

Manufacturing Policy Transformation and Innovation of Labor's Skill Development in China

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[Abstract]After China adopted the policy of reform and opening up, China's manufacturing industry has developed rapidly. With decades of development, the scale of China's manufacturing industry has ranked first in the world. Apart from the achievements, the industry is not strong, many prominent problems remain to be fixed and many challenges need to be met immediately. These challenges include the rising labor cost, the aging of population and the poor quality of products that can't meet the demands of domestic consumers. China's labor cost has increased by 5 times of that in 2005 and increased to 15 times of that in 1995. With the change of conditions, China cannot continue the traditional low-end manufacturing policy. China put forward the transformation and upgrading of the manufacturing industry in recent years and introduced a series of manufacturing policies including Made in China 2025, a projected plan to upgrade manufacturing industry from low-end to high-end. The policy of Made in China 2025 covers 10 areas such as information technology, CNC tools and robots, space equipment, railway equipment and new materials,

reflecting China's comprehensive measures to achieve new growth model.

The transformation of China's manufacturing policy has wide influence on labor. It requires effective skill development of workers in order to meet the requirements of transformation and upgrading of the manufacturing sector. China's vocational education and training of workers have far lagged behind its economic growth, which leads to the lack of skilled and qualified workers with advanced technology. This has become a bottleneck restricting the transformation and upgrading of the manufacturing sector. China's traditional skill development for labor is mainly based on enterprises, which focus on using labor rather than cultivating them and building their skills and capabilities. In parallel to market failure, the government-based skill development centers are rare and ultimately unable to meet the requirements of enterprises. And the overall supply of labor skills training services is inadequate in China. Therefore, it is necessary to innovate China's skill development system by making full use of public-private partnership, giving full play of the roles of governments, enterprises, trade unions and social organizations, exploring and creating the effective cooperation mechanisms between the parties concerned. Only by doing so can China effectively promote

labor's skill development, produce massive skilled workers and finally realize the goal of transforming and upgrading manufacturing industry.

[Key words]China; Manufacturing Policy; Transformation; Labor; Skill Development; Innovation