

Chapter 10

The Development and Governance of Human Resources in China

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INTRODUCTION

Human resources refer to the sum total of labour capacity (intelligence, stamina, technique, and psychology) latent in a population, including the quantity and quality of population. There are two basic dimensions of a population's quantity: low birth rates that normally lead to a shortage of human resources, and high birth rates that normally result in enhanced pressure on a nation's resources and supplies. The quality (degree to which a population has useful skills) of a population can help to compensate for the negative consequences of its quantity dimensions. Economic and social development mainly depend on the quality of human resources.

Humans, as the successors and possessors of knowledge and technologies, represent a dynamic resource for national economic and social development. Human resources are dominant in economic activity, controlling use of other resources. They are the key factor in national economic development. It is important to develop and govern human resources and use them for economic progress and to eliminate poverty.

China has a huge population but the skills and educational levels of the population in general are on the low side, indicated by low scientific literacy, low level of knowledge, weak technical capabilities, and so on. The Planning and Development Department of the U.N. indicates that China ranks 87th in the world on the human development index, which covers various social, educational, and health factors.

Although some areas or regions could have a high human resource development score, the poor mountain and minority areas would score much lower than the national average. The differences in human skill,

education, and other capacities between different regions are well recognised. In the following discussion we comment on some aspects of human resource development in China.

EDUCATION

In modern society social and economic development require that the workforce have scientific and cultural knowledge and working skills, and can deal with complicated work. This kind of ability can be imparted through training in modern education.

The first requirement for enhancing educational levels is to increase investment in educational facilities, both material and human ones. In China's case such investment is not very high. According to the World Bank's *World Development Report 1997*, the percent-age GDP devoted to education in China is lower than in many other countries (Table 1).

China's educational outlay is lower than the average level of low-income countries. The consequences of lower educational investment are reflected in the poor quality of teachers, inadequate laboratory facilities, poor housing infrastructure of schools, and instability in teaching institutions.

One suggestion for improving the situation is that educational investment should not be made only by the government. Enterprises and individuals should share the responsibility. The co-operation of different agencies should be encouraged to form a perfect human resource investment market. Such co-operation takes place in many developed countries. For example, in Japan, only 16% of colleges are run by the state or local government, and 84% of them are private. There are 2000 private colleges in America out of 4000 in all (Chen Mingsheng 2002). Another suggestion is that employees or unemployed people should have mechanisms to allow them to study with payment from employers. It is necessary to build some system of collaboration.

Elementary education

From the economic perspective, the usefulness of elementary education is evident in human resource capacity building. Its gains are more to the society than to the individual. Nine-years' compulsory education and three-years' senior school education belong to the elementary education system

in China. Its essential function is to make individuals civilised, acquainted, virtuous, and disciplined as a part of basic civic awareness. However, 70% of students undertaking elementary education study in the counties, 90% of all illiterates are distributed in the counties, and a half of them are in the west! The dropout rate in the counties' elementary and middle schools is generally 15%, but is about 30% in the third grade of junior school. In some towns and counties the ratio of dropouts in the third grade of junior school is even higher than 50% (Anonymous 2002a). The reasons for this are explored below.

(i) Since 1998, popularisation of nine-years' compulsory education has been characterised as a rush job. The quality aspect of education as well as checking and ensuring acceptable standards have been under-emphasised. Thus the foundation is weak. Some areas and schools don't adequately follow up on initial gains (enrollments) after carrying out the campaign for nine years' compulsory education, so the number of dropouts increases. (ii) As per the emerging new arrangement, fees are charged to higher college graduates. This is a lot of money for county students. Besides, many students cannot be employed after graduation. This affects the mentality of students and their parents from the counties. In China 500,000 illiterates join the workforce every year, most of them from more backward counties. People are illiterate because of poverty, and illiteracy in turn leads to poverty, forming a vicious circle. There are about 200 counties where elementary school education is not yet popularised. What should be done?

- Change the mode of spoon-feeding. Education doesn't only impart knowledge to students, but also makes students know how to learn, work, live, and cooperate in order to face up to problems and resolve them, adapting to society on their own initiative and facing its difficulties, which is important.
- Continue compulsory education support by the government, and make governments at all levels promote compulsory education.
- Standardise the fee-charging regulations of county schools.
- Enhance the power to support minority and poverty areas to provide for nine-years' compulsory education for county students.
- Increase support from the national debt fund for elementary education.

There is yet another problem, related to children from the 'floating population' going to school. At present 120 million in the country have left their legal residences and constitute a 'floating population' that lives without proper documentation. Of these, 2.4–3.4 million are school-aged children of civilian workers. There are 200,000 such children in Beijing,

Shanghai, and Shenzhen alone (Lu Jufu 2002). Besides, civilian workers' children going to school often face problems. These problems include lack of appropriate teachers, low level of teaching skills, unreasonable fees, discrimination, unfair treatment, and so on.

Higher education

The role of and necessity for higher education in facilitating economic and social development are increasingly realised in China. The need for changing the orientation of higher education from elitist to a popular or useful type is also recognised. However, higher education is very costly. Several resource-scarce poor counties cannot afford it. In such situations accessing distant education facilities through modern information technology (IT) is becoming important. It reduces the learning costs for students as well. This is one approach to building teams of well-qualified workers to promote development in different sectors and industries. The need for enhancing the subject coverage of education, including foreign language, finance, accountancy, law, international trade, software, and so on is also emphasised. This is all the more relevant with China's entry into the World Trade Organisation (WTO).

In keeping with the above, the following recommendations are made.

- Reinforce teachers' training to improve teaching quality and bring out better quality talents.
- Adopt English-Chinese bilingual teaching to adapt to the needs of economic globalisation.
- Develop flexibility in management and openness in teaching by introducing a credit-hour system so that students will have more choices to develop their own interests, preferences, specialities, and so on.
- Organise class lectures to undergraduates from professors, and impart knowledge to students face to face.
- Make sure that academic cadres spend more than 80% of their time in teaching and research, and reduce evaluation, reporting, and so on, which detract energy.
- Promote initiatives directed to international co-operation in teaching and education and have collaborative links with international educational institutions.
- Focus on specialisation and marketing of merit and uses of the same.

Adult education

Adult education is not only a means to educate the adults who missed education during their childhood, it is also the most important way to

prepare the workforce to adapt to the changing needs of their occupations and acquire skills to do better in the competitive job market. Specific vocational education and techniques to promote it are now available. Learning while working is being emphasised by several industries and agencies. This provides an opportunity to build close links between industry and educational agencies to facilitate sustainable development of different regions.

Non-government education

Social organisations or individuals other than national institutions run schools with their own financing, which does help to reduce the financial burden on the state and to identify talented students. Most educational priorities are demand driven and hence immediately usable. There are about 60,000 non-government educational institutions of different levels in China, with about 10 million students in these schools, of which there are about 2,000 undergraduates. One successful model is the Xi'an Translation College. This clearly shows that non-government colleges can exploit unconventional opportunities for human resource development without government financing. But there are some problems in the non-government education system.

- Property rights are not clear, and enterprises and business people do not dare to invest in education.
- The scale is limited and the quality is not high. Such education fell into the narrow orbit of specialised and senior-level vocational education.
- There are no uniform guidelines or policies.

Family education

The family is the nucleus of society. The family is also the basic unit imparting culture and values to children. This is an important form of education. The impact of family education influences the individual's quality, potential, psychology, and character in future life. Several factors must be noted.

In counties where parents go out to work, children are always with the grandparents, who teach and manage them. Due to the generation gap and limited education of grandparents, they cannot take on the full responsibility of educating children.

Education of town employees' children is a big problem. Because of planned parenthood, in China an urban family commonly has only one child. Not only parents but also grandparents treat such children as 'little emperors', and such children with pampered childhoods have poor psychology and endurance and may find later life difficult.

The education of children from single-parent families is another problem. In China, the divorce rate is growing and one-parent families are increasing. These children are hurt psychologically and behave abnormally. Their grades decline. This adversely affects the quality of the country's population.

Social education

Knowledge and skills are imparted through different educational media such as broadcasting; film and television radiate every kind of knowledge and skill. Building of community publicity facilities in these fields is an important means of social education.

HOPE PROJECT AND OTHER SUPPORTING EDUCATION ACTIVITIES

The Hope Project, introduced to help children who dropped out of school, is regarded as one of the most successful of all help movements in China. During the past 10 years, the Chinese Juvenile Development Fund Institution has received about 2 billion yuan from within the country and overseas, sustaining 2,490 needy children out of school, and helping them to complete their schoolwork. About three million students enjoy new school houses in 'Hope Elementary Schools'.

However, from the viewpoint of human resource development, the Hope Project helps only a part of the society—children out of school. There should be broader coverage, involving other weaker groups: socially needy students, minorities, unemployed men, needy families, and so on.

It is necessary to assess the needy students in higher colleges. For instance, in North West Agriculture and Forestry University, there are 130,000 undergraduates, of which 31% are needy students whose monthly income is less than 150 yuan. There are 13% especially needy students with monthly incomes of less than 90 yuan (Liu Sheng et al. 2002a).

Most needy mothers live in extreme poverty, lacking grain rations, with limited sources of income, unable to enjoy basic social welfare such as education, hygiene, and health facilities. Their cultural quality and health are poor; more than 80% of them are illiterate, and a half of them have gynaecological diseases. They silently endure all tribulation for their children and families. Of all the needy in China, needy mothers face the hardest situation. By the end of 2001 in the 'Blessedness Engineering Help Needy Mothers' Movement', which is carried out by the Chinese Planned Parenthood Institution and Chinese Population Newspaper Office, rehabilitation funds have been set up in 451 counties and 1,130 needy mothers have been sustained there during the last 7 years (Anonymous 2002b).

Several sections of society have been helping needy children. For example, 'the Children's Plan' implemented by the Chinese Children's Fund Institution has helped 1.1 million children out of school; the army has donated 39,700 million yuan (about US\$40 billion) to assist in building 2179 Hope Elementary Schools, and has helped about 500,000 children return to schools and finish study.

HEALTH AND BIRTH CONTROL

The quality aspect of human resources should not be confined to educational degrees and levels of skills. Physical and psychological health are equally important. Provision of health facilities and birth control reduce pressure on parents (especially women) and are important measures emphasised in China. In this context, it is necessary to popularise basic hygienic knowledge, improving people's physical quality and consciousness about the same.

All levels of schools, especially county schools, should organise facilities according to the students' psychological and physical needs. In China, about 80% of students are studying in the counties. In the western counties of China, 16% of schools are still without physical education. The students of 23% of all villages have not opted for physical education, and 70% of the counties don't give lessons in accordance with the education compendium (Lu Li-jun and Li Xiaowei 2002).

To promote the physical and psychological health of the people, proper working environments should be provided by industries and employers. An associated aspect of this is to guard against industrial diseases. According to the news investigation reported by CCTV on April 28th 2002, joint venture and private enterprises are areas in which there are high occurrences of disease. The incidence of one disease in 2000 was 43.8% higher than in 1999.

GENDER DIMENSION

Effective social and economic development depends on the optimal use of human resources, with women equal partners in the process. The female's lower position or exclusion is reflected through various indicators. Nearly 70% of Chinese illiterates are female, of which 90% live in counties, and a half of them are in western areas. In the counties, the dropout rate for female children is very high. Female children are the first to be dropped from schools when the family has a resource crisis. The gap in male and female education is very high in China, as in many developing countries.

The consequence of such anti-female attitudes is very severe in terms of future capacities of children raised by illiterate mothers.

CAPACITY AND INSTITUTION BUILDING

Apart from ensuring autonomy or freedom of choice in different contexts, evolving supportive institutions is important for human resource development. Capacity and institution building are necessary to develop and use human resources appropriately. This accelerates economic development and social improvement and can be promoted in several ways.

- Improve personnel's managing ability and technical ability.
- Simplify organisations and rationalise the numbers to improve efficiency. In some areas some organisations have become overstaffed and even redundant, after the reforms. In the last 20 years, the personnel supported by our national finance has increased to 88.7%, exceeding the numbers retiring triple fold. The proportion of civil servants is 5 to 6 times higher than in developed countries. Many organisations are redundant.
- Emphasise market-driven processes. The whole work culture needs to be changed. This can be facilitated by: (i) following market norms to guide the organisation (e.g., good work/ good pay), and dealing well with personnel focussing on efficiency and equity; (ii) ensure employees' input in planning work and other schedules; (iii) make work assignment and routine management participatory, accepting reasonable and feasible suggestions; (iv) implement a welfare system for pensions, health insurance, and so on in addition to salary; and (v) introduce a worker profit-sharing system to cover asset stocks as well as dividends.

GOVERNMENT CO-ORDINATION

Human resource development and allocation are generally directly or indirectly coordinated by the government. However, to rationalise it and enhance efficiency the following suggestions should be considered.

- Set up a special human resource governance organisation to practise macro-adjustment and co-ordinate the relationship of different human resource development agencies (e.g., guilds, organisations, schools, enterprises, factories, and so on).
- Coordinate with the country's tactics of developing the west and the strategies for science and education development.
- Encourage a competition and elimination system among party cadres, enterprise managers, expert technicians, and others because the status of their efficiency directly affects the efficiency of all social human resources and their contribution to development and governance.

- Institute a system and policy framework for human resource investment. Most importantly, the government should institute systems, ensure the necessary policy framework and mechanisms for human resource and investment therein, correctly analyse the current human resource structure and potential needs, and forecast and predict supply and demand to avoid waste of human resources.

It is estimated that in China there are at least 200 million surplus county labourers. As agricultural modernisation continues, the needed agricultural labour forces will decline further. To help the growing workforce be gainfully employed, we need information on quality and quantity of labour to be used by the firms. At the same time, workers will need information on what qualifications and skills are required by their potential employers.

Hence, aiming at civilian workers, the government should enhance employment instruction and technical training and improve services such as legal aid, work safety, and so on. For counties these will have to differ according to the local situation. In this regard, the following are some suggestions to be considered.

- Provide scientific/technological training and information services. Periodically organise training by experienced experts and technicians to give lessons to villagers. According to the seasons, hold short-term training classes, imparting what farmers need and popularising urgently needed practical techniques.
- Increase culture building activities in mountainous areas and counties.
- Adjust the industrial structure for employment enhancement and identify and use human resource potential.
- Guide and help talented workers to have mobility to move to different areas, industries, departments, and so on to avoid stagnation and waste of rich human resources.

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