

Vital Role of TVET in China's Economic Transformation: Challenges and Responses

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i. Economic Transformation and Challenges

ii. Mission & Task of TVET

Economic Transformation and Challenges 1

- Getting farmers rich & expanding domestic demand
 - Transformation: An economy moving from export-led toward domestic demand driven
 - Export is a cooling engine of economic growth as a result of European debt crisis and American manufacturing revival
 - Excess production capacity is seeking domestic market demands
 - Counter-measures: Getting farmers rich
 - The middle class, joked as “house slaves”, were the former major consumers but now are harassed by investors in real estate who seek their land.
 - Getting 670 million farmers (half of the whole population) rich will lead to stimulation of domestic demands.

Economic Transformation and Challenges 2

➤ Challenge: how to get farmers rich?

- Small arable farmland (9% of the world) for large rural population (40% of the world)
- low agricultural productivity and limited agricultural modernization
- pervasive poverty

- Rural areas, agriculture and farmers are crucial parts of the nation's development strategies.
- Measures must be taken to accelerate urbanization of rural areas, modernization of agriculture and transference of rural surplus labour force.
- Getting farmers rich and expanding domestic demands should be among priorities of the nation's rural policies.

Economic Transformation and Challenges 3

- Up-skilling workforce & upgrading growth modes
 - Transition: from ‘labour intensive’ to ‘technology & knowledge intensive’
 - aging society and “labour shortage”, especially short supply of young workers (1 million vacancies to be filled in Guangdong Province alone after this Chinese New Year)
 - Increased labour costs with shortage of skilled workers and more expense on employee retention
 - Vanishing demographic bonus and emerging Lewis Turning-Point

Economic Transformation and Challenges 4

- Counter-measures: business transformation, technology upgrading, digitization and automation in the production and service process, which lead to reduced labour costs
- Challenges: The 200 million migrant workers constitute 30% of the whole labour force in China. They are mainly inexperienced and lack systematically vocational training.

How to up-skill migrant workers to cater to business transformation and technology upgrading?

Mission & Task of TVET in China 1

- What should TVET do to make farmers rich?
 - agricultural modernization (industrialization of agriculture, large-scale operation, establishment of family farm)
 - Task of TVET- turning traditional peasants into industrialized farm workers to help the” new farmers” get rich
 - Acceleration of the urbanization process
 - Task of TVET
 - a) training of surplus agricultural labour force and landless farmers
 - b) up-skilling of migrant workers from rural areas, assuring decent employment, higher income and better integration into urban society as a real ‘new citizen’ for decent life.
 - c) education of migrant worker’s children in cities, decreasing limits on farmland transaction, domestic migration, and sitting college entrance exam in other cities.

Mission & Task of TVET in China 2

- What should TVET do to upskill migrant workers for business transformation?
 - Almost 200 million migrant workers were boosters for economic development of the past 30 years, but the low skilled workers are hampering business transformation and technology upgrading with demographic bonus vanishing.
 - Task of TVET
 - training low-skilled workers (especially migrant workers) to be compatible with digitalized production, Intelligent manufacturing and informationised service
 - cultivating more high skilled talents for business transformation, by establishing modern vocational education system, building smooth pathways from secondary to post secondary vocational education, re-structuring and vocationalising professional Master Degree program, and enhancing school and business partnership.

Mission & Task of TVET in China 3

- China's economic development needs TVET; China's economic sustainable development needs TVET too; China's economic transformational development needs TVET more!
- TVET is not only an institution dealing with employment. but also the national strategy for economic development, poverty reduction, equity realization, and harmonious society construction. It is among the national priorities of the country's agenda and will play a vital role in the process of economic development and social transformation in China.