

# **China's Talent Plan**

## **Where Will It Lead China to?**

**Wang Huiyao PhD**

**Visiting Fellow**

**Brookings Institution, Washington DC**

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# I. Plan Background

## Five Transformations in China

### *1. From Population Dividend to Talent Dividend*

- 225 million migrant workers now
- Fast aging population, 168 million over 60
- Now has 98.3 million college educated
- By 2020, college educated 195 million

# I. Plan Background

## Five Transformations in China

### *2. From “Made in China” to “Created in China”*

- Made in China, no major branding
- Labor costs on the rising side
- High environmental and resources costs
- Government goal to change China into an innovative and creative country by 2020

# I. Plan Background

## Five Transformations in China

### *3. From Attracting Financial Capital to Attracting Human Capital*

- Top FDI recipient countries in the world
- Largest foreign exchange reserve USD 2.4 trillion.
- China has 1.62 million students went overseas since 1978. As of today, only 497,000 have returned to China.
- The Science and Engineering PhD graduates returned to China from US is only 8%



# I. Plan Background

## Five Transformations in China

### *4. From Hardware to Software*

- China has built impressive hardware: from Three Gorges Dam to super high speed railways, from Olympic Stadium to World Expo pavilions etc..
- China lacks investment in education, R&D, public health, energy conservation and environmental protection, institution building, social welfare, and many other areas related attaining balanced development.

# I. Plan Background

## Five Transformations in China

### *5. From Investment-Driven Economy to Talent-Driven Economy*

- China's service sector only 40% GDP
- China needs to create better paid jobs in the service sector and better use all the college graduates and talents
- This helps to raise overall consumption levels and rely less on export

# II. Development of China's Talent Plan

- 2001 APEC conference on human capacity building in Beijing.
- 2002 National Talent Building Plan
- 2003 national conference on human resources development
- Establishment The Central Talent Work Coordinating Group
- 2007 CCP adopted talent development as a strategy to revitalize the country and put this into the Party Congress Report and Party Charter

# II. Development of China's Talent Plan

- 2008 Li Yuanchao became a CCP Politburo member and Minister of the Organization Department, place talent planning at the top of the working agenda .
- 42 reports and 161 sub-reports on drafting
- over 500 meetings, involve over 30,000 people nationwide, 1051 comments received.
- In the end, the plan was approved by all of the top leaders in April 2010.



# III. Passing of China's National Talent Development Plan (2010-2020)



Chinese President Hu Jintao addresses a CCP and State Council conference on national talent held from May 25 to May 26 in Beijing. All Chinese top politburo members have attended this meeting. All Chinese 30 provincial top leaders attended televised conference.


# IV. Main Indicators of China's Talent Plan

## Main Indicators of China National Talent Development Plan

Target	Unit	2008	2015	2020
Total No. of Talent	Ten Thousand	11385	15625	18025
Ratio of R & D talent in Labor Force	Person/10000	24.8	33	43
Ratio of High Skilled Talents in Labor Force	%	24.4	27	28
Ratio of Labor Force who Have Higher Education	%	9.2	15	20
Ratio of Human Capital Investment of GDP	%	10.75	13	15


# V. Highlights and Analysis of China's Talent Plan

## 1. *Establish National Talent Development Targets*

- The objective of the plan is to transform China with the largest population into a stronger human resources country.
  - Overall talent pool will increase 114 million people to 180 million by 2020.
  - To increase the ratio of citizens with college education in the work force from 9.2 percent in 2008 to 20 percent by 2020.
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# V. Highlights and Analysis of China's Talent Plan

## 2. Six Categories of Talent Emphasized

*The plan lists six major categories of talent that the government will help cultivate:*

- 1) Political leaders and officials;
- 2) Business entrepreneurs;
- 3) Technical professionals;
- 4) Highly-skilled talents;
- 5) Practical talents for rural areas and agriculture; and
- 6) Professional social workers.

# V. Highlights and Analysis of China's Talent Plan

## 3. *Emphasis on the Quality and Selection Process for Officials*

- By 2020; more than 85 percent of all government officials will have four years of college education.
- The plan calls to break away from restriction and limitation from Chinese government entities and work units on talent flows and create an open environment for utilizing talented individuals.
- The government must widen various channels to recruit talented individuals and improve the system that officials can be chosen and hired from various enterprises, institutions and social organization

# V. Highlights and Analysis of China's Talent Plan

## 4. *Specific Sectors in which Talent in Great Need*

- By 2020, more than 5 million talented individuals will be needed in equipment manufacturing, information technology, biotechnology, new materials, aeronautics and astronautics, oceanography, finance and accounting, international business, environmental protection, energy resources, agricultural technology, and modern traffic and transportation.
- In the coming 10 years, more than 8 million professionals will be needed in the fields of education, political science and law, medicine and health, publicity and cultural information, and disaster prevention.
- More college graduates to work in China's rural areas to help local farmers live a better life.
- Will put measures in place to train about 3 million professional social workers by 2020.

# V. Highlights and Analysis of China's Talent Plan

## 5. *Program Support for more Talented Cultural and Scholar Figures*

- In order to increase China's soft power, the plan wants to cultivate a group of highly-respected and talented scholars and cultural figures with wide influence.
- Support research fields such as philosophy, social science, news and publishing, culture and art, heritage protection and related social and humanities areas.
- By 2020, the number of these highly respected and very talented cultural and scholar figures funded by government can reach 2,000 people in the country.



# V. Highlights and Analysis of China's Talent Plan

## 6. *Prioritized R&D Sectors*

- R&D professionals will number 3.8 million by 2020. ( EuroStats put Germany 284,3 00, France 211,100, United Kingdom 175,500, whereas US Department of Labor Statistics Bureau has put this number in the US at 621,700)
- China's national R & D spending will increase from 1.62 percent now to 2.5 percent by 2020.
- China national education budget will be increased to 4 percent of GDP by 2012.

# V. Highlights and Analysis of China's Talent Plan

## 7. *Business and Entrepreneurial Talents*

- The plan even sets a target for cultivating around 100 business leaders and CEOs who can lead Chinese firms getting into the rank of Fortune 500 companies by 2020.
- It also sets the number of international business-savvy talents working for SOEs reach 40,000 people by 2020, with 50% of them hired through market competition.
- China will recruit globally for some key top positions of large SOEs
- Chinese citizenship is no longer required in hiring for some of top management positions for China's major SOEs.
- The recent high profile recruitment of Zhang Hongli from his position as the chairman of Deutsche Bank - China to the position of Vice President of the Industrial and Commercial Bank of China (ICBC), the largest bank in China.

# V. Highlights and Analysis of China's Talent Plan

## 8. *Thousand Talents Program*

- The Thousand Talents Program calls for China to attract 2,000 high-level overseas talents to work in China in the next five-to-ten years.
  - By May of 2010, 662 people had been recruited under the program, and over 80 percent of them are foreign nationals, with most of them originally from China.
  - 300 of them have been enrolled in training courses given by various ministers, including Minister Li Yuanchao, at the Central Party School in Beijing.
  - China also attracts many experts to come to work in China on short-term basis, 480,000 of them from overseas to work in China in 2009.
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# V. Highlights and Analysis of China's Talent Plan



On July 29, Chinese Vice President Xi Jinping met representatives of Thousand Talent Program and welcome them at Beidaihe Summer Resort near Beijing.

# V. Highlights and Analysis of China's Talent Plan

## 9. *More Liberal Policy on Foreign Talents and Talent Exchanges*

- The plan indicates that Chinese government wants to improve its permanent foreign resident (Green Card) system.
- The plan has stated that it will explore the adoption of the policy as regards technically skilled immigrants to China.
- By 2009, there were only 223,000 foreigners working in China with employment permits.
- The plan even calls for more foreign students to study in China.
- The plan also encourages more Chinese talents to work for international institutions. Good examples of these include Justin Lin, who now is World Bank Chief Economist, and Zhu Min, now a special advisor to the IMF. By the end of 2009, there were 1,002 Chinese working in different international organizations.

# V. Highlights and Analysis of China's Talent Plan

## *10. Set up Special Talent Policy Management and Reform Zones*

- The plan also encourages local governments to set up special talent policy management and reform zones that will be compatible and connected to the international practice on talent and human resources management system.
  - Since the plan announced in June, now government in Beijing, Shenzhen, Wuhan, Dalian, Suzhou and Wuxi have all started to set up special talent zones in China.
  - Such as Wuxi has attracted over 1000 overseas startups in hi-tech, new energy, biotechnology, information and content networking.
  - Now Wuxi has even started a special policy to attract foreign entrepreneurs and foreign talented individuals to come to Wuxi to directly set up ventures and enterprises.
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# VI. Final Thoughts

## *Talent as a National Strategy to Transform China*

- The plan sets a new national strategy to transform China from labor-intensive country into a talent rich one by 2020.
- Cheap labor has fueled China's development over the past three decades, but that model, laden mainly with manufacturing, high resources and energy consumption and heavy pollution on environment has led China to a crossroad.
- China's talent plan has found a new growth engine and a new effective stimulus to build China into an innovative and sustainable country, but there still remains major challenges ahead, such as education reform.
- While China's past success was built mainly on its population dividend and investment, its future growth will rely more on the new talent strategy by better utilizing talents in China and attracting talents from all over the world.

# The End

*Thank you !*

Wang Huiyao PhD

Visiting Fellow

Brookings Institution

Director General

Center for China and Globalization

Email: [hwang@brookings.edu](mailto:hwang@brookings.edu)

[wanghuiyao@ccg.org.cn](mailto:wanghuiyao@ccg.org.cn)

