Bingqin Li and Huamin Peng

State funded re-employment training, long term unemployment and informal employment in Tianjin, China

Book section

A draft version of:

Li, Bingqin and Huamin Peng (2010) **State funded re-employment training, long term unemployment and informal employment in Tianjin, China.** In: Wu, Fulong and Webster , Chris, (eds.) Marginalization in Urban China: comparative perspectives. Palgrave Macmillan, Basingstoke, UK. ISBN 9780230237728

For finalised version, please consult the book.

Chapter 14 State funded reemployment training and participation of informal employment in Tianjin

Bingqin Li and Huamin Peng

One of the main policies adopted by the state to help people to return to the labour market is training. The idea behind the state funded training programs is, according to Chengping Tian (2006), the Minister of Labour and Social Security, to help the urban laid-off workers to gain the necessary skills so that they are able to work in different jobs in different sectors of the economy. Reemployment training was introduced in China in the late 1990s. The reform has undergone several stages. The first stage was from 1998 to 2000. The target for the stage was to train 6 million laid-off workers and offer them entrepreneurial support. The targeted industries included textile, railway, military and coal industries. These industries suffered the most during the reform of state enterprises (Ministry of Labour, 1998). The second stage was between 2001 and 2005. In this period, the state renewed the earlier training program and planned to train 30 million people in three years (Ministry of Labour and Social Security PRC,

2002). In the third stage starting from 2005, the state announced that it would use skills training to reduce unemployment (State Council PRC, 2005). As part of this strategy, the Ministry of Labour and Social Security published 'The plan for using skills to help reemployment in cities and towns'. The target was to offer skills training to 20 million laid-off workers and make sure post reemployment rate reaches 60 per cent from 2006 to 2010. At the same time, the government wanted to set up a skills verification system in 300 cities so that trainees' skills can be recognized by employers (Ministry of Labour and Social Security PRC, 2005).

How well the policies have achieved its targets is difficult to tell. According to Wan and Zhang (2008), based on a population survey carried out in Jilin Province in 2005, labour participation rate was improved by the state-run reemployment programs. They argue that training has enhanced unemployed people's competitiveness in the labour market. The results of Zhao's (2003) analyses based on data collected in Wuhan led to a similar conclusion. However, the participation rate of reemployment training programs was low. In Wuhan, the participation rate was 5 per cent in 2000 and 14 per cent in 2003 (Hou and Zhao, 1997). What is more, user surveys suggested that unemployed workers tended to report that training programs were not very useful in terms of helping them to find jobs (Qiu 2007). Also, the result could be different for different cities. Bidani et al (2004) found that training dampened reemployment prospects in Shenyang but improved them in Wuhan.

So far, most studies on the state funded training in China treated the unemployed people as a whole group and examined how well training had helped them to find jobs. There are several problems with this approach. First, some unemployed people find

jobs that are temporarily available. They might become unemployed again very soon. Therefore, the reemployment rate of a training program recorded as soon as someone finds a job can be misleading. Second, unless it is a pilot program, most training schemes have already been implemented across the country. It is difficult to find a counterfactual, i.e. training is not available at all. Without this counterfactual, we cannot really establish a causal relationship between training and reemployment simply based on surveys carried out after training programs.

One important characteristics of the Chinese labour market is the lack of respect of informal employment. The era of centrally planned economy saw the establishment of an employment hierarchy, in which people working out side the state and collective sectors were not entitled to state welfare. Although the economic reform since the 1979 helped to establish the status of private sector as formal employers and more recent reforms required private employers to offer equal social protection to the employees, informal employment, such as temporary jobs without formal contract and street vendors, was not recognised as proper sources of employment. This was also reflected in the state employment statistics and the setting of policy targets (Qiu, 2006). Although more attention was paid to the role of informal employment in helping urban unemployed workers to return to their work, the training policies rarely pay special attention to informal employment.

Although the state funded training programs were not designed to help people to become informally employed, it might have played some unexpected roles in helping people start working. If more information can be obtained regarding the role of training in informal employment, further policies that are tailored to take advantage of

informal employment can be more targeted. Therefore, in this chapter, we want to examine to what extent the people who became informally employed also benefited from the state funded training programs and what are the shortcomings of the current system.

It is not possible for us to provide a counterfactual in this research either, so our research shows the correlations. We do not want to overstretch the results to establish causal relations in this chapter (We hope future research based on subjective data in the survey and in depth interviews may be able to offer more insight regarding the user assessment of the training programs). In the following sections of this chapter, we will first review the relevant literature and discuss the frameworks to be used for the analyses, followed by the research findings in Tianjin. We use a survey dataset with 724 officially registered long term unemployed workers in Tianjin in 2006.

In this chapter, we will study registered long term unemployed people only. These people have registered with the state for being unemployed for more than six months. To avoid confusion, we exclude the people who have successfully returned to formal employment and had not yet bothered to take their names off the unemployment record. There are several considerations for selecting this group for our study. First, not all unemployed people are registered in China. The reasons behind the people who are not registered can range from completely giving up, lack of information, to inclination to rely on self-help. However, the people who actually registered for unemployment share a common feature. They are willing to find jobs and obtain official support at the beginning of unemployment. Second, since they are registered with the local authorities, their entitlement to state funded training is confirmed. Third,

the relatively longer period of unemployment means that it is difficult for these people to find formal jobs in the labour market. Because they remain to be unemployed, the 'success' of the state reemployment programs to help people getting back to formal employment is not applicable for this particular group. Finally, the local authorities find it difficult to help this group of people to return to employment (Tian, 2006). Therefore, examining the barriers for these people to return to work and the roles existing policies become very important.

Reemployment training and informal employment

Training and informal employment

Apart from providing occupational skills, the mechanisms that training can help people to return to work have several dimensions. The first is information dissemination which improves awareness of new employment or business opportunities (Ogbonna and Noon, 1999). The second is to provide job searching techniques, such as the training of interviewing skills, resume writing and networking (Davy et al, 1995). The third is the psychological impact. The psychological well-being of the trainees can be improved either through resilience and social skills training (Mitchell and Trickett, 1980; Steensma et al, 2006) or through social participation via taking training courses (Stolte, 2004). The last is the possibility of training to increase people's earning ability. Whether training can improve the trainees' earning ability is not always clear (Finn and Simmonds, 2003). However, if we take into consideration the possibility of the unemployed returning to employment

after training, it can be practically treated as an augment in the earning ability (Lund, 2002; Maree and Mokhuane, 2007).

Given the characteristics of informal employment, some elements of training can be particularly useful. For example, people who had been working in the formal sector might not be aware that informal employment can be an alternative. Another example is that informal employment opportunities are often presented to the potential workers through informal networks. Therefore, bringing the unemployed people out of their home and helping them to build up social networks can be potentially important. Also, informal employment often requires a different set of skills such as entrepreneurship, or knowledge of specific types of markets that may not necessarily be required as employees in the formal sector. In this sense, training can be useful in facilitating informal employment.

The relationship between training and informal employment is mostly discussed in the literature about developing countries. Earlier studies suggest that reemployment training has generated a greater dynamics in the labour market and increased the ability of the unemployed to adjust to the labour market conditions and helped them to get out of poverty (Calderón-Madrid and Trejo; The Research Group from the Dept. of Training and Employment in the Ministry of Labour and Social Security PRC, 2002; Zeng, 2005). However, these previous studies often focus on the direct relationship between training and the employment results.

Many evaluations of reemployment training programs focus on the training of vocational skills and the reemployment outcomes. However, it is quite difficult to pin

down a direct relationship between a specific training program and the reemployment result, especially if the employment outcome is in the informal sector. To gain a better understanding of how well a training system works for informal employment, it is necessary to examine how the training system performs regarding the different dimensions of employment, i.e. awareness of employment opportunities, improving job searching techniques, improving psychological well being and improving the earning ability.

In the following section of this chapter, we will examine the role of the reemployment training system in Tianjin in helping the long term unemployed people to work in the informal sector. The analyses will use the multi-dimensional approach.

The research of Tianjin

In this section of the chapter, we are going to use official documents published by the related authorities in the Tianjin Government and a survey of Tianjin to examine how well the training programs have performed in the different dimensions of training with a specific focus on informal employment.

Tianjin is one of the four municipalities directly under the control of the central government. The total registered population is 11 million. The city is a main industrial and business centre and acted as the largest seaport in North China during the era of centrally planned economy. During the economic reform, it suffered from massive unemployment. Some unemployed people found it difficult to return to the labour market and became long-term unemployed. As the local economy became better, the

local authorities targeted reemployment and the number of registered long-term unemployed people reduced over time, but it became increasingly difficult to further reduce that number (see Table 14.1).

[Table 14.1 is about here]

Sampling

We focus on the people who are officially registered as being unemployed. At the time of registration, the applicant had to be: (1) unemployed and willing to work; (2) have non-agricultural *hukou* (household registration); (3) men aged 16-60 and women aged 16-55; and (4) registered with the local reemployment centre for more than six months.

The survey was carried out between May and June 2006. The interviewees came from six inner city areas: Heping, Nankai, Hedong, Hexi, Hebei and Hongqiao districts. There are several neighbourhoods in each district. We selected two neighbourhoods each that had the largest numbers of registered unemployed people in the six districts. The committees of each neighbourhood held a registration list of the unemployed. We used these lists to carry out sampling. We selected 83 to 85 people who had been unemployed for more than six months from the twelve neighbourhoods. In total, 1,000 people (500 women and 500 men) were selected, and 831 were interviewed.

The survey took place at the interviewees' homes. They were presented with a questionnaire to fill out in the interviewer's presence. The interviewer would give

clarifying answers to the interviewees' inquiries. The questionnaire had seven parts: personal and family details, before unemployment, during unemployment and job searching, current living and earnings, social security coverage, social support and assistance received for reemployment.

For the purpose of this particular research, we do not include the following respondents: 1) people who were working formally but did not report to the local authorities; 2) people who participated in private training. The total number of respondents is 724.

Background of the respondents

As shown in Table 14.2, the interviewees were on average 43.5 years' old. The youngest was 23 and the oldest 60. There were 363 men and 361 women. Most of the respondents were married or had partners. Only 7.7 per cent did not have a partner. They were single, divorced or widowed. Most respondents had high school education or less. About one third completed secondary school or less. 55.5 per cent graduated from high school. About one in eight had higher education. 71 per cent of the respondents did not have officially recognized skills. 81.2 per cent considered themselves to be healthy. Among 18 per cent who had health problems, 36 people suffered from disabilities

[Table 14.2 is about here]

About 26.2 per cent interviewees lived together with their elderly parents. About 35.6 per cent households had one or more children in education. About 12.4 per cent had working children and 9.9 per cent whose children were also unemployed at the time of the interviews. About 25.1 per cent of the respondents' partners were also unemployed in employment. The average income of the respondents per month is less than 250 Yuan per month. Their family members' average income was more than 580 Yuan per month. The income of other family members is divided into four groups (zero, under 500 Yuan, between 500 to 1,000 Yuan and over 1,000 Yuan), the distribution is shown in Table 14.1.

Before the respondents lost their job, the mean income was 602 Yuan per month. The interviewees came from all different sectors of the economy. However, a large proportion for the public sector (57.9 per cent) before they lost their jobs. 69.3 per cent worked as permanent employees before they lost their jobs.

The respondents had on average left their previous job 14.7 months ago. About 65 per cent of the respondents had participated in state run reemployment training programs. As expected, most respondents tried to look for jobs in the past year. As time moves on, fewer people continued to search. This could be because that they found a job, started their own business, or simply gave up. About 20 per cent of the respondents relied on the state or their previous work units to find new jobs. The rest would not follow these organized channels.

The unemployment training system in Tianjin

In the city of Tianjin, a series of training policies have been adopted to respond to the national training guideline. According to the 'Regulations on Offering Subsidies to Free Reemployment Training Programs in Tianjin' (Tianjin Training Centre, 2006), training schools/institutes would receive subsidies from the government. Prospective trainees should be laid-off workers from the state sector and the urban unemployed. Trainees should have registered with the local authorities and not yet received licences for self-employment. Each person is entitled to one free training course. Training programs have several categorises. There are financial incentives attached to each program to make sure that the training programs can achieve reemployment results. The first category of training is targeted training, in which the trainees or training schools and future employers sign up agreements. Once a trainee completes the training and has passed exams, the employer will hire them. Training can be offered either by the employers directly to the trainees or by a training school. The total number of hours of each training program is longer than 80 hours. The student who wants to pass the exams should attend no less than 80 per cent of the total number of classes. If after a training program ends, the reemployment rate is higher than 60 per cent, the government will pay 300 Yuan per trainee to the school.

The second category is general training, in which neither the training school nor the trainees have the employers' guarantee before the program starts. The courses have to be on the state designated set of skills. If a training program is longer than 100 hours, the attendance rate is higher than 80 per cent, and more than 50 per cent of the trainees pass the exams, the school can receive a subsidy of 300 Yuan for each trainee. If within half a year, more than 50 per cent of the trainees become employed, the

government will give 200 Yuan to the training institute for each person who finds a job.

The third category of training, which is relatively new, is the entrepreneurship training. The program is designed to help people who want to become self-employed. The training program should be more than 100 hours and if the attendance rate is higher than 90 per cent, at the end of the program, the training institute can receive 300 Yuan per trainee. At least within one month after the program is completed, the training school is required to continue providing consultative services to the trainees. If more than 60 per cent of the trainees start their own businesses and registered as being self-employed with the necessary licences, the government will give 700 Yuan for each successfully self-employed trainee.

Several characteristics can be observed regarding the various dimensions of training policies. First, the focus of training programs is on vocational skills. The financial rewards attached to the reemployment outcomes generate incentives for schools to offer training programs that are more suitable to the demand in the job market. However, what would be counted as being re-employed is a gray area. Whether a short-term temporary job is a case of successful reemployment is not spelt out in the national policies. In practice, it is very difficult for the state to trace the employment status of a former student once he/she graduates from the school. Therefore, though there is no specific policy trying to use training programs to boost informal employment, the built-in financial incentive mechanism almost certainly generates better incentives for the schools to push students into any jobs that are available in the market. Second, there is a shortage of training program aiming at providing basic

information and guidelines to help the unemployed be better prepared for the life after unemployment and understand the scenario for reemployment. Third, though participation of training programs can generate a sense of social participation, there is no training program that tries to address the psychological needs of the unemployed. Lastly, there is no specific target about the earning ability of the trainees. Therefore, it is difficult to tell by looking at the policies only.

Take up of reemployment training

The unemployed people in Tianjin are entitled to a 15-day free training course if they are able to prove eligibility. They can select from a wide range of courses, which have to be in the skills training list published by the state (Table 14.3). Twenty-six types of training courses are reported by the interviewees. The most popular courses are computer, flower arrangement, domestic helping and cooking. It is important to note that though the local state did not deliberately arranging courses for the informal sector, a number of training courses such as flower arrangement and domestic helping, cook, knitting are also suitable for self-employment and informal employment in the labour market.

[Table 14.3 is about here]

As shown in Table 14.4, 64.5 per cent of the respondents participated in the state funded reemployment programs. Women have a higher rate of participation rate than men. People with higher educational levels are more likely to participate in the reemployment programs.

[Table 14.4 is about here]

Take up of state funded training

We used a logistic regression model to examine the take up of state funded training and its relation to other factors. The regression results are reported in Table 14.5.

Among the social demographic variables, age does not appear to matter very much. Although statistically insignificant, one can still observe that people older than 48 were more active in going to trainings than younger people. Women were much more likely to participate in training than men.

Human capitals worked differently. Our findings do not support the results suggested in the data from developed countries (Galasso, Ravallion and Salvia 2004; Tatmolem and Warwicensis 2000, McKenzie and Long, 1995) which suggest that people with higher prior education attainment are more likely to participate in training. This is probably because there was no official requirement on the education background of the prospective trainees. In Tianjin, however, people with primary and medium skills levels were much more likely to take up training than people with no officially recognized skills. This is probably because the people with some skills were more aware of the importance of suitable skills in the labour market. As expected, disability also affected training participation. However, the result is not statistically significant.

Employment factors can be relevant. People who quitted from their jobs were more likely to take up training. However, other variables are controlled, the correlation becomes very small. An unexpected result is the longer a person was unemployed, the less likely that he/she would go for training. This may be related to the fact that government funded training programs did not have a very long history. People who were unemployed earlier were less likely to catch up with the training started long after they completed unemployment registration. Another possible explanation could be that newly unemployed people who were usually eager to return to work were more likely to take up training in the hope of finding another job as soon as possible. In this sense, we can tell that institutional settings are indeed correlated with people's decision making.

[Table 14.5 is about here]

Psychological wellbeing of the long term unemployed people

In this section, we try to look at the role of training in improving the psychological wellbeing of the underemployed. The psychological wellbeing is observed in three ways: reported health conditions; life satisfaction; and job searching efforts. The reason that we include job searching efforts as an indicator for subjective wellbeing is that we consider lack of search effort can be a result of mental health issues or poor life satisfaction. This has been discussed in Vansteenkiste et al (2005) and Vansteenkiste et al (2004).

Table 14.5 shows the result regarding health and life satisfaction. The results of the logistic model show that it was significantly related to training participation. People who considered themselves healthy were much more likely to participate in training. The life satisfaction has 10 values ranging from 1, the lowest life satisfaction, to 10, the highest life satisfaction. The impact of life satisfaction is not significant in this model. [1]

We only look at the job searching efforts of those who were not working at the time of our interviews. Some of them have participated in training and some did not. We asked whether they had looked for a job in the past two weeks, one month, three months and one year. The cross-tabulation suggests that in all the different periods listed, people who had participated in training was significantly more active in job searching than the rest (Table 14.6).

[Table 14.6 is about here]

Informal employment and training

We asked the interviewees who actually participated in the training courses whether they thought the courses were useful. We deliberately phrased the question somewhat vaguely so that the idea of usefulness would not be limited to job matching only. About half interviewees reported that the free courses were indeed somewhat useful. Seventeen per cent was indifferent. Another thirty per cent were negative. If we further examine the response by the original skills level of the interviewees, as shown in Table 14.7, people at all different skills levels found the courses useful for them.

People with medium or lower skills were more likely to consider the courses useful. However, instead of remaining indifferent, people with medium or lower skills are also more likely to report that the trainings were not useful to them.

[Table 14.7 is about here]

Intuitively, people with high skill levels were overqualified for the basic skills trainings. The research did not find strong evidence that they were much less happy about the courses on offer than the other trainees. On the contrary, people without any skills had the largest proportion of unsatisfied trainees. If we look at the reported usefulness by working status, people who had been working informally reported a greater satisfaction rate with the courses (Table 14.8).

[Table 14.8 is about here]

We asked a further question about the reason for non-participation. 240 people responded to this question. The results are shown in Table 14.9. A large proportion of the respondents were not aware that the training courses were free and said that they could not afford the training. About twenty per cent of the respondents were not sure what they could study. Another group clearly showed a sign of lacking in confidence in their learning ability, either using age, intelligence or bad mood as excuses for not studying. There was also an element of distrust in the intention of the training schools.

[Table 14.9 is about here]

Putting these results together, we can see that the information about the courses and the potentials of the unemployed people were not very well communicated to the unemployed. What is more, offering skills training would only be partly useful. It is equally important to encourage people without much confidence or little understanding of the prospect of their future to get into the classroom first before they can really benefit from the trainings on offer.

The employment outcomes of training

User evaluation of the training programs are important, however it is also important to examine whether trainees are more likely to be able to find jobs in the informal market than the non-trainees. We use a binary logistic regression to examine the relationship between participation in informal employment and five sets of variables. They are demographic variables, household characteristics, characteristics of the previous jobs, benefit received, and job searching variables. The selection of variables are based on the hypothesis that decision to work informally can be a result of financial desperation, willingness to work and the attitudinal acceptance of informal employment as an alternative to formal employment.

As shown in Table 14.10, state-funded reemployment training were positively related to informal employment participation, though in this model it is not statistically significant after other variables are controlled.

[Table 14.10 is about here]

Earning ability of training

So far we have divided the respondents by training participation and informal employment. Not all the informally employed have participated in training. In this part of the analyses, we only examine people who were informally employed. A series of independent variables are used in a regression model of log income. Training is included as a repressor to see whether it can help to boost the earnings of the informally employed.

Apart from demographic variables, we mainly include human capital and social capital variables in the analyses. The hypothesis is that higher education and skills level and social network may contribute to the earning ability of the informally employed. Given that the state funded training that is used to enhance employability and earning ability, we can try to see whether it is the case in reality.

The income model cannot demonstrate that there is a significant correlation between state-funded training and informal income. What really mattered were age, sex, health and social networking. The age group that are older than 48 was earning less than the younger group. Men on average earned more than women. This confirmed the claims made by researchers on women's unequal position in the labour market. People who perceived that they were in poorer health conditions also earned less than people who were less pessimistic about their health conditions. What is striking is the impact of socializing. People who are socially withdrawn since they become unemployed were earning less in the informal jobs.

[Table 14.11 is about here]

Conclusion and policy suggestions

This research provides important evidence regarding the role of state-funded training on the circumstances and behaviour of the long term unemployed people. We argue that the role of training regarding reemployment should be examined in several dimensions: information dissemination and guidance to reemployment, outcome of reemployment, earning ability and the well-being of the unemployed.

The state funded training programs in Tianjin have focused on offering skills trainings to the unemployed. Our research on the registered long term unemployed people in 2006 shows that the current training programs adopted in Tianjin has several achievements. Training participation rate is quite high comparing to the training rates reported in other research using data from other cities in the country. This is probably because the training programs were free and without special requirement in terms of education or skills qualification.

People who have participated in training either work informally or did not report better results in terms of psychological wellbeing. It is difficult to tell in which direction the causal relationship goes. Is it because people who are happier in nature are more likely to participate in the training programs or is it because training programs offer better social participation that make the life after unemployment less miserable? Certainly more research is needed in this respect.

A fairly large proportion of the respondents reported that they felt the training programs were at least somewhat useful to their life after unemployed. This is not limited to job hunting. However, the purpose of reemployment training is to improve employability and the earning ability of the trainees. Our research shows that the training courses appear to be not very effective. Informal employment has indeed opened up new channels of self help and coping. However, training seems to be not very effective in helping the people who could not find jobs in the formal sector to get into informal employment.

The approach we have taken in this research offers several insights on the future reform of the system. First, the focus on vocational skills training might be more useful for people who have targeted sectors for future employment. However, a lot of the long term unemployed workers (57.9 per cent) used to work for the state sector and were not yet used to the fact that they needed to find a suitable career in the market on their own. As a result, they do not know what to study and what might be most suitable for themselves personally. Some unemployed people especially the long term unemployed have a strong sense of failure and do not think that they are able to take up new skills and work in a new job again. Without being able to attract these people out of their home, there is little hope to improve the employability through skills training. Therefore, it is important for the state to offer either supplementary training programs or tutoring services to guide the potential trainees about the prospect in their life. This needs to be done when they first get registered as an unemployed person. Second, given that some people who do not take training courses are also less happy in their life. Some methods to help them improve the subjective

wellbeing such as training courses or counselling services to encourage them to gain confident can be useful.

The newly offered training program to help people to start their own businesses is an important step to recognize the importance of self employment as an alternative to formal employment. This may be the first step. Informal employment is in various forms. Unregistered self-employment, such as street businesses is only one of them. There may also be jobs that are temporarily available in the formal sector, in other informal businesses and in communities. So far, most of these informal employment opportunities are open to potential employees through personal contacts. Training programs have the potential to be transformed into useful networks. This has been achieved with the training programs related to formal employment through signing up agreements with employers. However, with informal employment, the ability of using training programs to provide trainees with more stable working opportunities so as to improve their earning ability is yet developed.

Acknowledgement: This research project is funded by the British Academy Small Research Grant.

References

Bidani, B., C. Goh, and C. O'Leary (2004) 'Has Training Helped Employ Xiagang in China?: A Tale from Two Cities' *Poverty Reduction and Economic Management Unit, East Asia and Pacific Region report*,

http://info.worldbank.org/etools/docs/library/74068/china/readings/oct28/bidaniengl.pdf, access date 21/10/2009.

Calderón-Madrid, A., and B. Trejo. (2002) 'The Impact of the Mexican Training Program for Unemployed Workers on Re-employment Dynamics and on Earnings' Paper presented at the*10th International Conference on Panel Data*, Berlin, July 5-6, No. A2-1.

Davy, J. A., J. S. Anderson, and N. DiMarco (1995) 'Outcome comparisons of formal outplacement services and informal support' *Human Resource Development Quarterly* 6:275-88.

Galasso, E., M. Ravallion, and A. Salvia (2004) 'Assisting the Transition from Workfare to Work: A Randomized Experiment.' *Industrial and Labour Relations Review* 58:128-142.

Finn, D. amd D. Simmonds (2003) *Intermediate Labour Markets in Britain and an International Review of Transitional Employment Programmes*: Department for Work and Pensions, http://campaigns.dwp.gov.uk/asd/asd5/working_age/wa2003/173rep.pdf

Hou, W. and N. Zhao (1997) 'How to improve the efficiency of re-employment training' *Journal of Liaoning Administration College* 9:84-85.

Lund, F (2002) 'Social security and the changing labour market: Access for non-standard and informal workers in South Africa' *Social Dynamics* 28:177-206.

Maree, J. G., and Q. E. M. Mokhuane (2007) 'First Steps in Developing a Community-Based Teacher Training Program Designed to Educate Children to Be Emotionally 1ntelligent.' *Educating People to Be Emotionally Intelligent* 1:40.

McKenzie, P. and M. Long (1995) 'Educational Attainment and Participation in Training', ACER-CEET, Working Paper No. 4..

Ministry of Labour and Social Security PRC (2002) 'The background of re-employment training for laid-off workers and the unemployed' Re-employment Department.http://www.lm.gov.cn/gb/training/2002-05/13/content_401.htm, access date: 21/10/2009

Ministry of Labour and Social Security PRC (2005) @The plan for using skills to help re-employment in cities and towns (chengzhen jineng zai jiuye jihua).'Ministry of Labour and Social Security PRC, MLOSS[2005]30.

Ministry of Labour, PRC (1998) 'The Plan to Train 10 Million People in Three Years to Help Re-employment' Ministry of Labour 1998[36], http://www.gdjy.lss.gov.cn/ONEWS.asp?id=124, Access date: 21/10/2009

Mitchell, R. E., and E. J. Trickett (1980) 'Task force report: Social networks as mediators of social support.' *Community Mental Health Journal* 16:27-44.

Ogbonna, E., and M. Noon (1999) 'A new deal or new disadvantage?' *International Journal of Manpower*, 20:165-178.

Qiu, L. (2007) 'Re-employment difficulties of urban poor households.' *Beijing Observation* 10:pp26-27.

Qiu, Y. (2006) 'Discussion on Several Problems about Informal Employment Statistics' *Statistics & Information Forum*, 21:52-55.

State Council PRC (2005) 'Decision on making great efforts to develop occupational training (guowuyuan guanyu dali fazhan zhiye jiaoyu de jueding)'State Council [2005]35, http://www.gov.cn/zwgk/2005-11/09/content_94296.htm, access date: 16/05/2010.

Steensma, H., M. D. Heijer, and V. Stallen (2006) 'Research Note: Effects of Resilience Training on the Reduction of Stress and Depression among Dutch Workers.' *International Quarterly of Community Health Education* 27:145-159.

Stolte, O. (2004) 'The Measurement of Training Opportunities Course Outcomes: An Effective Policy Tool?' *Social Policy Journal of New Zealand* 21:137-159.

Tatmolem, M., and U. Warwicensis (2000) 'Poor skills at regional and local level.' No. 52: IER Bulletin

The Research Group from the Dept. of Training and Employment in the Ministry of Labour and Social Security PRC (2002) *Skills training in the informal sector in China* (International Labour Office). http://www.ilo.int/dyn/infoecon/docs/49/F794461479/Skills%20China.pdf, access date: 21/10/2009

Tian, Chengping (2006) 'Actively improving employment and facilitating social harmoney(jiji kuoda jiuye cujin shehui hexie).' in *Information from Ministries*, edited by Ju Huang: People.com.cn: 13/11/2008: http://politics.people.com.cn/GB/1027/5098246.html, Access date: 21/10/2009

Tianjin Training Centre (2006) *Regulation on Offering Subsidies to Free Reemployment Training Programs in Tianjin (Tianjin Shi Mianfei Zaijiuye Peixun Butie Banfa)* http://www.tjpxjd.com/9/Article/ShowArticle.asp?ArticleID=1242, Access date: 21/10/2009

Vansteenkiste, M., W. Lens, H. De Witte, and N. T. Feather (2005) 'Understanding unemployed people's job search behaviour, unemployment experience and

well-being: A comparison of expectancy-value theory and self-determination theory.' *British Journal of Social Psychology* 44:268-286.

Vansteenkiste, M., W. Lens, S. De Witte, H. De Witte, and E. L. Deci (2004) 'The why? and why not? of job search behaviour: their relation to searching, unemployment experience, and well-being.' *European Journal of Social Psychology* 34:345-363.

Wan, X, and Zhang, S. (2008) 'Status and Causes of the Urban Residents' Labour Force Participation——Evidence from the Micro Data in China.' *Journal of Northwest Normal University (Social Sciences)* 45:115-119.

Zeng, D. Z. (2005) 'China's Employment Challenges and Strategies after the WTO Accession.' *World Bank Policy Research Working Paper Series with number 3522.*

Zhao, Y. (2003) 'The choice of re-employment channels and its determinants--Survey results from Wuhan' *Social Sciences Shanghai China* 1:73-78.

Tables

Table 14.1 Unemployment rate and number of long-term unemployed in urban Tianjin

	2001	2002	2003	2004	2005	2006
Urban unemployment rate (%)	3.6	3.9	3.8	3.8	3.7	3.6
No. of long-term unemployed (thousands)	102.6	109.1	48.1	52.0	---	---

Source: Tianjin Statistical Yearbook (various years).

Table 14.2 Descriptive statistics

	No. of cases	**Mean**	**S.D.**				
Age	724	43.6	6.8	***Age by group***			
	No. of cases	**%**					
				Age≤40	206	28.5	28.5
Age>50				40<Age≤44	184	25.4	53.9
No	588	81.2		44<Age≤48	152	21.0	74.9
Yes	136	18.8		Age>48	182	25.1	100.0
Sex				***Marriage status***			
Male	363	50.1		married or cohabit	668	92.3	92.3
Female	361	49.9		Single, divorced or widowed	56	7.7	100.0
Educational level				***Skills level***			
Secondary school+	230	31.8	31.8	Medium+	114	15.8	15.8
High	402	55.5	87.3	Primary	97	13.4	28.2

/vocational school							
Higher education	92	12.7	100.0	No skill	513	70.9	100.0
Health				***Disability***			
No health problems	587	81.2	81.2		688	95.0	95.0
In poor health	136	18.8	100.0	Has disability	36	5.0	100.0
Parents living together				***Children in education***			
Yes	190	26.2	26.2	No	258	35.6	35.6
No	534	73.8	100.0	Yes	466	64.4	100.0
Have working children				***Have unemployed children***			
No	634	87.6	87.6	No	652	90.1	90.1
Yes	90	12.4	100.0	Yes	72	9.9	100.0
Partner in employment				***Owe money to others***			
No	472	65.2	65.2	No	476	65.8	65.8
Yes	252	34.8	100.	Yes	248	34.3	100.

			0				0
Sector				***Previous salary ≥1000 Yuan***			
Public sector	419	57.9	100.0	No	463	64.0	64.0
Other sectors	305	42.1	42.1	Yes	261	36.1	100.0
Large company (>1000 employees)				***Quit or fired***			
No	589	81.4	81.4	Fired	680	93.9	93.9
Yes	135	18.7	100.0	Quit	44	6.1	100.0
Unemployment compensation				***Family member's income (Yuan/month)***			
No	221	30.5		X =0	184	25.4	25.4
Yes	503	69.5		0<X≤500	192	26.5	51.9
Contract type				500<X≤1000	280	38.7	90.6
Formal (permanent)	502	69.3		X>1000	68	9.4	100.0
Termed contract/	222	30.7					

temporary							
	No. of cases	**Mean**	**S.D.**		**No of cases**	**Mean**	**S.D.**
Respondent's current income	724	241.0	528.6	***Family members' current income***	724	583.0	596.8
Years worked for pervious employer	722	19.0	8.5	**Income before unemployed**	722	601.9	850.5
Length of unemployment (months)	*724*	*14.7*	*9.4*				

Source: 2006 survey

Table 14.3 Courses offered by the state-funded training

Course	No of cases	%	Course	No. of cases	%
Computer Application	219	30.3	Storage Management	1	0.1
Flower Arrangement	97	13.4	Sales	1	0.1
Domestic Helping	39	5.4	Mobile Phone Repair	1	0.1
Cook	32	4.4	Machinery Maintenance	1	0.1
Electrician	13	1.8	Knitting	1	0.1
Electronic Appliance Repair	11	1.5	Interior Decoration	1	0.1
Nutritionist	10	1.4	Hairdressing	1	0.1
Welding	4	0.6	Estate Management	1	0.1
Car Maintenance	4	0.6	Entrepreneurship	1	0.1
Massage	3	0.4	Driving	1	0.1
Beauty Treatment	3	0.4	Computer Maintenance	1	0.1
Security Guard	2	0.3	Chinese Medicine	1	0.1

Waiter	1	0.1	NA	274	37.9
Total	**724**	**100.0**			

Source: Tianjin survey 2006

Table 14.4 State reemployment training participation

	Total		**Sex**				**Education**			
	No.	%	Female	%	Male	%	High school+	%	Secondary school-	%
No	257	35.5	109	30.0	148	41.0	166	33.6	91	39.6
Yes	467	64.5	254	70.0	213	59.0	328	66.4	139	60.4
Total	724	100.0	363	100.0	361	100.0	694	100.0	230	100.0

Note: “Higher school+” includes high school. “Secondary school-“includes secondary school.

Source: Tianjin survey 2006.

Table 14.5 Binary logistic regression for training with state funded programs

(dependent variable = 1. trained; 0. Not Trained)

	Odds Ratio	Std. Err.	z	P>z	[95% Conf.	Interval]
age50 (0, age<50; 1, age>=50)	2.24	0.58	3.10	0.00	1.35	3.73
Sex (1.male; 0. female)	0.53	0.10	-3.51	0.00	0.37	0.75
Education (high school)a	1.01	0.20	0.03	0.97	0.68	1.48
Education (higher)[a]	0.91	0.25	-0.33	0.74	0.54	1.56
Skill level (primary)[b]	1.99	0.55	2.49	0.01	1.16	3.42
Skill level (medium)[b]	0.89	0.30	-0.35	0.73	0.47	1.71
Poor health (1. poor health; 0. healthy)	0.65	0.14	-1.99	0.05	0.42	0.99
Quit/fired (1. Quit; 0. fired)	1.83	0.74	1.48	0.14	0.82	4.06
No. of months unemployed	1.00	0.00	2.96	0.00	1.00	1.00
Disability (0. disabled; 1 not disabled)	0.59	0.22	-1.46	0.15	0.28	1.20
Have school-age children (1. yes; 0. no)	1.22	0.22	1.11	0.27	0.86	1.74
Work in the future (1. Possible; 0. give up)	1.45	0.35	1.53	0.13	0.90	2.32
Life satisfaction (1-10)	1.05	0.03	1.69	0.09	0.99	1.12

Note:

a. Education (Secondary) is the reference category.

b. Skill level (No officially recognised skill) is omitted.

c. Number of obs. = 723; LR chi2 (13) = 59.84; Prob. > chi2 = 0.0000;

Log likelihood = -440.58101; Pseudo R2 = 0.0636

Source: 2006 survey

Table 14.6 Job searching by training participation

Job Search	Training Participation											
	In 1 Year[a]			In 3 Months[b]			In 1 Month[c]			In 2 Weeks[d]		
	No	Yes	Total	No	Yes	Total	No	Yes	Total	No	Yes	Total
No	69	83	152	99	134	233	107	157	264	113	175	288
%	44.8	30.4	35.6	64.3	49.1	54.6	69.5	57.5	61.8	73.4	64.1	67.5
Yes	85	190	275	55	139	194	47	116	163	41	98	139
%	55.2	69.6	64.4	35.7	50.9	45.4	30.5	42.5	38.2	26.6	35.9	32.6
Total	154	273	427	154	273	427	154	273	427	154	273	427
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note:

a. Pearson chi2(1) = 8.9083 Pr = 0.003

b. Pearson chi2(1) = 9.1775 Pr = 0.002

c. Pearson chi2(1) = 5.9787 Pr = 0.014

d. Pearson chi2(1) = 3.8569 Pr = 0.050

Source: 2006 survey

Table 14.7 Reported usefulness of training by skill levels

	High	**%**	**Medium**	**%**	**Primary**	**%**	**No**	**%**	**Total**	**%**
Useful	7	43.8	37	54.4	44	60.3	159	52.1	247	53.5
Indifferent	6	37.5	12	17.6	14	19.2	45	14.8	77	16.7
Not useful	3	18.8	19	27.9	15	20.5	101	33.1	138	29.9
Total	16	100.0	68	100.0	73	100.0	305	100.0	462	100.0

Source: 2006 survey

Table 14.8 Reported usefulness of training by working status (working informally and not working)

	Not working	**%**	**Working informally**	**%**	**Total**	**%**
Useful	96	47.5	151	58.1	247	53.5
No preference	40	19.8	37	14.2	77	16.7
Not very useful	66	32.7	72	27.7	138	29.9
Total	202	100.0	260	100.0	462	100.0

Source: 2006 survey

Table 14.9 Why did you decide not to take training courses?

	No. of cases	**Percent**
I want to study, but I have no money.	74	30.8
I do not know what to study.	48	20.0
Even if I had studied, I would still not be able to find a job.	43	17.9
I am too old. I do not want to learn new things again.	25	10.4
I am too slow. I cannot understand anything they teach.	22	9.2
I have no time to study.	16	6.7
The schools only want to make money. I do not think I will be able to learn anything.	7	2.9
I am suffering from health problem and cannot study.	2	0.8
The schools are at inconvenient location.	2	0.8
I am depressed and do not want to study.	1	0.4
Total	240	100.0

Source: 2006 survey

Table 14.10 Binary logistic regression for informal employment (dependent variable = 1 for information employment)

	Odds Ratio	Std. Err.	z	Significance
Social demographic				
Age>=50 (1. yes; 0. no)	0.257	0.086	-4.050	0.000
Sex (1. male; 0. female)	2.453	0.559	3.940	0.000
Marriage status (0. single, widowed or divorced; 1. married or cohabit)	1.761	0.659	1.510	0.130
Education (high school)[a]	1.845	0.424	2.670	0.008
Education (higher)[a]	1.110	0.377	0.310	0.759
Skill level (primary)[b]	1.852	0.556	2.050	0.040
Skill level (medium)[b]	0.914	0.239	-0.340	0.732
Poor health (1. poor health; 0. not poor health)	0.728	0.187	-1.240	0.216
Disability (1. with disability; 2 without disability)	0.867	0.389	-0.320	0.750
Household characteristics				
Have school age children (1. yes; 0. no)	1.725	0.496	1.890	0.058
Have working children (1. yes; 0. no)	2.415	0.964	2.210	0.027
Have unemployed children (1. yes; 0. no)	1.870	0.755	1.550	0.121
Partner in employment (1. yes; 0. no)	0.323	0.070	-5.200	0.000

Parents living together (1. yes; 0. no)	0.902	0.194	-0.480	0.631
Income of family members(0<x<=500) [c]	11.773	3.456	8.400	0.000
Income of family members (500<x<=1000) [c]	5.972	1.570	6.800	0.000
Income of family members (x>1000) [c]	2.865	1.062	2.840	0.004
Owe money to others (1. yes; 0. no)	0.734	0.144	-1.570	0.116
Previous employment				
Working in public sector in the past (1. yes; 0. no)	1.012	0.203	0.060	0.951
Formal employee (1. yes; 0. no)	0.737	0.165	-1.360	0.173
Earned more than 1000yuan (1. yes; 0. no)	0.710	0.141	-1.720	0.085
No. of years in previous job	1.101	0.054	1.980	0.048
No. of years in previous job, sq.	0.997	0.001	-2.140	0.032
Worked for a large company (>=1000 people) (1. yes; 0. no)	0.664	0.158	-1.720	0.085
Unemployment				
Unemployment compensation (1. yes; 0. no)	0.774	0.163	-1.210	0.224
No. of months unemployed	1.020	0.033	0.630	0.530
No. of months unemployed, sq	1.000	0.001	-0.560	0.575
Reemployment				
State re-employment training (1. yes; 0.	1.375	0.275	1.590	0.112

no)				
Looked for job in 1 year (1. yes; 0. no)	1.018	0.277	0.070	0.946
Looked for job in 3 months (1. yes; 0. no)	1.835	0.695	1.600	0.109
Looked for job in 1 month (1. yes; 0. no)	0.452	0.219	-1.640	0.100
Looked for job in 2 weeks (1. yes; 0. no)	1.763	0.698	1.430	0.152
Looked for job with state/work unit help (1. yes; 0. no)	1.588	0.400	1.830	0.067
Expected income (0<x<=500)[d]	4.047	1.436	3.940	0.000
Expected income (500<x<=1000)[d]	1.586	0.394	1.860	0.063
Expected income (x>1000)[d]	1.765	0.540	1.860	0.064
N=	721			
LR chi2=	242.3			
Prob.>chi2=	0.000			
Pseudo R2=	0.244			
Log likelihood =	-375.1			

a. Education (Secondary) is the reference category.

b. Skill level (No officially recognized skill) is the reference category.

c. “Income of family members =0” is the reference category.

d. “Expected income=0” is the reference category.

Source: 2006 survey

Table 14.11 Multiple variable regression (dependent variable is log income)

	Co-efficient	**Std. Err.**	**t**	**significance**
Age40-44[a]	-0.061	0.081	-0.760	0.448
Age44-48[a]	-0.129	0.086	-1.500	0.134
Age>48[a]	-0.227	0.094	-2.410	0.016
Sex (1. Male; 0. Female)	0.300	0.065	4.630	0.000
Training (1. Yes; 0. No)	0.097	0.063	1.550	0.123
Education (high school)[b]	0.118	0.073	1.610	0.108
Education (higher)[b]	0.135	0.109	1.240	0.216
Skill level (primary)[c]	-0.094	0.082	-1.140	0.255
Skill level (medium)[c]	0.128	0.089	1.430	0.154
Poor health (1. Yes; 0. No)	-0.197	0.094	-2.110	0.036
Socialising (1. Not less than before; 0. Less than before)	0.270	0.062	4.310	0.000
Constant	5.901	0.103	57.480	0.000
R-square: 0.186; Adjusted R-square: 0.153				

Note:

a. Age<=40 is the reference category.

b. Education (Secondary) is the reference category.

c. Skill level (No officially recognised skill) is the reference category.

Source: 2006 survey

[1] We also tried to group life satisfaction scores into (1-2), (3-4), (5-6), (7-8) and (9-10) separately to see whether there is a difference (model not presented in this paper). Comparing to people who were very dissatisfied with their life, higher level of satisfaction are more likely to participate in training. However, the differences are not statistically significant in this dataset. A large dataset might be able to offer more fruitful information in this respect.