



A Study of the Structure of Labor Participation and Changes in China's Rural Population

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Abstract: Based on the analysis of data from the last three national censuses conducted by the National Bureau of Statistics, this paper examines the structure of labor force participation and the trend of change in China. The results show that China's labor force participation rate as a whole has shown a declining trend, and the rate of decline in rural areas is smaller than that in urban areas. This difference reflects the imbalance between urban and rural security levels, and also reveals the phenomenon of a higher proportion of older or senior rural labor force participation in economic activities. The article also explores the main reasons for the decline in the labor participation rate and puts forward corresponding policy recommendations to promote the long-term balanced development of the population and the economy and society.

Keywords: labor participation rate, job preference, rural population, market matching

1. Introduction

At present, China is at a critical stage of demographic transition, with the number and proportion of the working-age population decreasing for 10 consecutive years, the number of employed people showing a downward trend for the first time, the degree of ageing becoming more and more serious, and the demographic dividend gradually fading. Against this background, it is of great practical significance to study the structure of labour participation and the trend of change in China's population. It is generally believed that the rural labour participation rate is always high, but in fact, the rural labour participation rate is declining sharply, and the gap between urban and rural labour participation rates is also narrowing rapidly (Di Shuai, 2022). Therefore, it is of great significance to effectively control the labour participation rate in China and promote the long-term balanced development of China's population and economy and society. Based on the data of the last three national censuses conducted by the National Bureau of Statistics, this paper analyzes the trend of labour force participation rate in different age groups and genders, as well as the urban-rural differences in labour force participation rate, explains the main causes of the decline in labour force participation rate, and puts forward feasible policy recommendations.

1.1 Overall situation of labor participation

Over the past two decades, there has been a general downward trend in the labour participation rate in China. Between 2000 and 2019, the labour participation rate in China continued to decline, from 76.8 per cent to 71.5 per cent, a decrease of 5.3 percentage points over the 10-year period, with an average annual rate of 0.8 per cent. Between 2010 and 2019, with the exception of some special years, China's labour participation rate continued to decline, from 70.9% to 69.1%, a decrease of 1.8%, but the rate of decline narrowed to 1.8%. 2020 China's labour participation rate fell to 58.2%, far lower than the 76.8% in 2000, and reached the lowest in the past two decades. In addition, the proportion of non-agricultural labour to the total labour force increased from 6.9 per cent in 2000 to 30.2 per cent in 2019, with an annual growth rate of 1.23 per cent, while the proportion of agricultural labour to the total labour force decreased from 50 per cent in 2000 to 25.1 per cent in 2019, with an annual decline of 1.31 per cent, and the rate of decrease in the agricultural labour force outstripped the rate of increase in the non-agricultural labour force.

1.2 Urban-rural differences in labor participation

There are clear urban-rural differences in labour participation rates in China. In all age groups, the rural labour participation rate is higher than the urban labour participation rate, and in the 50-and-over age group in particular, the rural labour participation rate is significantly higher than the urban labour productivity rate. At the same time, rural labour productivity declined at a relatively small rate, while urban labour participation rates declined at a larger rate, leading to a further widening of the gap between urban and rural labour participation rates. This phenomenon suggests that the proportion of economically active rural labour force participation is higher in older or senior age groups. However, in the 15-49 age group, the urban labour participation rate and the rural labour participation rate show convergence, with relatively little

difference between urban and rural areas. Generally speaking, labour participation rates in urban and rural areas show a tendency to rise in the 16-25 age group and to fall in the 55-65 age group, and the gap between urban and rural labour participation rates remains marked.

1.3 Gender differences in labor force participation

There is a significant difference between the labour participation rates of men and women in China, with men's labour participation rates generally higher than those of women at all ages. Specifically, the male labour participation rate fell from 85.1 per cent in 1992 to 74.3 per cent in 2020, a drop of 10.8 percentage points; it hit a nearly 30-year low in 2020, and is expected to continue to decline in the future. At the same time, female labour productivity declined from 72.53 per cent in 1992 to 61.82 per cent in 2020, a decrease of 10.71 percentage points. This mainly stems from the reform of the economic system, which has led to an increase in the income gap between men and women (Pei Xudong, 2021), and the theory of joint supply decision-making in the family proposes that the goal of the family is to rationally allocate and well arrange the time of each family member to achieve utility optimization. As a result, the party that tends to have a relatively low wage will withdraw from the labour market and engage in household chores. Taking the gender and age factors into account, there is an inverted U-shaped trend across age groups and genders, with the peak occurring in the 35-39 age group. In terms of the female labour force participation rate, the overall labour force participation rate for women is lower than that for men, and the decline is even more drastic, especially between the ages of 45 and 65, when the female labour force participation rate declines in a straight line.

2. Analysis of the causes of the decline in the rural labor force participation rate

2.1 Obstacles to labor market matching

Against the backdrop of the optimization and upgrading of China's industrial structure, profound changes are taking place in the structure of the labour market, which have had a significant impact on the employment of rural labour. For one thing, as a result of the drastic changes in industry demand, enterprises have an increasingly urgent need for highly educated and high-quality talents. For example, recruitment in such industries as technology, finance and investment, and education often requires candidates to have a bachelor's degree or higher, or even relevant work experience. However, the weakness of basic education in rural areas has led to the fact that most of the rural labour force has an education level of less than junior high school, resulting in a scarcity of positions that they are qualified for and at a lower level. Secondly, rural laborers face a lack of access to employment information. The lack of employment service agencies in rural areas increases the cost of rural laborers' access to employment information and jobs, and they often find it difficult to keep abreast of the dynamics of supply and demand in the labour market in real time. This situation has resulted in many rural laborers remaining unemployed for long periods of time, and even gradually losing their confidence in employment.

2.2 Substitution of non-farm employment

With modernization and the continued development of technology, more and more people are venturing into non-agricultural fields, such as manufacturing, service and IT industries. At present, the proportion of non-agricultural employment in China is rising year by year, from 44.3 per cent in 2019 to 45.4 per cent in 2020, which shows that non-agricultural employment has already occupied an important position in China's job market. There are several reasons for this: first, cities and towns offer more non-agricultural labour opportunities and have a superior environment, convenient transportation and medical facilities. In contrast, agricultural production is mainly concentrated in rural areas, which makes many young people more inclined to choose non-agricultural labour. Secondly, modern young people are generally well educated and prefer knowledge-based, high-tech and innovative jobs to traditional agricultural work.

2.3 Crowding out of female domestic work

Rural women face many difficulties in finding employment, and time spent on household chores is one of the major obstacles. According to the data in the Fourth Report on the Main Data of the Sample Survey on the Social Status of Chinese Women, women nationwide spend 154 minutes a day on household chores such as caring for family members, cooking, cleaning and daily purchases, twice as much as men, and even more in rural areas, and the heavy burden of domestic labour not only takes up a great deal of rural women's time, but also has an obvious negative impact on their participation in employment. Firstly, the long hours of physical exertion and energy input make them physically and mentally exhausted, thus affecting their stamina and effectiveness in participating in employment. Secondly, the heavy burden of domestic work also reduces the time and opportunities for rural women to seek employment. Many rural women choose between family and employment, causing them to miss opportunities to participate in society and increase their income.

3. Alternative explanations for the decline in the rural labor force participation rate

3.1 Overall increase in education coverage

Against the backdrop of the univerzalisation of nine-year compulsory education, China's education coverage rate is generally on the rise. According to data from the National Bureau of Statistics, the average number of years of schooling for women aged 18-64 was 9.41 years, compared with 9.66 years for men, an increase of 0.61 years and 0.57 years respectively compared with 2010, while the average number of years of schooling for women aged 18-24 was 12.81 years, an increase of 1.85 years compared with 2010, and 5.14 years higher than the figure for women aged 55 years and over, and 0.81 years higher than the figure for men in the same age group. The average number of years of schooling was 12.81 years, an increase of 1.85 years over 2010, 5.14 years higher than for women aged 55 and over and 0.81 years higher than for men in the same age group. The proportion of women who had received a college degree or higher education was 18.0 per cent, 1.6 percentage points higher than that of men. As the new generation of laborers has a higher level of education and lacks experience in farming, they have a higher degree of identification with urban values. In raising the next generation, they will pay more attention to their children's education, which will lead to a significant increase in the education rate of the next generation.

3.2 Changes in labor force job preferences

The differences in the social and family environments in which the old and new generations of migrant workers live have led to the formation of different work attitudes and preferences. Most of the older generation of migrant workers were born before 1980 and grew up in multi-child families before the reform and opening up, which fostered the quality of hardworking and enduring hardship, with relatively low requirements for working conditions, and willingness to engage in hard, dirty and tiring work. In contrast, the new generation of migrant laborers was born after 1995, mostly in one-child or two-child families (Xu Chuanxin, 2007). The new generation of laborers lacks farming experience and is less dependent on the land. Most of them enter the city directly after graduation and have little experience in agricultural production and basically do not know how to farm. Based on a survey of migrant workers in Wuhan, it was found that the new generation group lacked or had no experience in agricultural production, with an average of 2.15 years of farming time, much lower than the 11.94 years of the older generation of migrant workers, and even 37.9 per cent had no experience in farming (Liu Chuanjiang and Xu Jianling, 2011). For the new generation of migrant workers, their job preferences are gradually leaning towards high wages and comfortable working environments.

3.3 Analysis of the phenomenon of rural women leaving agriculture

According to data on labour force participation rates in urban and rural areas and by gender, the labour force participation rate is significantly higher in rural areas than in urban areas, and the female labour force participation rate has always been lower than the male labour force participation rate. On the one hand, China's traditional idea that "men are responsible for the outside world and women are responsible for the inside world" is deeply rooted, and in this cultural context, men are more often responsible for economic activities outside the home, while women are mainly responsible for household chores and childcare, and this pattern of division of labour restricts women's occupational development and participation in the labour force to a certain extent. On the other hand, physiological factors also contribute to women's lower labour participation rate. Certain jobs are more male-dominated because of their special characteristics, such as heavy physical labour, which makes women's participation in certain trades and occupations relatively low. In addition, from the point of view of farming, the rural labour force's experience of farming has gradually weakened. This may be related to the modernization of agriculture, with more rural laborers moving to non-agricultural industries or choosing to leave the countryside in search of better employment opportunities in the cities. It is worth noting that elder care has a negative impact on rural women's off-farm labour time, especially significant for women aged 30-52 and economically poor households (Fan Hongli and Xin Baoying, 2019). This may be due to the fact that this group of women are responsible for household chores and child rearing, as well as caring for the elderly, and their multiple roles make them more restricted in terms of labour participation.

4. Research findings and policy recommendations

First, we should adapt to and accept the declining labor force participation rate. The decline in China's labor force participation rate has become an inevitable trend, and raising the rate and promoting employment are the most important means of doing so. Employment-priority policies should be strengthened, the scale of employment should be expanded, the space for high-quality employment should be broadened, major strategies and employment layouts should be made more concerted, and the development of industries, trades, and enterprises with a strong capacity for absorbing employment should be supported. In particular, it should stabilize the level of female employment, build a long-term mechanism to promote

female recruitment, as well as safeguard the equal employment rights and interests of the female labor force. Promoting youth employment, expanding job opportunities, and supporting college graduates in developing their talents and careers. Employment assistance for older workers has been strengthened, and the Government has provided certain subsidies.

Secondly, we are promoting the modernization of agriculture and rural areas. Inadequate agricultural infrastructure is an important factor constraining agricultural labor participation. Strengthening agricultural infrastructure is the basis for strengthening the agricultural industrial system, accelerating the construction and modernization of large and medium-sized irrigation districts, and promoting a fully automated irrigation model. Accelerate the research development and promotion of advanced agricultural machinery to achieve the integration of crop planting and harvesting; improve subsidies for the purchase of agricultural machinery, and improve the environment for the activities of agricultural machinery, such as air conditioners that can be installed on large-scale agricultural machinery, and the installation of sun-protection facilities, to make farming smarter and more comfortable.

Thirdly, increasing women's motivation to work. Firstly, agricultural education and training should be strengthened to enhance women's knowledge and skills in agriculture, enable them to realize the importance of engaging in agriculture, stimulate their enthusiasm for independent learning, and enable them to master new knowledge and skills and achieve "self-empowerment". Secondly, the government can introduce relevant policies to encourage and support women's entrepreneurship, providing loans, tax breaks, and other concessions. In addition, it is necessary to change the tendency of "men taking care of the outside and women taking care of the inside" in the distribution of family labor, i.e., women should not be the only party responsible for taking care of the elderly and children, and men should also take on more family responsibilities, so as to reduce the burden of women's family labor. For example, in Shanghai, Beijing, and Jiangxi Province, a system of paid maternity leave for men has been introduced in order to strengthen the guardianship and care of children, which is regarded as the joint responsibility of both men and women.

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