

Research on the Labor Force Participation Rates of Countries along “the Belt and Road”

Xiaoyi Yang^{1,a,*}, Meixia Shi^{2,b}

¹School of Economics and Management Beijing Jiaotong University in Beijing, China

²School of Economics and Management Beijing Jiaotong University in Beijing, China

^a17120561@bjtu.edu.cn, ^bmxshi@bjtu.edu.cn

*Corresponding author

Keywords: the Belt and Road initiative, Labor Force Participation Rate, Descriptive Statistics, Comparative study.

Abstract. The Belt and Road Initiative is an important strategy to promote Chinese enterprises “going out” and the labor force participation rate is an important index to measure the employment situation of a country or region. This article analyzed the average labor force participation rate of 63 countries in 2016 and 2017 along “the Belt and Road” countries by sub regional and country-by-country and find that the degree of labor participation from high to low are southeast Asia, central Asia, south Asia, east Asia, CIS, west Asia, central and eastern Europe, and some other regional characteristics.

1. Introduction

Since the “the Belt and Road” initiative was launched in 2013, our government has been mainly committed to forming strategic consensus and reaching cooperation agreements with “the Belt and Road” countries. However, Chinese enterprises have not yet achieved the true sense of “going out”. Chinese enterprises rarely invest in manufacturing in “the Belt and Road” countries. This is mainly due to the study of national conditions of “the Belt and Road” countries is not deep [1]. The labor force participation rate is an important index to measure the employment situation of a country or region. Therefore, this article analyzed the average labor force participation rate of 63 countries in 2016 and 2017 along the “the Belt and Road” countries by regional and country-by-country. And compare the regional national labor force participation rate with China to provide preliminary labor market research support for our country enterprise “going out”, and enriching the research of the labor market of countries along “the Belt and Road” initiative.

2. The Belt and Road countries’ labor force participation rate status analysis

This paper divides the region (65 countries) into six regions: (1)ASEAN 10 countries: Singapore, Malaysia, Indonesia, Myanmar, Thailand, Laos, Cambodia, Viet Nam, Brunei and Philippines; (2)18 countries in western Asia: Iran, Iraq, turkey, Syria, Jordan, Lebanon, Israel, Palestine, Saudi Arabia, Yemen, Oman, UAE, Qatar, Kuwait, Bahrain, Greece, Cyprus, Egypt; (3)eight south Asian countries: India, Pakistan, Bangladesh, Afghanistan, Sri Lanka, Maldives, Nepal, Bhutan; (4)five central Asian States: Kazakhstan, Turkmenistan, Uzbekistan, Kyrgyzstan, Tajikistan; (5)east Asia 1: Mongolia; (6)seven CIS States: Ukraine, Belarus, Azerbaijan, Armenia, Georgia, Moldova, Russia, (Mongolia); (7)16 central and eastern European States: Poland, Lithuania, Czech Republic, Latvia, Hungary, Slovakia, Croatia, Slovenia, Montenegro, Bosnia and Herzegovina, Albania, Serbia, Bulgaria, Romania, Republic of Macedonia, Estonia.

2.1 The Belt and Road countries' overall labor force participation rate comparative analysis

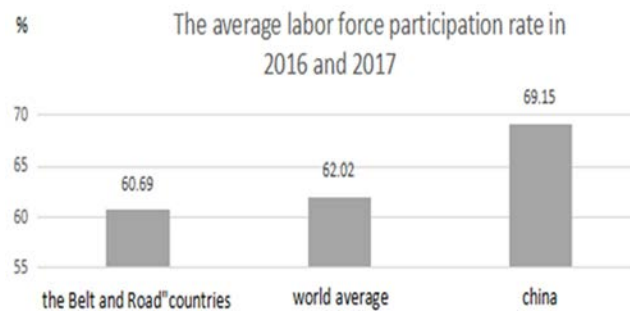


Fig. 1. The average labor force participation rate in 2016 and 2017

It can be seen from the Fig.1 that the overall labor supply of the countries along “the Belt and Road” is characterized by low labor force participation rate. The average labor force participation rate in “the Belt and Road” countries in 2016 and 2017 was 60.69 %. It is lower than the world average (62.02%) in 2016 and 2017, and lower than China (69.15 %) in 2016 and 2017. It is visible that “the Belt and Road initiative” countries along the labor force participation are relatively low.

2.2 Regional labor force participation rate analysis

The countries along “the Belt and Road” are divided into seven regions: southeast Asia, central Asia, south Asia, east Asia, CIS, west Asia and central and eastern Europe.

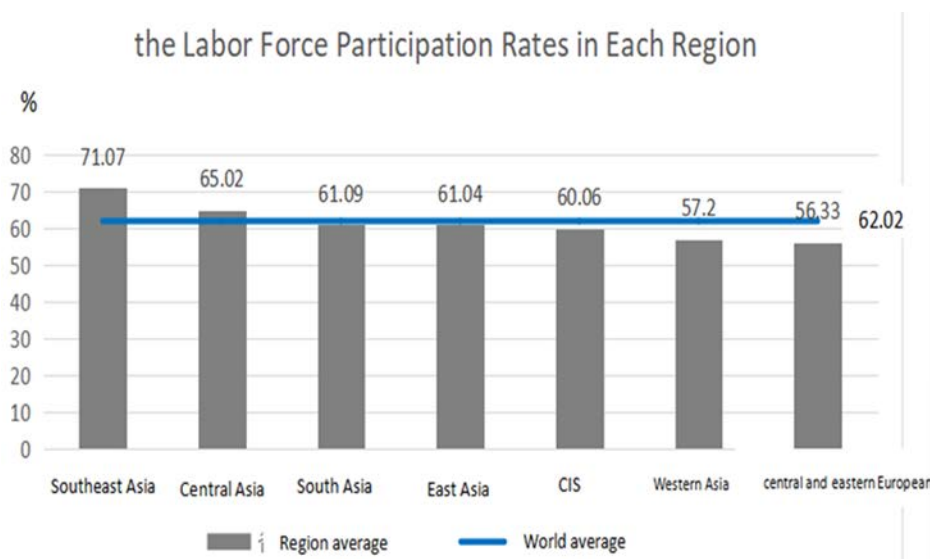


Fig. 2. The average labor force participation rates in regions

From Fig.2, the regional characteristics of the labor force participation rate of “the Belt and Road” countries are as follows: firstly, the labor force participation rate of countries in south - east Asia (71.07 %) and central Asia (65.02 %) is higher than the world average (62.02 %). Secondly, labor participation of the central and eastern European region (56.33 %) and western Asia (57.20 %) are low, below the world average for the same period, and central and eastern Europe is the lowest among all the " the Belt and Road" countries[2]. Thirdly, the degree of labor participation from high to low are southeast Asia, central Asia, south Asia, east Asia, CIS, west Asia, central and eastern Europe. China's average labor force participation rate in 2016 and 2017 was 69.15 %.

Compared with China, only Southeast Asia has a higher labor force participation rate than China and the rest have a lower labor force participation rate.

2.3 Comparative analysis of the countries in regions

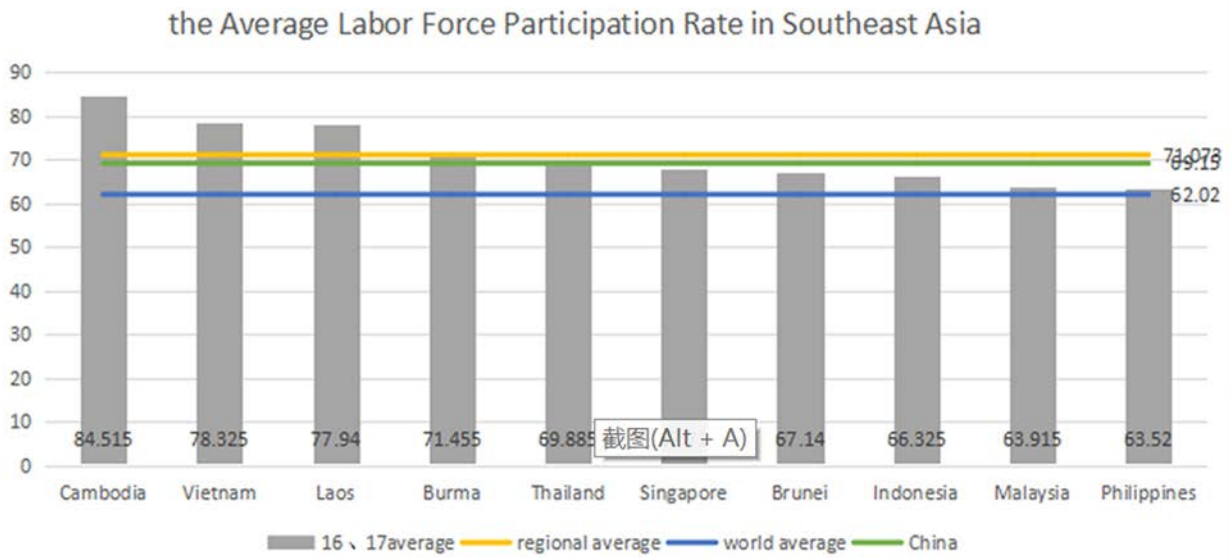


Fig. 3. The average labor force participation rate in Southeast Asia

From Fig.3 we can see that the average labor force participation rate in south-east Asia (71.07%) is higher than the world average (62.02%) and each country is above the world average. Cambodia had the highest rate of 84.515 %, while Philippines had the lowest rate of 63.52 %.

Compared with China, the average labor force participation rate in Southeast Asia countries is higher than that in China (69.15%). Among them, Thailand, Myanmar, Laos, Vietnam and Cambodia have higher labor force participation rate than China, and the rest of the countries have lower labor force participation rate than China.

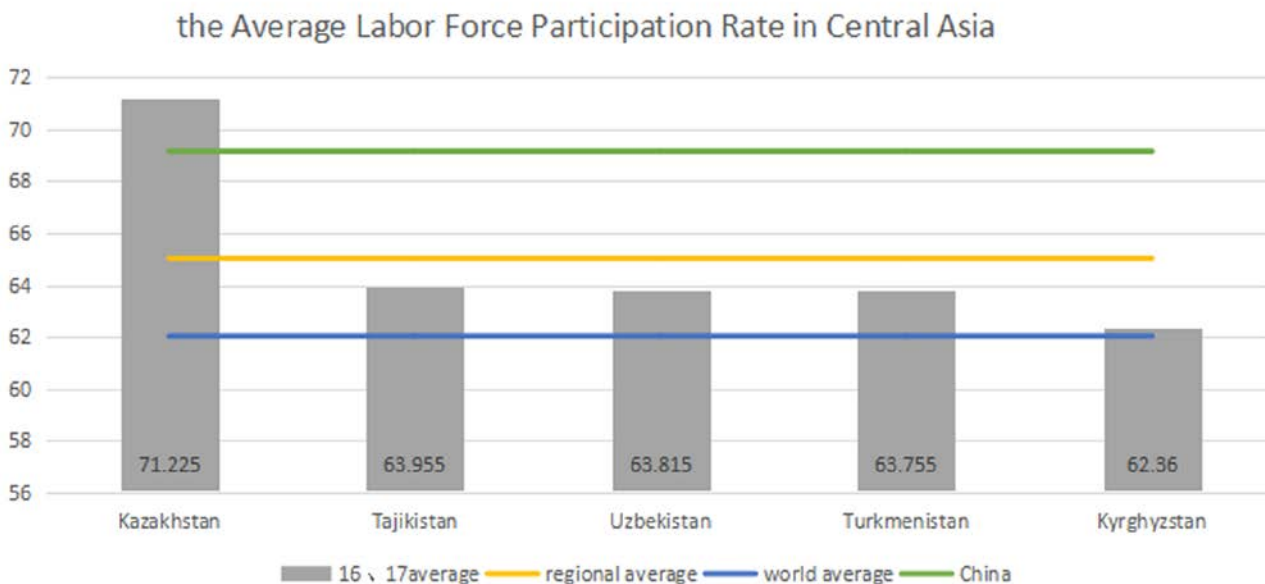


Fig. 4. The average labor force participation rate in Central Asia

The average labor force participation rate of the five central Asian countries was higher than the world average. The labor force participation rate of Kazakhstan was high, at 71.225 %, higher than the Chinese average. The other four countries are on average, below the Chinese average, but above the world average.

Compared with China, the average labor force participation rate of the five central Asian countries is lower than China except Kazakhstan [3].

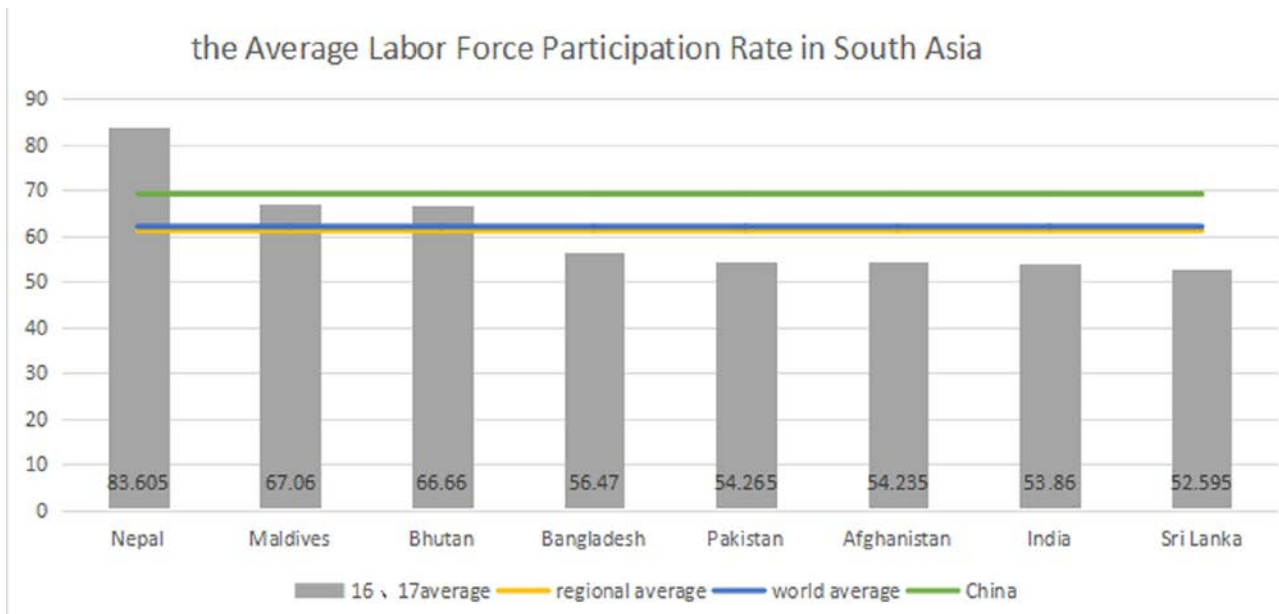


Fig. 5. The average labor force participation rate in South Asia

The labor force participation rate in the eight south Asian countries (61.09%) was slightly below the world average, which was basically equal to the world average. Nepal's labor force participation rate was the highest, at 83.605%. Bhutan and Maldives' labor force participation rates were 66.66 % and 67.06 %, respectively, close to the world average. Sri Lanka, India, Afghanistan and Bangladesh have low labor force participation rates. Sri Lanka was the lowest, at 52.595 %, far behind Nepal.

Compared with China, the labor force participation rate of eight south Asian countries (61.09%) is lower than the Chinese average, with only Nepal having a higher labor force participation rate than China and the rest below China.

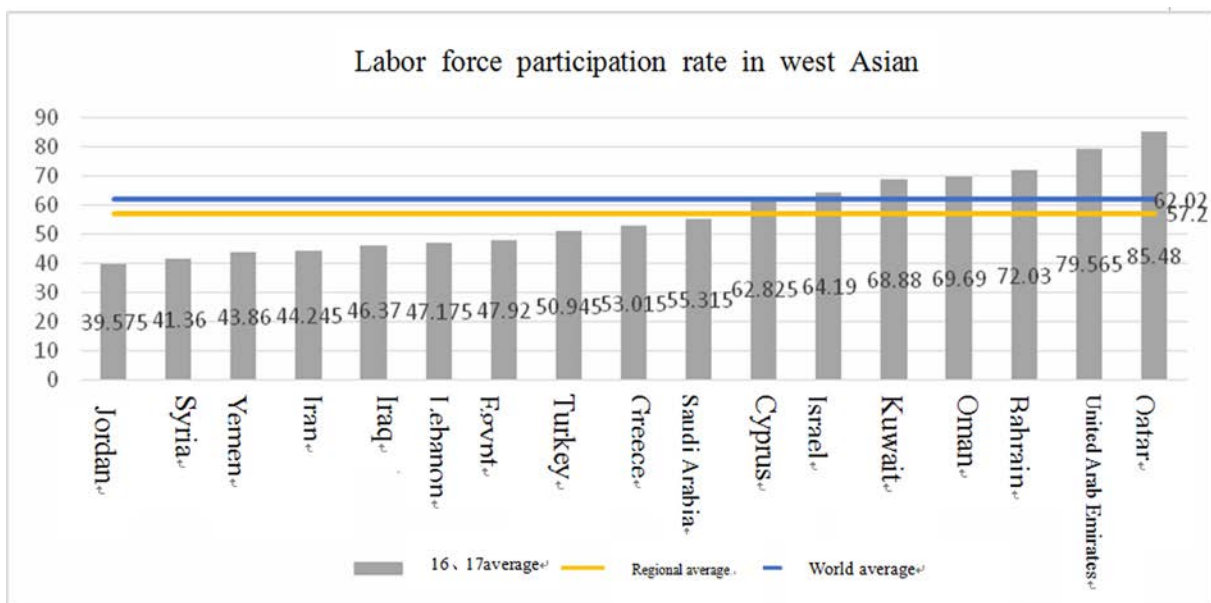


Fig. 6. The average labor force participation rate in West Asia

The lower average labor force participation rate (57.2 %) of the 17 countries in western Asia for which data on labor force participation are available is a reflection of the lower willingness to participate in work in the region. The labor force participation rate varies considerably between countries in the region, with Qatar at the highest level (85.48%) and Jordan at the lowest level

(39.575%). 7 countries labor force participation rates were higher than the average of the world, the remaining 10 countries were low.

Compared with China, the average labor force participation rate in western Asia (57.2%) was lower than China, but in Oman, Bahrain, UAE and Qatar were higher than that in China.

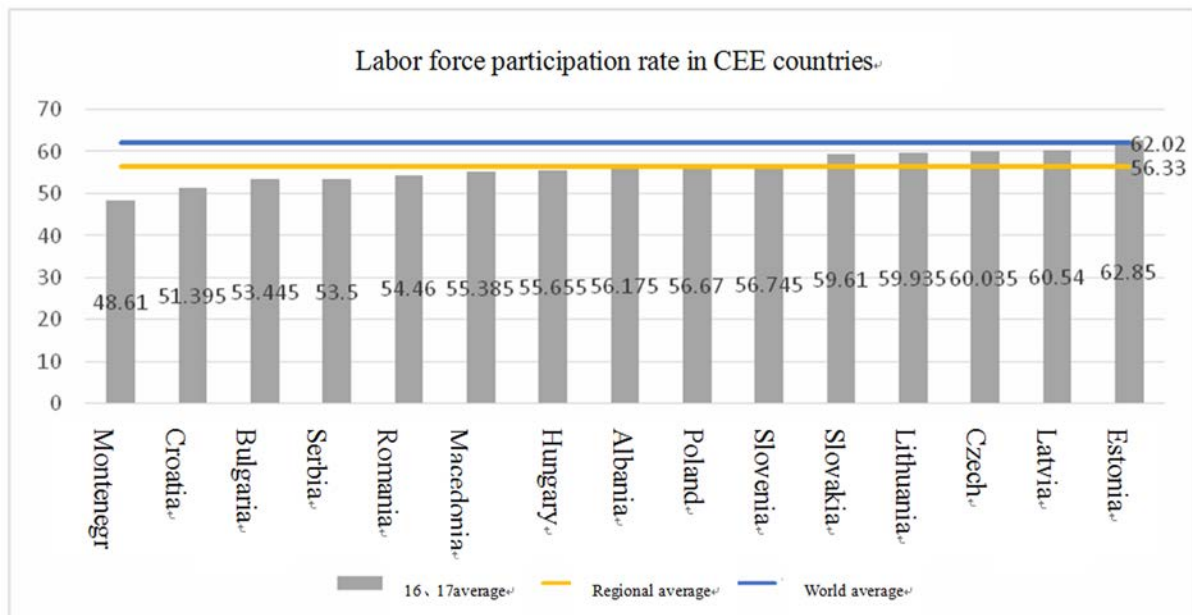


Fig. 7. The average labor force participation rate in CEE countries

Data from 15 countries in the central and eastern European region indicate that labor force participation of the central European region as a whole is low and below the world average except Estonia.

Compared with China, the labor force participation rates of 15 countries in central Europe are lower than China [4]. Volatile domestic and foreign demand, low birth rates and emigration have all contributed to labor shortages in central and Eastern Europe.

3. Conclusions

After the overall labor supply, the regional characteristics of labor force participation rate are as follows: Firstly, the degree of labor participation from high to low are southeast Asia, central Asia, south Asia, east Asia, CIS, west Asia, central and eastern Europe. Secondly, among them, southeast Asia and central Asia have higher labor force participation; South Asia, east Asia and CIS region in 2016 and 2017 are slightly lower than the world average. In western Asia and central and eastern Europe, along “the Belt and Road” countries have a low level of labor participation, while in western Asia, along “the Belt and Road” countries generally have low labor participation rates [5]. Central and eastern Europe has the lowest labor force participate rates among all “the Belt and Road initiative” countries. Thirdly, compared with China, except Southeast Asia (71.07%), other countries labor participation rates are lower than china.

Through the comparative analysis of countries in the regions, it could be found that the labor force participation rates of the countries in southeast Asia and central Asia are high as a whole, and the labor force participation rate of each country is higher than the world average. The labor force participation rates of countries in south Asia and the CIS region are relatively consistent and close to the world average. The labor force participation rates in western Asian countries have a large gap and have a two-level differentiation trend. The labor force participation rates in central and eastern European countries are lower than the world average.

References

- [1] Xiaoman Cong, “the Belt and Road Initiative” National Labor Market Research. Beijing Jiaotong University, 2017.
- [2] Lele Yang, Tong Zhaiyun, Analysis of the status of labor force in ASEAN countries . *Modern Business Trade Industry*, vol.21, pp.38 – 40, 2017.
- [3] Beau. China and five central Asian countries labor market comparative analysis. *Times Finance*, vol.09, pp. 203 – 204, 2016.
- [4] Li Qian. Labor shortages in central and Eastern Europe: enterprises are suffering . *Import and Export Managers*, vol.06, pp. 36 – 38, 2017.
- [5] M. Young, the Technical Writer’s Handbook. Mill Valley, CA: *University Science*, vol.35, pp25-29, 2016.