**SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY**

<table>
<thead>
<tr>
<th>Country:</th>
<th>People’s Republic of China</th>
<th>Program Title:</th>
<th>Guangxi Modern Technical and Vocational Education and Training Development Program</th>
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<tbody>
<tr>
<td>Lending Modality:</td>
<td>Results-based lending for programs</td>
<td>Department/Division:</td>
<td>East Asia Department Urban and Social Sectors Division</td>
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### I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

#### A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy

The Guangxi Modern Technical and Vocational Education and Training Development Program will support, in 2017–2022, the establishment of a technical and vocational education and training (TVET) system that provides graduates with better employment opportunities in Guangxi Zhuang Autonomous Region (GZAR) industries, by enhancing the industry relevance of TVET, improving the quality of TVET, increasing the inclusiveness of TVET, and expanding the role of TVET in regional economic development.

The program is anchored in the GZAR government’s Thirteenth Five-Year Plan, 2016–2020; Modern TVET System Development Plan, 2015–2020; and its 10 implementation plans, whose priority areas include poverty alleviation through TVET, and TVET for promoting ethnic culture inheritance and innovation. The program is aligned with two of the strategic priorities set out in the Asian Development Bank’s country partnership strategy, 2016–2020 for the People’s Republic of China (PRC): supporting inclusive economic growth, and promoting regional cooperation and integration.a

#### B. Results from the Poverty and Social Analysis during Assessments of the Program and its Systems

1. **Key poverty and social issues.** GZAR is one of the poorest provinces in the PRC, with per capita gross domestic product of CNY37,712, ranking 27th out of 31 provinces, and 9.9% of the population living below the poverty line (per capita income of CNY2,300) compared with the national average of 5.2%. The poor is concentrated in rural areas (17.8% in 2016), exceeding the national rural poverty rate (9.2%). This is contrasted by the urban poor (1.0%), which is slightly less than the national average (2.0%). Among the five ethnic minority autonomous regions in the PRC, GZAR has the largest ethnic minority population (17.81 million). Most of the ethnic minority population resides in mountainous rural areas, and the poverty rate is higher among ethnic minority population than the majority Han population. A higher percentage of students from poor families, disadvantaged backgrounds, and rural areas enroll in TVET than academic education because of lower entry requirements (no competitive selection for secondary TVET) and affordability (no tuition fees for secondary TVET). The share of students from poor families ranges from 20% to as high as 80% among secondary TVET schools in GZAR. Large numbers of ethnic minority students also enroll in TVET (28.3% at secondary TVET schools and 37.8% at tertiary TVET colleges in 2016), and those in secondary TVET invariably come from poor families. Because of the poor quality and relevance of TVET, and other socioeconomic factors, the dropout rate in secondary TVET is particularly high, especially at county-level TVET schools, which has serious implications for poverty reduction. Dropouts are not equipped with skills required for employment or self-employment, and often end up with low-paying, unstable, and vulnerable employment. Although the government provides financial assistance for students from poor families, disadvantaged backgrounds, and rural areas, given its limited financing, not all students from families with financial difficulties can receive needed financial assistance.

2. **Beneficiaries.** The direct beneficiaries of the program will be all the students and their families, teachers, and managers of TVET institutions in GZAR. These include, as of the end of 2015, about 1,099,948 students (736,360 in secondary TVET and 363,588 in tertiary TVET) and 43,191 teachers (27,431 in secondary TVET and 15,760 in tertiary TVET). The program will also directly benefit students, teachers, and employees of enterprises in Association of Southeast Asian Nations (ASEAN) countries who participate in partnership training and other cross-border training programs with TVET institutions in GZAR. Moreover, enterprises and industries in GZAR will indirectly benefit from the program, as they can find and recruit more work-ready graduates who meet their needs. Additionally, enterprises and industries in Guangdong Province will benefit from the program because many skilled workers in GZAR have been drawn to the neighboring Guangdong province, which hosts two of the PRC’s economic centers, Guangzhou and Shenzhen, by virtue of their proximity and significantly higher wages.

3. **Impact channels.** Direct impact channels will be (i) improved teaching and learning environment and materials; (ii) upgraded knowledge, skills, and industry experiences of TVET teachers, and leadership and management skills of TVET managers; (iii) industry-validated curriculum, training materials and methods, and assessments; (iv) practical training facilities developed in cooperation with enterprises; (v) courses of study with practical training facilities related to “14+10” industries to which the GZAR government gives priority during the Thirteenth Five-Year Plan period; (vi) financial assistance and other types of support (e.g., counseling, career guidance, and employment services) for students from poor families; (vii) TVET bases for promoting ethnic culture inheritance and innovation; (viii) partnership training and other cross-border training programs with TVET institutions in GZAR for students, teachers, and employees in ASEAN countries; (ix) high-quality training delivered by model TVET institutions that
meet comprehensive standards; and (x) industry advisory plans developed by industry steering committees to align TVET with their human resources needs.

4. Other social and poverty issues. The government exempts tuition and other fees for secondary TVET to increase access to TVET. It also provides various types of financial assistance for students from families receiving social assistance (the minimum living guarantee), orphans, disabled students from families with financial difficulties, students from poor families with HIV/AIDS, and students in rural poverty-stricken counties. Moreover, the government provides subsidized short-term training programs for farmers, the unemployed, and other disadvantaged groups to promote employment and self-employment.

5. Design features. The key design features include (i) improving the overall relevance and quality of secondary TVET in which many students from poor families, disadvantaged backgrounds, and rural areas enroll; (ii) ensuring financial assistance and other types of support (e.g., counseling, career guidance, and employment services) for students from poor families to complete TVET and find employment or self-employment after graduation; (iii) forming TVET bases to promote ethnic culture inheritance and innovation; and (iv) encouraging and closely monitoring women and ethnic minorities’ participation in teacher and management training, modern apprenticeship programs, and partnership training and other cross-border training programs with TVET institutions and enterprises in GZAR and ASEAN countries.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and proposed program activities. Consultations on poverty, social, and gender issues were conducted through (i) about 40 focus group discussions in 12 TVET institutions (4 tertiary TVET colleges and 8 secondary TVET schools), in which different groups of students (secondary and/or tertiary, female and/or male, ethnic minority and/or Han, poor and/or not poor, and disabled and/or not disabled) took part; (ii) about 30 key informant interviews with management teams of TVET institutions, representatives of students and teachers, and staff of relevant government agencies.

2. Civil society organizations. Industry associations will be involved in developing curriculum, training materials and methods, and assessments; delivering training; and providing research, recommendations, and guidance to align TVET with human resources needs in industries.

3. Forms of civil society organization participation envisaged during program implementation.

4. Participation plan.

5. Participation mainstreaimg category: some gender elements

III. GENDER AND DEVELOPMENT

1. Key issues. Girls tend to perform better academically than boys and enroll less in TVET than in academic education. The percentage of full-time female students in secondary TVET is 45.9% (and part-time female students, 36.2%), and in tertiary TVET, 45.2%. Although many students, both female and male, drop out, especially from secondary TVET, the dropout rate is slightly higher among male students than female students. In general, there is a broad gender balance in the TVET teaching workforce (about 48.8% of teachers are women). However, female teachers tend to enjoy fewer opportunities for training, promotion, and managerial responsibilities (less than 30% of management staff are women in the six TVET institutions surveyed as part of the poverty and social analysis (PSA)). The PSA shows that no significant barriers or biases exist toward women and ethnic minorities in recruitment and salaries in GZAR’s TVET system.

2. Key actions.

A. Involuntary Resettlement

1. Key impacts. The construction of TVET parks is not included in the program. Although the location of TVET institutions to be upgraded or constructed will only be identified during the program implementation, it is expected to be on reserved land or within existing campuses. Nevertheless, potential involuntary resettlement impacts may still occur if there is new land acquisition, temporary farming activities, houses built without permission, and...
small shops operating that may need to be demolished on the already acquired or reserved land.

2. Strategy to address the impacts. The gaps identified in the program safeguard systems assessment will be filled by the adoption of a resettlement framework; early screening of vulnerable groups; the conduct of social and/or risk analysis; documentation of consultations; information disclosure and grievance redress; the appointment of a resettlement staff in the program management office (PMO); and the establishment of a resettlement monitoring and evaluation system.

3. Actions

B. Indigenous Peoples

<table>
<thead>
<tr>
<th>Safeguard Category</th>
<th>Program safeguard systems (and resettlement framework)</th>
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<tbody>
<tr>
<td>A</td>
<td>☒</td>
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<td>B</td>
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1. Key impacts. GZAR is one of the five ethnic minority autonomous regions in the PRC with the largest ethnic minority population (17.81 million, about 37% of the total population in GZAR). About 28.3% of students in secondary TVET and 37.8% in tertiary TVET are ethnic minorities, of which a disproportionate number comes from poor rural counties. By contrast, ethnic minority teachers account for 22.4% in secondary TVET (no data exist for teachers in tertiary TVET). The proportion of ethnic minority students and teachers varies across TVET institutions. The PSA confirmed that the PRC has a supportive policy framework for ethnic minorities, and no barriers seem to exist for ethnic minorities’ inclusion and participation in TVET. TVET institutions provide ethnic minority-sensitive facilities where relevant (e.g., special food provision).

Is broad community support triggered? ☐ Yes ☒ No

2. Strategy to address the impacts. As the impacts are expected to be positive, the strategy is to continue supporting ethnic minorities’ inclusion and participation in TVET through relevant measures and ethnic minority targets in the PAP, DMF, and PRF, including teacher and manager training, modern apprenticeship programs, and continuing education. At least 10 TVET institutions will be identified to become bases for ethnic culture inheritance and innovation. The program monitoring will rely on data disaggregated by ethnicity to ensure continued analysis of ethnic minorities’ inclusion and participation in TVET, and identify actions to address any concerns.

3. Actions

A. Risks in the Labor Market

1. Relevance of the program for the country’s or region’s or sector’s labor market.

☒ unemployability (M) ☒ underemployment (M) ☒ retrenchment ☒ core labor standards (L)

2. Labor market impact. The program will support the preparation of work-ready graduates who can find gainful employment or self-employment in GZAR and other provinces. It will also support the recruitment of additional teachers to reduce student–teacher ratios in TVET.

B. Affordability

TVET, especially secondary TVET, is affordable as tuition fees are exempted. Given the high proportion of students from poor families in TVET, more than 40% of TVET students currently receive financial assistance.

C. Communicable Diseases and Other Social Risks

1. The impact of the following risks are rated high (H), medium (M), low (L), or not applicable (NA):

☒ Communicable diseases (L) ☒ Human trafficking (NA) ☒ Others (please specify)____________

2. Risks to people in program area. There is a slight risk of communicable disease transmission among construction workers. HIV/AIDS clauses will be included in contractors’ contracts.

VI. MONITORING AND EVALUATION

1. Targets and indicators. The DMF, PAP, and PRF include gender and ethnic minority indicators related to (i) participation in training for teachers (100%) and managers (at least 10% female), (ii) assessment and certification of technical teachers’ industry experience (100% female teachers), (iii) participation in modern apprenticeship programs (at least 10% female), (iv) students who receive poverty-related subsidies (35% female), (iv) participation in continuing education (35% female), and (v) students from ASEAN countries who received vocational education certificates from GZAR’s TVET institutions (at least 10% female).

2. Required human resources. The poverty and social impacts of the program will be monitored through the program’s monitoring systems, which will track enrollments, participation in training, graduation or skills certification, and employment, by TVET institution using data disaggregated by sex, ethnicity, urban or rural, poor or non-poor. The management information system, monitoring, and reporting mechanisms at Guangxi Education Department will be strengthened through the PMO staffed with dedicated professionals. A national resettlement specialist (1.5 person-months) and national social development and gender specialist (1.5 person-months), to be engaged under the attached technical assistance, will provide support for the PMO to establish systems for managing, monitoring, and reporting involuntary resettlement, ethnic minority, and social and gender measures.

3. Information in program implementation document. The program implementation document includes a brief description of the social, poverty, and gender dimensions of the program and monitoring arrangements, as well as the PAP, PRF, program safeguards actions, and social and gender risks and mitigating measures.

4. Monitoring tools. The progress against the social and gender indicators and targets will be monitored regularly via upgraded program monitoring systems and reported to the Asian Development Bank through program progress reports.