

**CHINA'S YOUTH EMPLOYMENT:
A LONGER-TERM VIEW FROM
THE POPULATION CENSUS DATA**

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Executive Summary

1. China's 2020 population census data reveal several less expected employment-related changes, including a declining workforce participation rate and altered employment preferences and behaviours among the younger generation.
2. China's workforce participation rate for those aged 25-49 dropped from approximately 90% in 2010 to around 80% in 2020. This figure tells a different story about China's employment situation compared to the relatively stable unemployment rate reported by the National Bureau of Statistics (NBS).
3. The transition out of agriculture in employment has accelerated over the past decade. In 2000, nearly two-thirds of China's workforce were engaged in agricultural jobs, remaining at about 50% in 2010. However, by 2020, the share of agricultural employment had plummeted to approximately 20%, only slightly higher than that of manufacturing employment.
4. China's young population has exhibited distinct employment preferences and behaviours across various aspects. The workforce participation rate decreased from about 50% in 2000 to 30% in 2010, and slightly over 10% in 2020 for those aged 16-19. For those aged 20-24, the rates were a respective 80%, 70% and 50%.
5. These groups are avoiding agricultural and manufacturing jobs. Their occupational mobility leads to service jobs, skilled or unskilled. Notably, 17% of Chinese working adults aged 20-24 or 25-29 had professional/technical jobs in 2020, not far behind those employed in manufacturing (24-25%).
6. The results from the 2020 population census also give rise to a set of unanswered questions. The first pertains to the cause of the declining workforce participation rate. If the drop is attributable to the COVID-19 shock, China's workforce participation may rebound in the post-COVID period. However, it is of greater concern if the decline reflects long-term sociodemographic changes.

7. The second relates to youth unemployment. For undisclosed reasons, the NBS did not publish unemployment data from the 2020 population census. Their monthly urban unemployment survey presents a puzzling contrast for those aged 16-24, which has risen to an astonishingly high level of 20%, and a remarkably stable 5% for those aged 25-59, even during the COVID years.
8. Given that marriage and childbearing typically first occur in the 25-29 age group (and increasingly postponed to 30-34), having a job is even more crucial for them than for those aged 16-24. The question is where the unemployment rate for those aged 25-29 (and 30-34) stands between the two different rates of 20% and 5%.
9. The third revolves around the broader implications of the rapid employment shift across economic sectors. As the young increasingly shy away from agricultural jobs, China's agricultural sector will experience a faster ageing of its workforce than for other sectors, raising concerns about food security and rural decay, while opening up opportunities for technology adoption and upgrading.