

# **Report from the International Forum on High Skill Worker Development in China**

Beijing, 30-31 October 2006

## **Introduction**

This Forum, jointly sponsored by the Ministry of Labour and Social Security and the International Labour Organization, brought together over 120 national experts and practitioners, along with 7 international experts, to discuss practical means to develop high skilled workers in China. Thirty eight presentations from representative government officials, provinces, cities, training institutions, employers, workers and academics from China and foreign experts produced a wealth of information and ideas which will be documented in detail in a later publication. The present report presents a synthesis of the main ideas and common themes emerging over the one and half days of intense and fruitful discussion. It is organized on thematic lines, reflecting the considerable convergence in ideas and approaches that was apparent at the Forum, despite the significantly different conditions and challenges experienced in the search for practical means to address the development of High Skilled Workers.

The importance of the Forum and of the issue of High Skilled Workers was underlined by the presence and keen interest of the Vice Minister and numerous other senior officials who chose to invest their time in the discussions. There was keen interest in the presentations of the foreign experts, and in the applicability of the ideas to the complex conditions of China. The many positive examples presented by national speakers illustrated the range of innovative ideas being generated as well as the complexity of challenges faced.

## **Definition and characteristics of High Skilled Workers**

Most national speakers commented on the critical role played by high skilled workers in the development of China's industrial capacity and its competitiveness. The Vice Minister noted that whoever has the advantage of talent has a competitive advantage, while the speaker from the CEC observed that high skilled workers were essential to the growth and development of enterprises, and that the growth of China, and of a harmonious society, in turn depended on the growth of enterprises. The Director of the ILO Office, Beijing added that high skilled workers were essential if China's production was to move up the value chain, so as to realize greater returns. The quantifiable value of high skilled workers was illustrated by the Vice Mayor of Qingdao, who said that the number of such workers was a key condition underpinning investment decisions, and hence critical to their economic development plans. The importance of the number and quality of high skilled workers to China's continuing development was consistently emphasized.

Other speakers clarified the characteristics of such workers. The Vice Governor of Liaoning described high skill workers as being able to transfer know how from developed countries, and to be able to further innovate so that "Made in China" could become a guarantee of good and consistent quality products, produced in an

environmentally friendly way, in workplaces with good production techniques and high health and safety standards rather than a brand implying low price and poor quality. The speaker from the ACFTU mentioned the high skilled worker's capacity to improve productivity, while CETTIC presented profiles of ten outstanding high skilled workers who had been jointly identified with the All China Youth Federation and the Women's Union. These ten workers displayed five characteristics common to high skilled workers:

- A high level of operational capacity in their own field
- Innovation, pursuing improvements and new approaches
- Outstanding performance in their work responsibilities
- Training other employees and making a positive contribution to the working environment
- Being sought out as examples and mentors by young people.

High skilled workers work 'in the front lines' of production, but are able to make uniquely valuable contributions to the productivity of enterprises due to their technical skills, their problem solving capacity and their ability to create and motivate effective teams.

### **Quantifying the need for high skilled workers**

Understandably, given the crucial role of high skilled workers for successful industrial development, many speakers described the current and future needs for high skilled workers nationally, by province or city, and specific industries. For example, the Vice Mayor of Suzhou described the steps taken to determine both the existing skill and high skilled capacity of the local labour force, to determine the needs for the developing industries, and to determine the shortages of high skilled and other workers. This enabled the city to develop a strategy to build skills in demand areas. The Vice Mayor of Chengdu described establishing targets for developing an adequate pool of high skilled workers.

### **Addressing the need for high skilled workers**

Understanding the importance of high skilled workers, defining their characteristics, and determining the gaps that exist in the supply of high skilled workers for specific industries or sectors and in geographic locations are important first steps to addressing the problem. Many speakers also referenced the [National Working Conference on Talent Development which was held from 19 to 20 December 2003, President Hu Jintao made important speech at the Conference emphasizing that implementation of strategy of strengthening national competitiveness through human resource development is providing solid support to build up a harmonious society]. The Director General of Training and Employment noted that the number and quality of high skilled workers in China were a bottleneck to China's development. Addressing this required action in five areas:

- Ensuring that the development of high skilled workers was integrated into the management strategy of enterprises;
- Improving the evaluation system to make it fairer and reflective of needs;
- An improved system for motivating and using high skilled workers
- Better social security mechanisms
- Increasing the financial investment in high skilled workers.

Presentations at the Forum spoke to two main, interlinked objectives and the necessary strategies for achieving them. On one hand, those active workers who are or have the potential to become high skilled workers need to be recognized, supported and rewarded to ensure their continuing contribution to the development of their enterprises and of China. On the other hand, the future supply of high skilled workers needs to be assured through effective training and development. These two objectives, and their strategies, are mutually reinforcing. Most speakers referred to actions and strategies for both objectives, but they are separated in this report for clarity as in some cases the relevant stakeholders and roles may differ.

In general, all speakers agreed that government's role was to create an environment for valuing and developing high skilled workers though there was some variation in what this would consist of, from both national and international speakers. Some believed that government should provide the bulk of services and support; others believed governments function was more to provide the necessary policy and legal framework within which enterprises and training providers had considerable responsibility. Most speakers also emphasized the role of enterprises in both recognizing and developing high skilled workers, with several of the international presentations providing details on approaches in other countries.

In the closing session of the Forum Mr. Wang Dewen summarized the 'rules of development' that should be followed to first educate and then effectively use high skilled workers:

- That high skilled workers are based in sectors and in industries, and it is hence a responsibility of industry to identify and nurture the talents they need, with government assistance.
- That training is necessary, but equally important is a fair evaluation system that determines a high skilled worker's performance and contribution and rewards him or her commensurately.
- That incentives for building and maintaining high skilled workers include compensation, welfare and career development.
- That there needs to be more of a market approach for talents – with freedom to move and portability of social security.

The following sections of the report address these two streams: educating the skilled workforce, and then supporting them to ensure their continued performance.

### **Training and developing new high skilled workers**

Teacher quality and teaching methods were noted by a number of speakers, including the Director of the Beijing Industry and Trade Technicians College, who emphasized that teachers at his college were required to stay in touch with the changing needs of industry, in part through working at enterprises, and must update their approaches and teaching methods in line with the latest professional developments. The President of the Xi'an Institute of Engineering techniques also stressed the importance of innovative teaching models. The Vice Governor of Hubei recommended that there be a specific government budget allocated for the training and upgrading of teachers.

Linked to both teaching methodologies and relevance of training content are learning materials. The Director General of the China Labour and Social Security Publishing

House described how her organization works jointly with vocational training institutions and enterprises to develop relevant textbooks as well as online and other learning resources. Recent innovations included extensive onsite research with teachers and enterprises as well as the more traditional technical and academic research. She suggested that it was important to ensure that teaching materials and textbooks were of high quality, and that training institutions were aware of the full range of choices available as well as the criteria for good materials, perhaps through means such as a common catalogue and use of government support to encourage quality and reduce duplication.

The role of a qualifications framework and common, government/industry established competency standards in training was a common theme in foreign expert presentations. Japan described their 4-level system, which sets career goals for workers and provides government examinations (by prefectural authorities within a national framework), allowing workers to compare their skills with the benchmark for (for example) the highest category “advanced skill workers”, who are normally troubleshooters with more than 10 years’ experience. Singapore has launched a comprehensive qualification system with recognized, industry defined qualifications primarily to upgrade the current workforce, and to ensure that training packages developed and delivered meet the needs of industry. Germany has historically situated most of its technical and skills training within industries themselves, but is increasingly looking to improving the abilities of technical trainees to be creative, solve problems and to innovate – and this requires a new approach to teaching where the instructor acts as a ‘coach and guide’ rather than a transmitter of facts.

The need to invest in the infrastructure of training was a common theme. The presentation on behalf of the Vice Governor of Guangdong noted that the government had identified the 10 high growth industries and was investing in technical training centres and specific disciplines in vocational education to improve the supply of skilled people. Their commitment to investing in training was one of the factors affecting enterprises’ decisions to locate or expand in Guangdong. Guangdong also supplements local training through cooperative arrangements with institutions in other countries, so that high potential students could gain overseas experience. The Vice Mayor of Suzhou also referenced the need to create training centres for specific industries as part of the industrial development strategy for the City.

The importance of enterprise investment in training was another important theme. Recommended amounts for enterprises to invest ranged from a high of 4% of revenue to a more common 1.5% of total wage bill. The Vice Governor of Liaoning suggested that mechanisms such as tax policies – to reward enterprises that train – and potential matching of industry sourced training funds would be positive incentives to increased investment. The need to increase total amount and sources of funds being invested in training was a common concern – the Vice Mayor of Qingdao reported on the need to ensure a wider source of financing for the creation of ‘training bases’ – centres equipped for practical training in a specific industry, with up to date equipment and teachers who have current industry experience. Another financing strategy reported was to provide subsidies – to employers to offset the costs of their training in the case of Qingdao, and in the form of training accounts to assist unemployed young people to access training, in the case of Suzhou.

Improved links between training institutions and enterprises were also noted by many speakers. The Vice Mayor of Chengdu reported that internships as part of training helped ease the transition of students into employment, as well as ensuring exposure to up to date techniques. His government was working to expand training channels through the development of private training institutions and encouraging universities to train technicians. This echoed the Vice Minister's opening comments that schools should actively partner with enterprises, and should combine on the job training with more theoretical learning. The Vice Mayor of Qingdao described the new dual certification programmes whereby students graduate with both a degree and a technical certificate. This dual certification requires a successful internship of at least six months.

Qualifications, examinations and the testing process received considerable attention from presenters. There was general agreement that the criteria for qualifications and examinations should be objective and focused on real work processes, as well as required theoretical knowledge. The speaker from the Guangdong occupational skill testing authority called for using national occupational qualifications that reflect the real demands of production – as defined by enterprises – to establish credentials within a national framework. The experiences of Australia and Singapore, as described by the two speakers, were of considerable interest in this point.

A number of other issues raised were relevant both in terms of training and in supporting active high skill workers. Access to training to upgrade and refresh the relevance of skills, increasing the status and profile of technical occupations, 'laddering' technical training to allow for subsequent academic training in the same field, and skills competitions were noted as means to both attract talented people into skilled occupations, and to support them to become high skilled workers.

### **Recognizing and supporting current high skilled workers**

As noted above, access to ongoing skills training to upgrade skills was seen as one element of support to high skilled workers. But far more often, participants mentioned the need to significantly change the way in which these workers are managed both within enterprises and nationally. In essence, speakers gave numerous examples of how they were in practice moving to a more 'marketised' system of managing these workers. Recognizing that they make significant and quantifiable economic contributions to the enterprises they work in, efforts were being made to ensure that they received both recognition and some share in the value of their contributions.

In order to fairly assess the value of the contributions of high skilled workers, many speakers referred to competitive and evaluative processes. Skills competitions were described as a way to both gain public recognition for the value of various skills, but to improve the status of highly skilled practitioners. Evaluation systems used within firms to determine placement and salary were being modified to incorporate occupational tests and performance rather than being limited to academic credentials and seniority, and many speakers reiterated the need to have evaluations be based on fair and transparent grounds. The city of Suzhou, for example, recommends a "1+x+y+z" evaluation system which looks at a range of elements including those directly linked to productivity.

Individual enterprises were pioneering methods to recognize, support and best use their talented staff. The China North Industries Group Corporation described their process of selecting, through a process of staff nomination and then evaluation, ‘Key Skill Leading Staff’ in 14 different areas critical for their production. These staff are responsible for both production tasks and new developments, and must train at least two ‘young talents’ who will be able to take on similar roles. Key skills leading staff are appointed for a five year term, with annual evaluations, and receive a salary and status equivalent to an assistant manager. They are selected on the basis of performance, not age or credentials – the youngest current one is 30 years of age. Guangdong Province also encourages local enterprises to establish “Master’ and “Chief Master” titles for their high skilled workers, so they have access to improved salaries and recognition.

Improving the public image and status of high skilled workers and technical occupations is an important element of many government and enterprise strategies. The Vice Mayor of Qingdao described their 2004 publicity campaign, aimed at industries and individuals, to improve understanding of the important role of technical workers and the opportunities for individuals to find good employment. In Qingdao this effort is also supported by a biennial contest which provides both a cash award and a senior level qualification to winners. The Lucky Film Corporation uses its media presence to profile high skills workers.

Employment benefits including wage and non wage elements are an important mechanism to motivate and reward high skills workers. Many presenters mentioned linking salaries and subsidies to demonstrated performance, and a range of other innovative elements were suggested by a variety of speakers, including:

- Preferential access to housing
- Career development
- Additional vacation time
- Health insurance
- Awards for workers in high skill demand fields
- Stock options
- Support for children
- Higher level pensions

Some mechanisms were specifically designed to encourage mobility of high skilled workers between enterprises and regions. For example, Qingdao’s “Green Pass’ system which provides for easier household registration, access to schools for children and employment for relatives in order to attract these workers. Portability of social security benefits was also suggested.

Finally, linking back to the first theme of training high skilled workers, many commented on the role of the high skilled worker as a mentor and developer of younger people. The spokesperson of the China Enterprise Confederation emphasized this in his opening address, a point that was echoed in the presentations following, with examples provided by a number of enterprises.

## **Relevant International Experience**

Presentations from international experts in each of the two concurrent working group sessions on the first day provided new perspectives on issues discussed by the national representatives.

Under the first group theme of “The Objectives, Tactics and Methods of high skilled workers training” speakers from the ILO, the Republic of Korea, and Taiwan introduced ideas and experiences from other countries to complement the examples shared by Chinese institutions and companies.

Mr. Riordan, Manager of the ILO Regional Skills and Employability Programme (SKILLS-AP) presented the innovative skills policy reforms: sector-based approaches to skills development. Firstly, he introduced that many factors had driven the increasing demand globally for higher levels of workforce knowledge and skills which were contributing to economic growth and enterprise competitiveness. However, many countries experienced the difficulties in reforming their national skills development system to deal with the challenges of the global economy. Different innovations related closely to social, political and historical context were developed by countries, such as English speaking countries approaches focused on outcomes, French speaking countries approaches focused on process, German speaking countries approaches focused on occupations. Most international approaches to skills development focused on integrated national skills strategies which developed the skills across the total workforce, rather than segments, such as high-skilled workers. Secondly, He presented the advantage of the sector-based approaches to skills development, and six main features of an effective sector skills approach. Finally, he provided his concluding thoughts: 1) while no national system could be directly transferred to others, many useful lessons could be learnt from observing other systems; 2) sector based approaches were proving to be very effective in matching skills needs to national economic development; 3) many advanced countries were using sector based approaches to develop their skills workforce and respond to challenges of globalization.

Dr. Byung-Suk Chung, President of Korea University of Technology and Education presented Korean experience in skills development. He introduced two key approaches to skills development in Korea: 1) the major innovative policies developed every 10 years to response the challenges of reforming the vocational training system; 2) Financing of skills development which was composed of compulsory vocational training and employment insurance development. He highlighted the importance of flexible policy responses to the changes in industrial structure, and government support to private and voluntary training. He also shared the Korean experience in tackling mass unemployment through large scale training during the financial crisis, as well as strengthening the active labour market policies through closely linking among unemployment benefits, job placement and skills development under employment insurance system.

Mr. Tan Yangguang, Director General of Taiwan Chinese Technical Human Resources Development Association provided an overview of approaches used in Japan, the USA, Australia and Germany. He stressed that before designing a course it was critical to fully discuss and understand the model of skills development underlying the program as a whole. He cautioned that it was inadvisable to transplant or copy models from other situations, because the underlying models would be

different as would the economic and employment contexts – for example, in Germany and Japan there is close involvement of enterprises in training, whereas in the USA the public training system is normally quite separate. He noted that ‘vocational training’ was a very broad term that could cover many different types of training and types of skills.

Under the second theme, “Evaluation, better utilization and effective incentives for high skilled workers” speakers from Australia, Singapore, Germany and Japan spoke on a range of topics linked to the specific topic and touching on the major themes of the conference. Chinese speakers from Skill testing authorities, training institutions and industries provided their practical experiences and examples.

Mr. Scott Sheppard, Australian Embassy, Beijing discussed the overall government approach to skills training in Australia, which he described as being guided by three government priorities: that industry needs drive training; that training outcomes should be described in a qualification system that ensures quality and recognition across all Australian states; and that the system should ensure mobility and flexibility. He noted that there is considerable movement between the university and vocational training streams in Australia and that this was encouraged. The Australian Qualifications Framework links school, vocational and university training and qualifications in a single framework with nationally recognized qualifications. Curricula are based on “national Training Packages” which are developed with industry.

Structurally, the system is managed by a national council which has industry as a major participant, with sub councils responsible for determining qualifications and allocating responsibilities in specific skills areas. As of 2006 the National Industry Skills Council has focused on the need to improve workforce productivity through improving the number and quality of workers with skills. This is leading to reforms in apprenticeships and skills training, with the strong participation of industry.

Because Australia has a low unemployment rate and significant skills shortages, the government is introducing a strategy called. “Skills For the Future” which is designed to improve the skills of the existing workforce. Elements of this approach include: vouchers to assist over-25 year olds to get their basic education certificates; support people aged 30 and over to enter apprenticeships; vouchers to support small business training ; increased engineering places at universities; and financial awards and other incentives to employers for supporting their employees to train to advanced and higher level certifications.

Dr. Gary Wilmot, Deputy Chief Executive, Singapore Workforce Development Agency began by noting that Singapore was very different from China, particularly due to its small size, ethnic mix and current high standards of living. But many of the issues addressed by Singapore in developing its approach to skills development were relevant to China. Singapore has a range of good schools, colleges and universities and has a national workforce skills qualification system, has recognized a gap in terms of providing skills training to the existing workforce. So a new workforce development strategy was created to address that need. It is sector based and open to any worker, with the aim of improving their skill levels. It is directed at both current

very low and unskilled workers, to help them improve their quality of work and productivity, and skilled workers who seek to become high skilled workers.

After a short peak in unemployment rates in the early 2000's Singapore is back to a low unemployment rate, but the structure of employment is shifting towards high skill areas. Consequently, the fact that 49% of the existing workforce lacks any vocational qualification was seen as a barrier to further economic development. This led to the development of the Continuing Education and Training (CET) system.

Structurally, such a system involves many different Ministries. Consequently, a new Agency, the Workforce Development Agency, was created to serve as the executing body for the new approach. The WDA has four goals: to support industry growth; address skills gaps; raise industry standards; and increase employability of low skilled workers. It therefore had a broad mandate including skill standards, job redesign, manpower planning, industry strategies, funding, credentials and quality assurance.

The CET system works within Skills Frameworks, which define both industry based generic skills required to perform the jobs within an industry. Industries are closely involved in defining the skill needs and qualifications required for their industry, which are then established within the national framework of Skills Qualifications – a seven level structure that includes two graduate levels.

The CET system was established with a number of positive incentives for participation by both working people and their employers. From the employers' perspective, the training is relevant and backed by the government and their industry. For working people, they are able to access training whatever their prior learning, and can gain recognized credentials leading to improved pay and job satisfaction. Thirty skills frameworks covering industries from service to manufacturing will be completed by the end of 2008-09.

Dr. Wilmott noted five critical success factors for this approach:

- That government, employers and unions were committed from the start to a strategy to improve workers' skill to maintain their employability and improve industry productivity.
- Industry participation in development of skills standards through Industry Skills and Training Councils, with the involvement of industry leaders in each sector.
- Having a coherent strategy, with a dedicated agency to work on all parts of it, with strong partnership with unions, industry, training providers, government agencies, and individuals in the workforce.
- Providing a quality product with tangible outcomes: the CET produces training products and qualifications that industry wanted and that provided direct benefits to employers in areas such as higher productivity.
- An active approach to implementation – including establishing a dedicated agency and securing ongoing funding.

He concluded that these five make up “the winning hand” for implementing a national high skills training strategy

Dr. Winfried Heusinger, GTZ expert, China-German Vocational Training Centre, Tianjin reflected on the more than 20 years of cooperation between GTZ and Chinese

partners to develop vocational training. He reminded listeners that in Germany, the question of better links between trainers and industry is not a question because to a large extent training is done by industry, with the support of the public training institutions.

However, there were many changes in the structure of employment and industry that were leading to changes in how Germany is approaching training. He noted that the challenges of producing for a global market required different skills and attitudes – a shaver feature popular in Germany might not be successful in Japan, for example, and computer skills are increasingly central to many industries, from manufacture to retail services. Equally, there have been changes in how trainers perceive their students, with a shift towards seeing students as ‘customers’, and shifts in students own expectations – they may be less receptive to traditional teaching methods emphasizing theoretical and lecture based approaches.

He discussed the ‘half life’ of knowledge, meaning how long knowledge and skills gained can be expected to remain relevant. For basic skills such as reading and numeracy, the use is generally life long. Technical and vocational knowledge may continue to be relevant for up to five years, while specialized information technology knowledge may be outdated very rapidly. Most occupations will demand a variety of skills – both those that are basic and can be ‘learned once and used forever’ as those that are constantly changing. Consequently, learning strategies should anticipate the need to refresh and rebuild skills as well as initial training.

He also noted the changing relative importance of different types of competencies in work – formerly there was much greater value of hard, technical knowledge than on the ‘softer’ attributes of teamwork, innovation and self motivation, whereas now the emphasis was shifting towards the latter. He suggested that in the future there might be a perception that high skilled individuals are those who can ‘figure out what they need to know’ for a new task, rather than those who have a set technical competency.

He illustrated how these new pressures had led to changing training practices in German industries. The industries understand training as an investment in future productivity, and therefore wish to cultivate the skills and attitudes that will improve their productivity and competitiveness, in their case through high quality, innovative goods, for a global and rapidly changing market. This has meant a move from a training model where the trainer ‘transfers knowledge’ to one where the trainers’ role is as coach as trainees explore process and tasks within an entire production chain from design to end customer, the ‘learning island’ approach. The trainer supports, stimulates, encourages and creates an environment in which the trainee can learn. The examination process is also different, with a national theoretical exam and a company specific, practical problem to be solved. Dr. Heusinger concluded by discussing ways that small and medium sized enterprises could more effectively participate in training.

Mr. Takeshi Tokiwa, Deputy Director of Overseas Cooperation, Professional Ability Development Bureau, Ministry of Health, Labour and Welfare, Japan discussed two issues: how to develop a viable and sustainable system for skills development, and how to evaluate the skills of workers. As background he noted the context of Japan: a declining population, low interest by young people in technical and vocational

opportunities, and mis-matches between the skills of graduates and employer needs. To address this Japan has introduced a Human Resource Development promotion law covering three elements: vocational training; evaluation of skills; and career development for workers.

Japan's national trade skill testing and certification system was introduced in 1959 and is used mainly to provide benchmarks for career development, helping workers and their employers to identify their current skills competencies and areas for improvement. The most common use is in recruitment. The system offers 4 levels of certification in 137 occupations and is administered by prefectural authorities. Relative to the population, the system is used by a limited proportion of workers; in 2005 470,000 workers applied for testing and 170,000 passed the level they sought.

The four levels offer a means of identifying the characteristics of a 'high skilled' worker. The 4<sup>th</sup> level is a special grade normally for a manager. The three technical grades are: 1<sup>st</sup>, for a novice worker, 2<sup>nd</sup>, for those able to perform most tasks after consultation with a supervisor, normally after 2 years experience, and 3<sup>rd</sup> are 'advanced skills workers' – normally the highest level for practical work, these are considered 'troubleshooters' able to deal with most functions and to innovate; they normally have at least 10 years' experience.

Other approaches to identifying high skilled workers include systems developed by individual companies, and the 'Skills Prizes' which have been developed as a competitive basis to identify and celebrate the achievements of high proficiency workers. There is an annual award for such high proficiency skilled workers, who are nominated and assessed based on their career achievements. Issues considered in the assessment of such high proficiency workers include:

- That they have skills which cannot be replicated by machines;
- That they are flexible and able to adapt and innovate to meet production needs
- That they can develop technologies for use in production

Mr. Tokiwa said that the government is planning to review and restructure the national skills standards and certification system to make it more responsive to the needs of the economy.

### **Government policies and strategies**

The final reports from the two group statements addressed some of the varied roles and responsibilities of government from other countries and as are being explored by different levels of government in China. As the Experts from Group 1 noted, different countries have adopted different priorities for the development of their human resources: some have focused on improving the process of education, some on specific industrial sectors, and others on a combination of approaches. Experts for group 1 and other speakers referred to Korea's staged process, where a series of strategies had been used, each suitable to a stage in development. The sector-based approach to skill development introduced by ILO expert was highlighted in the summary of the expert. He suggested that China had the potential to 'leapfrog' some stages in development by drawing on the wealth of experience available, and adapting a specifically Chinese approach. He urged that Government should take action on: 1)

strengthening the construction of management platform and job system; 2) intervention to meet the needs of enterprise; 3) remedying 3 mistakes: a) enterprises have more attention on acquired diploma rather than skills during the process of recruitment; b) school education is diploma-oriented; c) investment in skills.

Other speakers emphasized different elements of government's role and responsibility, drawing on the practical experiences they had. Provincial and city government officials discussed means of improving cooperation between enterprises and schools and different approaches the government could take to foster this. International examples were also relevant in this context: Australia has set up a national council with government and industry leadership to plan and set policy for the training system. Singapore's Workforce Development Agency was created to be the implementing arm of a number of different government Ministries, and to be the means of connecting effectively with industry through sector councils.

A critical need expressed was for good labour market information and projections for skills needs. Many city and provincial governments had factored human resource needs into their industrial planning, and were making provisions to generate the necessary human resources to support development of specific industries and sectors.

## **Conclusions**

Closing remarks from the Vice Minister, the ILO, the President of the China Academy of Labour and Social Security and the Director General of Training and Employment reflected on the issues identified and ideas exchanged during the workshop. As the Manager of ILO's SKILLS-AP programme noted, while no training system can be successfully transplanted, there is much to learn from the experiences of others, and it was clear that the international experts had found much of value in hearing Chinese experiences, in sharing their own. He reiterated the ILO's commitment to ongoing assistance, and to providing for further opportunities to share ideas and experience in the region, with China's active participation in the Regional Skills Network.

The President of the China Academy of Labour and Social Security echoed the ILO's comments in stressing that China would need to develop a system based on its own conditions and needs, while learning from other approaches. He called on the participants to continue to provide examples of their development so that the Academy could begin to analyze them and draw out effective strategies for developing high skilled workers. He proposed making the Forum an annual; or biennial event as a means to advance the discussion of skills development in China.

The Vice Minister, commenting that he had attended the forum and benefited from it, observed that while normally one would 'close' a workshop with the final comments, in his view this workshop was in fact an 'opening'. The insights and ideas generated over the one and half days would help to advance work on high skilled worker development, as it had dealt with policies and practice, not only theory. The workshop had forged important ties with international experts, but more importantly, between Chinese experts, local and national governments, enterprises and research institutions. This was a strong basis for moving forward.