

# A Measurement of Vulnerability in Transition Labor Market

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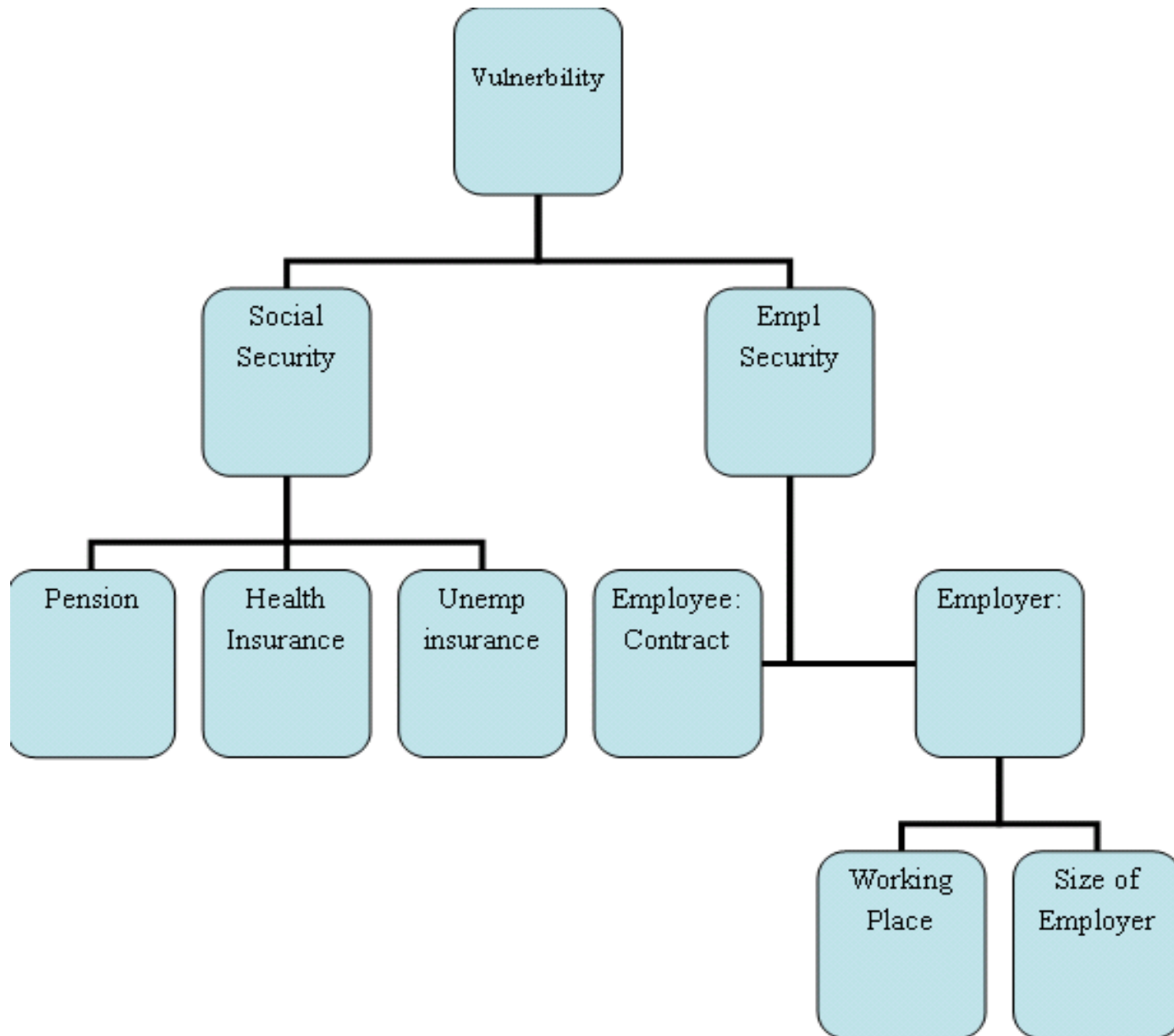
# Why do we do this measurement?

- The informality is often defined as 1/0 thing, but vulnerability is not
- Among the workers defined as informal (or formal), their vulnerability could be different.
- However, the key component of informality in developing labor markets is its vulnerability
- The Chinese labor market has been characterized transition, which makes the form of informality unique
- In addition to social protection, employment security is of importance for workers' wellbeing

# Two components of vulnerability

- The level of social protection, which is widely accepted by current definition on informality
- Job insecurity, which could be a source of vulnerability, but not well reflected by informality definition
- China has taken great effort to increasing the coverage of contract workers, which could increase job security even if without improving social protection

# Giving up 1/0 definition



# Scoring social protection

<i>Social Security</i>							
<i>Pension</i>			<i>Health Insurance</i>			<i>Unemployment Insurance</i>	
Type	Score		Type	Score		Type	Score
For Urban worker	2	+	For Urban worker	2	+		
For Urban resident	1		For Urban resident	1		-	1
For Migrant worker / Rural	0.5		For Migrant worker / NCMS	0.5			
<b>Min-Max: 0-2</b>			<b>Min-Max: 0-2</b>			<b>Min-Max: 0-1</b>	
<b>Min-Max: 0-5</b>							

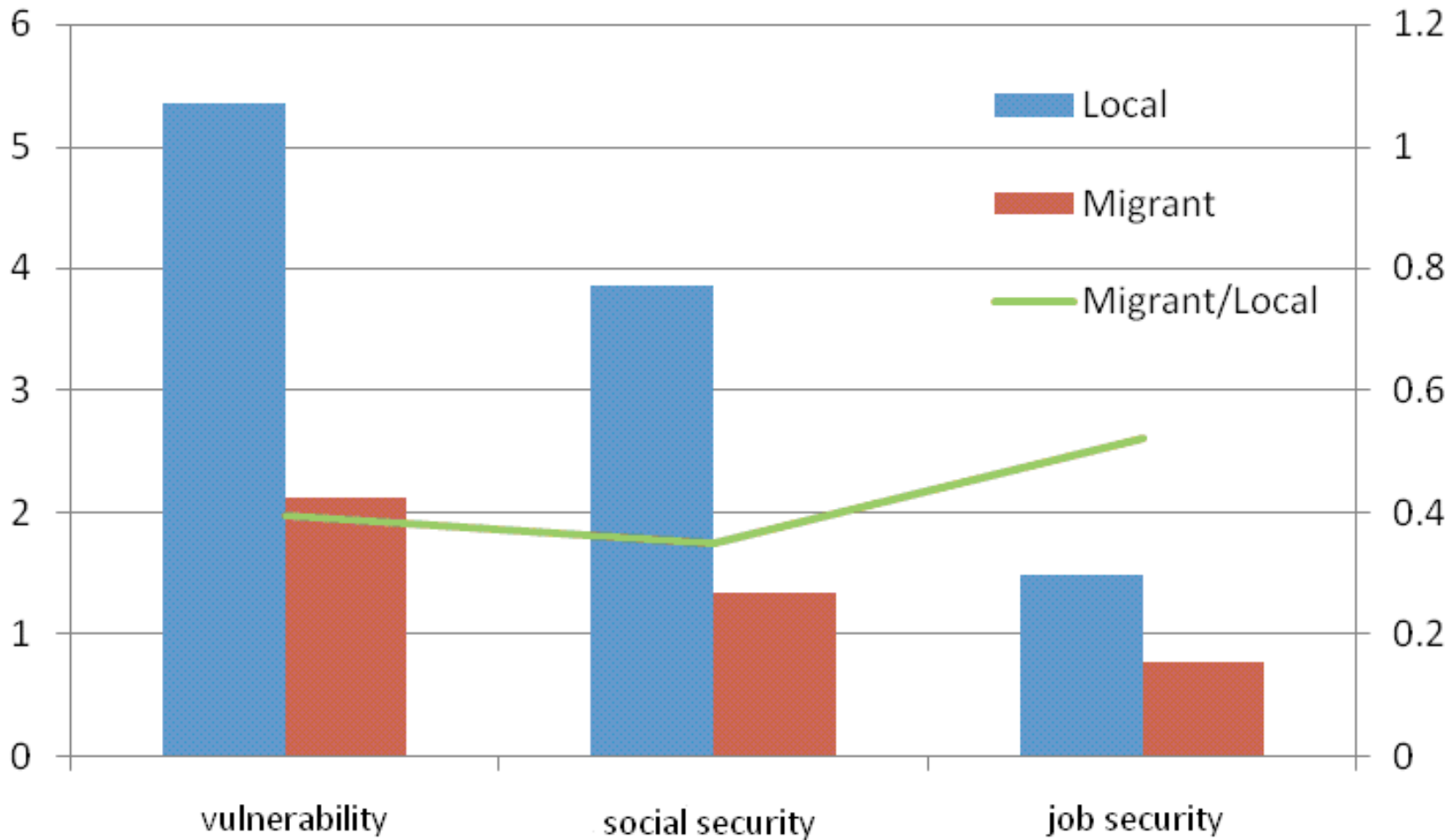
# Scoring the Job Security: Contract Type

<b><i>Contract</i></b> Type	Contract Term		
	>=3 years	1-3 years	<1 year
Dispatched Contract/ Contract signed for certain work	2	1	0.5
Fixed-period contract	4	3	2
Open ended contract / Formal employees in government or SOEs	5	5	5
<b>Min-Max</b>	<b>0-5</b>		

# Scoring Job Security: Employer Characteristics

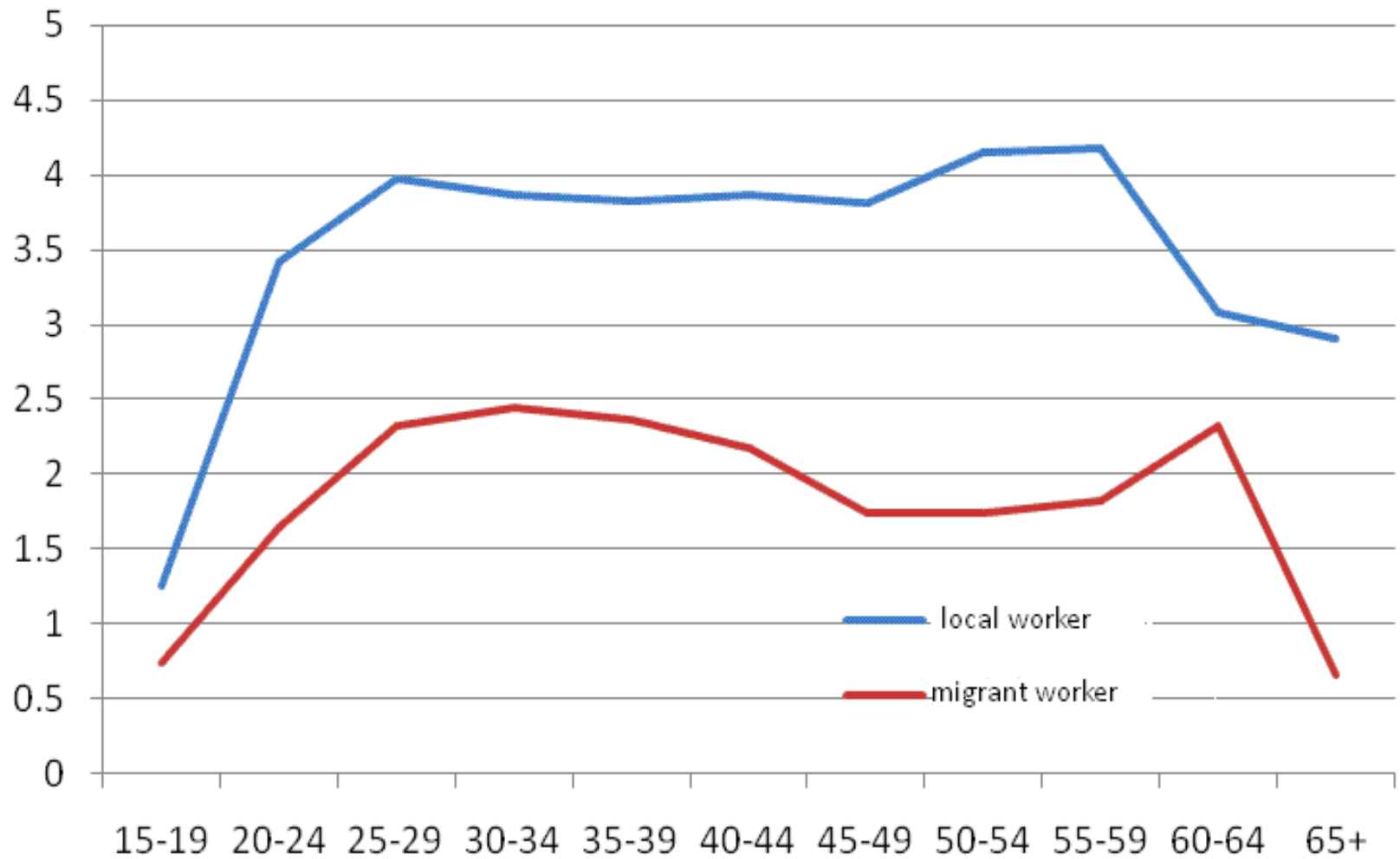
Working Place		+	Size of Employer	
Type	Score		Type	Score
Office or Store	2		>=20	3
Building Site	1		7-19	2
Outdoor	0.5		2-7	1
<b>Min-Max: 0.5-2</b>			<b>Min-Max: 1-3</b>	
<b>Min-Max: 0-5</b>				

# Measuring vulnerability by residence

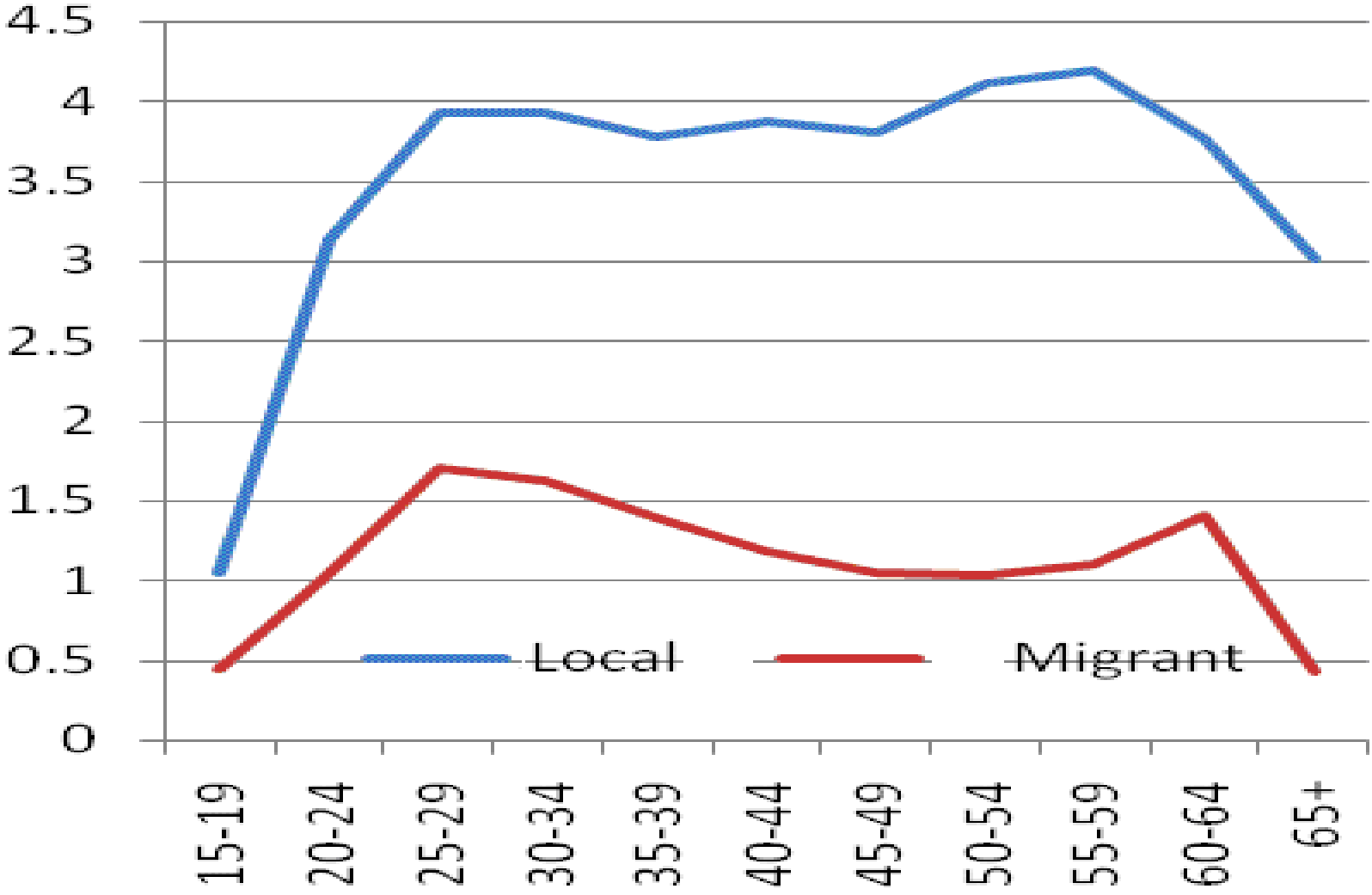




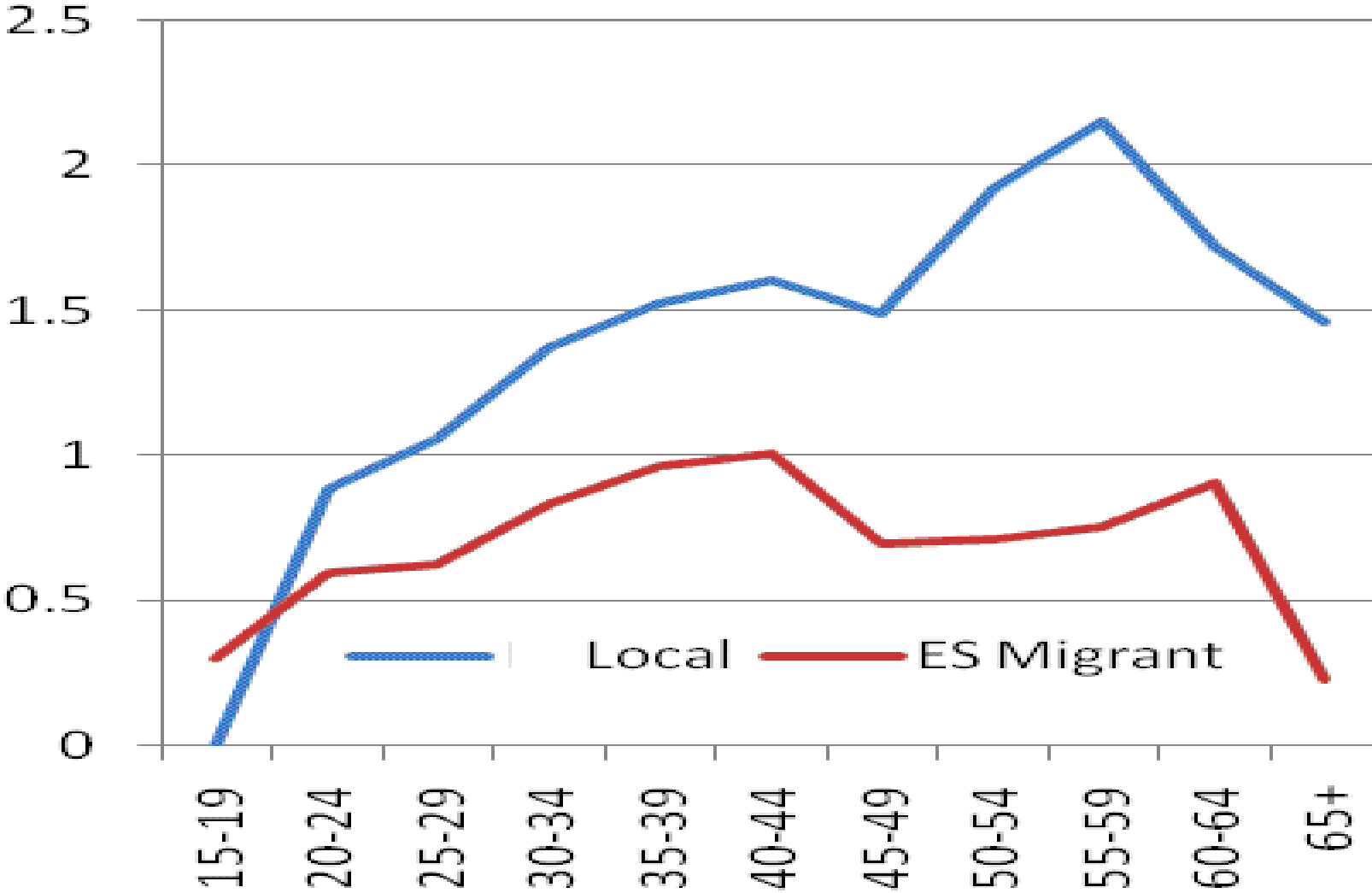
# Measuring vulnerability by age group



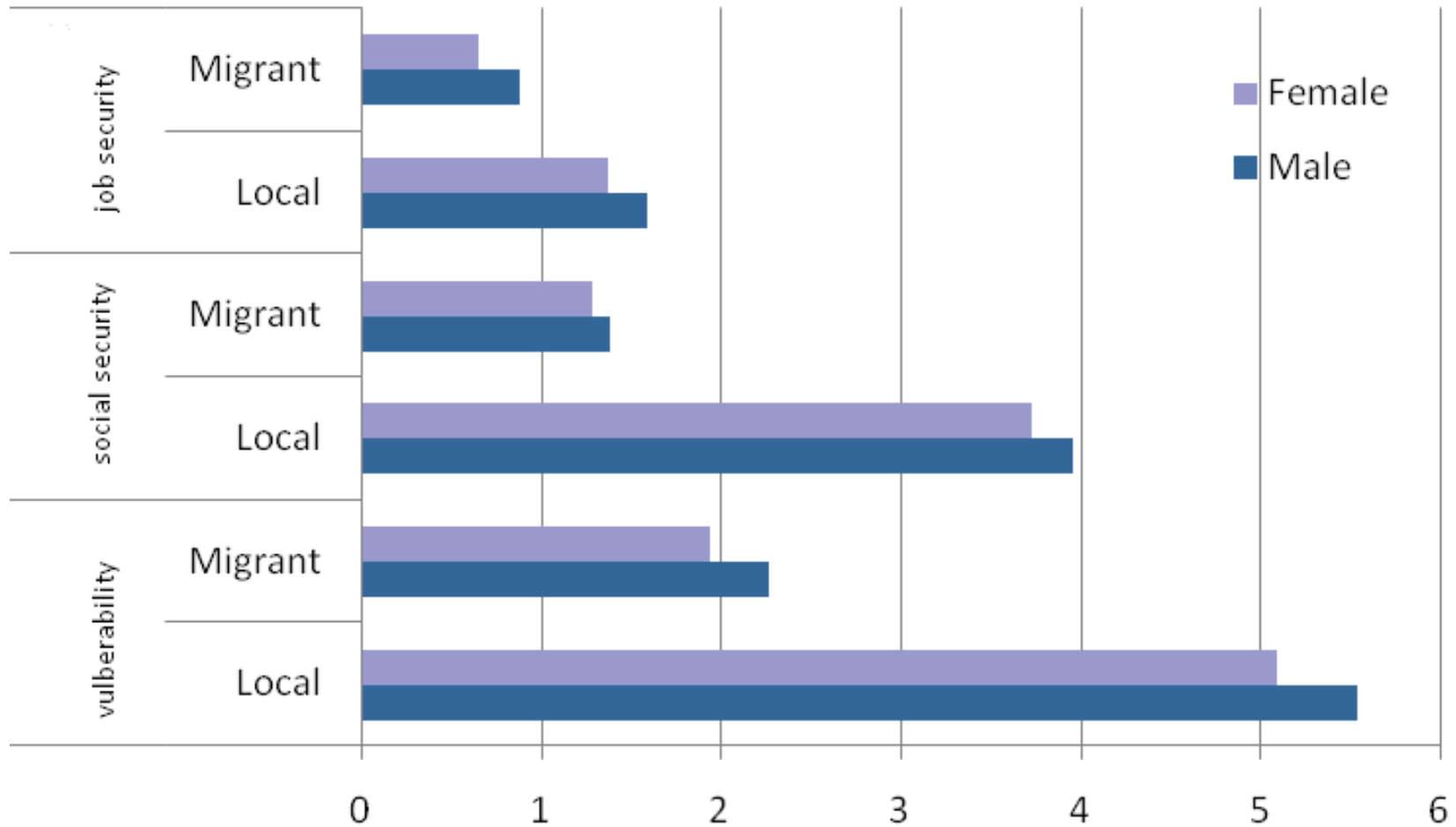
# Measuring SP by age group



# Measuring Job Security by Age Group



# Measuring vulnerability by Gender



# Conclusions

- The new measurement makes it possible to know how much an individual (or a group of people) is more vulnerable than the others
- This new measurement better reflects the transitioning feature in the Chinese labor market
- It also makes it clear to see the relative role of each component play in determining vulnerability in the labor market

# What's next?

- Scoring social protection by using more detailed city information
- The determinants of vulnerability
- Grouping and decomposing the sources of vulnerability
- Policy relevance