Meeting China’s Employment and Skills Challenge

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Employment situation

China's economy is becoming 'higher level'

The Leitch Review was right to focus on 2020 but the target is moving

Item	2003	2004	2005	2006	2007
Economically Active Population	**760m**	**768m**	**778m**	**782m**	**786m**
Total Number of Employed Persons	**744m**	**752m**	**758m**	**764m**	**769m**
Primary Industry	365m	352m	339m	325m	314m
Secondary Industry	160m	169m	180m	192m	206m
Tertiary Industry	218m	230m	237m	246m	249m
Composition of Employed Persons (total=100)					
Primary Industry	49.1	46.9	44.8	42.6	40.8
Secondary Industry	21.6	22.5	23.8	25.2	26.8
Tertiary Industry	29.3	30.6	31.4	32.2	32.4

From: National Bureau of Statistics of China

Employment situation

unemployment is low, and declining, even though proportions in low skilled industries are also declining

Item	2003	2004	2005	2006	2007
Number of Staff and Workers (10 000 persons)	**10492**	**10576**	**10850**	**11161**	**11427**
State-owned Units	6621	6438	6232	6170	6148
Urban Collective-owned Units	951	851	769	726	684
Units of Other Types of Ownership	2920	3287	3849	4264	4595
Number of Registered Unemployed Persons in Urban Areas (10 000 persons)	**800**	**827**	**839**	**847**	**830**
Registered Unemployment Rate in Urban Areas (%)	**4.3**	**4.2**	**4.2**	**4.1**	**4.0**

From: National Bureau of Statistics of China

The impact of the global financial crisis

- More than 5 million jobs needed by low skilled farmers/workers
- 6.11 million university graduates each year – 22% cannot find jobs
- Many workers salaries were not paid before investors withdrew from china
- The people trust the government, so
- This is a trust crisis for government which, as you can imagine, they take very seriously

(President Hu Jintao's report, 2007)

"We will improve vocational education and training for the labor force and intensify pre-employment training for surplus labor transferred from rural areas. We will establish a unified, standardized labor market and a mechanism that ensures equal employment opportunities for both urban and rural residents. We will improve employment assistance to the needy and make it a priority to help zero-employment families to have job opportunities. We will do our best to help college graduates find jobs. We will regulate and coordinate labor relations, improve and implement government policies concerning rural migrant workers in cities, and protect the rights and interests of every worker in accordance with the law."

Solution 1 -- skill improvement

More funding for free training.

- Existing training funds
- Special funds from central gov
- Special funds from regional gov

Better quality assurance for trainers.

- Licence for trainers
- Audition during training
- Exams and accreditation

New internship and volunteer scheme

- Pre-employment
- Volunteers entrepreneurs

Solution 2--entrepreneurship

Economic contribution from new companies

1:4.8 and 1:8 formula

(1 new company started by lower skilled employs
4.8 staff,
and for graduates' company employs 8 staff)

Comprehensive package of new funding policies and system nationwide

We use the practice firm concept, with the following, easy to remember, mnemonic

Get the link and environment

Obtain resources for training

Objectivity and observability

Do what you want

Without financial risks

Always be there

Your best career routine

Scale of investment

- 2m candidates trained so far in entrepreneurship
- Plan for 2010 is to train 1m, mainly unemployed graduates
- In 100 Chinese cities
- Each getting between 68 -270 hour programme according to need
- At a cost of £20 -£200 per candidate
- So total cost to govt by end 2010 is £3bn

Curriculum
for entrepreneurship education in Chinese universities – it's practical – the students and teachers were pleasantly surprised

me 1	self		co 1	Nature of company		now 1	If boss
	colleague			Role exchange			Key resources
	assessment			Visit a company			BP1 (component)
then 1	vision		boss 1	Bird view		work 10	Yellow page / compare
	strategy			Action plan			trade / office
	BP2 (core)			Job distribution			P.service / P/S
							bidding / Web buz
							report / News Conference
staff 1	Interview others	Motional endurance	fund 1	Business record	audit	see 1	Rules and routines
	Career design	Interview self		partners	BP3 (applied)		My rules and styles
	resign	career file		negotiation			innovation

Governance

2 new organisations set up to manage this

China National Governing Committee for Entrepreneurship training

And

Special Committee for Entrepreneurship of the China Employment Protection Committee

We have been running this for 3 years – here is regional government officials and me at our annual meeting in Sep 2009

The home of entrepreneurship in Shanghai – not bad is it?
中国（上海）创业者公共实训基地鸟瞰(效果图)

Beijing University of Technology Case Study

- Entrepreneurship training for graduates lasting for 6 months.

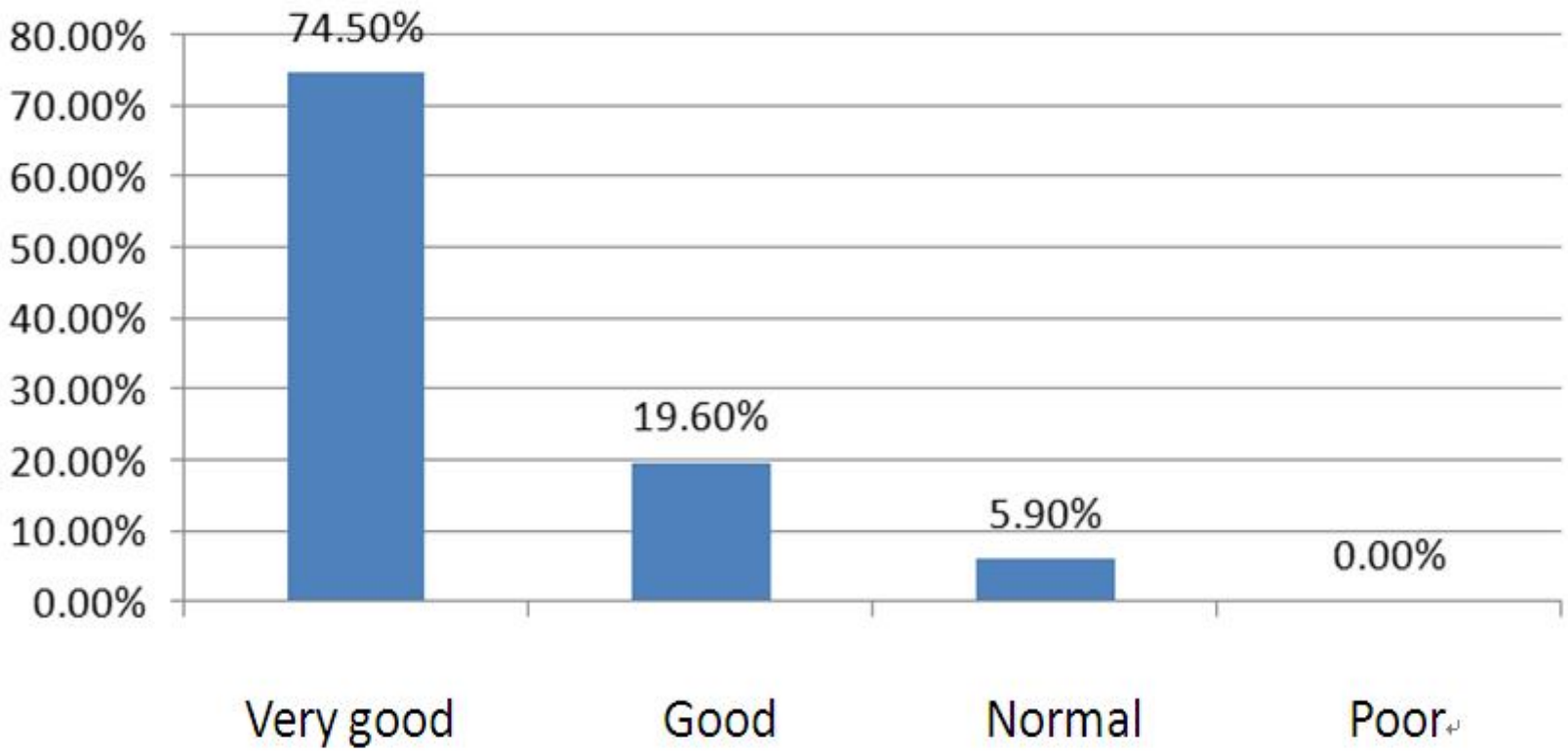
- Four main stages for the project.
  - Entrepreneurship Training
  - Practice Firm Training
  - Opening service
  - Follow-up service (loans, etc.)

- " 4S " Successful Entrepreneur model.
  - Solo
  - **S**imulated
  - **S**tudent-mentor
  - **S**hare-based

The Aims of BJUT Case

- To improve students' entrepreneurial initiatives and skills;
- To enhance the opening ratios for establishing business from university students;
- To encourage and support students to start their own business;
- To search a successful entrepreneurial model for university students;
- To assist the authority to enacting supporting policies and legislations.

Trainee satisfaction



But

- You look like the sort of people more interested in outcomes,

so….

- 35% trainees set up their own business, with 8-10 students employed

- 15% trainees withdrew from being entrepreneurs, and found jobs or continued their learning career

- 50% skills (especially social skills) improved a lot, but no other direct benefit found yet

Dragon with no money in the Den

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Thank you for listening and now it’s your turn, please!