



# **ADB Financed Guangdong Technical and Vocational Education and Training, and Cooperation for Development**

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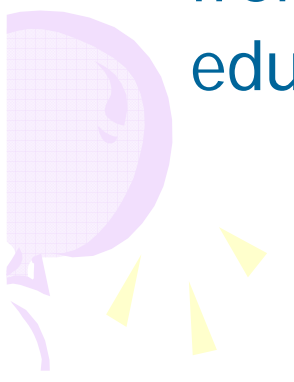
## I. Project Overview

1. ADB provided U\$600,000 TA grants

Project implementing agencies are Guangdong Finance Department and Hunan Finance Departments

Implementation period: March-December 2007


2. Main contents of the project are to propose policy recommendations on developing education, especially vocational education for migrant workers from other provinces through analysis of vocational education development and demand in Guangdong.






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## II. Baseline Situation of Labor Market in Guangdong



1. The province has seen an average annual increase of 5.5% or 2.67 million labor age population (including migrants from other provinces). By 2010, labor age population aged between 15-64 is expected to reach about 71.42 million.

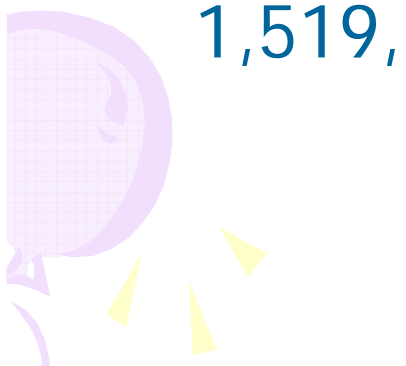
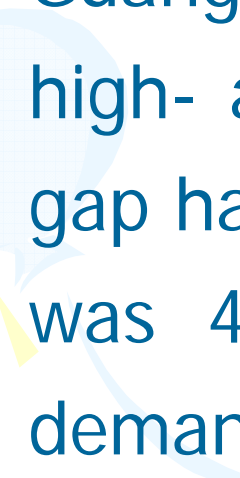


2. Labor force from other provinces registered with labor authorities exceeds 10 million, which, together with about 10 million migrant workers who live in Guangdong for less than half a year, brings the total migrant labor force to over 20 million. This figure sees an annual increase of around 1 million (data from Guangdong Department of Labor and Social Security) .



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3. In recent years, total demand of enterprises in Guangdong on technical workers (including high- and middle-ranking workers) and demand gap have been increasing. Total demand in 2003 was 4,406,100 with a gap of 772,800; total demand in 2005 was 5,152,500 with a gap of 1,519,200.






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## III. Study Outcomes – Mechanism Innovations

### 1. Management and coordination mechanisms



Strengthened cooperation between Department of Education and Department of Labor and Social Security; improved Guangdong Coordination Agency for Technical and Vocational Education Forum participated by line agencies of the province, which is responsible for integrated planning, organization and coordination of technical and vocational education activities in the province.

### 2. Stepped up efforts to promote innovations on institutions for running schools and training models



Attempts in “order form” training, “industry-school integration” and jointly running schools, etc.




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### 3. Connectivity of enrollment system

Great advocacy of five-year specialized class, accelerating connectivity of secondary and higher technical school enrollment, and building a “flyover” among secondary and higher technical schools, ordinary high schools and universities.



### 4. Encouraging private sector investments in technical and vocational schools



Government needs to create a favorable social environment and an equitable competition environment for private sector participation in running schools




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## 5. Consolidating resources

(1) Consolidating resources of different areas: to encourage optimization and restructuring of resources from western and eastern areas and northern mountainous areas of Pearl River Delta.

(2) Consolidating resources of different levels: jointly running schools by secondary and higher technical schools; adopting credit system to develop chain schools for secondary and higher technical schools.

(3) Consolidating resources managed by different stakeholders: to strengthen cooperation between schools and enterprises to enable mutually complementary resources and promote “order form” training.





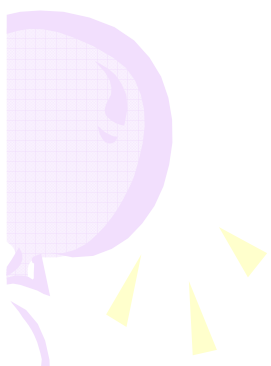
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## 6. Improving Teaching quality

(1) Stepping up training on trainers



(2) Stepping up reform of teaching materials





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## 7. Expanding Financing

- (1) Increasing fiscal inputs
- (2) Encouraging participation of private funds
- (3) Clearly defining training responsibilities of enterprises
- (4) Allowing access to mortgage loans by public schools
- (5) Seeking for international grants and loans
- (6) Other financing channels



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### 8. Guangdong-Hunan Cooperation for Development

#### (1) Strengthening Inter-provincial Cooperation

Total number of migrant workers in Guangdong and Hunan were about 4.78 million, most of whom were physical laborers with lower educational level – those with junior middle school education or below accounted for 70%. This is far behind Guangdong's requirements for industrial structure upgrading and had seriously restricted improvements in both stability of employment and income. There is a need to further strengthen inter-provincial cooperation between Guangdong and Hunan in terms of technical and vocational education and training.



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(2) Governments of Hunan and Guangdong need to strengthen collaboration on labor affairs and establish corresponding all-year-round collaboration mechanism;

(3) Relevant administrations of two provincial governments need to strengthen training market regulation;

(4) Government shall adopt preferential policies to encourage cooperation between schools and enterprises.



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IV. We hope ADB could provide TA grants and loans to support Guangdong's vocational education reform. The province has planned to invest RMB 25 billion yuan (including investments from Education Department and Labor and Social Security Department) in vocational education by 2012; on-campus vocational school students to reach 3.8 million. We also need to reform our existing vocational education system and teaching methods and learn advanced experience from foreign countries. All of these would need support and assistance from international financial institutions.

