Title
The Labour Market of Retail Sector in Northwest China: A Case Analysis of the Xi'an Metropolitan Area

Author(s)
Zhao, Lei

Citation
第3回北海道大学サステナビリティ学生研究ポスターコンテスト = The Third Hokkaido University Sustainability Research Poster Contest. 平成23年10月1日（火）−11月6日（日） 北海道大学学術交流会館 札幌市

Issue Date
2011-10-25

Doc URL
http://hdl.handle.net/2115/47502

Type
conference presentation

Note
Category 5: Natural Resource Management

File Information
C5-6.pdf
The Labor Market of The Retail Business in Northwest China
---A Case Analysis of the Xi’an Metropolitan Area

Lei ZHAO, Graduate School of Modern Economics and Business Administration

Graduate School of Modern Economics and Business Administration, Hokkaido University
Kita 9, Nishi 7, Kita-Ku
Sapporo 060-8609, Japan
Email: zhaolei5210924@yahoo.co.jp

I. Introduction

This research covers a variety of rarely explored issues related to the labor market of retail sector in P.R.China based on two large scaled surveys. These issues include labor market participation and various employments, labor demand and supply. And also issues related to jobs, such as job matching mechanism, job turnover, and job training. This study provides a fairly complete picture of the Chinese labor market and attempts to find a solution for a sustainable development approach for the retail sector and the improvement of well-being for its employees in Chinese context.

II. Retail Business in Shaanxi Province

Chart 1. Companies & Employees in Retail Business

- By the end of 2008, the total wholesale and retail business entity units in Shaanxi province raised to 27,688, which increased 9,281 units compared to the end of 2004, with a growth rate of 50.4%.
- The number of employees went up to 42,096 compared with 64,472 people in 2004, with an increase rate of 17.9%.
- By the end of 2008, the sales of main business in wholesale and retail sector peaked 343,598 billion Yuan, which exceeded 192,907 billion Yuan than the year 2004.

Chart 2. A comparison of Sales Growth in the Retail Business (Yuan)

As the marketing economy accelerated from 1990’s, the primary and secondary industries have showed stable growth, which stimulated a dramatic and sound growth in the tertiary industry, esp. wholesale, retail trade and catering services.

Wealth Created Everyday (Yuan)

The Sales Growth of the Wholesale and Retail Trade & Catering Services (Yuan)

- Tertiary industry is the largest industry in Xi’an and employs around 42% percent of the total Xi’an workforce by the end of 2009.
- The total industry is expecting to grow strongly over the next 5 years according to the forecast of Xi’an Statistic Bureau.
- The sales of wholesale and retail trade went up to 143.123 billion Yuan by 2010 with a growth rate of 19.4% compared to the same period of 2009.

III. Case Analysis of Company G & Company D

- 57% of the workforce is female and 43% of them is male workers, and nearly 34% of young female employees is single.
- The retail workforce has one of the youngest age profiles, with almost 56% of workers aged from 22 to 29 and more than 19% aged from 30 to 39.
- The majority of workers in retail trade (54%) do not hold bachelor degree qualifications, reflecting the industry’s role as an entry point to the labor market for school leavers, students and part-time workers.

- Most of the salespersons’ salary is set on a basic salary plus commission base.
  - According to the interview, the average monthly income of salespersons working for large-scaled supermarket in Xi’an is around 2500~3000 Yuan. As figures 5 indicted, 20%~30%of their salary is spend on dining.
  - Figure 6 illustrated that only 1/8 of their salary is used to help the family. Generally, the workers in this sector lives in a self-support way.

A large majority of workers took induction training, occupations with lower skill levels such as sales workers have the greatest level of up skillling, with the proportions of workers with no high school education attainment expected to decrease under open doors.

- Based on the surveys, salespersons’ working time is longer than the new labor law (amended in 2008) regulated. In addition, they do not have extra pay for over-working according to the interview.
- 50% of workers found the working condition is acceptable, and another 30% found that they are satisfied with the current working condition, which reflects that the presence of retail sector looms large in absorbing young labor force than manufacturing industry.

Conclusion

Retail industry plays a significant role as an entry point to the labor market for fresh job hunters for its low requirement of skills and flexible working time.

According to the interview and survey, retail sector becomes the leading industry to absorb laid-off workers and migrant workers in Northwest China.

The sound growth of retail business will open more opportunities for the locals, which will transfer the surplus workforce from the drastic urbanization process.

Proposals for the Development of Retail Sector

- Stimulating rural consuming by increasing farmers’ income.
- Stabilizing the real estate market to encourage daily item consuming.
- Improving medical care, to activate the money flow and slow down saving.
- Reforming education system and lessen the burden for tuition expenses.