority at lower levels of (migrant) education, and men for the majority at higher levels of (migrant) education.</td>
</tr>
<tr>
<td>Education (compared with women in the destination population)</td>
<td></td>
<td>Women migrants have lower educational qualifications than nonmigrant women in the destination population.</td>
</tr>
<tr>
<td>Migration destinations</td>
<td>Migrant workers (men and women) from the coastal region are overwhelmingly more likely to go to other areas within the coastal region; workers migrating to the coastal region, from any destination, are likely to have a longer duration of migration, compared with migrants to noncoastal regions (with 66% staying over 9 months).</td>
<td></td>
</tr>
<tr>
<td>Reasons for migrating</td>
<td>Work and marriage are the main reasons for migrating for women under 35 years of age. However, women’s labor force participation is high notwithstanding their motivation for migrating. For example, although 28% of 15–24-year olds state that marriage is their reason for migrating, 85% were nevertheless in the labor force (ADB 2015, p. 37). Marriage is also seen as a way of gaining access to a different (better) labor market.</td>
<td></td>
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</table>

ADB = Asian Development Bank.

Data from the 2010 Census suggests that there were changes over time in the composition of the female migrant labor force, which led to some modification of the findings summarized in Table 3 and Box 1. First, the importance of marriage as a motive for migration has decreased in importance for women migrants (footnote 99). Evidence indicates that marriage as the motivation for migrating decreased in importance among people who legally change their hukou status. In 2000, about 20% of all women migrants cited marriage as the reason for their migration, but in 2010, only 8% of women did so. The proportion citing work as the motive for migration increased from 25% to 39% between the two censuses (footnote 27, Table 1–8). Second, the age distribution of the migrant population changed, with female migrants becoming older, on average. While young migrants still dominate, with 41% of female migrants found in the 15–29 age group, the proportion of female migrants in the 40–59 age group was 22%, according to the 2010 Census. The corresponding figures from the 2000 Census were 58% and 11%, respectively (footnote 27, Table 1–9).

Box 1 describes the characteristics of a representative male and female migrant worker, based on the 2004 Rural Household Survey.

Box 1: Representative Migrant Workers

“The median female migrant is young, just over 22 years of age. She entered the labor force at 15 upon finishing the lower middle school, or after 9 years of basic education. She left to work in a city soon after her 20th birthday. Her sojourn as a migrant worker ended after a few years later upon marriage. The median male migrant worker is 27.7 years old, almost 6 years older than his female counterpart. It is likely he also finished education after the middle school but with some possibility of a period in the higher-middle school stream. He left to work in a city a few years later than his female counterpart. Unlike with her, marriage did not mark a major break in his stint as a migrant worker. Further, his work history consisted of an alternating sequence of work spells in the city and the countryside.”


Data from NBS’s National Monitoring Report of Migrant Workers 2015 (footnote 98) also points to the changing demographics of the migrant workforce. Unfortunately, this data is not gender disaggregated, but the figures for the entire adult population confirm the trend noted above. In terms of the age of migrant workers, the proportions in 2015 (2011 data in parentheses) were: ages 16–20, 3.7% (6.3%); ages 21–30, 29.2% (32.7%); ages 31–40, 22.3% (22.7%); ages 41–50, 26.9% (24.0%); and ages over 50, 17.9% (14.3%). The rapid aging of the migrant workforce is clear even over this short 5-year period. The standard picture of a young migrant workforce in the 1990s is no longer accurate. The relative importance of the service sector compared with manufacturing as a destination employment for migrant workers has also increased over time (footnote 99, p. 22).

Data for 2015 also show that, of the 277.5 million migrant workers, 168.9 million were classified as “long distance” migrants and 108.6 million as “short distance” migrants, with the latter group showing the higher growth rate (although the annual growth rate of migrant workers fell from 4.4% in 2011 to 1.3% in 2015).
Evidence from the (Longitudinal Survey on) Rural Urban Migration in China (RUMIC) shows strongly that migrant workers prefer nearby migration destinations. Inducing migrants to move further from their home areas, therefore, requires a higher wage premium. Using the RUMIC survey data, J. Zhang and Z. Zhao report that, in the 15 cities surveyed, about half of rural–urban migrants came from the same province. The preference for shorter distance migration is found among all migrants, but it is slightly higher for women, or, as J. Zhang and Z. Zhao reported, “it is a bit easier to induce male than female migrants to move further away from home.” Their results also show that “female migrants like larger cities, greener cities, and cities with lower air pollution more than male migrants” (footnote 109, p. 23).

4.4 Gender, Decent Work, and the Structural Transition

4.4.1 Migration and the Segmented Urban Labor Market

The urban labor market is clearly segmented: workers with an urban hukou hold better jobs than workers with a rural hukou, and migrant workers in urban areas earn lower wages than workers with an urban hukou. X. Meng (footnote 95, p. 91) reports that the average hourly wage of migrant workers is 45% of the hourly wage of workers with an urban hukou, and that from 2002 to 2008, while the average real wage of migrants increased, it fell relative to the increase in the average wage of workers with an urban hukou. This suggests a deteriorating position for migrants relative to urban residents.

Unlike people with an urban hukou, migrants have little access to healthcare services, education services for their children, and unemployment and poverty support (footnote 95, p. 88). Migrants have less access to social security insurance programs than urban workers because of the industrial and enterprise segregation by hukou status, and they are less likely to have contracts and, therefore, are less likely to qualify for social security provisions. Even when migrants have contracts, eligibility for pensions is limited because they cannot meet the threshold requirements, often due to changing employers. Long working hours are prevalent among migrant workers: 43% of employed migrant workers work more than 48 hours per week, whereas about 26% of employed workers with an urban hukou work this long.

It can be argued that many migrant workers suffer from poor working conditions, affecting both women and men, so these should be framed as rural–urban issues rather than gender issues. It is certainly the case that working conditions for men and women migrant workers both involve large decent work deficits, and that improvements are needed for both groups. However, a gender lens is also important for two reasons. First, some issues and experiences are more relevant to women than men, and a gender lens is able to highlight these. Second,

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109 J. Zhang and Z. Zhao, footnote 140, p. 2.

even where there has been a “gender convergence,” this may be because male working conditions have been lowered to become comparable with women’s. As D. Grimshaw and J. Rubery argued, “progressive gender equality assumes women’s employment conditions are leveled up to those of men, not men’s leveled down with women’s” (footnote 26, p. 716.). To the extent that there has been gender convergence based on a leveling down, improving women’s working conditions can benefit all workers. Therefore, while a gender approach is used here, this should not be taken to imply that improvements in migrant men’s working conditions are not needed, too.

4.4.2 Migration, Segmentation, and Gender

The migration of large numbers of young, unmarried women to urban areas in search of employment has many contradictory elements. The ability of young women to move geographically and to feel safe in public places without male accompaniment (and perhaps permission) is seen as emancipating; a sign that women own their bodies, and are not subject to the restrictive patriarchal social norms experienced by women in some other Asian societies (footnote 23). Further, the ability to earn cash income provides women with a source of autonomy in ways that unpaid farm labor and care work in their rural home counties do not.

Women Migrant Workers: at the Bottom of the Ladder

While these arguments point to the positive position of migrant women in the PRC compared with women in other Asian countries, other research is concerned with the position of migrant workers relative to others in the PRC. In this context, migrant workers are often referred to as “marginalized”.

Using the RUMIC data set, A. Akay et al. found that migrants report lower levels of average subjective well-being than urban and rural residents. After controlling other determinants of well-being, no gender differences were found for women except for migrant women, for whom being female has a negative and significant effect (footnote 112). In other words, while migrants have the lowest levels of reported subjective well-being, women migrants have statistically significant lower levels of subjective well-being than migrant men, making them the least satisfied group of the PRC population.

While remittances may be thought of as decreasing the material well-being of migrants since these reduce their disposable income, A. Akay et al. find that all migrants derive satisfaction from sending remittances home, and women more so than men (footnote 112, p. 11). However, this may reflect greater internalization of filial duty by daughters.

Migrants are much less likely to be employed in the state sector than the private sector. In 2009, 92% of women migrants and 87% of men migrants were employed in the private sector. In comparison, for workers with an urban hukou, 49% of women and 43% of men are employed in the private sector (based upon the Rural Urban Migration in China and Indonesia Migrant and Urban Survey (footnote 95, Table 2).

Women migrants have statistically significant lower levels of subjective well-being than migrant men, making them the least satisfied group of the PRC population.


Women and men migrants are less likely than workers with an urban hukou to be employed in higher level occupations, such as the professional and managerial sectors. About 87% of women migrants (and 90% of men migrants) are employed in the two lowest-paying occupations, sales or service workers and production workers, compared with 42% of women workers (and 39% of men workers) with an urban hukou (footnote 95).

Women migrants experience substantially unequal treatment in terms of wages. While migrants earn lower wages than workers with an urban hukou, women migrants earn less than men migrants. E. Magnani and R. Zhu estimate that, in 2002, men migrants earned 30.2% more than women migrants, in terms of their average hourly wage, based upon the CHIP data. Further, the gender wage gap among migrants is greater than the gender wage gap among workers with an urban hukou, which E. Magnani and R. Zhu (footnote 113, p. 784) estimate to be 18.1%.

E. Magnani and R. Zhu further argue that the gender wage gap is greater at higher wage levels, which indicates a glass ceiling for migrant women workers, and contrasts with the “sticky floor” phenomenon for urban workers referred to earlier. There is also a high degree of gender wage discrimination among migrant workers, as for all urban workers, that cannot be explained by differences in endowments between men and women, including education level and work experience. Nonetheless, education endowments account for a greater share of the gender wage gap at higher levels (footnote 113).

The relatively low subjective well-being of migrant women shown by survey data is consistent with many industry case studies of women’s working conditions in the textile and electronics industries. N. Pun has extensively analyzed the situation of young, unmarried women migrant workers, who are part of a “dormitory labor regime”. According to this analysis, based on fieldwork in southeastern PRC, it is argued that tying paid work to factory accommodation facilitates both the long hours of work faced by women migrant workers, and the close control over their labor so that it can be used as and when needed. The patriarchal control of women’s labor remains, but it is now exercised by factory managers rather than by fathers and brothers in the countryside. This reinforces the argument that it is necessary to look beyond relatively high female labor force participation in the PRC to consider the quality of work being offered to women, and the conditions under which it is being performed.

Many point to the role of hukou as a policy that restricts permanent mobility and results in disadvantages for migrant workers. Over 70% of the PRC’s population has rural hukou status (footnote 95). However, C. Chan et al. also argue that policy played a key role in facilitating migration through the state’s withdrawal of social provisions in rural areas, openness to

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foreign investment, and close state–business ties that led the local levels of government to be actively engaged in the recruitment and mobility of migrant workers.115

Therefore, migration exposed large numbers of women to poor employment conditions, which raises questions about their access to decent work. At the same time, the large-scale employment of migrant women also provided a basis for forms of collective action and voice. As labor disputes escalated, migrant women workers were part of the spontaneous reactions to grievances such as unpaid wages, inadequate pay increases, enforced overtime, and factory layoffs (footnote 115). These actions were evident through increasing labor assertiveness and indicate rising empowerment and voice, although case studies found that men migrant workers and technicians are more often the leaders, with women workers nevertheless participating (C. Chan and N. Pun).116

Second-Generation Women Migrants: New Expectations, Similar Problems

There has been a significant change in the attitude and behavior of the second-generation of women migrant workers, that is, those born in the reform period and whose migration occurred from the late 1990s onward. This new generation of migrant workers (both women and men) are typically better educated than their predecessors, have greater access to news and information through new technology, have higher aspirations, are often more materialistic and individualistic, have less loyalty to their employers, and expect their rights to be better protected.117 The New Contract Labor Law, introduced in 2008, was instrumental in making workers more aware of their rights, although this is more so for better-educated workers, both local and migrant.118 Interestingly, women are more likely to be aware of the labor law provisions than men (footnote 117, p. 17).

Despite the changes in the attitude and behavior of the second-generation of women migrant workers, their relative position has not necessarily improved in many respects.119 While their wages increased (along with wages generally, including minimum wage increases), rural migrant women’s wages did not increase in the same way as those for other groups. They are determined by a variety of factors including job type, industry, and ownership, showing the continued importance of labor market segregation in pushing rural migrant women into low-paying sectors such as social services. Studies indicate that migrant women have limited prospects of moving up job ladders.120

Interestingly, women are more likely to be aware of the labor law provisions than men.
gap among migrant workers rose from 4% in 1995 to 23% in 2002, before falling slightly to 21% in 2008.\textsuperscript{121} Migrant women’s earnings clearly failed to keep pace with those of migrant men; and migrant workers’ hourly wages are less than half of those of their urban counterparts (footnote 95, p. 91). This again places rural migrant women, especially those with lower education levels, at the bottom of the earnings league. The large numbers of relatively poorly educated migrant women competing for a restricted range of jobs in urban areas may be one cause of the failure of their wages to keep pace with those of migrant men.

\textit{Gender and the Left-Behind: the Impacts of Migration on Left-Behind Elderly Women and Girls}

This life story also raises the issue of the well-being of those “left behind” when rural workers migrate for urban jobs. That is, what is the gendered impact on the estimated 60 million plus children “left behind,” and on spouses and parents who remain in rural areas when an adult family member migrates?\textsuperscript{122}

This report has so far analyzed gender predominantly at the level of the individual. However, migration clearly has gendered impacts on the family and larger household that must also be considered. The impact of out-migration is significant and gendered, with the increase in work time being greater for elderly women and girls than for elderly men and boys.\textsuperscript{124} Specifically, it is reported that, where an adult family member migrates (typically the father in the case of this study), both elderly women and men face increased farm and off-farm work hours, although they are greater for women than men. There is no change in work time for left-behind boys, but girls face increases in farm work and domestic labor. Given the size of the time increases, the study concludes that “the increase in work time


\textsuperscript{122} Official sources estimate that there are 61 million left-behind children. Another study estimates that there were 10.85 million left-behind married women in 2000 (footnote 99, p. 11).

is particularly large for elderly women, suggesting that loss of household labor through migration has been compensated for primarily by elderly women” (footnote 123, p. 2,203).

Though work time for left-behind boys does not change, other research found that, when fathers migrate, boys’ enrollment in school decreases; a result attributed to the absence of a disciplining father. However, the impacts of migration on left-behind children are complex, and other research finds that the migration of both parents (rather than either one) results in lower cognitive development among primary age left-behind children, although the results are not disaggregated by children’s gender. The impact of migration on the education of left-behind children is ambiguous because, while parental absence may reduce familial input regarding education, this may be offset by migrant parent remittances. The impact of migration on the human capital formation of left-behind children needs more research, especially on gendered impacts.

The impact of migration on the education of left-behind children is ambiguous because, while parental absence may reduce familial input regarding education, this may be offset by migrant parent remittances. The impact of migration on the human capital formation of left-behind children needs more research, especially on gendered impacts.

The effects of parental migration on left-behind children extend beyond direct influences on education and human capital formation. Studies also found higher rates of depression among left-behind children. One study showed that the risks of depression are higher the earlier in the child’s life that the parent migrated, especially where the mother or both parents migrate. Another study showed that depression rates were higher among left-behind fourth to sixth graders. While the study found no gender differences in the incidence of depression among the left-behind children, it reported different patterns of time use by boys and girls (with the latter spending more time watching TV and consuming sweet drinks). No differences were reported among children left behind by mother, father, or both parents. For left-behind children, who might typically only see their parents once a year at Spring Festival, social support networks were found to be important determinants of depression, with those in the lower-income households typically having fewer social supports to draw upon and higher resulting levels of depression.

The effects of the length of time migrants leave children behind were also investigated, with long-term migration negatively related to children’s health and education outcomes. The negative impacts on child health and education are reported to be graver when mothers rather than fathers migrate. Clearly, migration has significant effects on left-behind children, but more research is needed on the gender dimensions (i.e., the impacts of mothers and/or fathers migrating on left-behind boys and girls).

Of course, not all children of migrant workers are left behind, and many live with their migrating parents in urban areas. However, research on this found that women face “harsh choices.” They must choose between earning income and their children’s well-being, since

the childcare they can afford is of low quality. It is not surprising that as a husband’s income increases, so does the probability that a married migrant woman will leave the labor force (footnote 35, p. 957).

4.5 Gender, Migration, and the Next Phase of the Structural Transition

The patterns of migration that have dominated the past 2 decades are beginning to change. Manufacturing in the coastal provinces was affected by the renminbi appreciating by approximately 25% since 2005, rising real labor costs that have been growing at over 10% per year, and slowing global demand following the global financial crisis in 2008. The impact has squeezed profit margins and led firms to respond in two ways. The more labor-intensive industries increasingly looked to relocate inland or overseas for sources of lower-cost labor. The more technologically intensive industries that remain in economic zones in the coastal regions sought to adapt to these conditions. Both emerging trends have implications for women’s, particularly migrant women’s, employment prospects.

The relocation of industries overseas is driven by the desire to find lower labor costs in neighboring countries such as Cambodia, the Philippines, and Viet Nam. Since, as shown above, migrant women are disproportionately represented in the low-paying manufacturing sectors, this industrial relocation will have gendered impacts, with women’s jobs being disproportionately eliminated.129

The relocation of industries inland was driven by the same issue of rising labor costs in the coastal regions, where “surplus labor” was increasingly reduced and wage rates rose accordingly. This relocation was facilitated by local (provincial and municipal) inland governments seeking to attract industries to their jurisdictions with new infrastructure projects and economic incentives. In addition, national policies sought to facilitate the employment of the “new generation of migrant workers” in the key regional and other cities of the inland provinces.130

Changing patterns of industrial location are documented by J. Zhang,131 who argues that this trend of “inland-oriented industrial relocation” accelerated after the global financial crisis, as firms sought to restore profitability. This has not only affected the Chengdu–Chongqing and Wuhan regions, but also inland provinces where the shares of manufacturing value-added increased.132 That is, rural–urban migration and urbanization will both increase in the...

129 Standard Chartered Bank. 2015. PRD’s Pain, China and ASEAN’s Gain. Global Research: Special Report: reports the results of surveys showing that firms are increasingly looking to the Association of Southeast Asian Nations countries to relocate their manufacturing, given rising wages in the PRC (especially in the Pearl River Delta region, which was long the driver of internal migration flows). The gendered labor market impact of this trend needs further research.


future, but the location of migrant destination cities is likely to be more diverse, with less emphasis on the coastal provinces.133

For women migrant workers, this emerging trend has potentially contradictory impacts. On the one hand, the increased employment in inland areas would benefit women, who prefer to work closer to their home areas (footnote 108), and enable them to keep in closer contact with their families. The “long march” inland by firms (footnote 131) may result in a shorter march for migrant workers. J. Chan (footnote 117) points to the role that greater local social networks can play in increasing migrant workers’ well-being and bargaining strength. One study of migrant workers in an inland city, Guiyang, undertaken by H. Wang, L. Pan, and N. Heerink (footnote 130), found that second-generation migrants report higher levels of job satisfaction than first-generation migrants, despite receiving comparable levels of pay. They attribute this to their greater willingness to assert their rights and to move between employers, which resulted in their having “more insurance at work, receive[ing] significantly more on-the-job training, conduct[ing] less dangerous or toxic work, and receive[ing] more regular health checks than the traditional generation” (footnote 130, p. 13). While they find no gender differences in these findings, their study does highlight the importance of working conditions, insurance, and health provisions for the well-being of migrant workers, both female and male. More studies of migrant workers in emerging inland city destinations would be beneficial.

Incorporating social insurance provisions into compensation measures is also important for understanding the position of migrant workers compared with their urban counterparts. In a study of labor market discrimination against migrant workers, L. Lee found that, while wage discrimination is relatively low, discrimination is increased substantially if bonuses and insurance coverage are included in the workers’ compensation measure.134 Interestingly, from the perspective of the impacts of industrial relocation discussed here, the study also found wide regional variation in the extent of discrimination against migrant workers, with the highest levels in the coastal cities of Shanghai and Fuzhou, and much lower or nonexistent levels in the inland cities of Wuhan and Xi’an, and the northern city of Shenyang. This suggests that the relocation of industry may benefit migrant workers. The effect on migrant workers by sex is a topic in need of further research as firms relocate and the centers of migration change.

It is important to note that social insurance provisions for migrant workers lagged considerably historically behind those of other workers, in large part due to the hukou system.

133 Evidence on changes in the spatial distribution of migrants in the PRC’s 50 largest cities from 2000 to 2010 supports this view. M. Lu and Y. Xia (footnote 97, p. 14) report that “the proportion of the country’s total migrants in the southeast coastal cities somewhat declined” whereas migration increased in cities such as Chongqing and some western cities. Migration was more scattered between these cities in 2010 than in 2000.

134 The results showed that discrimination increased from approximately 10% to 28% once other compensation measures were included. The estimated discrimination against migrant workers was higher for men (at 34%) than for women (at 22%). L. Lee. 2012. Decomposing Wage Differentials between Migrant Workers and Urban Workers in Urban China’s Labor Markets. China Economic Review. 23 (2). pp. 461–470.

by X. Zhang et al.\textsuperscript{136} quotes national survey data on the proportion of migrants enrolled in various insurance schemes, as follows: old-age insurance at 11.9\%, medical insurance at 12.6\%, unemployment insurance at 8.4\%, and injury insurance at 23.1\%. Among the reasons for this are the low pay of migrant workers, which makes them unable or reluctant to enroll, and policy design features that exclude migrant workers from participation. Unfortunately, these figures are not disaggregated by sex, and an important area for future research is whether there are gender biases in social insurance participation. While this issue is clearly relevant to all migrant workers, it remains to be seen if this is particularly the case for women migrant workers.

It has generally been argued that discrimination in access to forms of social insurance has been decreasing in recent years (especially in larger cities) as policy changed, and that the presence of a labor contract is more important for insurance coverage than \textit{hukou} status. However, when it comes to having a signed labor contract, Z. Cheng, I. Nielsen, and R. Smyth, in their study of Beijing, found that workers who migrate from one urban location to another, who are male, better educated, and employed in the state sector were most likely to have such a contract. Workers who migrate from rural to urban locations, are less-educated, employed in the private sector, and female were least likely to have a contract and, hence, had less access to social insurance.\textsuperscript{137}

One study explicitly focusing on the gendered access to social insurance analyzed pension, work injury, and medical insurance.\textsuperscript{138} The analysis, based on four cities, showed the importance of location and industrial structure in determining participation in insurance schemes. Specifically, it found that, in cities that predominantly employ women migrant workers in the formal manufacturing sector (such as Shenzhen and Suzhou), women’s participation in insurance schemes is relatively high (from 35\% to 53\% of their sample), and higher than that of men migrant workers in the same city but whose industrial categories are more diverse. In more economically diversified cities such as Beijing, where services and construction are also dominant, migrant participation in insurance schemes was substantially lower, and higher for men than women migrants.

Location and associated industrial categories, therefore, matter a great deal in determining both the levels of insurance coverage and the gender differences in participation. However, participation is low in the area of maternity insurance. None of the three schemes analyzed by J. Yao and B. Kim (the inclusive, independent, and comprehensive insurance models introduced to assist migrant workers) included maternity insurance, despite rural migrant workers facing higher maternal mortality risks than urban workers. Other features of the schemes also disadvantage migrant women. For example, firstly, the comprehensive model in Shanghai excludes workers in household services and therefore, disproportionately excludes rural migrant workers; and secondly, many women migrants who have less labor market attachment due to family reasons are excluded from the inclusive model’s pension insurance scheme because of the criterion that contributions must be made for 15 years (footnote 138, page 60).


This analysis points to the importance of context and features of policy design. The relocation of manufacturing to inland cities may benefit female migrants, if it allows them to draw upon wider social networks closer to their homes. Social networks and connections were documented as being important for the well-being of female (and male) workers, and policy reform, such as that which facilitates shorter migrations in both distance and duration, contributes to maintaining the social fabric, and can benefit migrant workers.

However, relocation may also push poor labor practices further from the international and national limelight, a spatial moving of the value chain, and reduce pressure on companies to improve working conditions. If inland cities exhibit state–capital relations less favorable to the signing of labor contracts, that too will negatively affect women migrant workers’ access to decent work provisions. It is too early to say which set of forces will be dominant, and where, and this is an area where monitoring and future research will be important.

The second part of this trend, the movement up the value chain of firms and industries remaining in the coastal regions, also has implications for migrant women. This movement is again a response to market factors, such as renminbi appreciation and rising real wages, and again facilitated by state policy. The central government’s programs to encourage technological progress and industrial upgrading are supported at provincial and city levels. This goal is in evidence in the PRC’s 5-year plans for the past decade. It was shown in the Eleventh Five-Year Plan (2005–2011) when National Development Reform Commission Minister Ma Kai noted that the PRC’s position as labour intensive exporter would “weaken” over time. The implication of this was that the PRC needs to upgrade its product mix. This was reinforced in the Twelfth Five-Year Plan, with its desire to “promote industrial upgrading,” and the emphasis on innovation in the current Thirteenth Five-Year Plan.

Research by P. Bowles et al. shows that high-tech firms in the coastal province of Jiangsu have responded to the need to engage in industrial upgrading in four main ways by: introducing new products, increasing the technological level of machinery inputs, improving after sales service, and increasing research and development staff and adjusting the skilled labor complement. In the latter category, firms have, in various degrees, increased their hiring of engineering and other skilled staff (positions men tend to dominate) and, in 2013, women made up only 30.2% of the country’s scientific research and technical services personnel in urban units (Table 2).

Some firms also reported raising the educational requirements of their production workers. Women in the manufacturing sector typically have lower education levels than men (Figure 13), so as firms increase their demand for more highly educated workers, many women may not have sufficient formal education.
Migrant women generally have lower education levels than women with an urban hukou. For example, over 70.0% of women migrants have junior high school education or less, compared with only 22.6% of women with urban hukou (calculated from X. Meng) (footnote 95, p. 90). Thus, employment opportunities for rural migrant women may be expected to become relatively scarcer, as industrial upgrading continues and/or their relative wages may be expected to fall further.

Some of the key features of the gendered impacts of the structural transition are summarized in Figure 14.
Figure 14: Gender, Work, and the Structural Transition

- Structural transition
- Export-oriented manufacturing
  - Employment shift toward industry
  - Increased rural–urban migration
- Hukou system—temporary migration
  - Gender norms
  - (and interaction with migrant status)
- Slower transition of women out of agriculture
- Gendered pattern of migration
  - (motivation for out and return migration, remittances)
- Sex segregation by industry and occupation
  - (women in lower-paid sectors)
- Migrant women at the bottom of the ladder
  - (decent work and well-being)
- Increased workloads of “left behind” older women and girls
- Technological upgrading
  - Ambiguous implications for women migrants

Source: Author.
5 The Growth Transition

5.1 General Features

The structural transition, involving the shift from the primary to the secondary and tertiary sectors, has been complemented and reinforced by a “growth transition” since the turn of the new millennium. This growth transition refers to the shift in policy toward less reliance on export-led growth and a greater role for domestic, demand-led growth. This has been a policy driver since 2001 but recently has been more strongly emphasized.

The PRC’s leadership indicated the need to “rebalance” the economy by changing its structure and growth path for well over a decade. These intentions are readily seen in the objectives of the past three 5-year plans. In the Twelfth 5-year plan (2011–2015), for example, policy was designed to “establish [the] long term mechanism of expanding domestic demand. Create [a] positive consumption environment by actively yet steadily accelerating urbanization, implementing the strategy of employment as [a] priority, deepening the distribution [of] reform and improving [the] social security system, gradually making the overall size of our domestic market ranks among the largest internationally” (Twelfth 5-year plan, 2011). The Thirteenth 5-year plan also stresses the importance of the shift toward domestic consumption.

Much remains to be done to achieve this because, to date, the PRC’s growth has been driven primarily by investment and net exports. Policy continues to seek “rebalancing” of the economy and gives a greater role to domestic private consumption and the service sector as drivers of growth. The service sector remains significantly smaller than international comparators, with ADB noting that “in 2013, the share of services in GDP was 46.1%, which is about 15 percentage points lower than an economy would generally reach at this level of GDP per capita. The share of employment in services (at 38.5%) also lags behind that of GDP and is below international norms” (footnote 22, p. 1). However, it is clear that the PRC’s policy makers desire an expanded domestic economy and an increasing role for the service sector, and efforts are being taken to achieve this.

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142 To these medium-term goals should be added the boost to domestic demand given by the short-term stimulus package introduced in response to the 2008 Global Financial Crisis.

In urban units (rather than nationwide), the service sector is already a major employer for women, accounting for 57% of women’s employment in 2013 (footnote 15, Table 3–1). Given the importance of the service sector for urban women’s employment and likely future expansion, the role of women in the service sector is worthy of further analysis. That is, the change in growth orientation should be analyzed not only in sector terms (with the increasing importance of domestic demand and the service sector), but also through a gender lens that focuses on the impacts of the change in growth strategy on the quantity and quality of women’s employment in the expanding service sector.

5.2 Women’s Employment and the Growth Transition

The service sector, as with other sectors, has a gendered profile with women more likely to be found in some sectors than in others (Table 2).

Social norms continue to condition which service positions are accessible to women.

Within the service sector, women are dominant in many of the lowest-paying sectors, a feature of industrial segregation also found in the manufacturing sector discussed earlier. For example, in the hotel and catering sector, women make up 56% of the workforce (1.7 million women), but the average wage in this sector is only 66% of the national average wage. Women make up 57% of workers in retail trade (2.8 million women), while the average wage is only 73% of the national average. In the male-dominated service industries such as information technology, where women make up only 39% of the workforce, average wages are 177% of the national average; and in scientific research and technical services, women make up only 30% of the workforce in a sector that pays 149% of the national average. There are some exceptions, however. Women make up 50.6% of financial intermediaries, where average wages are nearly twice the national average. Health services provide another exception. Unfortunately, data is not available on the distribution of job positions and salaries within these (or other) sectors (data drawn from Table 2.)

The presence of a glass ceiling for women and their exclusion from top occupations is striking. Women comprise only: 25% of “heads of government institutions, parties, civil societies, enterprises, public institutions” in 2010; only 34% of professional and technical staff in private enterprises; and 32% of board of directors in 2011 (footnote 27, Tables 3–3 and 7–8, and Chart 73).

To analyze the conditions of work further, this report focuses on two subsectors in which women are disproportionately employed—the retail and domestic service workers. These sectors illustrate some of the gender dimensions of service sector employment, although, since the subsectors may vary, these dimensions should not necessarily be taken as representative of all services subsectors.
5.3 Gender, Decent Work, and the Growth Transition

Retail Trade Subsector

Women are concentrated in the retail service sector, which underwent considerable change during the reform period as the transition to a consumer society and “modern” standards of customer service replaced uniformity. With this came a significant change in the gendered norms of work; the service sector is recognized in many countries as highly gendered, with the sale of goods dependent on the image of the workforce. A. Hanser argues that the service sector is not only characterized by broad patterns of gender segregation in labor markets, as documented earlier, but it also often involves work that is gendered because it draws on or reinforces gender norms and stereotypes about women and men.  

In the case of the PRC, it is young, urban women who are the most prized employees and who are best able to take advantage of employment opportunities in the service sector. Research shows that managers view young, physically attractive, well-disciplined women as the ideal type to work in the up-market private retail sector, where a distinctive workforce is as important as the goods that are for sale. In contrast, middle-aged, blue collar service workers are more often found in the state stores. The street markets, especially clothing vendors, rely on highly sexualized women sellers (footnote 144, p. 586).

Thus, the retail service sector is a growing place for female employment, but is a gendered and stratified sector. Services sector work involves sex segregation (relying on differences in the gendered construction of social norms between women’s and men’s work) and differences between women, with access to some service sector work restricted to women with particular characteristics (related to age, physical appearance, and residency). Therefore, equal employment opportunities are constrained for women in the service sector in several ways. The retail and restaurant sectors, both dominated by women, are also much less likely to provide a labor contract for migrant workers than employers in the manufacturing sector, although this finding is not found for local residents (footnote 117, pp. 13–14).

Domestic Service to Households

Over 90% of domestic service workers are women, typically from rural areas. While age ranges vary, the majority of domestic workers are in their 30s and 40s, and they typically have relatively low education levels. There are an estimated 20 million domestic workers serving as housekeepers, nannies, and caregivers in the PRC. The sector is expanding as

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146 ILO. Fact Sheet. Domestic Workers in China. Project to Promote Equality and Decent Work for Women through Trafficking Prevention, Protection for Domestic Workers, and Gender; (no date); also see footnote 145.
147 Official data on urban units, including from NBS (footnote 13), substantially underestimates employment in the category of paid work in private households as caregivers, because “urban units” do not include private enterprises and individual enterprises; also footnote 145.
urban households become wealthier and as public- and employer-provided care services, such as childcare centers, declined.  

Conditions of work often include low pay, long working hours (essentially being “on call” most of the time), no additional overtime pay, exposure to physical risk, and isolation. Survey evidence reveals that many workers receive less than 4 days off per month, are often paid less than the required legislated minimum wage, report wage arrears, and suffer from multiple sources of discrimination in the labor market. Examples of sexual harassment and conditions akin to forced labor have also been reported (footnote 145, p. 3). The poor working conditions are common to both live-in and live-out domestic workers, and those working as caregivers and cleaners; the conditions may differ depending on these specificities, but they can all be categorized as poor (footnote 145).

This can in part be explained by the ambiguous legal status of domestic workers. They are often hired through domestic work agencies, but are not employees of agencies; rather they enter into (often informal) agreements directly with employers. This leaves domestic workers unprotected since they are not classified as employees and do not benefit from coverage under the Labor Law or social security schemes. Therefore, this site of employment exhibits the characteristics of vulnerability and insecurity for many of its workers, notwithstanding efforts by several levels of government to formalize and professionalize the sector (footnote 117) (Shanghai has included eligibility for domestic workers, both domestic and migrant, in its social security system). However, the characterization of care and domestic work as “women’s work” and the private employment setting contribute to the poor working conditions of domestic workers.

This is a sector where, despite the current lack of legal protection, there are some agencies that can assist in promoting decent work among domestic workers (see footnote 16 for a definition of decent work). For example, the All-China Women’s Federation has 465 domestic service agencies in 16 provinces and cities, and its advocacy work could play a greater role in giving voice to women’s employment concerns. The All China Federation of Trade Unions also set up a domestic workers’ union in Xi’an, which may be a pathway for increasing voice (footnote 145, p. 3).

This raises a more general point about the need for organizational representation to advance women’s interests. International evidence shows that women union leaders face a “glass ceiling” and that more gender-balanced collective bargaining teams are needed to ensure that women’s strategic interests receive equal priority. This suggests that, while individual programs advanced by All-China Women’s Federation and All China Federation of Trade Unions may assist women care workers, more systemic changes to ensure women are adequately represented in state organizations are required.

Therefore, the service sector is characterized by gendered industrial segregation based on social norms of what constitutes “women’s work.” These norms also play out in patterns of

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149 X. Dong, J. Feng, and Y. Yu. 2017. Relative Pay of Domestic Eldercare Workers in Shanghai Feminist Economics. 23 (1). pp. 135–159; also see footnote 117, pp. 2–3; and footnote 145.
150 Bureau for Workers’ Activities (ACTRAV). Equality and Discrimination. Workers’ Activities Programme (ACTRAV) ILO International Training Centre. (no date).
hiring in the retail sector, where different gender characteristics are found in different types of store, and in the paid domestic care service sector, where migrant women are among the lowest paid. The expansion of this sector as part of a growth transition poses significant challenges for women.

Figure 15 gives a summary of the impacts of the growth transition on gender and work.
6 The Demographic Transition

6.1 General Features

The PRC experienced a demographic transition over the past 30 years, which most industrialized countries took over 100 years to complete (footnote 87, p. 2). The PRC’s population is rapidly aging, and a significant shift is underway in the elderly dependency rate, which over the past 15 years increased approximately by 40%, while the child dependency rate fell by 14% (Figure 16).

Figure 16: Dependency Ratio (%), Child and Elderly, 2000–2014

Note: The child dependency ratio is calculated as the percentage of the population 0–14 years of age to the population 15–64 years of age; the elderly dependency ratio is the percentage of population 65 years of age and older to the population 15–64 years of age.

The elderly population in the PRC is described as “expanding at a historically unprecedented fast rate” (footnote 22, p. 7). In 2010, there were 178 million people in the PRC 60 years of age and over. Based on United Nations projections, this number is expected to increase to 340 million by 2030 (accounting for 24% of the population), and 440 million by 2050 (footnote 22, p. 7). A key gender question is: who is going to care for this growing group of elderly people?

### 6.2 Gender and the Demographic Transition

With the changing demographic structure, less time may be needed for childcare, but more time will be needed for eldercare, both paid and unpaid. Social norms influence who is responsible for providing this care time. With respect to unpaid time, it is predominantly women’s responsibility to engage in eldercare, which will constrain their labor market participation (see Section 2 for estimates of the gender gap in unpaid work).

Labor force participation has been falling for both women and men (Figure 4), but the gender gap in the labor force participation rate (LFPR) has been increasing since 2000. This suggests that, while there may be common reasons for the decline in LFPR for both women and men, such as the preference for leisure as incomes increase, some factors may pertain specifically to women. As D. Yang and W. Meiyang note, the most important reason for the difference in LFPR between men and women is “the different roles that men and women play in the family and society at large,” where “85 percent of household chores are undertaken by women” (footnote 85, p. 11) Therefore, time constraints and gender norms are potentially important in explaining changing patterns of labor force participation and their interaction with care responsibilities.

The drop in the LFPR is substantial for women less than 54 years old. As shown in Figure 17, the LFPR for women 25–34 years of age was 87.3% in 2000, and this dropped to 82.8% in 2013. One contributing factor may be women’s increasing difficulty in combining paid work and care work. Women perform the overwhelming majority of care and unpaid domestic work in the PRC. It is estimated that less than one-third of women in the PRC have access to maternity leave (footnote 82, p. 145), the proportion of women taking maternity leave declined and this is particularly pronounced for women without a college education, and there are no legislated provisions for paternity or parental leave (footnote 82, p. 53). The responsibility for childcare falls overwhelmingly on women, as mothers and grandmothers, and contributes to lower labor force participation.

The decline in LFPR of women 15–24 years of age from 67.7% in 2000 to 53.9% in 2013 is also substantial. The decline may be partly due to increased participation in education by women in the lower part of the age range. The drop for men, shown in Figure 17, is less pronounced for these age groups. It is also notable that women’s LFPR for the over-55 years age group shows no noticeable decline from 2000 to 2013, whereas the rate for men in the

151 N. Jia and X. Dong. The Effect of Paid Maternity Leave on Breastfeeding Duration: Evidence from Urban China. Unpublished manuscript; also see footnotes 24, 35, and 95.
same age group did. This may reflect that, an earlier retirement age notwithstanding, elderly women do not have the income security to increasingly withdraw from the labor market in the same way elderly men have.\textsuperscript{153}

\textsuperscript{153} This point is also made by D. Yang and W. Meiyang (footnote 85, p.11), who state that “throughout their life cycle, women accumulate labor market disadvantages that pile up at older ages and are therefore more vulnerable than men to poverty and social exclusion.”
The ILO cites the market transition as a further general explanatory factor of the dual trends of a declining female LFPR and an increasing gender gap in the LFPR. It argues that the transition to a more market-oriented economy “may have revived a more ‘traditional’ gender division of roles in household and the labour market.” The reform of the state-owned sector, as discussed in Section 3.3.1, is also identified as a contributing factor to the dual trends (footnote 24, p. 8). D. Hare, examining a 2-decade decline in the labor force participation of married women in urban areas of the PRC, finds that growing wage inequality and a growing gender wage gap may discourage women’s participation, especially for those with low levels of education. As she puts it, “if female time is devalued in the workplace, women will disproportionately exit.”

There are multiple reasons for the decline in female LFPR and the rising LFPR gender gap, including the impacts of state sector restructuring, the possible impacts of the market transition on gender roles, the relative declining returns to women’s labor market participation, and increasing work–care conflict. The latter is likely to be intensified by the demographic transition. That is, the tensions between women’s labor force participation and their role as caregivers are likely to intensify over the coming decade as the full effects of the demographic transition are felt.

There are good reasons to believe that the widening LFPR gender gap observed over the past decade will continue. In the PRC, women typically have the main responsibility for the care of elderly parents and parents-in-law, thereby potentially further increasing the conflict between unpaid care work and labor market participation for married women. While research on urban areas in the PRC found that caring for parents does not affect caregivers’ labor market participation (in employment status or hours of work), caring for parents-in-law has a substantial effect. In the latter case, the probability of the caregiver being in employment and the number of hours worked are lower. Taking care of parents-in-law is estimated to reduce married women’s paid work by between 288 and 366 hours per year (footnote 156, p. 184). The explanation for this differential outcome is attributed to patrilineal care norms, meaning that husbands are likely to be more supportive of women reducing their employment and work hours to care for their in-laws than their own parents (footnote 155, pp. 175–176) (See also R. Connelly and M. Maurer-Fazio on the relevance of these patrilineal norms).

Eldercare is also found to impact on women’s earnings in the rural PRC. Although their decision to participate in the off-farm labor market appears to be unaffected by the presence of the elderly, it does decrease women’s income by 17%, as they are expected to care for the elderly when needed. Other research finds that the proportion of elders living alone decreases with age and health (footnote 155, p. 5), so they might be expected to require more care from other (typically female) household members.
Paid eldercare may also be expected to increase over time with the demographic transition, and to provide new employment opportunities. However, X. Dong, J. Feng, and Y. Yu found that domestic workers engaging in eldercare are some of the lowest paid service workers. Their results show that domestic eldercare workers in Shanghai receive, on average, 24% less pay than other workers with the same observed characteristics employed in other service sectors. They attribute this to three reasons. First, society places low value on domestic service work. Second, retirees who might purchase care have lower income than people in the labor force. While family support is also typically available, it is insufficient to supplement the low incomes of the elderly in need of care. They note that, since women typically outlive their husbands, it is elderly women who have the greatest need to purchase eldercare services and they are a low-income group. Third, 99% of the domestic eldercare service workers in this sample in Shanghai are women, who tend to be the most marginalized women (those in their 50s), and rural migrants from the poorest provinces. The domestic care sector itself lacks decent work, and eldercare service providers have the poorest working conditions (including in remuneration and hours) within the sector.

Figure 18 summarizes the impacts of the demographic transition on gender and work.

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7 Summary and Policy Recommendations

The PRC is undergoing multiple transitions. The four transitions analyzed here have complex implications for gender equality and work. Using the transition framework, this report highlighted how each transition has gender impacts on the labor market, and provided evidence of areas where pervasive gender inequality remains, and areas where this inequality is increasing. It has shown that women are a heterogeneous group in their labor market participation, and that who is likely to be affected (and how they are likely to be affected) varies.

The transitions often interact and may be mutually enforcing. For example, market reforms and gender wage discrimination interact with the demographic transition to reinforce gender inequality. To illustrate more fully the scope of the interactions, Table 4 lists the major gender issues facing the PRC’s policy-makers today, and indicates the transition factors contributing to these issues.

<table>
<thead>
<tr>
<th>Gender Issue</th>
<th>Transition Factor</th>
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| Increasing labor force participation rate gender gap | Demographic transition: Implications of care for the elderly  
Market transition: Reductions in workplace and publicly provided affordable childcare |
| Industrial and occupational segregation | Market transition: Women displaced from state-owned enterprises are more likely to find employment in the private sector in lower-level jobs. Women are underrepresented as entrepreneurs, professionals, and senior managers  
Development transition: Manufacturing sector employment segregation with women in lower-paying subsectors  
Growth transition: Rise of service sector with gender segregation of workforce (often as a result of gender stereotyping of women in service and domestic care sectors) |
| Rising gender wage discrimination     | Market transition: Expansion of the private sector led to increasing gender wage discrimination  
Development transition: Migrant labor force growth accompanied by wage discrimination against women migrant workers |
| Informal work and decent work deficits | Market transition: Growth of informal sector with the reduction in importance of the state-owned enterprises sector  
Development transition: Migrant workers’ working conditions often poor with limited benefits and protections  
Growth transition: Services sector work often lacks benefits and protections (e.g., female domestic care workers) |
Gender Issue | Transition Factor
--- | ---
Migrant women workers as bottom-of-the-ladder workers | Development transition: Migrant women workers subject to higher levels of gender wage discrimination, dormitory labor system, and lowest levels of self-reported well-being
Burden on left-behind elderly women | Development transition: Out-migration flows increased work burdens for the left-behind with elderly women’s work time increasing the most to compensate; effects on left-behind girls’ work time also noticeable
Unpaid care and domestic work inequity and work–care conflict | Market transition: Lack of affordable childcare and eldercare disproportionately impact upon women and intensify work–care conflict. Occurring in a social context within which women are ascribed the role of primary domestic work and care providers. Demographic transition: Implications for unpaid care work of daughters and daughters-in-law. Development transition: “Harsh choices” facing female migrant women between providing childcare and working in a context where affordable childcare is lacking.

Source: Author.

The recommendations made in the technical report follow directly from the gender issues summarized above as arising from the PRC’s multiple transitions. That the transitions interact mean that acting to address the impacts of any one transition in isolation is unlikely to have the desired results. Therefore, this report argues for a broad approach to policy change that addresses multiple transitions. Without such policy interventions, the transition factors identified will lead to a further widening of gender inequality and intensification of the issues identified. As the PRC transitions to the “new normal,” it is important for policymakers to take steps to ensure that reducing gender equality is included. For this reason and the recent trends discussed above, the following are the recommendations:

**Recommendation 1:**
**Rethink the provision of care**

The PRC faces a gendered care challenge, evident in the absence of sufficient publicly provided childcare, the absence of sufficient support for the left-behind children of migrant workers, and the absence of sufficient eldercare. In all cases, the burden of care falls on women, whether daughters, wives, or grandmothers, and deprives them of the opportunities and benefits of economic growth and employment. The social costs of migration are high and fall disproportionately on females of multiple generations.

Further, mothers and caregivers pay an additional wage penalty, which again points to the need for better and more equitable provision of care to ensure caregiving is not accompanied by a wage gap. This requires specific policy interventions such as job-protected maternity leave of adequate duration, flexible working arrangements for all workers, the availability and affordability of quality childcare, improvement in care services for the elderly, and preventing and eliminating discrimination based on maternity and family responsibilities. Employers also have reason to find workplace solutions to reducing work time and care conflict, and this could be facilitated by providing greater mechanisms for voice for women in the workplace.
If gender equality is to be achieved, the way in which care, in its multiple forms and life-cycle dimensions from early childhood to old age, needs to be rethought to ensure it is more equally divided between the sexes, and its burden on women is lessened through other forms of provision. Increased social expenditure will be required to address this in both rural and urban areas. More broadly, systematically addressing the reprovisioning of care work will require the active participation of governments at all levels, social agencies, and employers, as well as changing social norms. This will partly require public expenditure changes, a process that could be facilitated by gender budgeting approaches and tools. Employers bear a responsibility, too, and the family responsibilities of workers need to be accommodated within the workplace. It will also require continued education campaigns to change social norms related to the equal sharing of care work by women and men.

**Recommendation 2: Adopt measures to address gender segregation in the labor force**

The PRC’s labor market is characterized by significant industrial segregation by sex, with women disproportionately represented in the lower-paying sectors. There is also evidence of occupational segregation, with women less likely to advance within the ranks of an occupation. Increasing women’s education levels and closing the education gender gap may decrease this segregation in the longer term. Even with this, though, the differences between the quality of education in rural and urban areas need to be addressed. However, education alone is unlikely to eliminate the problem, and more needs to be done to break down the social constructions of men’s and women’s work. Training and vocational programs for girls in all fields will also be required.

Gender-neutral job advertisements are becoming more common, and this process should be encouraged or legislated. Hiring quotas in the professions may have a similar effect, as would gender quotas for senior management and board positions.

A gender-neutral retirement policy may enable women to advance into more senior positions and enable them to retire with levels of savings more comparable with men’s, providing that complementary polices are also enacted to enable women to earn as much as men when working.

Women are underrepresented as entrepreneurs and face barriers to advancement. Short-term measures such as increasing the credit available to women in self-employment and to women entrepreneurs may enable those women to advance their relative positions. Given the importance of social networks to women entrepreneurs, support for women’s associations could be expanded in scope both geographically and functionally, and include the ability to promote women entrepreneurs’ access to credit and market information, as well as to role models. International evidence also supports the potential role that women’s networks can play in promoting female entrepreneurship (footnote 82, p. 8).

New policies to support entrepreneurship among returning migrants need to be assessed for gender-equitable accessibility. This should form part of a wider evaluation of existing...
measures to see if these are meeting the needs of women entrepreneurs, especially in rural areas. Particular attention should be paid to whether a clustering of services (such as finance, business training, and ongoing technical assistance) is more effective than single focus program interventions, as is suggested by evidence from other countries (footnote 82).

However, in the longer term, the gendered society needs to be challenged and the fundamental equality of both sexes ingrained in social norms and practice through greater public education.

**Recommendation 3: Address gender wage discrimination**

Gender wage discrimination is significant and increasing. This suggests that, while the PRC has ratified the international convention on Equal Remuneration (C100), much remains to be done in practice. Mechanisms for the workplace evaluation of job competencies to ensure that work of equal value is remunerated equally is a widely used method to address gender wage discrimination, and could be implemented in the PRC’s workplaces; for example, in the care economy. Reducing income inequality is a key aim of the PRC’s Thirteenth Five-Year Plan (2016–2020), and it is crucial to include a gender dimension.

**Recommendation 4: Expand social and labor protection for workers that will benefit women**

Women are employed in some of the most vulnerable sectors, and an expansion of protection would be of substantial benefit to them. Such protections may be legal, such as the enforcement of the New Labor Contract Law, which has been expanded to include all sectors where many women, such as domestic service workers, are employed but do not currently qualify as employees. The enforcement of the New Labor Contract Law has been beneficial in increasing protection for workers and enabling them to access more social insurance benefits. Stricter enforcement will benefit women, especially rural and migrant women workers.

Such protections may also be economic, in expanding the ability of workers to access social protection schemes, an especially important area for women migrant workers.

Relaxing the *hukou* system to allow migrant workers to access urban services including health, education, childcare, and other social services will also benefit migrant women.
Ensuring complete workplace protection coverage for all workers is critical, and will benefit marginalized women workers. This is a matter of expansion in some cases, such as the Labour Contract Law and social protection measures, and enforcement in others, such as mechanisms pertaining to working time and overtime pay. Mechanisms for increasing women’s voices are also an essential part of such a policy initiative.

Recommendation 5: Systematically collect and publish sex-disaggregated data and undertake specific research studies to address gaps in the literature

The findings in this report demonstrate that there are clear gender dimensions to labor market processes and outcomes, and in social provision. However, statistical data sources often preclude an examination by sex, since these are not presented in ways that allow such analysis to take place. Evidence-based policy requires sound data sources, and increasing the scope of sex-disaggregated data in national statistics, including for migrant workers in the Annual Survey of Migrants, would be beneficial.

This report also identified gaps in the literature, and areas where studies from a gender perspective would be useful. These include studies on:

(i) barriers to entrepreneurship, including (a) the implementation and workings of the “back to the countryside” program for returning migrant entrepreneurs; and (b) government small business strategy, and a selection of civil society organization projects (e.g., Asia Foundation and Goldman Sachs);

(ii) how women, whether as contract farmers, traders, or employees, are affected by the new agribusiness conglomerates; that is, who is being linked with these new firms and by what methods, and who are the main beneficiaries, need to be analyzed from a gender perspective;

(iii) the gender unemployment gap for the most highly educated workers;

(iv) the barriers to women’s employment as managers and professionals;

(v) the growth of the “informal sector,” including the care sector, and working conditions in it;

(vi) the occupational mobility of first- and second-generation female migrant workers;

(vii) the housing conditions, transportation, and safety of non-dormitory female migrant workers;
(viii) the gender bias in social insurance participation, obtaining written contracts, union membership, and mental health of migrant workers, and how changes in the institutional design of policies can improve gender equity;

(ix) the contributions of, and challenges experienced by, civil society organizations in effectively meeting women’s labor market interests and achieving changes in policies and regulations; and

(x) the impacts of factory relocation to lower-wage countries and technological upgrading on women’s employment in the PRC.
Appendix: Relationship between Share of Women Employed by the Industrial Sector and Average Wage in the Sector, Urban Units, 2013

Note: The industrial sectors are selected from those employing more than 1 million women workers.

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Gender Equality and the Labor Market
Women, Work, and Migration in the People's Republic of China

The People's Republic of China (PRC) has made advances in narrowing gender gaps in its labor market. It has one of the highest female labor force participation rates in Asia and the Pacific at around 64% in 2013, and one of the narrowest earnings gender gaps. This study investigates how women are faring in the transition to the PRC's new growth model, and what can be done to promote women's participation. It shows how the PRC is undergoing multiple transitions that have implications for gender equality and work. For example, during the market transition, gender wage gaps and gender wage discrimination increased, reaching 33% in urban areas and 44% in rural areas. Find out how evidenced-based gender analysis can foster gender responsive policy approaches to promote women's equality in the labor market.

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