

Possibility of Labor Service Cooperation between Northeast China and Other Countries in Northeast Asia

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PRESENT SITUATION OF HUMAN RESOURCES IN NORTHEAST CHINA

According to the Fourth Population Census of China in 1990, the total population of Northeast China was 99.336 million, of which 52.70 million were at work. This pool of labor, more than half of the total population, is one of the advantages in developing the economy of Northeast China. The labor force of Northeast China can be characterized as follows:

1. The active labor force is large, rapidly increasing and young. In 1990, the percentage of the active labor force or labor force base (ages 15-59) in Northeast China was over 64%, while it was 62% for the whole China. And, since 1964, the rate of increase in the labor force has been much higher in Northeast China as compared with that of the entire nation, although the rate of increase in Northeast China had been lower before 1964. The reason for the higher rate of increase in Northeast Asia in recent decades is that the population born during the two boom periods of the 1950s and 1960s has been gradually entering into the working age and the birth rate has decreased since the implementation of family planning policies in the 1970s. It seems clear that this situation will continue for some time. The active labor force in Northeast China is also relatively young, with more than 80 percent being young adults, among whom 74 percent are between ages 15 and 34.

2. The cultural quality of the active labor force is relatively low. The educational status of the current labor force in the three provinces of Northeast China is far from meeting the need of the region's economic development. Two-thirds of the people are at the level of junior school or below it, and among them, 80 percent have merely reached the level of primary school and are illiterate or functionally illiterate. The quality of the labor force is relatively low and it is necessary to improve it.

From the Fourth Population Census of China in 1990, we know the following facts about the structure of the labor force in industry: the

primary industry employs 52.7%, the secondary industry 27.2%, and the third (tertiary) industry only 20.1%. Generally, 60% of the total labor force in developed countries and 40% in developing countries work in the third industries. This shows that the third industry in Northeast China is still backward, and the labor force structure in industry is not reasonable.

In addition, there are serious imbalances in the distribution of labor. For example, Shenyang city (including the urban and suburban areas and counties) in Liaoning province has an area of 515 km² with 3.03 million in the active labor force. But, Chaoyang city, which has an area of 19.71 km², has 1.53 million in the active labor force. The same phenomena are also found in Jilin province and Heilongjiang province. This has been caused mainly by the fact that labor force, including the high-level labor, is relatively concentrated in the big or medium-size cities in Northeast China; in some remote areas, however, there is a sparse population and the labor force is not only small in number but also low in quality.

THE PROJECTION AND ANALYSIS OF THE LABOR FORCE IN NORTHEAST CHINA IN THE NEXT 20 YEARS

A demographic computer program has been utilized in this paper in analyzing the projection and trend of changes between the total number of the population and the labor force in Northeast China from 1990 to 2010. This projection is made in each province separately. When we synthesize the results of the projection in each province, we obtain the number of the total population and labor force in Northeast China in the coming 20 years. The general result is in Table 11.1.

From Table 11.1, we can find that the total population in Northeast China will be 109.12 million by the end of 2000, and that the labor force base (15-59) will be 74.07 million, making up 67.9% of the total population. In 2010, the total population will be 115.03 million, of which the active labor force (or labor force base) will be 79.59 million or 69.2% of the population. Clearly Northeast China will be increasingly rich in human resources in the next two decades. The active labor force is the result of changes in the birth rate of the previous period, so it will be difficult to change this supplying situation in the following long periods even if China tries its best to control the birth rate. The specific analysis of the projection results can be found in Table 11.2.

In the last 10 years of this century, the labor force base (ages 15-59) in Northeast China will increase by 16.22 million of newly-added (age 15). That means the total labor force base will increase to 74.07 million. In

Table 11.1 The projection result of population in Northeast China in next 20 years
(in millions)

Year age	1995		2000		2005		2010	
	no.	%	no.	%	no.	%	no.	%
<15	24.43	23.4	24.22	22.2	22.53	20.0	20.90	18.2
15-49	62.94	60.2	64.67	59.3	64.54	57.3	63.00	54.8
50-59	7.99	7.6	9.40	8.6	13.37	11.9	16.59	14.4
+60	9.17	8.8	10.83	9.9	12.20	10.8	14.46	12.6
total	104.53	100	109.12	100	112.64	100	115.03	100

Table 11.2 The labor force supply in Northeast China in next 20 years
(in millions)

Year	Labor Force Base (a) (15-59 pop.)	Entering LFB (age 15 pop.)	Total labor supply (b) (people at work)	Labor added by population (c)
1991	67.77	1.80	57.60	1.62
1992	68.65	1.73	58.35	1.56
1993	69.45	1.66	59.03	1.49
1994	70.21	1.62	59.68	1.46
1995	70.92	1.59	60.28	1.43
1996	71.55	1.56	60.82	1.40
1997	72.14	1.54	61.32	1.39
1998	72.73	1.53	61.82	1.38
1999	73.36	1.57	62.36	1.41
2000	74.07	1.62	62.96	1.46
2001	74.80	1.68	63.58	1.51
2002	75.60	1.75	64.26	1.58
2003	76.43	1.78	64.97	1.60
2004	77.22	1.75	65.64	1.58
2005	77.91	1.70	66.22	1.53
2006	78.44	1.64	66.67	1.48
2007	78.88	1.59	67.05	1.43
2008	79.22	1.55	67.34	1.40
2009	79.46	1.54	65.16	1.39
2010	79.58	1.55	67.64	1.40

Notes: a. Population between age 15 and 59 is the result of the former projection.

b. Labor supply (people at work) = population (ages 15-59) \times 0.85

c. Labor added by entering population = entering population \times 0.90

the first ten years of the next century, the number of the newly-added active labor force (age 15) will be 16.53 million, and the total labor base will increase to 79.58 million in 2010. Besides the figures mentioned above, two conditions can be found with respect to labor supply in Northeast China in the last decade of this century.

First, the total number of the labor force base in Northeast China in 1990 was 64.33 million, while the number of people at work was 52.70 million. That is, the actual utilization rate of labor force was 81.9%. However, if a utilization rate of 90% is used (i.e., if we exclude those in school and in the military service who make up 10% of the total labor force), approximately 5.2 million people were not employed in Northeast China in 1990. So in the last decade of this century, it follows that employment will be needed for an additional 200,000 people on average per year who want to be employed, as well as the average annual 1.46 million newly-added labor force. That is, the average annual total of the labor force added during the 10-year period is 1.66 million.

Secondly, in 1990 there were 16.48 million workers in the state enterprises in Northeast China. It is estimated that these enterprises are overstaffed, with one third of the workers being redundant. On the other hand, with advances in technology and capital utilization in industry, many of these workers have to transfer to other sectors or areas each year. Considering these factors, employment will be needed for more than two million annually in the last decade of this century.

Given the above two points, the problem of providing adequate employment will remain a very difficult task in the coming years in the economic development of Northeast China.

As noted above, the large number of new workers will require a large number of new openings. As can be seen from Table 11.2, the number of the labor force base in Northeast China will increase to 74.07 million by the year 2000, which is 9.74 million more than in 1990. If 81.9%, the utilization rate of human resources in 1990, is not to be improved by 2000, there will be 60.66 million people who need to be provided with jobs, with 7.96 million more openings needed than in 1990.

This pressure comes mainly from three sources.

1. In the countryside, the newly-added labor force was not fully utilized in the past because of the single agricultural productive system under which almost all the peasants were confined. Since economic reform program was implemented in the agricultural sector with the adoption of the "contract responsibility system," a surplus of rural labor force has emerged who need transfer to non-agricultural sectors. Some of them have succeeded in finding new jobs, but a large number of the

surplus workers have poured into the cities blindly and recklessly, and yet, the surplus labor force left in the countryside is still quite large. In some areas of the countryside, the surplus workers make up 40% of the labor force. In Northeast China, the total area under cultivation is estimated to be 243.58 million *mu* and the number of the agricultural labor force is 19.53 million. In terms of the present level of agricultural production and on the basis of 20 *mu* per individual worker, only 12.18 million peasants are needed, which means that 7.35 million peasants are surplus labor. Moreover, since the farmers in Northeast China cannot work in the fields all year around, the imbalance in the supply and demand of labor in the countryside is quite serious.

2. Nor in cities and towns has the problem of employment been completely solved. At the end of 1990, there were 900,000 people waiting to be employed in the urban areas of Northeast China. To take the cities and towns of Jilin province as an example, over 200,000 potential workers born during the 1960s and 1970s have reached employment age, and the government can arrange employment for only 40,000 annually.

3. Especially in state enterprises, overstaffing is very common, and the utilization rate of the effective working hours in many of them is generally 40% to 60%, with the lowest only 30%. Excess workers in these enterprises make up an estimated 15% to 20% of the total work force.

Quantity is not the only problem. Because of the modernization of agriculture and the improved production, the transfer of surplus agricultural labor will increase the non-agricultural labor supply in cities. Thus a key challenge for Northeast China in the years to come lies in dealing with the large increase of the labor force as well as the transfer of the surplus labor.

LABOR FORCE IN JAPAN

In recent years, the shortage of labor in Japan is mentioned in Japanese newspapers and TV's nearly every day: for example, the large quantity of trucks in parking lots that nobody drives, buildings under construction that cannot be completed, and hospital beds that are lying idle without nurses. Obviously, the shortage of labor has become a serious social problem in Japan.

Present Situation

A recent survey by the Japanese government of 4,500 enterprises shows that 70% of these enterprises are short-handed, especially those in construction, metal work, machinery and the catering trades. Because of

the shortage of manpower, the operations of these enterprises are seriously curtailed. They have to extend working hours and call off holidays, causing an increase in wages and costs.

Another serious social problem caused by the shortage of labor is that there is a large group of illegal foreign workers. The laws in Japan stipulate that foreign workers without special skills cannot be employed. However, the reality is that enterprises need foreign workers to sustain their business and the foreigners want to make money. In recent years, the number of illegal workers in Japan has increased to as many as 100,000 to 200,000. They come mainly from the Philippines and Pakistan, with those from China making up 3.5% of the total and ranking 7th. It is believed that most of them obtain their visas as travelers and students or through marriage. Many of them have become the main employees in some medium and small enterprises. An investigation made by the Ministry of Justice on September 19, 1992 showed that 60% of medium and small enterprises employed illegal foreign laborers. The 172 enterprises investigated were found to employ 806 foreign laborers, 62.5% of whom were illegal.

Causes

The underlying cause of the current labor shortage in Japan lies in the changes in its population structure which have taken place during the high-growth period of the Japanese economy. Due to the decline in the birth rate and the prolongation of the average life span, there are 14.88 million persons over age 65, constituting 12% of the total population. It is reported by the Sanho Comprehensive Research Institute that the Japanese labor force (ages 15-65) will decline by 0.6% each year from 1997. It is also calculated by the Labor Ministry of Japan that the labor shortage will reach 2.6 million in the year 2000, and 5.6 million in the year 2005 if the Japanese economy (GNP) grows at the rate of 3-4% per year during the 1990s.

An unbalanced employment structure is another reason for labor shortage in Japan. Employment rates in different areas do not balance, while ages and occupations are not distributed evenly. In 1989, the total labor force in Japan was 62.7 million, out of which 61.2 million were employed; thus, 1.42 million workers were unemployed when 70% of the small and medium-sized enterprises were short-handed.

With a change in social values, there is also a tendency for more and more Japanese workers to avoid jobs in construction, machinery, and the catering services, which consequently need to employ more foreign workers.

Labor shortages are also striking in the field of scientific research. According to a survey conducted by an economic news agency in Japan, 62.3% of scientific research personnel and 70.5% of company managers thought that "a shortage of qualified persons" was the main factor hampering technological progress. And the Science and Technological Policy Research Institute of Japan reported that at the current rate of economic growth, Japan would be short of 510,000 scientific research personnel in 15 years. The report also revealed that the number of engineering graduates working in industries decreased by 9.6% in 1988 as compared with 1986. This trend directly threatens the Japanese economy whose strength depends on the superiority of its technological development. Many of the Japanese enterprises are counting on foreign students. There were 707 foreign students in Japan last year, 2.8 times more than 5 years before. Among them, the 217 Chinese students were the largest group.

Debate

The Japanese government, private enterprises, the press and other associations take this problem seriously. The measure agreed upon by both the party in power and the party out of power is to tap potential workers from women and the elderly as well as to extend age of retirement from 60 to 65, and to give women more opportunities to work. On September 4, 1990, the Japanese government published a report named "The manpower shortage situation, its economic impact, and future counter-measures." These measures would provide conditions and opportunities for housewives and aged people to work so that they would reduce the labor shortage which would help improve the efficiency of production and increase reasonable investment.

In solving the labor shortage problem, the most difficult countermeasure is the usage of foreign labor. A close debate on an "open-door policy" and a "closed-door policy" began between the parties in and out of office. The main supporters of the "open-door policy" include small and medium enterprises and the industries and business organizations who share the interests of the small and medium enterprises. The main proponents of the "closed-door policy" is the government, including the Ministries of Labor, Construction, and Justice.

Citing the examples of other developed countries that have absorbed foreign labor, the supporters of the "open-door policy" think that Japan should also bring in foreign workers to solve the problem of labor shortages. They advance an analysis of how the Japanese economy will be affected, advocating easing the current restraints on foreign labor and

setting up a specialized institute or agency to work on it. In early July of 1990, the association of the medium and small enterprises (having a membership of 350,000 people) held a series of meetings with the Free and Democratic Party and the parties out of office individually, expounding their current difficulty, especially in connection with the new restrictions placed upon foreign labor. They requested that these restrictions be relaxed for foreign students and a service institute be set up for them. They also suggested that such institutes be financed by the government's Operation and Development Fund.

On the other hand, supporters of the "closed-door policy" express the following rationale:

1. In an economic depression, it is the foreign workers who lose their jobs first and become burdens to society;
2. If foreign workers stay for long periods of time, their families and later generations will form a district social stratum, creating a host of social problems, such as friction with local people and a rise in crime;
3. The import of foreign labor will lead to a reduction of the salaries of native Japanese, restrict technical reform and automation, be detrimental to the employment of women and senior citizens, and cause Japanese to disdain the manual labor.

Government Policy

The serious shortage of labor has gradually led the business community and enterprises to demand more realistic policy measures on the part of the government. In July of 1990, the Ministry of Labor put forth the "Special Measure Laws" for accepting foreign students, proposing that a "practical experience activity system" be implemented under which foreign students be allowed to work for one year after their study. Under this proposal, 10,000 unskilled foreign workers would be accepted. As soon as the proposal came out, the Ministry of Justice, the Ministry of Construction and other government agencies expressed their opposition to it. Their contention was that it would not only violate the existing policy of "Don't Accept Unskilled Foreign Laborers," but also provide a justification for foreigners in criticizing the Japanese for exploiting cheap labor under the pretext of helping foreign students. So, the proposal has been laid aside. In August of 1990, the Ministry of Justice issued a notice that was intended to ease regulations concerning business enterprises' employment of foreign labor. For instance, the regulation that "the number of foreign students employed cannot be more than one-twentieth of all employees" was changed to the policy of "treat

differently according to the number of employees in an enterprise." Thus, small businesses with less than 20 employees may employ three foreign students. More recently, the association for foreign labor has decided to set up an organization supported by the public to administer and coordinate employment of foreign students.

Another way to import foreign laborers is to accept Japanese-born South Americans. Large groups of descendants of Japanese immigrants in Brazil and Peru are trying to get the right to work legally in Japan. Japan also wants to open the door to East Europeans.

LABOR FORCE IN THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

Since the end of the 1940s, the DPRK has been troubled by the shortage of labor. While it has improved in recent years, this is still one of the problems in the country's economic development.

Present Situation

Table 11.3 and Table 11.4 show changes in the active labor force in the DPRK over a period. It can be seen that the active labor force has increased substantially and rapidly since 1960, with the increase being most rapid during the period 1960-1976. During the latter half of the 1980s the percentage of the total labor force was still increasing, but the rate of increase began to drop markedly.

Table 11.3 Change of active labor force (ages 14-64) in DPRK

Year	Labor Force (thousand)	As percentage of total pop.	Sex ratio (male/female)
1960	5,327	46.25	-
1976	9,114	59.10	-
1980	10,701	60.40	94.5
1985	12,317	62.30	96.5
1989	13,570	63.00	97.2

This rapid increase of the active labor force has played an important role in solving the labor shortage in DPRK and has promoted economic development; however, a shortage of man power is still considered a problem and the North Korean government (DPRK) has taken various

measures to solve this shortage. For instance, in March of 1993, the DPRK government issued the Voluntary Labor Regulations concerning voluntary labor for 20 days each year. In 1958, the DPRK enacted the Voluntary Labor System for students to work voluntarily for the purpose of national reconstruction. In addition, for a long period, the government of the DPRK mobilized and encouraged women to work outside of their homes and participate in the process of national development. The government also adopted a long-term policy measure in order to solve the shortage of labor – i.e. the pronatalist policy. However, since the rapid increase of women's participation in economic activities was in contradiction to this policy, the latter policy did not seem to have produced any significant results.

Table 11.4 Sex structure of active labor force in DPRK

Age Group	1976		1980		1985		1989	
	As % of total pop.	Sex ratio	As % of total pop.	Sex ratio	As % of total pop.	Sex ratio	As % of total pop.	Sex ratio
0-13	37.9	105	36.1	104	34.0	104	33.1	105
14-64	59.1	94	60.4	97	62.3	96	63.0	99
+65	3.0	95	3.5	71	3.7	71	3.9	75

While all measures taken for the specific purpose of coping with the labor shortage have not been able to basically solve the problem, it appears that other government policies and measures for social development render the shortage of labor even more serious.

The situation of labor shortage is more serious in the countryside than in cities. The DPRK has long pursued an economic policy built on the premise of developing heavy industries. This policy has brought about increased urbanization, increasing the percentage of the urban population. On the one hand, urban industry can employ the workers directly from the countryside; on the other hand, this creates problems for the countryside by removing those students and ex-servicemen who are very much needed for rural projects. As a result, the labor shortage in the countryside is quite noticeable. It is even more striking during the busy farming season, at which time the government has to move man power temporarily from factories, schools and the military to help out in the countryside.

The government's economic policy of emphasizing heavy industry has also resulted in increasing the degree of automation and other changes in

the occupational structure of the labor force in North Korea. While the agricultural labor force has decreased considerably, the proportion of labor in state enterprises has been increasing over the years. However, because of a low level of labor productivity and the fixed labor management system, coupled with the government's policy in recent years of pursuing the speedy development of new construction projects, it appears that the available labor supply cannot meet the needs of North Korean economic development.

Causes

Factors responsible for the labor shortage in DPRK can be summarized as follows:

- (1) The Korean War reduced the labor force substantially;
- (2) Because the goal of economic development has been set by the government at increasingly higher levels and combined with the drive for greater production, labor supply has not been able to catch up with high demand;
- (3) Unexpected collective, large-scale construction projects often entail a sudden and great demand of labor force; and with no labor market, the government can only draw labor from other state enterprises or from the countryside, thus causing the labor shortages there;
- (4) There have been too many non-productive construction projects, such as those so-called "memorial" projects, which are mostly labor-consuming but non-productive. For such projects, a large numbers of workers are diverted from enterprises, the countryside, the armed forces, schools and other institutions;
- (5) Although the size of active labor force in DPRK is increasing, a large number of young men are recruited into the military service. About 20% of the population between the ages 18-45 are in the regular army. The agricultural labor force is composed mainly of women and the aged;
- (6) Due to the routinized labor management system and the overstaffing, labor productivity in DPRK has not reached the level that it should; hence, more labor input than is necessary is funneled into the realization of the development goals set by the government, and this leads to a relative shortage of labor.

LABOR FORCE IN THE REPUBLIC OF KOREA: FROM LABOR EXPORT TO LABOR IMPORT

The export of labor in South Korea (the Republic of Korea), started in the mid-1960s and combined with the labor uses for overseas projects, contributed substantially to the economic development of the country. In 1975 and 1976, South Korea signed a great deal of construction contracts with countries in the Middle East.

The number of South Korean workers in the Middle East reached an estimated 155,000 by the end of 1981. If we add the 50,000 people engaged in the production of overseas construction equipment and instruments, the number would increase to 205,000, or 1.5% of the total South Korean employed labor force. From the mid-1980s, with the demand for labor increasing in the domestic economy, the numbers of overseas workers began to decrease from 196,850 in 1982 to 95,275 in 1986. In the process of coordinating its labor force with other countries, South Korea has over the years learned new techniques of enterprise management and production. Meanwhile, South Korea's export of labor played an important role in the increase of its foreign exchange earnings, thus improving its international balance of payments as well as increasing employment opportunities.

Overseas construction contracts and the export of labor are an important measure of South Korea's foreign economic policy, and still contribute to its economic development. In recent years, because of both wage increases and labor shortages at home, many South Koreans are not willing to work abroad. The days of South Korea's exporting simple labor are now gone.

South Korea's experience in the efficient use of its labor force can serve as a useful reference for China's overseas labor management in future. As South Korea is becoming a labor-importing country (as it seems to be in more recent years), the Shandong peninsula and the three provinces of Northeast China, given their advantages in geography and language, can be considered a potential major source for South Korea's labor market.

LABOR FORCE IN THE RUSSIAN FAR EAST AND SIBERIA

Among the regions in Northeast Asia, the Russian Far East and Siberia have the most serious labor shortage problem. According an estimate by the Russian authorities concerned, the development of the

whole area would require a work force of 80 million. At present the total number of all foreign labor in the Russian Far East is estimated to be only about 100,000. For quite a few years, the birth rate has been declining in this vast area with a small population. The Russian Far East has an area of 2.3 million km², with a population of about 8 million, which is less than one-third of the population of Jilin province in Northeast China.

The three provinces of Northeast China have a total population of 100 million, and possess an abundant supply of labor. Of the three, Jilin and Heilongjiang provinces have greater geographical advantages in exporting labor to the Russian Far East. To take Jilin province as an example, the border is 233 km, with many connecting roads in the past. Geographical proximity and the convenience of transportation can be great advantages in promoting the export of labor to the Russian side as well as other economic exchanges.

Looking at the labor situation on the Chinese side, the three northeastern provinces are faced with a serious problem of increasing surplus labor. As described earlier, the labor force in the countryside is rapidly increasing, but the acreage of farmland is decreasing year by year. For reasons already explained, this rural surplus labor only contributes to worsening the already serious situation of unemployment in the cities and towns. In terms of the farming area, for instance, Jilin province is expected to need 5 million laborers by the year 1995; however, its labor force will reach 7 million. Excluding those engaged in forestry, animal husbandry and fishery, there will still be a surplus of 1 million laborers. One promising way of utilizing this surplus labor can be found in regional economic cooperation among the countries of Northeast Asia. The three provinces of Northeast China and part of the Russian Far East have already begun to cooperate in this aspect – for example, in the form of building factories jointly, Chinese labor contracted for lumbering and production of vegetables, etc.

COOPERATION PATTERN OF LABOR FORCE IN NORTHEAST ASIA

Whatever form it may take, it is obvious that economic cooperation among the countries of Northeast Asia, with their differences in levels of development, cannot be substantiated without human capital, i.e., labor. Whether it is the high-technology industry of Japan and South Korea, the development of the Russian Far East or the Tumen River area development, all this needs funds, technology, and a sufficient labor force. Therefore, economic and technological cooperation in this region must

involve four factors: natural resources, funds, technology, and labor. At present, there is a strong complementary relationship between the Northeast Asian countries in terms of these four factors.

The Basic Pattern of the Labor Force Movement in Northeast Asia

a. Japan

As far as Japan is concerned, its main labor market is in the countries of Asia. With ongoing changes in their industrial structure, Japanese enterprises need labor; meanwhile, their overseas enterprises are also in great need of labor. In the future, therefore, Japanese labor markets will form a pattern of importing foreign labor for domestic demand and employing foreign labor on the spot for overseas use. Within Japan, foreign students can be a source of needed foreign labor, while overseas, "on-the-spot" employment can be accomplished through overseas joint ventures and proprietorship enterprises. According to the Japanese Labor Bureau's prediction, Japan's labor shortage will amount to 1.86 million between 1990 and 2010, even if Japan maximizes employment of female and the aged.

b. Russian Far East

The Russian Far East has too small a population in relation to its vast land; hence, development of its natural resources depends greatly on foreign labor. To develop this area comprehensively will require a "multiple-level, large-scale import" of foreign labor. The Russian Far East needs to plan short-term, mid-term, and long-term programs of labor import.

c. South Korea

The labor market of South Korea at present has not reached the advanced stage that Japan has. But with changes in its industrial structure, there is also a problem of foreign labor import. South Korea will adopt the "coexistence of labor import and export" pattern (i.e., reducing export and increasing import). Its foreign labor comes or will come mainly from the Shandong Peninsula of China and the three Northeastern provinces, both of which have a comparative advantage in geography and/or language. The Shandong Peninsula has been in close contact with South Korean firms in the area of trade and technology. The Korean population in China mostly inhabit the 3 provinces of Northeast China, especially Jilin Province, and their average level of education is comparatively high. In recent years, the number of South Korean visitors to the Yanbian area of Jilin province has been increasing each year, and the exchange of friendly visits are more frequent.

d. China

China has an abundant supply of labor, and developing and utilizing this labor efficiently is extremely important to China's economic development. Because of its overabundant labor supply, China also faces serious problems of unemployment and underemployment. On the one hand, Chinese laborers should fill the needs of the labor market at home; on the other hand, with necessary skill and language training, they need to be exported stage by stage to the other countries of Northeast Asia. China's export of labor will be beneficial not only to China but also to the labor-receiving countries. In fact, China has in recent years begun the process of exporting labor to other Northeast Asian countries.

From a long-term perspective, China should not only export but also import labor; i.e., in the process of its economic development, China needs to import a small number of advanced professional technicians. For its labor policy, China should thus take a "more export and less import" approach. This is based on the number of Chinese labor force and the technology needed in developing its labor force.

The Planning and Management of Labor Force

Given the differences in the size of the labor forces of the Northeast Asian countries, it is necessary, and feasible, to develop and formulate a study program for the planning and management of labor in the region. The following proposals or suggestions are made for initial consideration.

(1) Predict the number of labor force within a certain period of time (e.g., 1990-2000) and make plans for labor export and import by each country; also study the labor structure of each country, and its labor distribution by industry and area. This can be the main basis for formulating a labor policy for various countries.

Two aspects of labor force should be considered: quantity and quality. We must pay attention to the quality of labor (i.e., education and skill) as well as its quantity. At present, the need for labor varies by country in terms of both quantity and quality; however, the future trend will lead to the demand for high-quality labor. Hence, it is necessary to establish special labor training organizations so as to meet the needs of future labor markets.

(2) In addition to estimating and planning for the demand of labor, labor management will also be important, including the management of labor organizations.

(3) Set up a special regional labor force research institute (e.g., Northeast Asia Labor Force Institute). The institute should include the following programs: (a) development and utilization of the Northeast Asia labor force; (b) Chinese labor force program; (c) development and labor force in the Russian Far East; (d) the Japanese labor market; (e) the South Korean labor market; (f) development and labor force in North Korea; (g) international labor migration.