

POLICY REVIEW

Fresh measures enable a freer flow of labor

Household registration system eased to aid workers' social mobility, according to government guideline

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China has mapped out plans to enable freer movement of labor with measures to relax the household registration system for most cities.

The move is intended to further shore up economic growth and unleash the vitality of social development.

According to a guideline jointly rolled out by the general offices of the Communist Party of China Central Committee and the State Council on Wednesday, the country will adopt more steps to remove institutional barriers that block the social mobility of labor and talent.

It pledged to place "employment first" at the macro level of policies and create more opportunities for social mobility, with measures to support the growth of emerging sectors and reinvigorate traditional industries.

It also vowed to research ways to cope with the impact of robots and artificial intelligence on jobs.

To enable the easier flow of labor, the guideline called for cancellation of restrictions on access to household registration, also known as *hukou*, for urban cities with a residential population of less than 3 million. Conditions for obtaining *hukou* for cities with an urban population of 3 million to 5 million will also be relaxed.

For megacities with an urban population of over 5 million, the guideline said their *hukou* policies will be further streamlined to ensure the length of time an individual has paid his social insurance and his length of stay in the city are the main evaluation standards.

In China, the *hukou* ties the ability of residents to access public services, such as medical care and school education, to their household registration. Many migrant workers are unable to fully benefit from public services in the cities where they work and live due to population control policies.

An official with the Ministry of Human Resources and Social Security said on Wednesday that the reform is intended to remove institutional barriers so that each individual can

progress through their own hard work.

"We need to ensure the right for free mobility of the labor force and talents, to attain their own personal goals," the official said, adding that it would be an arduous task to enable the free and orderly flow of the labor force.

The guideline pledged to make it easier to move between employers, especially for staff from the private sector and social organizations wanting to enter government service and State-owned enterprises.

It also vowed to refine the incentive system — including higher incomes — to encourage workers to

go to less-developed regions.

The guideline highlighted the significance of refining the social security mechanism and preventing the weakening of social mobility.

It also vowed targeted poverty alleviation measures to prevent poverty from being passed down from generation to generation. These include steps to cope with the influence of changes in the external environment and industry structure on areas and groups that have just shaken off poverty.

To ensure education equality, the government will make sure that individuals with residential permits, generally issued to those without a *hukou*, can enjoy access to

compulsory education in the areas where they live and work.

Gui Hua, a professor of rural governance research at Wuhan University in Hubei province, said the relaxed household registration policy will mostly affect rural migrant workers who have already bought homes in small cities.

"In an ideal situation, the household registration system will only be significant in government statistics and will not be endowed with different treatments to public services such as education, social insurance, healthcare and public housing," he said.

However, he warned that the cancellation of *hukou* restrictions

in small cities could pose both opportunities and challenges for farmers.

With a substantial number of farmers opting to live in counties and small cities, they might be faced with problems of not having enough work, unstable incomes and high prices.

Gui said it was important to support the development of industries in small cities and boost the supply of public services, including healthcare, as the new guideline is carried out.



POLICY RESPONSE

Tariff cuts to head changes and advances

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Several ministry-level departments, including those responsible for customs tariffs, industry and information technology, and natural resources, have responded recently to issues of public concern.

Tariff cuts on imports to start on Wednesday



China will adjust import tariffs for a range of products, including frozen pork, starting from Jan 1, 2020, to promote high-quality trade development.

According to a notice released by the Customs Tariff Commission of the State Council on Dec 23, the adjustment aims to expand imports, promote the coordinated development of trade, and advance high-quality development via the joint building of Belt and Road projects.

The temporary tariff rates, which will be lower than most-favored-nation tax rates, will apply to more than 850 imported items. These include consumer

products, pharmaceutical materials, paper products and information technology equipment and parts.

From July 1, 2020, China will also reduce the most-favored-nation tax rates for 176 IT items and adjust some products' temporary tariff rates, the commission said.

The tariff adjustments will help reduce import costs and facilitate opening-up as well as the sharing of development achievements with other countries and regions, it said.

5G to make further inroads in 2020

All of China's prefecture-level cities are expected to be covered by the 5G network by the end of 2020. The Ministry of Industry and Information Technology said on Dec 23 it will step up its construction of the 5G system across the country next year.

China officially kicked off the commercialization of 5G services this year. So far, 5G base stations numbering 126,000 have been established across the country, the ministry said at a meeting in Beijing.

Progress had also been made on increasing broadband speed with lower rates for internet services, allowing subscribers to shift operators and keep the same number, and further cracking down on nuisance calls.

China will continue to upgrade the quality of internet services while increasing the speed and lowering rates, the ministry said. It will also support the integrated development of 5G and internet Protocol Version 6 (IPv6), the most recent IP system, it said.

Measures stepped up to improve food safety



Over 98 percent of the country's major produce is expected to pass spot-checks for food safety in 2020, the State Administration for Market Regulation said on Dec 26.

The goal was set at a working meeting of the administration held in Beijing.

Next year, market regulation authorities will focus on staple foods such as rice, meat, eggs and vegetables. Action to improve the quality and safety of dairy and meat products will continue, the meeting decided.

In terms of food safety in schools, efforts will be taken to reduce the occurrence of illnesses caused by food and all the kitchens of kindergartens and primary schools will be open for public scrutiny, it said.

To protect market competition, the administration will strengthen price supervision. It will also implement measures to guarantee stable supplies and prices of pork, grains, oil, eggs and vegetables.

Fresh efforts to repair mining damage

China plans to encourage social capital investment, including from private companies, to repair nationwide environmental damage caused by mining, a Ministry of Natural Resources guideline said on Dec 24.

About 3.6 million hectares of land in China had been damaged by mining activities as of the end of last year, according to the ministry. Of that, 1.33 million hectares of land are being used and damaged by ongoing mining activities.

The ministry said China will explore market-oriented ways to encourage the repair and reutilization of mining land as previous efforts had not worked due to insufficient investment.

A government-guided system with enterprises as the major players, and social organizations and the public also involved, will be established to stimulate and attract social investment, it said.



Policy digest

State Council moves to ensure employment stability

China will prolong the implementation of its temporary policies on reducing the premium rates of both unemployment and work-related injury insurance to April 30, 2021.

It is one of a string of measures the State Council will take to keep the country's employment market stable, according to a guideline published on Dec 24.

China's employment situation has generally remained stable, but the pressure of keeping employment steady is increasing given the rising challenges at home and abroad, it said.

According to the guideline, greater financial support will be provided to enterprises, especially private companies and small firms.

To create more jobs, efforts will be made to tap domestic demand for service industries such as housekeeping, tourism and elderly care. The buying of automobiles, electric appliances and digital products will also be encouraged, and cities that have restrictions on vehicle purchases will be urged to "optimize" their policies.

The cabinet also supported the flexible employment of workers through temporary, part-time and seasonal jobs, the guideline said.

To realize the steady employment of college graduates, the country will organize open recruitment of rural teachers, doctors and social workers to provide community-based services. The army will also recruit more soldiers from college and university graduates.

China will launch an extensive campaign on employment skills training. From Jan 1 to Dec 31, secondary school graduates that don't go to college and under 20 years of age can choose to attend labor training and receive subsidies. For those from rural areas and poor families, extra living allowances will be offered.

Efforts will also be made to improve the employment-information monitoring system to help both potential employees and employers, it said.

Role of private firms in economy receives boost

China will further optimize its business environment to unleash the vitality of private firms and boost competition, according to a guideline released on Dec 22.

Under the guideline, jointly released by the Central Committee of the Communist Party of China and the State Council, more sectors will be opened to private firms.

For instance, private firms will be encouraged to provide basic telecommunication services through equity participation. The firms can also engage in power generation and distribution as well as electricity selling, through controlling shares or equity participation.

They will be given entry to oil and gas exploration, development, refining and marketing as well as the construction of infrastructure related to the storage and transmission of related products.

Eligible private firms may engage in the import of crude oil products and the export of refined oil products.

Broader access is also expected in the sectors of financial services, infrastructure and social undertakings.

To boost the development of private firms, the government will ease their tax burden, and enhance the capabilities of financial institutions to serve them.

Private firms will also be encouraged to go public or issue bonds, while regional equity markets targeting private firms will get support.

The guideline also mentioned the optimization of the legal environment, stressing the protection of private firms through law enforcement and justice departments. It also referred to ensuring protection of the property of private enterprises and entrepreneurs.

Private firms are encouraged to improve corporate governance, enhance technical innovation and industrial upgrades, and participate in the implementation of major national strategies such as the Beijing-Tianjin-Hebei integrated development.