

# *An Analysis of Employment-promoting Effects of Employment Service Policies-Based on Family Development*

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**Abstract:** This paper aims at improving the employment-promoting effects of employment service policies (ESP) to enhance family development. Based on process evaluation methods of public policy, there are three positive effects of ESP, but despite these effects we cannot overrate the performance of ESP. The problem is the double segmentation between urban and rural areas as well as among different regions, the poor basic fund, and the deviation of positioned policy support objects. Hence, China should regulate ESP as soon as possible to benefit family development.

**Keywords:** employment service policies; employment-promoting effects; policy analysis; family development

**E**mployment service policies, formulated by the government, are the measures aimed at regulating the relationship between serving and being served in business activities as well as guiding the behavior of public departments, including a series of laws and regulations, plans, projects, and actions. Family development refers to the comprehensive ability of pursuing higher living standard and family development sustainability by using endowments, rights and potential strategies.<sup>[1]</sup> The report of the 18<sup>th</sup> National Congress of the Communist Party of China required us to promote and realize higher quality employment, carry out the policies of worker self-employment, market regulated employment, and encourage business start-ups. Improving employment service policies, facilitating employment-promoting

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effects and enhancing living conditions for all families (especially worker families) and realizing sustainable development are the embodiment of employment service policies. They should also control unemployment, safeguard worker's rights and encourage social equality and justice.<sup>[2]</sup>

The existing research papers have made detailed and intensive explorations on the contents, formulation and implementation processes of employment service policies but have failed to integrate employment promotion and family development promotion to enable employment service policies to promote employment and benefit family development. Therefore, this paper focuses on the issue of how employment service policies adversely affect family development and puts forward suggestions for improvement.

Our group used process evaluation methods to collect information, including quantitative research, in-depth interviews and group discussions. We also used qualitative research and index analysis methods to process data and information. The research group focused on employment service policy implementation in Beijing, Jiangsu, Hunan and Chongqing between August and November 2014.

## 1. Employment Service Policy Framework and Main Effects

At present, China has formed a comparatively well integrated and systematical employment service policy system, which has exerted positive influence on promoting employment.

### 1.1. Basic constitution of the employment service policy system

Since the implementation of the re-employment project in 1995, China has formulated and launched multiple employment-promoting policies. After twenty years of development and improvements we created a comprehensive employment service

policy system. With the gradual expansion of policy projects, the beneficiary groups were enlarged, supports were strengthened and policy means were optimized. The employment service policy system now includes 11 concrete policies and the beneficiary groups include both urban and rural groups with difficulty in finding jobs (such as people in their 40s or 50s, the disabled, and the long-term unemployed), and the key supported groups (such as college graduates, migrant workers and surplus employees of state-owned enterprises). The objectives of policies not only include the employment of urban and rural workers, but also contain guidelines for unit employment, individual job searches and flexible employment as well as stable employment in crises. Supporting policies cover direct funding, direct subsidies, fiscal support for reducing or remitting taxes and administrative service fees, financial support for providing capital credit and environment support for providing job sites and other material assistance.

### 1.2 Main implementation effects of employment service policies

(1) Taking the groups with difficulty in finding jobs as the key supported objects to solve unemployment problems.

*Employment Promotion Law* stipulates that all local people's governments at different levels should establish and improve employment assistance systems, and provide preferential support and key assistance to the groups with difficulty in finding jobs. Regulations on Employment Service and Employment Management require public employment service agencies to formulate specific employment assistance plans to offer preferential support and key support to employment assistance objects. Employment assistance objects include people with difficulty in finding jobs and zero-employment families. Public employment service

agencies should establish assistance system for people with job hunting difficulties, carry out employment assistance policies and provide customized employment service and public welfare job assistance. Public employment service agencies should establish instant job assistance systems for zero-employment families and guarantee that zero-employment families should at least have one person employed. With these employment service policies, in 2013 1.8 million of the people with difficulties in finding jobs were employed. At least one member of each of the 53,000 “zero-employment” households found a job. Based on our research, employment assistance policies open to the people with job hunting difficulties should solve the problem of unemployment and stabilize employment. For example, there are three policies with direct influence on employment promotion in Beijing: The first policy is the allowance policy of social insurance to encourage urban people with job hunting difficulties to realize flexible employment, which can enable flexible employment to become the main employment channel; the second policy is post allowance and social insurance allowance to encourage employers to help urban and rural groups with difficulty finding jobs; the third policy is special subsidies from community public welfare employment agencies which allow public welfare posts to become the main channel and reliable carrier to help destitute groups.

(2) Equalization level of social insurance and employment fiscal expenditure is constantly being enhanced

Employment Promotion Law stipulates that the state should carry out fiscal policies conducive to promotion of employment, invest more funds,

improve employment environments and expand employment. Governments above the county level should arrange special funds in financial budgets for employment promotion according to the practical situation and employment target. In 2013, the public financial employment subsidy expenditure of China reached 82.256 billion yuan, an 8.603 billion yuan increase compared to that of 2012.<sup>①</sup> accounting for 0.14% of GDP in the same year.

The equalization level of public employment service has improved constantly since 1998. We adopted the Theil index to calculate the equalization of the public employment service in China. The Theil index can measure the differences among a group of economic indexes in various times, regions and hierarchy scopes. The decomposition formula of the Theil index is shown as follows:

$$L = \sum_{i=1}^n \sum_{j=1}^n \frac{n_{ij}}{N} \times \log \left( \frac{n_{ij}}{N} / \frac{P_{ij}}{P} \right) \quad (1)$$

The formula can be divided into two parts. One part is used to measure the differences of public employment service between regions (east, central and west). The other part is used to measure the differences of public employment service within regions (provinces within the east, central and west regions). The decomposition results are:

$$L_{\text{totality}} = L_{\text{between regions}} + L_{\text{within regions}} \quad (2)$$

In formula [2], the differences of public employment service between regions are:

$$L_{\text{between regions}} = \sum_{i=1}^n \frac{n_i}{N} \times \log \left( \frac{n_i}{N} / \frac{P_i}{P} \right) \quad (3)$$

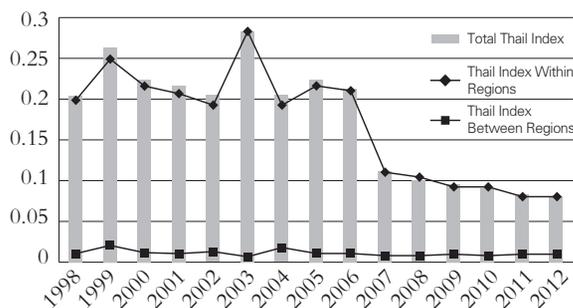
The differences of public employment service within regions are:

$$L_{\text{within regions}} = \sum_{i=1}^n \sum_{j=1}^n \frac{n_i n_{ij}}{N n_j} \times \log \left( \frac{n_{ij}}{N} / \frac{P_{ij}}{P_i} \right) \quad (4)$$

① organized by the author according to 2013 National Public Financial Expenditure Balance Sheet (Chinese Government Network [http://www.gov.cn/xinwen/2014-07/14/content\\_2717047.htm](http://www.gov.cn/xinwen/2014-07/14/content_2717047.htm).) and China Statistical Yearbook in 2014.

$P_{ij}$  represents the public employment service fiscal expenditure of selected provinces;  $P_i$  is the public employment service fiscal expenditure of the selected region;  $P$  is the national total fiscal expenditure of public employment service. The financial budget item in 2007~2012 is “social insurance and employment” and the financial budget item in and before 2006 is “social insurance subsidy expenditure.”  $n_{ij}$  represents the population of the selected provinces;  $n_i$  is the population of the selected region;  $N$  is the national population. The data sources include China Finance Yearbook (1999~2013), public financial (general) budget and expenditure balance sheet of all provinces, autonomous regions and municipalities directly under the central government and China Statistical Yearbook in 2014. The lower the Theil index, the fewer differences in public employment services there are, that is, public employment service has higher equalization levels.

From the change trend of the Theil index (Picture 1), it can be seen that except 1999 and 2003 when the total Theil index had abnormal fluctuations, the index decreased. In 2005, the Theil index was 0.2214 and 0.0768 in 2012, indicating the



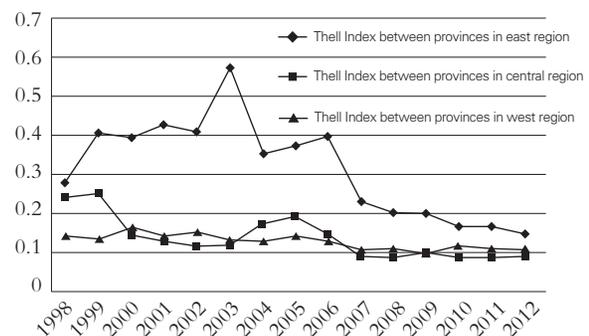
Picture 1 Theil index change trend of public employment service in China

Notes: “Between regions” refers to east region, central region and west region; “within regions” means all the provinces within each region. The data were calculated per China Statistical Yearbook of 2014 and China Fiscal Statistical Yearbook (1999~2013).

equalization level of public financial employment expenditure steadily increased. The Theil index within regions also decreased which showed the equalization degree of public employment service of all provinces in all three regions was enhanced.

From further analysis of change reasons for the total Theil index, it can be seen that the difference of public financial employment expenditure within regions is the main source of the difference of public financial employment expenditure of all provinces. The difference between provinces in the east region is the biggest, which is the main source of the difference of public financial employment expenditure within regions. The change amplitude of the Theil index between regions is smaller, while the Theil index within regions decreases (Picture 2). The decreasing amplitude of the east region is the most obvious. But the equalization level of public employment service in the east region is lower than that of the central and west regions. Besides, the Theil indexes in all regions are lower. The index value in 2012 was only 0.0019, which means the equalization degree of public employment service of the three regions is higher.

(3) Encouraging other subjects to provide jobs



Picture 2 Theil index change trend of public employment service between provinces in the three regions

Data sources: Calculated per the China Statistical Yearbook in 2014 and China Fiscal Statistical Yearbook (1999~2013).

and services by using multiple methods

Employment Promotion Law stipulates that the government should encourage enterprises to increase jobs, support unemployed people and the disabled, and should provide favorable tax policies to qualified enterprises and people. The People's governments above county level should encourage all sectors of society to carry out employment service activities in accordance with the law. Moreover, the *Employment Promotion Plan* puts forward that we should give full play to the fundamental function of market mechanism in human resources allocation, further strengthen the government's responsibilities in employment promotion, widely mobilize social forces and jointly promote better employment. At present, China has formed government-oriented employment service supply programs with multiple subject participants. The supply subjects of employment service not only include provincial, municipal, district (county), sub-district (town), community (village) agencies, but also cover employment units, employment service agencies, community (social) public service organizations, labor unions, women's federations and disabled person's federations. Also, the government provides administrative and economic support through legal, fiscal, financial and administrative means for employment units, different kinds of employment service agencies and community (social) public

welfare employment organizations.

Fiscal and tax means are the most widely applied policy tools for governments at all levels. Combined with financial, legal and administrative means, fiscal and tax means have formed a set of expanding employment service supply policies geared to public departments, private departments and non-profit organizations, which plays an important role in encouraging other main bodies to provide more jobs and services. Take Beijing as an example, after sorting out the existing local employment service policies, we find that there are ten types of policies available for the government to encourage other main bodies to expand employment service supply. Among which are seven fiscal and tax policies, one financial policy (small-sum guaranteed loan policy) and one administrative provision (free service policy) (Table 1). Only the local Beijing Employment Assistance Provisions stipulates specific employment service policies other than fiscal and tax policies, financial policies and administrative policies.

Directly-supported employment assistance for specific families, related post subsidy, social insurance subsidy policies and tax reduction policies are the main means by which employment units recruit urban and rural people with employment difficulties. According to the research done in 2013 by the Beijing Human Resources and Social

Table 1 Policies and corresponding service functions of Beijing expanding employment service supply

Policy category	Policy object	Employment service function	Supply subject
Occupation introduction subsidy policy	Occupation intermediary agency	Occupation introduction, information release, occupation guidance and policy consultation	Private department
Occupation training subsidy policy	Employment unit (state organs, social groups, enterprises, public institutions, individual businesses with the municipal administrative area, hereinafter inclusive), occupational skill training agencies and vocational colleges	Occupation skill training, occupation skill identification, enterprise training	Public department, private department, non-profit organization

Policy category	Policy object	Employment service function	Supply subject
Post subsidy and social insurance subsidy policy	Employment unit	Specific employment service, employment assistance	Public department, private department, non-profit organization
Specific subsidy policy of community public welfare employment agency settling people with job hunting difficulties	Community (social) public welfare employment agency	Employment assistance	Public department
Tax reduction and exemption policy,	State organs, enterprises, public institutions, social groups, private non-enterprise unit and individual economic organization	Specific employment service, employment assistance, entrepreneurial service	Public department, private department, non-profit organization
Administrative fee exempt and reducing policy	Employment unit	Occupation introduction	Public department, private department, non-profit organization
Small-sum guarantee loan policy	Labor-intensive small-and-micro-size enterprise, scientific and technological small-and-micro-size enterprise	Specific employment service	Private department
Capital subsidy policy	Labor dispatch enterprise, enterprise and public institution, employment unit centrally settling the disabled	Specific employment service	Public department, private department, non-profit organization
Free service policy	Employment unit	Occupation introduction	Public department, private department, non-profit organization

Sources: Summarized according to related contents of Beijing current policy of employment service documents

Security Bureau, the employment units totally or partially considering policy subsidy occupied 39% of all the subsidized units. In terms of urban and rural people with employment difficulties, posts provided by employment units strengthened the stability of employment. The labor contract deadline lasting over three years and non-fixed term signed by urban and rural people with employment difficulties reached 52.3% and 88% of employment units were willing to renew the contract.

## 2. Problems of Employment Service Policies and Adverse Effects on Family Development

At present, we cannot overestimate the performance of employment service policies according to

the requirements of family development; therefore, employment service policies still have some problems.

### 2.1 Co-existence of urban-rural segmentation and regional segmentation, mobile families have difficulties in acquiring real-time support

The existing service policies have obvious “double segmentation” problems, namely the co-existence of “urban-rural segmentation” and “regional segmentation.” “Urban-rural segmentation” means the current rural labor forces, especially migrant rural labor forces fail to acquire the comprehensive policy support of inflow areas, only enjoying minor employment support policies, such as unit recruitment, occupational training, occupation introduction and small-sum guaranteed loans. “Regional segmentation” means that since

the municipality, community (county) and above level employment support policies still take local household registration as the essential condition, urban and rural labor forces cannot enjoy equal employment policy support. Governments should be responsible for guaranteeing that all citizens can enjoy basic living standards. Therefore, policies should provide statutory additional assistance for disadvantaged groups and those in need, including a series of unemployment and social insurance payments (Marshall, 2002).<sup>[3]</sup> If government measures cannot conform to these regulative principles, people cannot equally enjoy economic, social and political rights and freedom and society cannot be regarded as a “civilized society” and “modern society” (Anthony Haar, James Midgley, 2006).<sup>[4]</sup>

Take the employment assistance policies of “zero-employment families” as an example. There are eight types of modern employment service policies to set “zero-employment families” or related members as the key supported objects, including occupational training subsidy policy, post subsidy and social insurance subsidy policy, specific subsidy policy of community public welfare employment agencies settling people with employment difficulties, tax reduction and exemption policy, administrative fee reduction and exemption policy, small-sum guaranteed loan policy, capital subsidy policy and free service policy. The specific subsidy policy of public welfare employment agencies in communities settling people with job hunting difficulties center on people with special employment difficulties (hereinafter referred to as “employment destitute people”).

In order to obtain these policy supports, families must go through the process of family declaration, community investigation as well as sub-district identification. However, according to related policies and regulations, only the families with local town household registration are qualified for such

declaration.

The research report of the National Health and Family Planning Commission of the People’s Republic of China (2014)<sup>[5]</sup> showed that in the 21<sup>st</sup> century, family flow has become the marked feature of population mobility and long-term residence in inflow areas has been a very common phenomenon. The dynamic monitoring data of the floating population in 2010 showed that the floating population with family members (spouse, children and parents) accounted for 66.4%. In 2012, among the married floating population, floating couples occupied 89.8%. Since foreign floating families cannot make declaration locally, a large number of floating families are excluded from the supported objects of employment service policies.

## **2.2 Basic fund guarantee level is low; un-employed families lack effective policy support.**

There are three employment support policies with the biggest current capital scale and direct influence on promoting employment: post subsidy and social insurance subsidy policy for encouraging employment unit recruitment (hereinafter referred to as “unit recruitment policy”), social insurance subsidy policy for encouraging urban and rural people with employment difficulties to realize flexible employment (hereinafter referred to as “flexible employment policy”) and “underpinning” resettlement specific subsidy policy for community public welfare employment organization (hereinafter referred to as “underpinning resettlement policy”). According to the available research, the implementation of the above policies has a serious “dislocation of supply and demand” problem. The most satisfactory and highest comprehensive evaluation of policy result is “unit recruitment policy.” However, in practice, the policy fails to be carried out timely and properly. There are fewer opportunities for people with job hunting difficulties to realize unit employment.

The research group distributed “evaluation questionnaire of policy result” to the staff of human resources and social security in Nanjing, Yangzhou, Beijing, Changsha and Chongqing. The group set seven indicators to investigate the local employment support policy result, took rankings as scores (the higher the scores the better), and added them together to get aggregate scores which represented the implementation result order of the above three support policies. The result showed that the five cities’ ranking orders of employment support result were consistent, from “unit recruit policy,” “flexible employment policy” to “underpinning resettlement policy.” Besides, the ratio of people with employment difficulties enjoying “unit recruit policy” exceeded 20% of the total and “the gap of supply and demand” was large.

It is costly for local governments to carry out employment service policies and every concrete policy has different implementation costs. Compared to related indicators of “unit recruitment policy,” “flexible employment policy” and “underpinning resettlement policy,” just take the employment support policy evaluation result of Beijing as an example (Table 2). It can be found that “unit recruitment policy” not only has a high cost of per capita promoting employment, but also has tedious operation and complicated processes. The staff of community public welfare employment service

agencies have to go out to connect subdistrict and towns, organize and call on urban and rural unemployed people, migrant workers to take re-employment training. And they have to connect and coordinate different kinds of employment units to take in people with employment difficulties, and perform subsidy application and distribution jobs. It can be said that the implementation process of “unit recruitment policy” is “time-consuming, labor-consuming, finance-costly and manpower-costly.”

The existing fiscal policies have stipulated the expenditure of employment service work specifically and required the expenditure should be arranged by department budget at the same level as finance. However, the difference in economic development level and fiscal income level in cities and districts (counties) results in different expenditure arrangement of public welfare employment service agencies at all levels and implementation conditions. In terms of insufficient basic expenditure arranged by district and county fiscal budgets, public welfare employment service agencies, especially basic public welfare employment service platforms tend to focus on the projects with less expenditure, such as receiving materials submitted by training agencies, organizing government departments to check and ratify public welfare jobs, etc., while some projects with heavy investments, long service periods and high professions fail to get sufficient attention, such

Table 2 Effect contrast of main employment support policies in Beijing

Evaluation index	Supported object scope	Promoting employment number	Employment time stability	Per capita promoting employment cost	Employment income level	Policy implementation level	Satisfaction degree of beneficiary group	Total
Unit recruit	3	2	2	2	3	1	3	16
Flexible employment	2	3	1	3	1	3	1	14
Underpinning resettlement	1	1	3	1	2	2	2	13

Note: the higher the score, the better the policy effect.

as occupational guidance.

Although releasing labor market control is conducive to economic prosperity, public expenditure reduction is not a “humanized regulation.” The release and withdrawal of the government can only deal with short-term employment problems, but the structural and deep obstacles embedded in departments over time cannot be eliminated, which makes the group more impoverished and vulnerable (Conway, 2010).<sup>[6]</sup> With the diversity of unemployed people, the structure of people with employment difficulties is changing. It is difficult for jointly supported policy objects to link with differentiated employment conditions with different forms and intervention and occupational guidance is desperately needed. Moreover, professional, intensive and in-depth occupational guidance and follow-up services should be provided especially for people with employment difficulties to improve their employment success rates and stability. However, the lack of sufficient work funds not only impedes the implementation strength of employment service policies, but also restricts the promotion of service levels, which is adverse to the development of unemployed families.

### **2.3 Location preference of supported objects, employed families in lack of corresponding supports**

At present, unemployed groups benefiting from employment service policy not only covers “4050” comparatively aged people, the disabled, people enjoying “subsistence allowance”, members of “zero-employment families”, long-term unemployed people, but also includes college graduates, migrant workers in Beijing, surplus staff of state-owned enterprises, retired soldiers, military dependents and pardoned convicts. Meanwhile, to keep the employment stability of “groups transferred from unemployment to employment”, employment service

policies list the groups of individual employment (self-employment), flexible employment, small and micro-sized enterprise employment in the supported objects, also including surplus staff of state-owned enterprises, the disabled, overseas high-level talents and overseas students.

However, compared to the beneficiary unemployed groups, the policy supported employment group scope is small and the “threshold” of enjoying the benefits of policy is high. Take the employment service policy in Beijing as an example. Select two policies with direct influence on employment-occupation training subsidy policy and post subsidy and social insurance subsidy policy, sum up and sort out local supported objects of these two policies, make classifications based on “whether under unemployed condition” (refer to Table 3). After being compared to “unemployed people”, it can be found that policy supported “employed people” are strictly restricted to a small group by a series of specific conditions including age, household registration, identity, occupation, employment time and unit, which fails to support low-quality employed people to realize stable employment, obtain employment guarantee and counts against the development of employed families.

Habitual thoughts of delegating “the identification right of employment policy supported objects” and “alleviating the increasing pressure of periodic unemployment” are the two sources resulting in employment service policies adverse to the development of employed families. Take occupational training subsidy policy, post subsidy and social insurance subsidy policy as an examples. After comparing national and Beijing related policy supported object scopes, we found:

First, although Announcement Concerning Issues of Further Strengthening Specific Employment Fund Management has stipulated the group scope enjoying employment training subsidy and

Table 3 Supported objects and supplementary services of current employment service policies

Policy categories	a category of policy supported objects		Functions of employment service
	Unemployed people	Employed people	
Occupation training subsidy policy	Local urban and rural registered unemployed people, rural labor transferred employment forces, the disabled, college-graduate “village official” with expiration of contract, migrant workers, college graduates, military dependents	Enterprise staff, the disabled, staff-system housekeeping personnel, newly-established enterprise legal representatives of incubators or main responsible persons, local college graduates recruited by small and micro-size enterprises within 6 months	Employment and unemployment registration, occupation training, enterprise training, appraisal of occupational skill, specific employment service
Post subsidy and social insurance subsidy policy	Local urban and rural registered unemployed people (female over 35 and male over 40 years old), the disabled, urban people living on minimum subsistence allowance, members from “zero-employment families,” dependent families, people with unemployment registration over one year, rural people with job hunting difficulties, Beijing college graduates, “pure rural employment family” forces	Local urban registered unemployed people of individual employment (self employment) (female over 35 and male over 40 years old, moderate and severe disabled people within legal working ages) and flexible employment (female over 35 and male over 40 years old, moderate and severe disabled people), military dependents, the disabled of individual employment (self-employment) and college graduates of flexible employment.	Employment and unemployment registration, employment assistance, specific employment service, enterprise service

Note: a. classification is made according to whether the policy supported objects are in the under-employed condition. The information is summarized and sorted based on the current employment service policy documents of Beijing.

people with employment difficulties enjoying social insurance subsidy, the identification right of policy supported objects is delegated to provincial governments. In the regulation of related policy supported object scopes of Beijing, based on national stipulated scopes, “local household registration” is regarded as the essential requirement for enjoying the support. Combined with age, identity, occupation and other additional conditions, the employment service policy supported objects finally has deviation; national policies cannot exert positive functions sufficiently; local and foreign, urban and rural labor forces fail to acquire employment policy support equally. Beijing Employment and Re-employment Fund Management Measure in 2009 stipulated that the employment and re-employment support policy object scope mainly includes the following local people with labor capacity and employment desires: (1) urban registered unemployed people; (2) rural labor forces; (3) unemployed college graduates; (4) military dependents come to Beijing for the first

time; (5) urban staff to be resettled from bankrupt state-owned enterprises with relocation and adjustment allowed by the municipal government; (6) other people approved by the municipal government. Employment Assistance Regulations of Beijing in 2012 pointed out that people with employment difficulties refer to the local urban and rural laborers within legal labor age, with labor capacity and employment desire, under unemployed condition and difficult to realize employment.

Second, the two policies support employed people who are influenced by the habitual thought of “alleviating the increasing pressure of periodic unemployment” and fail to “focus on low-quality employed people but impede the expansion of policy effect.” Compared to the official-form-employed people, the employment quality of flexibly-employed people is low, which is mainly reflected as unstable employment income and low insurance rate of social security. Occupation training subsidy policy plays an important role in improving employment ability

but fails to list “people of flexible employment” in support object scopes. Although post subsidy and social insurance subsidy policy specifically includes “people with flexible employment,” it restricts support so that only people with employment difficulties can enjoy the policy and fails to cover all kinds of flexibly-employed people or widely encourage insurance participation to improve employment quality.

As a collective intervention, social policy directly influences the possibility that people can obtain sufficient incomes and enjoy stable lives.<sup>[7]</sup> Governments should pay attention to the fundamental issues, such as employment source, employment stability, income system arrangement, public welfare determined by process and structure, rather than help specific groups according to its own willingness and deprive other groups of maintaining and strengthening the opportunities of living ability.<sup>[8]</sup> Lots of employed people lack the support of employment service policies and the demands of unemployment prevention, stable employment and occupation development fail to be concerned and satisfied. The result is that family development is restricted.

### 3. Policy Suggestion

We should take “equal rights, efficient assistance and wide beneficiary groups” as the target, regulate and improve related contents of corresponding employment service policy documents, facilitate the implementation of related regulations of existing policies and documents, establish and improve support systems and mechanisms.

#### **3.1 Determining policy supported families according to actual place of residence, attaching floating families to policy beneficiary scopes**

First, modify Rule 56 of Employment Promotion

Law. The “urban” of “guaranteeing urban families with employment demand can realize one employed member at least” should be changed to “urban and rural”. And the “urban” of “urban families with all unemployed members within legal labor ages can apply for employment assistance to the domicile street or community public employment service agencies” should be changed to “urban and rural”. Meanwhile, in Rule 40 of Chapter 5 of *Regulations on Employment Service and Employment Management*, the “urban” of “zero-employment family refers to urban families with all unemployed members within legal labor ages” should be changed into “urban and rural”.

Second, modify the contents of “establishing declaration and identification system” of Announcement Concerning Comprehensively Promoting Employment Assistance of Zero-employment Families. The “urban” of “zero-employment families means that in urban families, all family members within legal labor ages with labor capacity and employment desire are under unemployed condition, as well as the families without operating or investment income” should be changed to “urban and rural”. Besides, the “registered permanent residence” of “eligible families can apply to the street (village and town) labor security work agencies of registered permanent residence for registration and identification of zero-employment families” should be changed into “actual place of residence”. Meanwhile, the contents of “employment assistance” of Regulations on Employment Service and Employment Management should be modified. The “domicile” of “people with employment difficulties and zero-employment families can apply to domicile street or community public employment service agencies for employment assistance” should be changed into “actual place of residence”.

Third, fully implement a floating population residence permit system, establish and improve public employment service offering mechanisms

considering of residence time. The families holding residence for a certain period, paying social insurance for a certain period, purchasing a house, paying tax according to law and abiding by the family planning policy should be included in the supported object scopes of labor force employment dynamic service system promoting “zero-employment families” and “pure rural employment families”.

Fourth, carry out the task requirements of establishing “unemployment statistical systems and unemployment precaution mechanisms” required in Promotion Employment Planning (2011~2015), improve urban and rural investigation unemployment rate statistics. It is suggested that a monthly statistical release system of metropolitan urban employment rate should be established in 2015 and a unified monthly statistical release system of metropolitan urban employment rate should be established in 2020, which aims to timely and correctly monitor the employment and unemployment condition, master information of unemployed people and unemployed families, measure the performance of employment service policies, policy demand estimation and pre-judgment work.

### **3.2 Basic service expenditure in provincial employment specific funds should be arranged to provide more employment opportunities for unemployed families.**

First, modify support for public employment service contents of Announcement Concerning Issues of Further Strengthening Employment Specific Fund Management. Based on the original rule that “financial departments above county level can arrange for support for public employment service funds and subsidize subordinate public employment service agencies to strengthen the information network system construction of human resources market (including computer and network hardware, software purchase, expenditure of development and

application),” “basic fund of public employment service” is included and expanding fiscal specific funds for disbursed projects is expanded.

Second, in Announcement Concerning Issues of Further Improving Public Employment Service Systems, the contents of “strengthening the support of public employment services at the local level” should be added. Besides, “provincial financial departments should subsidize the capability construction of county public employment service agencies and grassroots public employment service platform below county level” should be added in “superior financial departments should subsidize county public employment service agencies and grassroots public employment service platforms below county level with financial difficulties to implement public employment service and the subsidy expenditure disbursed from employment specific funds.” It should clearly define the basic responsibility of provincial financial departments to share grassroots public employment service expenditure.

Third, improve fiscal transfer payment systems, establish the hooking mechanism between fiscal transfer payments and urbanization of agricultural transfer populations. It is suggested that we should establish central and provincial fiscal transfer payment systems conducive to balance public employment service ability in 2020, define the rights for provincial governments to strengthen the system construction of public employment service and improve expenditure security mechanisms of public employment service. In terms of fiscal subsidized public employment service agencies, including provincial, municipal and county public employment service agencies, as well as street (village and town) and community (administrative village) grassroots public employment service platforms, the personnel and work expenditures are disbursed from provincial employment specific funds according to the actual

number enjoying fiscal subsidy and workload of undertaken free public employment services. The total population caliber will be readjusted and figured by the permanent residence caliber when accounting the workload of public employment service.

Fourth, boost standard construction of public service quickly, and strengthen systematic team construction. A unified employment service standard system should be introduced in 2015, which can form unified standards and quality monitoring systems for service scopes, contents, procedures, as well as facilities, personnel allocation, and fund guarantees needed during the implementation of service. And we should focus on the construction of rural grassroots employment service platforms, cultivate high-quality and professional urban and rural grassroots service agency workers and form unified urban and rural public employment service system by 2020.

### **3.3 Expanding the employment service supported object scopes of fiscal and financial policies, supporting employed families to realize employment with higher quality**

First, modify Rule 52 of *Employment Promotion Law*. The “people failing to achieve employment” of “people with job hunting difficulties refers to those who fail to be employed due to physical condition, skill level, family factor or loss of land, as well as those failing to achieve employment for some time” should be changed to “residents failing to achieve employment.” Meanwhile, the “people failing to achieve employment” of Rule 40, Chapter 5 of *Regulations on Employment Service and Employment Management* should be changed to “residents failing to achieve employment”.

Second, modify rules of “Employment and Unemployment Management” of *Regulations on Employment Service and Employment Management*. The “urban residents” of un-employed “urban

residents with labor capacity and employment desire and within legal working age can register unemployment in public employment service agencies” should be changed to “urban and rural residents.” The “registered per-manent residence” of “urban registered people without employment experience can register in their registered permanent residence” should be changed to “actual place of residence.” Besides, the “working stably in permanent residence place for six months “of “rural migrant workers and other non-local household registered people working stably in permanent residence place for six months can register in the permanent residence place after unemployment” should be eliminated.

Third, modify rules of “fund application and payment management” in Part Four of *Announcement Concerning Issues of Further Strengthening Employ-ment Specific Fund Management*. “Object scopes enjoying occupation training subsidy” in “occupational training subsidy” should be expanded. “People of flexible employment” should be added based on “urban registered unemployed people, rural transferred employed laborers, college graduates, urban and rural fresh junior and senior middle school graduates without further study.” People of flexible employment enjoying social insurance subsidy in (Four) social insurance subsidy” should be expanded and “migrant rural transferred population” should be added based on “people with employment difficulties.”

Fourth, innovate and improve population service and management systems. Establish employment and unemployment management systems based on permanent residence. Change the implementation scopes of employment service policy of provincial, municipal, district (county) from household registration to permanent residence. According to residence permits, we should quantify permit holders’ information, such as permit holding period, social

insurance payment period, tax payment period and abiding family planning policy by using a “points system.” According to the equality principle of rights and obligations, we should gradually include people holding residence permits into the employment service policy supported object scopes by “step empowerment.” Besides, we should use occupation introduction subsidies, occupational training subsidies, post subsidies, social insurance subsidies, and special subsidies for community public welfare employment organizations to resettle people with employment difficulties, tax reduction and exemption, administrative fee reduction and exemption, fund subsidy, small-size guaranteed loan and other policies to help unemployed people or special groups including those with residence permits to achieve employment.

Fifth, implement the task requirements of facilitating urban, rural and regional employment

overall coordinated growth required by the Employment Promotion Plan (2011~2015) as soon as possible, eliminating urban and rural differences and employment discrimination of laborer employment. Migrant agricultural transferred population should be included in the fiscal and financial policy support object scopes of employment service. We should use occupation introduction subsidies, occupation training subsidies, post subsidies, social insurance subsidies, tax reduction and exemption, fund subsidies, and small-size guaranteed loan and other policies to help people under insufficient or low-quality employment to achieve stable employment or high-quality employment. We should use occupational training subsidies, fund subsidies and free service polices to help people with low educational levels to improve employment ability so as to achieve high-quality employment.

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