

Reasons for China's Changing Female Labor Force Participation Rate

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Abstract. The number and structure of female labor force in China is changing due to the reasons of economy, policy, history and other factors. The female labor force participation rate of China is declining continuously through the qualitative research of the variation trend and periodic law of the female labor force participation rate of China and the comparison with the female labor force participation rate of America and Japan. This trend is not conducive to the sustained economic growth and social stability, so government should take appropriate measures to maintain a reasonable female labor force participation rate.

Introduction

In the past ten years, one of the most important characteristics of Chinese labor market reform is the steady decline of the labor participation rate. The labor participation rate of female decreased faster than male. However, compared with the world average level, China's female labor participation rate is still relatively high. With the reform of economic system, the adjustment of industrial structure and the change of labor market supply and demand, Chinese women's employment is faced with not only new opportunities, but also many challenges and problems in the process of promoting gender equality in employment. At present, China is in a critical period of transformation and upgrading. The female labor force participation rate play a crucial role in the course of economic development of China.

Current Employment Status of Female Labor Force in China

Before the reform and opening up, the government adopted policies and measures to protect the rights and interests of women. The government implemented a series of policies such as the unified employment, and going to the mountainous areas and the countryside, which led to the extremely high participation rate of female labor force.

Since the reform and opening up, China has gradually transformed from the planned economic system to the market economic system, and female employment has presented a new trend of development. The development of non-state-owned economy has created a new field of employment for women, and the number of female entrepreneur has increased. The industrial structure and trade structure of female employment tend to be reasonable, and the proportion of female labor force in the third industry gradually increases. [1] The cultural quality of female labor force has also been developed, and the employment levels of some females have increased. However, under the new development trend, because of the political, economic, and historical factors, female employment faces serious challenge and many difficulties. China's female labor force participation rate significantly changes, and the decline is significantly higher than that of male.

The Changing Law of Female Labor Force Participation Rate in China

Chinese female labor force participation rate gradually decreases as time goes on.

The Female Labor Participation Rate is Relatively High in China but Lower than That of Male on the Whole. The overall level of Chinese labor participation rate is higher than the world level. Generally speaking, the birth rate and natural growth rate are higher in developing countries,

while the education level and income level are relatively low, which lead to the high labor participation rate of all kinds of populations in developing countries. However, there is a big difference between male and female in terms of labor participation rate in China. Statistics data show that the gap between male and female labor force participation rates in China first declined and then rose since the reform and opening up, as shown in table 1.

Table 1 The Chinese Sex-Specific Labor Force Participation Rate

gender	1982	1990	2000	2010
male	91.01%	90.07%	89.29%	86.09%
female	81.74%	83.83%	80.11%	74.21%

Data sources: National census in 1982, 1990, 2000 and 2010 [2]

The Overall Female Labor Force Participation Rate Presents a Downward Trend in China.

According to the data of the four censuses in China, the female labor force participation rate showed a declining trend. Because of the education development in China, the improvement of higher education enrollment rate, the demand for high quality labor force, and the high wage incomes of highly educated people, the female employment age and the young female labor participation rate have declined, which influence the female labor force participation rate in China.

The Labor Force Participation Rate of Urban Female is lower than that in Rural Areas in China. Based on the comparison of the labor participation rates of urban and rural females, the overall level of urban females' labor participation rate is significantly lower than the female labor participation rate in rural areas. According to the 10% sampling investigation data of fifth census, the labor force participation rate of urban females was 59.30%, and the rural females' labor force participation rate was 77.78%. The labor force participation rate of urban female population is lower than that of rural female population. Compared with the fourth census data in 1990, the labor participation rate of urban female population was 66.4%, and the rural females' labor force participation rate was 76.1%. The labor participation rate of Chinese rural females increased linearly, while the urban females' labor participation rate decreased obviously, the difference of which was relatively large.

The Existing Labor Force Participation Rate of Chinese Female is higher than that of the United States. The labor participation rates of both female and male decreased by 1% from 2005 to 2014 in the United States, and the female labor participation rate changed more significantly. In the United States, the female labor force participation rate peaked in the middle of 1990s, and then began to decline. As shown in Fig.1, women's labor participation rate has declined in the United States in the past ten years.

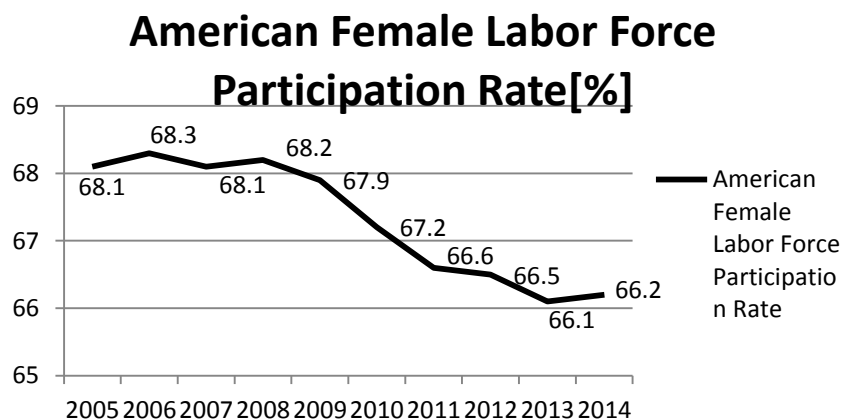
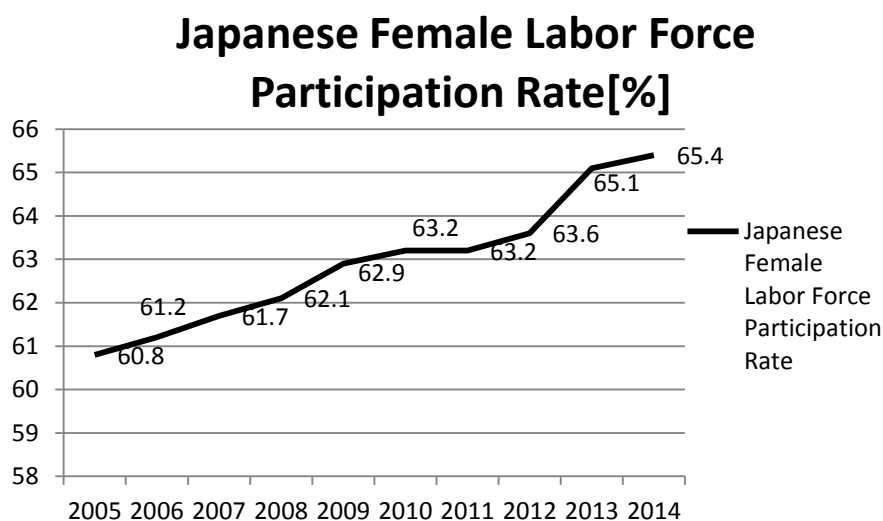


Figure 1. The Labor Force Participation Rate [%] of American Female (15-64 years old)

With the increasing aging population and more and more people who retire beyond their retirement age, the male labor participation rate has dropped to 71.9% in March, 2015, which has remained above 85% in the 1950s, while that of female drop to 65.3%. In general, due to the large population and cultural factors, the employment intention of American nationals is lower than that of our country, that is to say, in terms of the female labor participation rate, our country is higher than the United States.

The Female Labor Participation Rate in China is higher than that of Japan. When referring to the female labor participation rate in Japan, we may describe it a “M--curve”, which means that the labor participation rate of female aged 15-24 grows with age and reached a high level of 75%; and that of female aged 24-45 is decreased and then gradually rose for having experienced two fertility process. In recent years, the “M--curve” has slowed down. Because of insufficient labor, Japan began to adopt a flexible way of working, so that child-rearing women can re-enter the workplace, to stimulate the entire Japanese economic growth by re-employment.

The data shows that the female labor participation rate of married couples is 51.8% in 2014, an increase of 2.2% than that in 2013, while that of single women is 93.0%, leveled with 2013. Parenting women are pushing up the labor participation rate of Japanese women. At the same time, with the growth of parenting women returning to workplaces, the potential growth rate of Japan’s economic has achieved an annual growth rate of 0.1%, which is also a reflection of the increase of female labor participation rate. As shown in Fig.2, the female labor participation rate in Japan has been on the rise for the past 10 years. Even though, Japan’s female labor participation rate is still lower than the same period that in China.



Data sources: the World Bank [3]

Figure 2. The Labor Force Participation Rate [%] of Japanese Female (15-64 years old)

Reasons for the Change of Female Labor Participation Rate in China

In general, the Chinese female participation rate is affected by social, family and individual factors.

Reforms in the Economic System have Changed the Allocation Mechanism of Labor Resources. During the planned economic system, China has high female employment rate, labor participation rate and unreasonable employment structure. [4] From the end of 1949 to 1957, the government has adopted a policy that work introduced by the government combined with work found by themselves. Consequently, the number of women's employment grew steadily. Because of the 1958 “Great Leap Forward”, the situation of Chinese female employment appeared to be abnormal, which presents as that the employment is disconnected with productivity and blindly expand employment. A large number of women engaged in housework were widely mobilized to

participate in social productivity. That's how women's high employment rate and high labor participation rate formed.

During the "Cultural Revolution" period, female labors have difficulty in finding jobs because of the single fixed-employment system fixed system.

After the reform and opening up, China's industrial structure is constantly adjusted and optimized to expand the scope of the female labor market. [5] Especially labor-intensive industries, like the wholesale of the tertiary industry, retail trade, catering, and social services, which has increased the female labor participation rate. As shown in Table 2, the labor participation rate in the tertiary industry in 1990 - 2000 has increased by 6.64%, while the female labor participation rate in the first industry has decreased by 7.25%, which means that the overall allocation of labor resources has shifted.

Table 2 The Industry Structure of Female Employment Population According to the Three Kinds of Industries [%]

	1982		1990		2000	
	Female	The whole nation	Female	The whole nation	Female	The whole nation
Primary industry	77.97	73.66	76.09	72.24	68.84	64.38
Secondary industry	13.81	15.99	13.47	15.3	14.09	16.94
Tertiary industry	8.22	10.35	10.43	12.46	17.07	18.68

Data Sources: Statistical yearbook [2]

The Improvement of Unemployment Insurance and Maternity Insurance. The gradual improvement of the maternity insurance system has an effect on the female labors. And its influence is a "double-edged sword". On the one hand, subsidies like statutory maternity leave and maternity insurance may lead to discrimination against female employees. On the other hand, the maternity insurance system improves the protection of female laborers, allowing female employees to return to their jobs quicker after childbearing, and increasing the continuity of its labor supply. [6] In recent years, with the adjustment of fertility policy, maternity leave in our provinces has been extended to protect rights of female laborers. At the same time, China's security system like the unemployment insurance system and retirement protection system has been improved, which has stimulated the female employees, but a serious burden for enterprises, and lead to the decline in female labor participation rate.

The Aging of Chinese Population Aggravates. In recent years, the aging of Chinese population aggravates and the working age of the population structure is growing. [7] The proportion of labors aged 25-44 has dropped to today's 42%, while proportions of labors aged 45-64 has been rising continuously. Because people aged 25-44 are the most important part of labors, the decrease of it will directly lead to the decrease of labor participation rate.

Women's Occupational Discrimination in Traditional Historical Culture. According to traditional Chinese culture, women are not as good as men in many ways, and women's duty is to take care of the family and do housework. Since the foundation of new China, due to economic development and social progress, the state encourages women to participate in social work and protects women's employment rights by laws. However, the traditional concept still affects the whole society on women's employment view, but also affects the women's own employment concept.

When recruiting, many employers will not accept female labors for their fertility, and there is even serious gender discrimination in some jobs.[8] In addition, because of oversupply situation in the labor market, the employer has wider choices in recruitment and may raise the threshold, which eventually increase the difficulty of female employment. At the same time, female laborers are usually in the low positions, with limited space for promotion, which is one of the reasons leading to the female labor participation rate is lower than that of female.

The Adjustment of Birth Policy. Under the background of “the universal two-child” policy, women with fertility intention and their families will consider the maximization of the effectiveness of the family, which means that women will probably give up their original work after giving birth. According to the traditional theory of family labor supply, women’s labor participation rate is closely connected with her husband’s income. In general, the party with high income will be more engaged in market labor, while the other will be more engaged in household production. At the same time, some firms, when women are in the period of pregnancy and childbirth, reducing their vocational training and promotion opportunities, limiting their career development, which has enhanced the possibility of them becoming “full-time mother” after giving birth and affects the female labor participation rate. For example, the mother’s labor participation rate and labor time will change with the costs of caring for babies, educational prices and wage changes.[9] The higher the cost, the lower the mother’s labor participation time and participation rate.

The Age and Educational Level of Female Labor. Female labors at different ages vary in the market competitiveness and their competitiveness will gradually weaken with the growth of age, and may even quit the labor market in advance.

Table 3 The composition of the Level of Education of Women employees of the Whole Country[%]

Age	Total	Uneducated	Primary School	Junior High School	Senior High School	Junior College	Bachelor Degree	Postgraduate
female	100	100	100	100	100	100	100	100
16-19	1.7	0.1	0.6	2.2	3.3	0.8	0.2	0
20-24	8.5	0.3	1.4	7.8	14.3	19.1	13.4	2.3
25-29	12.8	0.8	2.9	12.2	17	24.4	28.5	24.6
30-34	12.5	1.4	3.7	12.9	16	19	24.6	39.5
35-39	11.4	2.3	5.8	13.3	13.6	13.2	13.7	17.8
40-44	14.9	5.4	12.8	18	14.3	11.8	10.4	8.8
45-49	13.5	7.8	15.9	16	10.8	7.3	5.9	4.7
50-54	8.8	8.9	12.5	9.5	7.4	3.5	2.7	1.8
55-59	6.4	15.5	16.4	4.5	2.4	0.6	0.5	0.4
60-64	5.5	24.3	16.3	2.6	0.6	0.2	0.1	0
65+	4	33.2	11.9	1	0.2	0	0	0.1

Data sources: the national bureau of statistics of population and employment statistics division [2]

In recent years, the number of educated women increase largely and in order to get the return of human resource investment they require to work for a long time. At the same time, due to the extended length of education, the enrollment expansion of colleges and universities and the increased number of female students, the number of women in economic activities declined directly and the time of entering the labor market for young women is postponed which resulting in the decline of overall labor force participation rate. But the workers who are 25 to 45 years old have a high education and they account for a large employment proportion, thus the corresponding labor participation rate is also very high as shown in Table 3.

Conclusions

The female labor force participation rate of our country is higher than the other countries in the world. But as for our country, the current female labor force participation rate is on the decline and it will affect the economic development of our country and bring some negative effects to the society, such as reducing the employment intention of the future female workers or increasing gender discrimination of the current female workers. So the female labor force participation rate should be maintained in moderate level and be improved duly.

To speed up the transformation and upgrade of industries and improve the female labor force participation rate of tertiary industry. Women accounts for a larger proportion in some tertiary industries, such as social service, family service industry, education industry, business industry, etc. with high labor intensity and low threshold of employment and this situation can't be changed in a short period of time. The tertiary industry in China will have a big development space and still can meet the demand of more female employment so we should speed up the development of the tertiary industry which can be able to absorb more people to obtain employment and improve the female labor force participation rate.

To Eliminate Sex Discrimination in Employment, Perfect the Social Security System and Improve Female's Social Status. Based on the prejudice and employment discrimination for women workers in current society, the country should perfect the corresponding laws and regulations to protect the legitimate rights and interests of women workers and regulate the Labor market and at the same time intensify female fertility security, reduce the behavior that the companies don't hire female workers because of their fertility, increase the reeducation of female, realize the re-employment and improve female's economic independence and social status.

Developing various flexible forms of employment and encouraging the self-employment of women. In some work areas, in order to encourage the companies to offer more various flexible forms of employment to female workers, we can learn the management of "parenting women" from Japan, such as flexible working system which allows the female workers who are in suckling period or have children to choose work time under the premise of finishing the work task. For female workers, the self-employment is a very good employment orientation. Relying on the development of the Internet and interactive advantage, female workers can create their own small businesses in order to increase the labor force participation rate.

Improving the Education Level and Culture Quality Level of Female. Improving the education level of female, encouraging women to receive higher education, [10] improving their culture quality and increasing the human capital investment in order to get more income of human capital and at the same time the employment will of the women workers will be increased. In addition, due to the improvement of education level of workers, women could use more advanced technology products to increase family labor productivity, and thus they will have more time to participate in labor and the labor force participation rate also will be increased.

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