



# OFID and China: new partners in development

Initial cooperation targets vocational education

BY AUDREY HAYLINS

A new milestone was reached in January, when OFID commenced cooperation with the People's Republic of China. The fledgling partnership was sealed when OFID Director-General, Mr. Suleiman J. Al-Herbish, travelled to the country to sign a US\$16 million loan agreement. The funds will co-finance a project to boost the quality of China's vocational education, a priority sector of the Chinese government.

Since making moves to open up its economy three decades ago, China has become an economic powerhouse, second in size only to the United States. This phenomenal growth – which has averaged nine percent per year – has been accompanied by a massive increase in foreign direct investment and rapid expansion of the private sector. Somewhat remarkably, the country remains largely unscathed by the current financial crisis, despite a downturn in exports. This resilience is highlighted in the World Bank's latest *China Quarterly Update*, which describes the country as “a relatively bright spot in an otherwise gloomy global economy.” The Update predicts 6.5 percent growth for the country in 2009 and notes that “China is likely to continue outgrowing most other countries.”

## Investing in human capital

Even before the financial crisis took hold, China was already looking at ways of protecting and sustaining its solid record of expansion. Among the key elements of the government's 11<sup>th</sup> Five-Year Plan (2006 – 2010) is the objective of building a stronger human resource base to better support continued growth. According to the Guidelines for National Economic and Social Development, the aim is “to implement a strategy of reinvigorating China with science and technology and improving China's national strength with skilled personnel . . . and work hard to build an innovation-based country with human resource advantages.”

Indeed, when it comes to education, China's achievements are impressive; all the more so given that the country is ►

*The Chinese government is promoting vocational education as a means of cultivating a skilled workforce that meets the demands of a modern economy.*



► responsible for educating one-fifth of the world's population. With all children required to attend school for a minimum of nine years, enrolment levels are high – close to 99 percent in elementary school and 94 percent in junior high school. As a result, illiteracy among middle-aged and younger people is below five percent and falling. Teacher training is an ongoing priority, and class sizes are kept small at around 20 pupils. For students who wish to continue studying beyond high school, a wide range of programs is offered by colleges, universities and vocational institutions.

The Chinese government is committed to raising education levels further still, especially in rural areas, and since 1998 has steadily increased investment in the sector. During the current Five-year Plan, the goal is to increase the education budget to four percent of GDP and to use the additional funding to improve learning conditions for some 160 million school children in China's rural regions.

### **China's vocational education system**

Vocational education – as a means of cultivating a skilled workforce that meets the demands of a modern economy – ranks high among China's priorities. And it is an area that has been developed vigorously over the past decade or so, most noticeably since the special Law of Vocational Education was passed in 1996.

A three-tier system is in place, providing vocational training at junior, secondary and tertiary levels. Junior vocational schools form part of the nine-year compulsory cycle and focus primarily on meeting the labor needs of rural economies. Secondary vocational schools are aimed at senior high-school students and provide technical training for the manufacturing and service industries. Tertiary level emphasizes the fostering of professional practice-oriented talents – such as high-level technical and managerial skills – together with specialized craft-oriented talents like performing arts.



PHOTOS: YUNNAN HIGHER VOCATIONAL COLLEGES

Over the years, the number of students passing through the vocational system has risen sharply, leading to measurable improvements in the skills-set of the population. In some parts of China, however, vocational education is still a weak link in the overall education system, particularly in the less developed hinterland provinces. And it is to these regions that the government has recently turned its attention.

**Yunnan Province**

The OFID-sponsored project will support a government initiative in the province of Yunnan in south-western China. Yunnan is home to 44.5 million people and, with a per capita GDP of just US\$890, is one of the country's poorest regions. The capital city of Kunming has enjoyed nevertheless a steady growth in recent years and is the financial and industrial backbone of the province. The industrial sector, in particular, is developing at a rapid rate, with industries across a whole ▶





Artists' impressions of the four colleges as they will look upon completion.

◀ range of fields springing up and boosting economic activity and employment.

And therein lies the problem: Yunnan's vocational education system has not kept pace with the demands of the market. Contrary to the national trend, enrolments at secondary vocational schools have fallen in recent years, creating an ever-widening gap between the skills of the workforce and the requirements of the workplace. It is against this background that the Chinese Government has set goals for the reform and development of Yunnan's vocational education sector.

#### Four colleges to be upgraded

OFID's US\$16 million loan – together with a similar amount from the Saudi Fund for Development – will supplement government resources of around US\$34

million to expand and equip four vocational education colleges in Kunming. The aim of the project is twofold: firstly, to strengthen the capacity of the four institutions to deliver specialized, market-oriented training to young job seekers; and, secondly, to help skilled laborers from local industries update their skills and adapt better to the changes in their technical environment.

The concerned institutions are the Kunming Metallurgy College, Yunnan Mechanical and Electrical Technology College, Yunnan Industrial Technology Vocational College and Yunnan Culture and Art College. In all cases, the expansion works will include the construction of various new facilities – including classrooms, laboratories, workshops and libraries – as well as the provision of equipment and furniture.

In all, the government anticipates that the project will help increase enrolments across the four institutions from the current 20,000 to 33,000 students, and create a better balance between the numbers of young people attending vocational schools and those attending regular high schools. An added bonus is the proposed construction of dormitories at a couple of the colleges, which will encourage the attendance of students from outlying districts. Over time, as the workforce acquires new, better and more relevant skills, the benefits will trickle down to the economy and lead to an enhanced quality of life for the entire population of Kunming. ■