

The Ongoing Transition in China's Labor Demand

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Abstract

This study aims to indicate an aspect of the present Chinese economy through the analysis of the labor demand structure of state-owned enterprises (SOE) and private and other enterprises (POE). The results indicate that the labor demands for these two types of enterprises react differently in terms of the degree of privatization and wage rate. The low responsiveness of the labor demand of SOE is identical to the cases in the transition economies in East Europe. The positive correlation of wage rate and the degree of privatization for POE can be explained as the result of POE-led economic expansion.

Key words: economic reform, state-owned enterprises, privatization, transition economics, restructure

JEL classification: J23, P11, P31

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