

Major Strands of Policy Reforms for Skills Development in China

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I. CHINA VIEW

General Profiles

Total population (at the end 2010): **1.37 billion**

- Urban: **665 million (49.6%)**

 - Rural: **674 million (50.3%)**

- Male: **686 million (51.2%)**

 - Female: **653 million (48.7%)**

CHINA VIEW

China's GDP **2011: 47.15 trillion Yuan**
2010: 5.87 trillion dollar

Employment and labor force:

- **798 million economically active population**
- **778 million employed persons:**

primary industry: 297 million;

secondary industry: 217 million;

tertiary industry: 267 million

311 million employed in urban area.

Arduous task of employment

1. The 12th Five-Year Plan (2011-2015)

Supply: population will reach 1.37 billion

25 million peoples need to be employed in urban areas annually

Demand: annual job vacancies are 12 million

Surplus: up to 13 million

2. Groups with employment difficulties

- **Youth:** college graduates 8 million
- **Rural migrants:** 100 million
- **Unemployed:** 10 million

3. The structural contradiction

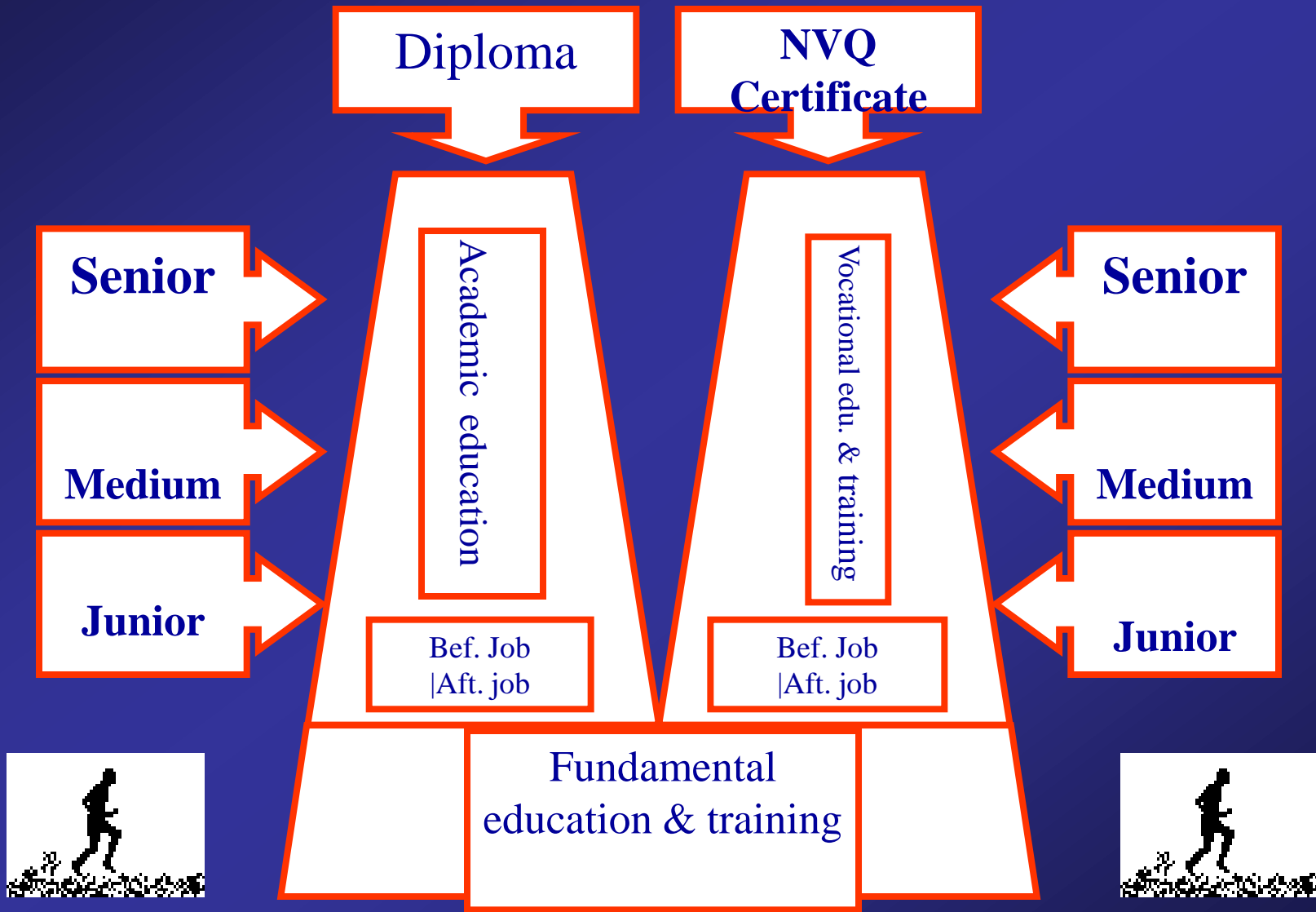
- The structural unbalance of skilled workers is prominent.
- The difficulties of employment and worker recruitment coexist.

Economic Growth & Skills Development

- China's economy is in a rapid growth, and will continue to grow.
- Demographic dividend will end after all. Before then, It is necessary for us to improve the quality of human resources to makeup the gradual decrease of the population bonus.
- Green, low-carbon economy, energy conservation are on the agenda.
- The policy reforms for skills development Is the key to improve the quality of the human resources.

II. CHINESE SKILLS DEVELOPMENT SYSTEM

Two Main Poles Human Resource Development in China

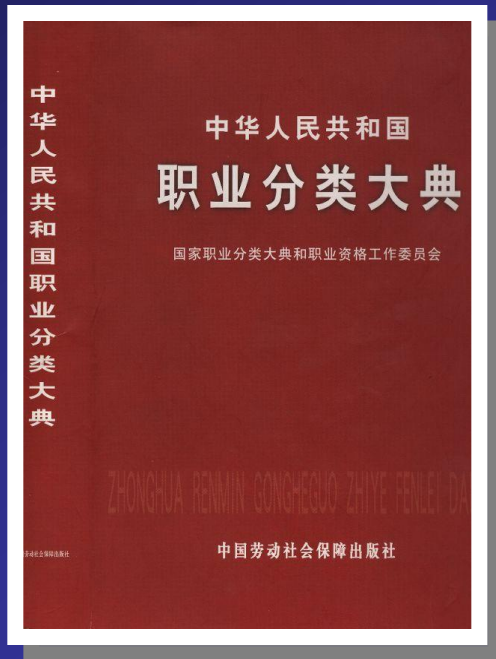


CHINESE SKILLS DEVELOPMENT

Skills development system in China is composed of the following key elements:

1. Occupational classification & skill standards;
2. Vocational training;
3. Skill testing and qualifications;
4. Skill competition and awards

1. Occupational classification and vocational skill standards

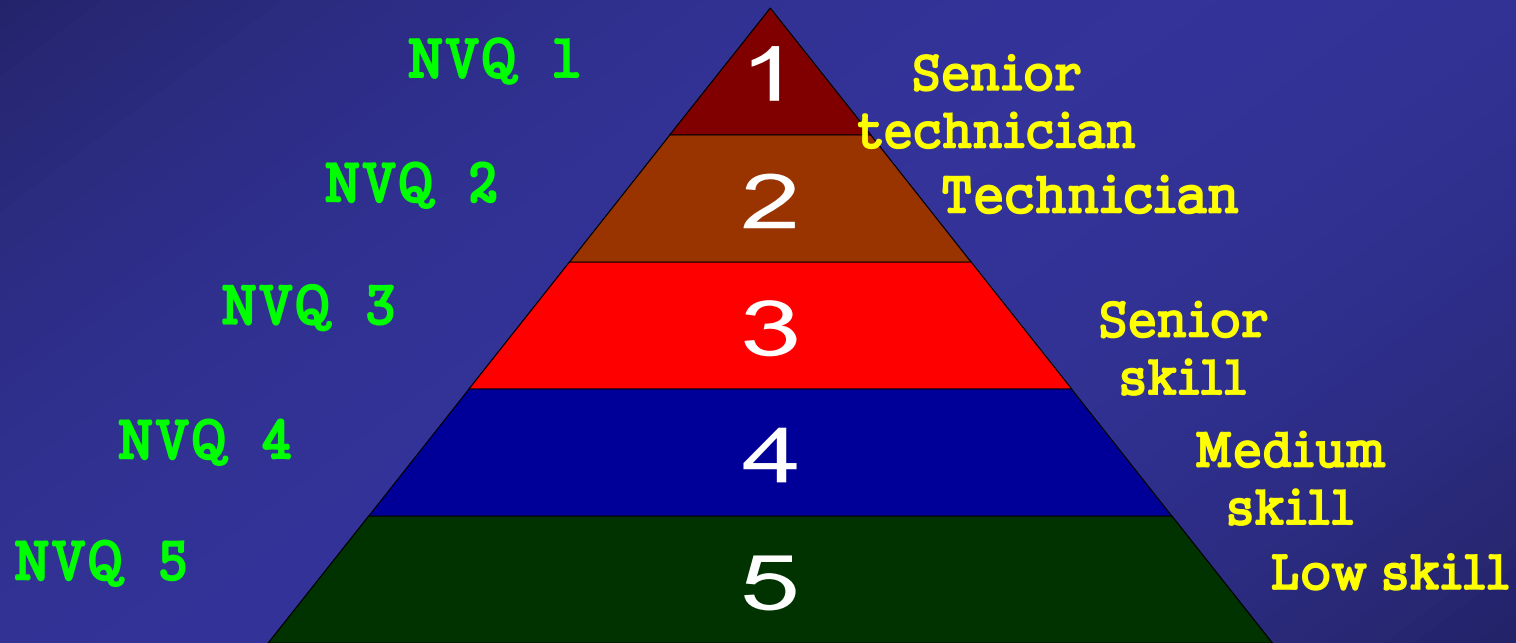


- ◆ Occupational Classification Dictionary of the People's Republic of China was official published in 1999. Including 8 big categories concerning 1838 occupations.

2.The kinds of vocational training

- ◆ pre-job training
- ◆ job transfer training
- ◆ apprentice training
- ◆ on-the-job training
- ◆ entrepreneurship training.

3.The level of Vocational Skill



4. Occupational Skill Competition and Skilled Talents Awarding

- ◆ Chinese government establish the system of “China National Skill Grand Award” and “National Skill Crackerjacks”.
- ◆ In 2010, China join the World Skill International

III. LAWS AND POLICIES ON SKILLS DEVELOPMENT

1. Relevant Laws

The Labor Law, issued on 5 July 1994 and taking effects as of January 1, 1995

The Vocational Education Law, issued on May 15, 1996 and taking effects as of September 1, 1996

The Employment Promotion Law, issued on August 30, 2007 and taking effects as of January 1, 2008.

III. POLICY REFORMS FOR SKILLS DEVELOPMENT PROGRAMME

2. Special Program for Vocational Training

Goal: in two years (from 2009 to 2010)

Content: Conduct four kinds of training

- ◆ To conduct on-the-job training and transfer-job training for employees in enterprises facing difficulties.
- ◆ To conduct practical skill training for the migrates back home.
- ◆ To conduct employment training for the unemployed in urban areas.
- ◆ To conduct pre-job training for new laborers.

Output of the program: 39.8 million persons

III. POLICY REFORMS ON SKILLS DEVELOPMENT

3. Policy reforms

May 2012, *the Proposal of the State Council for Strengthening enterprise training*

July 2011, *Medium and Long-Term Plan on Developing High-Skilled Workers (2010-2020)*

Oct 2010, *the Proposal of the State Council for Strengthening Vocational Training to Promoting Employment*

Main measures

- (1) Aiming at employment promotion, local government should promote SKILLS DEVELOPMENT.
- (2) Strengthen the skilled labor force development through by school-enterprise cooperation.
- (3) Playing the role of market mechanism, strengthening the interaction between employment and training to improve the relevance and effectiveness of the training.
- (4) Increase the Government's financial inputs. The Government's funding should be focused on the effect of employment promotion.
- (5) Further play the roles of stakeholders.

WHO ARE ENTITLED TO GOVERNMENT TRAINING SUBSIDIES

- (1) The laborers in urban and rural areas, who are willing to be employed, attend the employment or entrepreneurship training and obtain the qualified certificate.
- (2) The enterprises provided the pre-job training for the employees newly recruited.
- (3) The laborers who passed occupational skill testing in first time and obtain vocational qualification certificate.
- (4) The students graduated from second education who are not continue to enter college, are encouraged to receive pre-job vocational skill training.
- (5) The laborers coming from families to receive vocational training.

THANKS