

# Develop Human Resources based on the demand of the labor market

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Seminar on

“PRC-ADB Knowledge Sharing Platform:

Constantly Improve Vocational and Technical Education, Advance Industrial Upgrading and Economic Transformation”

Occupational Skill Testing Authority of

the Chinese Ministry of Human Resources and Social Security

China Association of Staff and Workers Education and Vocational Training

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# I. Employment Problems in China

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- (1) Huge Pressure of Total Employment
- (2) Prominent Problem of Structural Shortage
- (3) Concerns on the Needs of the Labor Market

# (1) Huge Pressure of Total Employment

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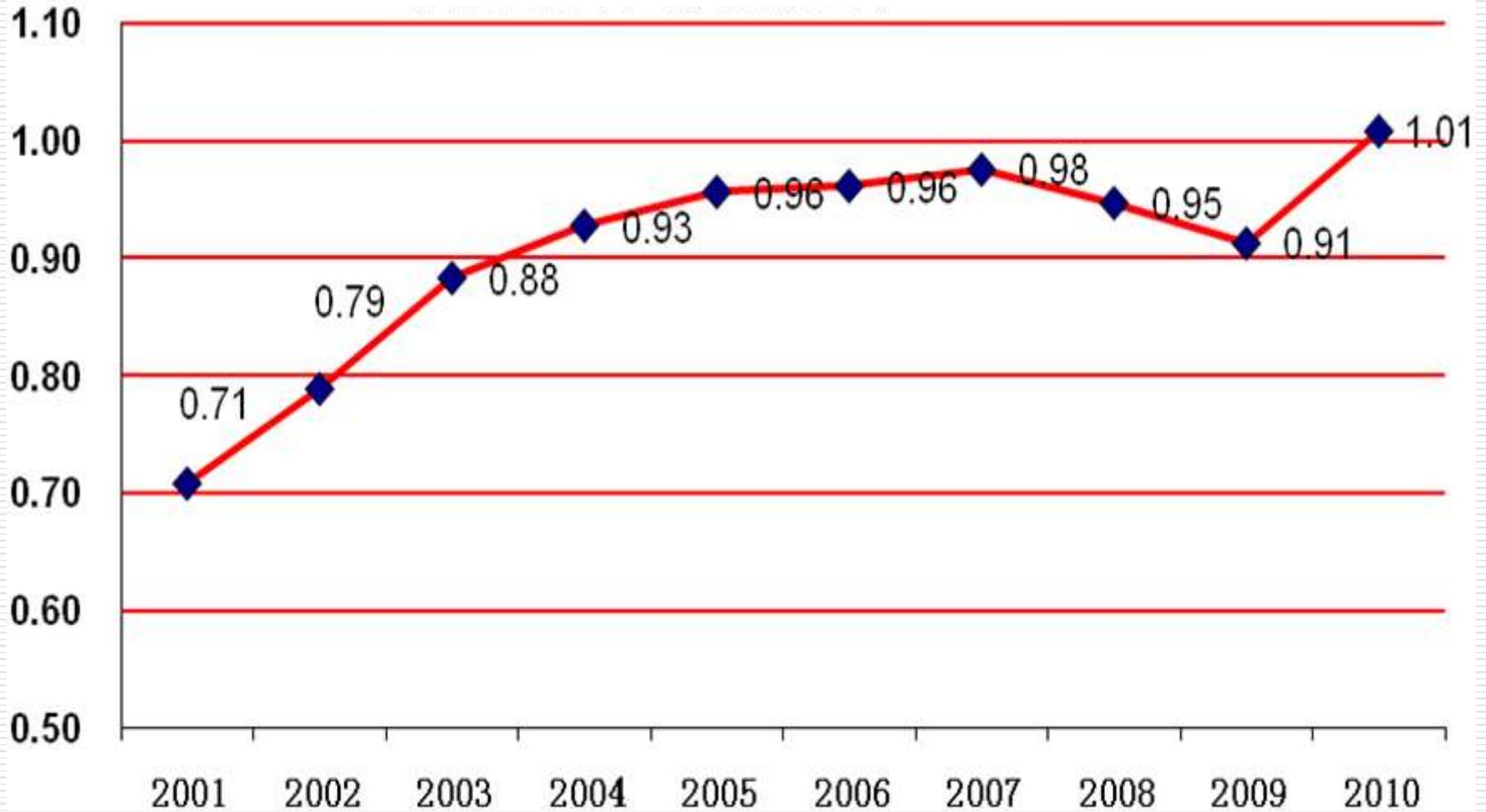
- In 2011, China's total population reached 1.347 billion. From 2011 to 2015, the annual unemployed urban workforce exceeded 24 million, and only approximately 12 million jobs could be provided.
- The employment task is arduous in terms of the focus groups.  
The annual size of **fresh graduates** will reach 7 million.  
More than 100 million **rural surplus labor force** calls for an annual transfer of 8 to 9 million.  
Out of more than 200 million **rural migrant workers**, many do not have a stable job.

## (2) Prominent Problem of Structural Shortage

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- 1. The rapid economic growth saw a shortage of highly skilled talents.
- Planning on Ten Major Industries was carried out in 2009, aiming to boost the development of such industries as iron and steel, automobile, shipping, petrochemicals, textile, light industry, non-ferrous metals, manufacturing, energy and electronic information, etc.
- The skilled laborers in China account for less than 13% of the total employees, or merely one third of urban employees. The technicians and senior technicians account for merely 4.8% of the nation's total skilled laborers.

**Chart 1: the job supply and demand from 2001 to 2010  
(the ratio of vacancies to job seekers)**



## (2) Prominent Problem of Structural Shortage

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- 2. The labor supply pattern starts to change with declining proportion of working-age population.
- The working-age population aged between 15 and 64 in 2012 was 937 million, accounting for 69.2% of the total population, indicating a decline of 3.45 million or 0.6 percentage points compared with those of 2011.
- China has been aging in an increasingly faster pace with people aged above 60 accounting for 13% of the total population, representing the first country in the world that gets old before getting rich.

## (2) Prominent Problem of Structural Shortage

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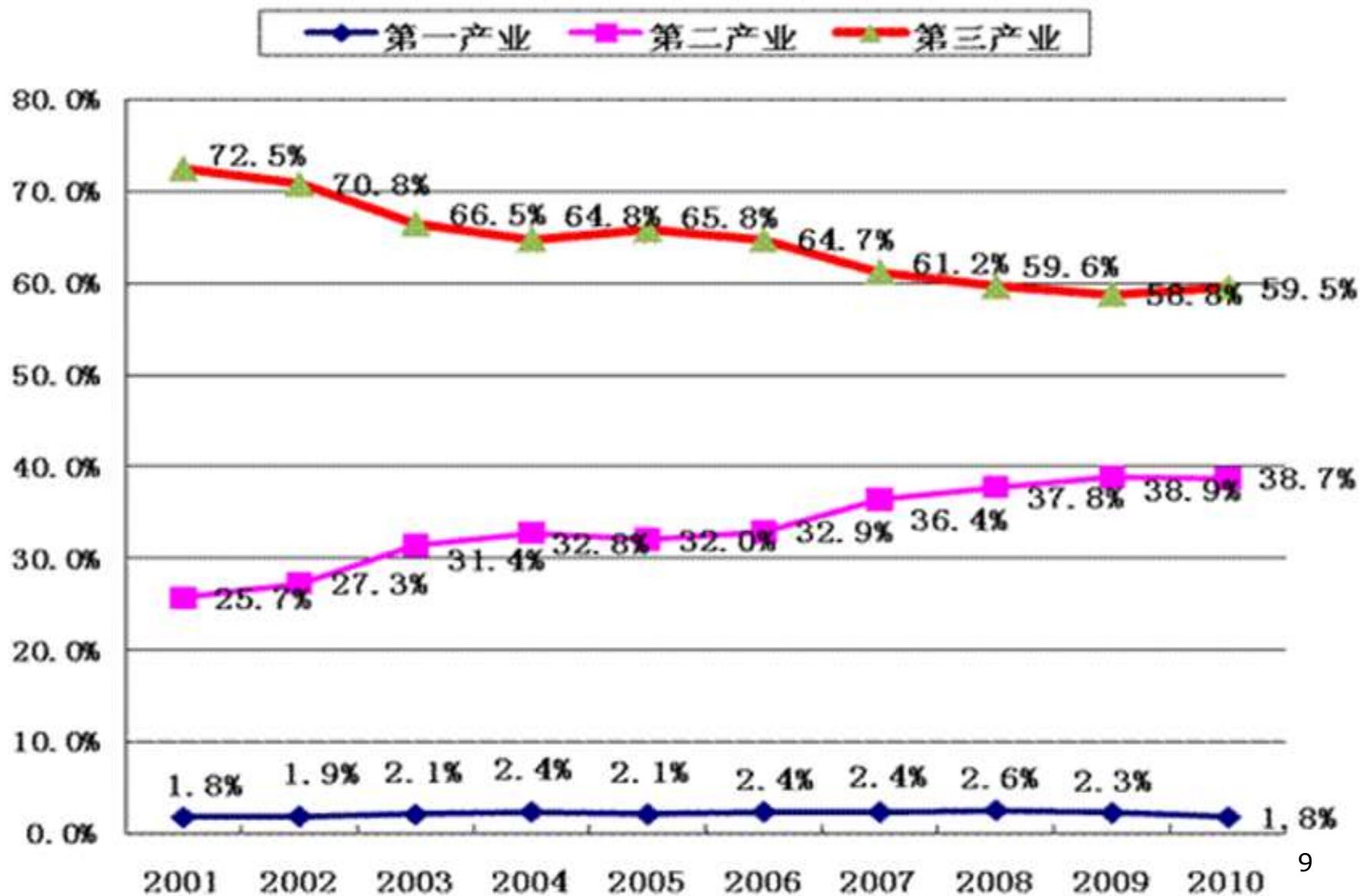
- 3. Huge Pressure in Both Employment and Recruitment
- The supply and demand ratio for technicians above middle level in the labor market is normally between 1.3 and 1.4, while the ratio in some regions with severe shortage could reach 1.6.
- The supply and demand gap of technicians is between 22 to 33 million in China.

# (3) Concerns on the Needs of the Labor Market

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- 1. The labor supply and demand enjoys an overall balance in the market; with the number of both supply and demand population declining compared with that of the same period last year and last quarter, the labor supply is slightly larger than demand in regional markets.
- 2. 80.9% of the job demands are concentrated on industries such as manufacturing, wholesale and retailing, accommodation and catering, service industries, leasing and business services, and construction.
- 3. 97.1% of the job demands are in companies; demands from the government and public sector institutions account for merely 0.6%, and the demands of other units account for 2.3%.

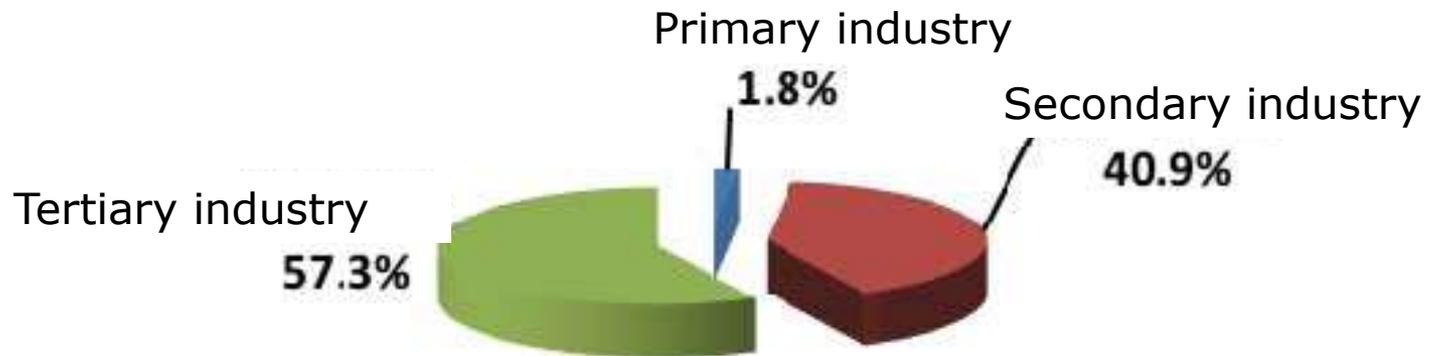
**Chart 2: Changes in demand proportion of the three types of industries from 2001 to 2010**



# The Third Quarter of 2013

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The percentage of job demands by industries



# (3) Concerns on the Needs of Labor Market

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- 4. Among all the job-seekers
  - The unemployed account for 52.6%, among which the newly grown unemployed youths account for 26.4% (51% of which are college graduates )
  - The laid-off workers account for 14.2%
  - Other unemployed people account for 12%; and migrant workers account for 35.9%

**Chart 6: 2001-2010 the percentage of four groups of job-seekers**

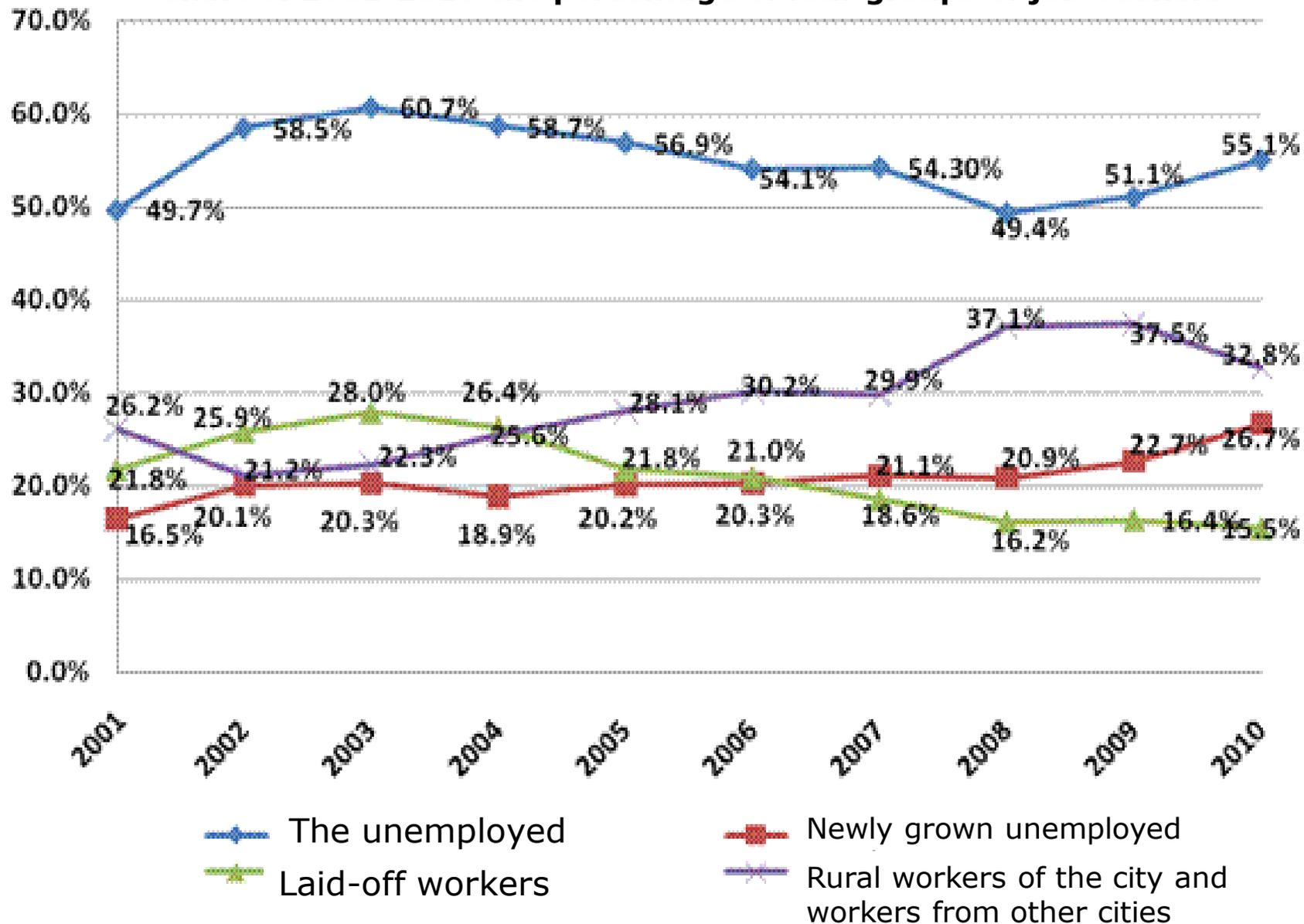
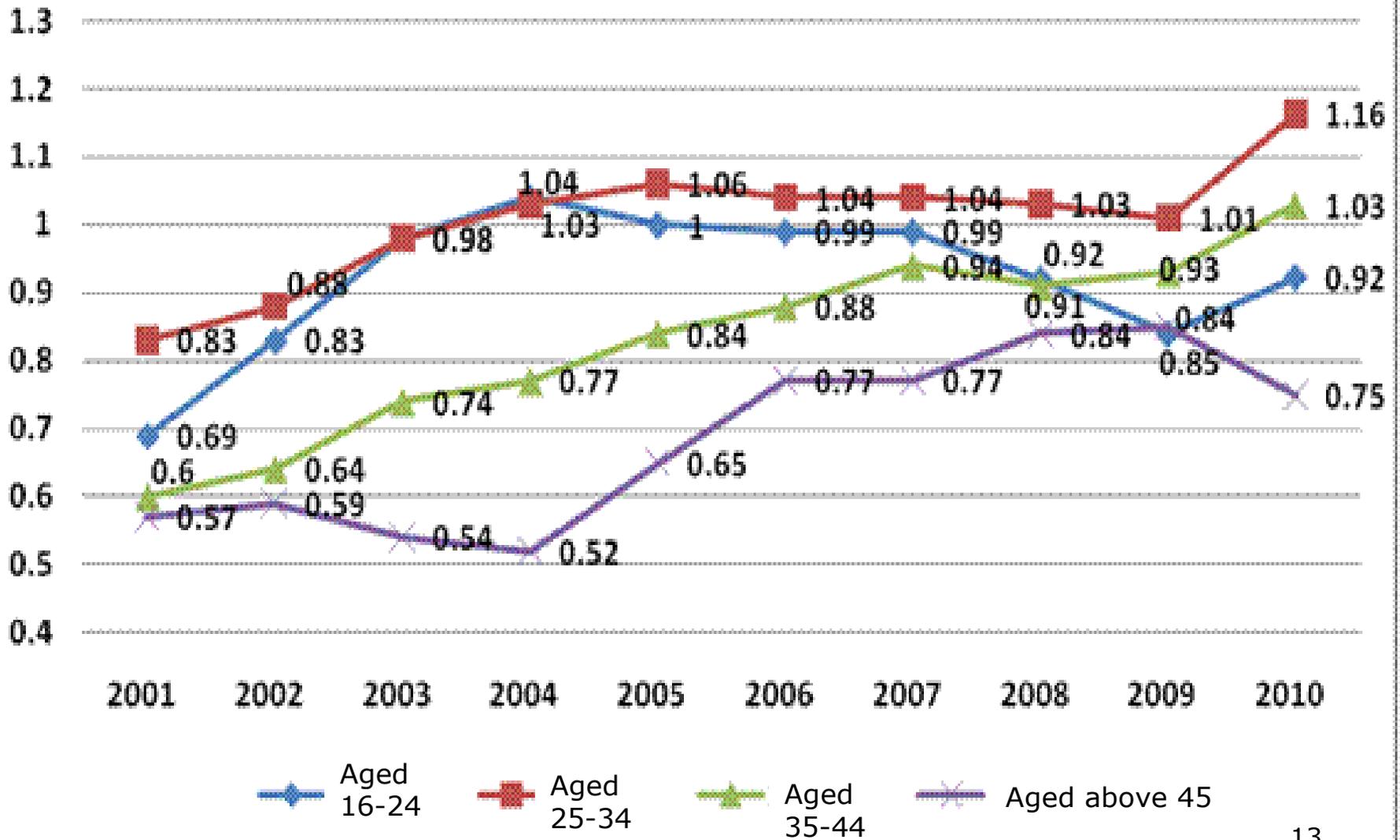


Chart 8: Changes in labor supply and demand of different age groups form 2001 to 2010  
 (the ratio of vacancy to job-seeker)

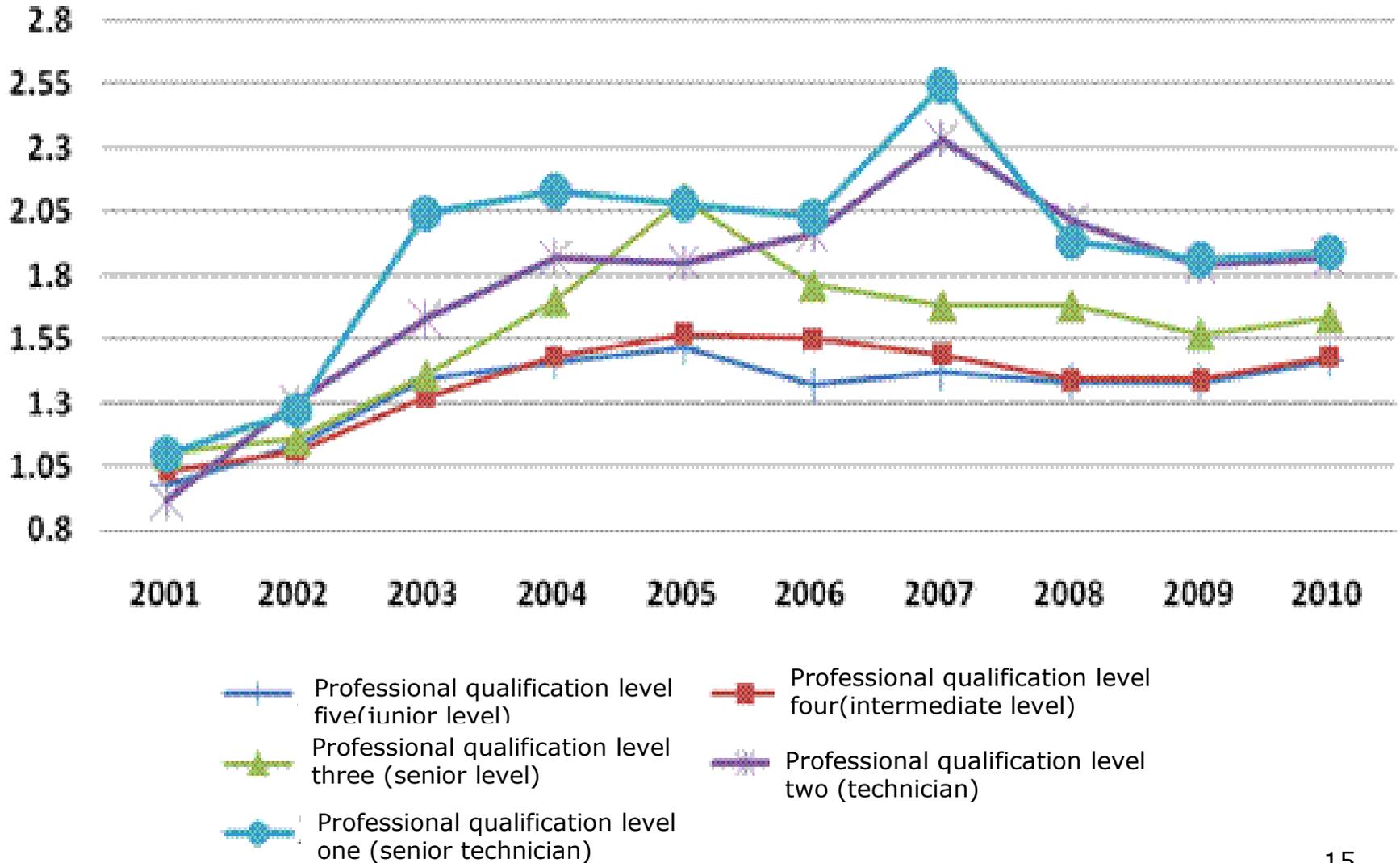


# (3) Concerns on the Needs of the Labor Market

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- 5. The demand exceeds the supply for the middle and high level skilled talents
- Compared with last quarter and the same period last year, the demand for middle and high level skilled professionals keeps increasing while the demand for basic skilled labor is declining.
- Judging from supply and demand proportion, the ratios between the job vacancies of each skilled level and the respective number of job-seekers are all greater than 1, suggesting a larger labor demand than supply.
- The ratios between job vacancies and respective number of job-seekers for technicians, senior technicians and senior engineers are bigger, which are 2.19, 2.19 and 2.11 respectively.

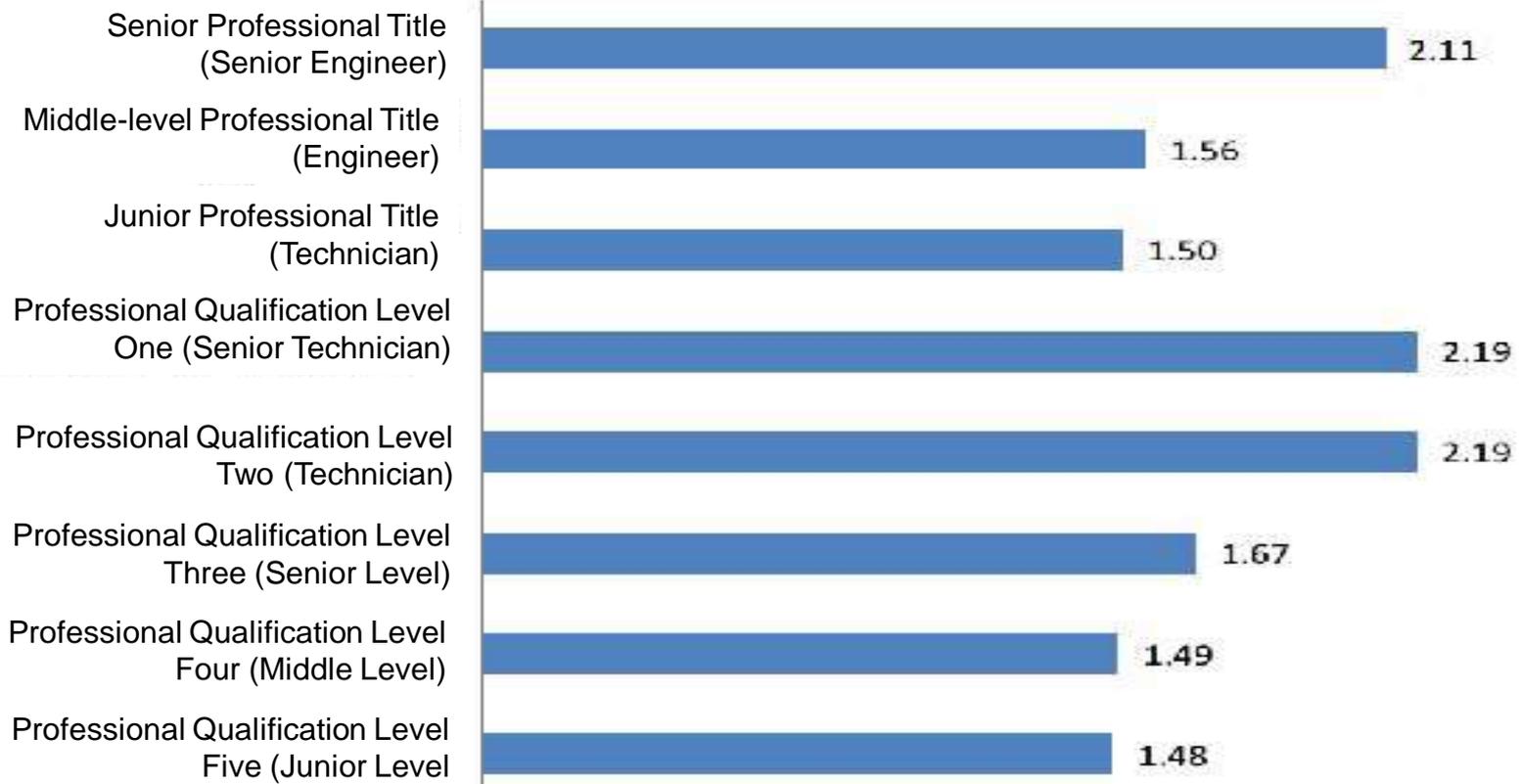
Figure 10: The change of supply and demand for different qualification levels from 2001 to 2010  
(the ratio of vacancies to job seekers)



# The Third Quarter of 2013

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**Figure 9: Comparison of Number of Employees in Supply and Demand by Professional Levels**



# (3) Concerns on the Needs of Labor Market

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- 6. Vocational Positions Demand and Job List in Ten Major Cities of China suggests:
  - The demand is greater for positions such as sales people, waiter and waitress, cooks, metal cutting workers, security guards, etc.
  - The demand is relatively smaller for positions such as accountant, driver, storekeeper, secretary, typist and administrative staff.

## II. Practices on Strengthening Vocational Trainings Based on Labor Market Demand and Relieving Employment Structural Conflicts

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- (1) Implementing job training plan
- (2) Implementing the national revitalization program for highly-skilled personnel
- (3) Strengthening the team building of skilled talents for enterprises
- (4) Conducting trainings of different levels for migrant workers

# (1) Implementing job training plan

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- “Special Vocational Training Program”, supported by the training subsidy policy, has organized on-the-job trainings for the employees in poverty, practical skills trainings for migrant workers, job trainings for the unemployed, pre-job trainings for the newly grown labor and free vocational trainings for ex-soldiers from 2009 to 2010.
- In November 2010, the State Council issued the *Opinions on Strengthening Vocational Training to Promote Employment*, and carried out in large scale trainings on job skills and on job skills upgrading and entrepreneurship trainings.

## (2) Implementing the national revitalization program for highly-skilled personnel

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- 1. Technician Training Program. From 2011 to 2020, another 3.5 million technicians and 1 million senior technicians are scheduled to be trained in China, thus adding the total number of technicians to 10 million.
- 2. Project of Building Training Base for Highly Skilled Professionals. The training base for highly skilled professionals will be built focusing on ten major revitalized industries, strategic emerging industries and the industries urgently needed or in shortage for the economic and social development. A total of 1200 training bases for highly skilled professionals are scheduled to be built from 2011 to 2020.
- 3. Project of Building Master Technician Workroom. By the end of 2020, 1000 Master Technician Workrooms will be built with state prioritized support, forming a technique inheriting and promoting network that covers both key industries and featured industries.

### (3) Strengthening the team building of skilled talents for enterprises

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- In June 2012, the General Office of the State Council forwarded the *Opinions on Strengthening Skilled Talents Team Construction for Enterprises* from Ministry of Human Resources and Social Security, Ministry of Finance and State-owned Assets Supervision and Administration Commission of the State Council.
- Vigorously promote the pre-job trainings, on-the-job trainings for skills upgrading and highly skilled talents trainings, and explore to build a new apprenticeship system for enterprises.

## (4) Conducting trainings of different levels for migrant workers

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- In January 2010, the General Office of the State Council issued *Guidelines on Further Improving the Trainings of Migrant Workers*.
- Trainings on working in a different city
- Trainings on skills upgrading
- Labor pre-job trainings
- Entrepreneurship training
- On-the-spot transfer trainings for rural laborers

# III. Recommendations

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- Governments of all levels shall follow the goal of promoting employment, keep their eyes on the needs of labor market and boost the reform and development of vocational training institutions.
- They shall give impetus to enterprises and other social forces in their joint efforts to strengthen the vocational training work.
- They shall further strengthen the construction of basic capacity, make vocational trainings more well-targeted and efficient, and enhance the employment ratio upon trainings.
- They shall promote the legislation of vocational trainings and construct a lifelong vocational training system catering to all laborers.

# Practices on Strengthening Vocational Trainings for Relieving Employment Structural Contradiction

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Trainings subsidized by government:

18 million trainees in 2010

22 million trainees in 2011

Target Groups:

- On-job migrant workers
  - Junior & senior high school graduates
  - Rural migrant workers in cities
  - The unemployed in urban areas
  - Registered job-seeking college graduates
  - Entrepreneurship training
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# Conclusion

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- Cultivating the human resources that cater to the labor market is an effective measure to promote employment and relieve employment structural contradiction.

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THANK  
YOU!