

FOR IMMEDIATE RELEASE

## Exploring the Impact of Vocational Education and Innovation on Cultivating China's Talent Pool

*Leading experts from public and private sectors gather to explore critical drivers in growing China's talent pool*

**BEIJING, November 7, 2017** — As China's economy transitions and evolves towards a more service-driven model, the country's education system needs to ensure that it keeps pace with this change and equips its workforce with the skills required by the market. Despite tremendous reforms, the country's skills mismatch continues to challenge the vitality of the workforce and the success of its new innovation-driven growth model. This issue was the central focus at the J.P. Morgan-Asia Society **One Step Ahead Series** Symposium (the "Symposium") held today in Beijing.

Jointly organized by J.P. Morgan, Asia Society Hong Kong Center and China Development Research Foundation (CDRF), the Symposium was designed to address the theme of **Charting a New Course: The Impact of Vocational Education and Innovation on Cultivating China's Talent**, and was the eighth iteration of the **One Step Ahead Series** launched in 2014. It brought together leading experts from the public and private sectors as well as the academia to examine the current state of China's economic development, demographic and labor market changes and education system, and to discuss the pressing need to prioritize vocational education and innovation to support China's future economic growth model amidst a working-age population that is reducing in numbers.

The Symposium highlighted the importance of vocational education and training as a key economic function to provide young people with the needed skillset and qualities to integrate and succeed in the marketplace. Intermediate vocational training graduates who gained direct employment in 2016 accounted for 36% of new entrants to the workforce that year. At the Symposium, CDRF and J.P. Morgan shared their mutual experiences in systematic intervention in vocational education in China and shared best practices in the United States and beyond.

"China and many countries across the world have implemented various policies to improve teaching quality of secondary vocational schools, enhance the soft and technical skills of students, and nurture a healthy, positive outlook on life and career prospects. Our focus in China is to reshape these schools' strategic thinking and management style, improve teaching quality, provide extracurricular activities for students to enhance practical skills, deepen collaboration between schools and employers, and reverse the stigma surrounding vocational school students," said Mr. Lu Mai, Vice Chairman and Secretary General of CDRF.

"As one of the world's largest financial services companies, J.P. Morgan has the resources and the responsibility to make a difference, using our strength, global reach, expertise and access to capital to help build new pathways to inclusive economic growth. We support a range of programs in the region, focusing on improving workforce readiness, boosting small businesses and creating new opportunities for young people and disadvantaged communities. This annual Symposium and our collaboration with CDRF in China further underscore our commitment to bringing key issues to light

and helping create tangible solutions to support this region in realizing a continued prosperity,” said Mr. Nicolás Aguzin, Chairman & CEO of J.P. Morgan Asia Pacific.

During the Symposium, J.P. Morgan also announced the firm’s New Skills for Youth China program. As part of the firm’s global effort to create and enhance skills training opportunities for young people around the world, this grant will be used to support the *For the Bright Future* initiative of CDRF. Making a total contributions of over RMB 12 million, J.P. Morgan has been supporting this initiative for the second consecutive year. Expected to benefit 150,000 students across 31 secondary vocational schools in Sichuan, Guangdong, Guizhou and Hebei provinces, this initiative aims to enhance the quality of teaching at these schools in order to better equip students with the skills they need to enter the workforce and advance their careers. The grant from J.P. Morgan will also enable CDRF to collect and analyze data, findings and insights from the initiative to inform policy makers on how to further strengthen China’s vocational education system in the future.

“Rapid economic growth and urbanization in Asia have created economic miracles out of many of the Asian countries in the past decades. Yet as the 21<sup>st</sup> century advances, regional economies face unprecedented pressures and challenges ranging from global competitiveness and technological transformation, to educational infrastructure and development, youth unemployment and widening wealth gaps. Asia Society believes it is important to stimulate and drive an on-going dialogue on these critical issues so that the region can continue to thrive and benefit our future generations,” said Ronnie Chan, Chairman Emeritus of Asia Society and Chairman of Asia Society Hong Kong Center.

Key areas discussed in today’s Symposium included:

- *Vocational training reform to expand employment opportunities*  
Vocational education provides industries with close to 10 million technical talents every year, invigorating China’s high tech and strategic emerging industries. In recent years, China has prioritized quality improvements in the development of vocational education. President Xi Jinping said at the 2014 National Vocational Education Working Conference “to build a vocational education system with Chinese characteristics” and to deepen structural reform. In his report in the 19th National People’s Congress, he repeated the call for “improving the vocational education and training system, deepen integration between industry and education and cooperation between enterprises and colleges”. This year, the Ministry of Education also reaffirmed its intention to increase cooperation between vocational schools and enterprises to ensure training meets industry needs.
- *Overcoming a shrinking workforce*  
In the past, China’s workforce has been a main driver of the country’s economic success, but China is currently facing a fast-dwindling working-age population. The labor force peaked at 925 million in 2011 and has been in decline since. By 2050, the working-age population is expected to shrink by 20 percent from the 2011 peak, to just 700 million. During the Symposium, leaders discussed efforts that must be made to realize growth within this new economic reality, how to accelerate productivity to maintain momentum and whether innovation is the key solution to countering this trend.
- *Industry shifts toward innovation for sustainable economic growth*  
As the country transitions from sustained to sustainable economic growth, the Made in China 2025 strategy and national scientific and technological innovation plan are aimed at strengthening the country’s innovation capabilities. During the Symposium, participants argued that although there are more highly educated university and vocational graduates entering the

job market, with a record-breaking eight million students graduating from Chinese universities in 2017, the quality of the labor force falls short of meeting the requirements of today's demanding jobs, particularly in new and emerging industries. Aligning education with market needs is crucial to equip the new generation entering the labor market with the skills needed to fill today's jobs.

The symposium concluded with a rich dialogue between Mr. Ronnie Chan, James Jian Ding, Managing Director, GSR Ventures, and Park Pu, Vice Chairman, Global Investment Banking, J.P. Morgan China, on China's future economic growth model, countering the aging workforce trend, preparing the current generation for the new job market, and the ways that vocational training and innovation-led growth can cultivate China's talent pool and counter the declining workforce.

#### **Key speakers in attendance (in speaking order)**

- Ronnie C. Chan, Chairman Emeritus, Asia Society Hong Kong and Chairman, Asia Society Hong Kong Center
- Nicolás Aguzin, Chairman & CEO, Asia Pacific, J.P. Morgan
- Lu Mai, Vice Chairman & Secretary General, China Development Research Foundation
- Zhang Laiming, Vice President (Vice Minister), Development Research Center of the State Council
- Lu Xin, Vice Minister, Office of the Central Coordination Group on Xinjiang Work, PRC
- Chauncy Lennon, Managing Director & Global Head of Workforce Initiatives, JPMorgan Chase Foundation
- Britta Buschfeld, Director, Vocational Training, Delegation of German Industry and Commerce
- Chen Lineng, President, Zhejiang Technical Institute of Economics
- Huang Yan, Chief Technology Officer, TAL
- Yao Li, Founder & Chairman, BN Vocational School
- Fang Jin, Deputy Secretary General, China Development Research Foundation
- Hao Jianbin, Director, Entrepreneurship and Employment Research Center, Ali Research Institute
- Peng Pinggen, General Manager, CIIC HR Management Consulting Co., Ltd.
- Wang Xiaoming, Research Fellow, Development Research Center of the State Council
- Wu Tong, Chief Adviser, Public Service Industry, SAP
- Ren Bo, Assistant Editor-in-Chief, Caixin Weekly & Deputy Editor-in-Chief, Caixin.com
- James Jian Ding, Managing Director, GSR Ventures
- Park Pu, Vice Chairman, Global Investment Banking, J.P. Morgan China

#### **Event photos and captions:**

Please click on the link below to download photos from today's event:

<https://pan.baidu.com/s/1eRShuLk>

The captions are as follows:

PHOTO 1:



Ronnie C. Chan, Chairman of Asia Society Hong Kong Center, delivering his opening remarks at the Symposium.

PHOTO 2:



Nicolás Aguzin, Chairman and CEO of J.P. Morgan, Asia Pacific, speaking at the opening of the Symposium.

PHOTO 3:



Lu Mai, Vice Chairman and Secretary General, China Development Research Foundation, delivering his opening remarks at the Symposium.

PHOTO 4:



Zhang Laiming, Vice President (Vice Minister), Development Research Center of the State Council, speaking as a keynote speaker at the Symposium on the topic of "The Current State of China's Labor

Market

PHOTO 5:



Lu Xin, Vice Minister, Office of the Central Coordination Group on Xinjiang Work, PRC, speaking as a keynote speaker at the Symposium on the topic of “The Current State of China’s Labor Market”

Photo 6:



Chauncy Lennon, Managing Director and Global Head of Workforce Initiatives of JPMorgan Chase Foundation is sharing a case study in vocational education and training and sharing practices in the United States and beyond.

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### **J.P. Morgan**

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of US\$2.6 trillion and operations worldwide. The firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing, and asset management. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of customers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands. Information about JPMorgan Chase & Co. is available at [www.jpmorganchase.com](http://www.jpmorganchase.com).

### **Asia Society Hong Kong**

Asia Society Hong Kong Center is a locally funded, independent non-government organization that was established in 1990 by a group of Hong Kong community leaders. It is affiliated with Asia Society in New York that was founded in 1956 by John D. Rockefeller III to promote mutual understanding and to strengthen partnerships between Asia and the US in a global context.

Asia Society Hong Kong Center is dedicated to providing educational platforms that present balanced perspectives and promote critical understanding of topics that are relevant to Hong Kong, Asia and the region's role in the world. Across the fields of arts and culture, education, business and policy, it seeks to provide insights, generate ideas and promote collaboration to address present challenges and create a shared future. Its home in Admiralty at the former Explosives Magazine of the old Victoria Barracks, made possible under Private Treaty Grant from the government, was the result of careful conservation, restoration and adaptive re-use which transformed the heritage site into a cultural, artistic and intellectual hub in 2012 to offer a broad variety of cultural and education programs to the community.

### **China Development Research Foundation**

The China Development Research Foundation (CDRF) is a public foundation initiated by the Development Research Center of the State Council (DRC) to advance good governance and public policy to promote economic development and social progress. It approaches its mandate in a number of ways, including support for evidence-based policy research, leadership training, high-level forums and symposiums to promote economic cooperation and development, and the promotion of responsible public policy.

Registered in 1997, CDRF is recognized on the world stage as a public policy think-tank. Under leadership of DRC, it partners with leading universities, institutions, private enterprises, and government agencies, as well as with international partners in undertaking programs such as the China Development Forum and executive training programs.

CDRF receives financial support from donations from Chinese and international patrons to support policy research, publications, leadership training, development forums, and academic exchanges.

As China moves steadily ahead with policy reforms and investments for more inclusive development, the demands for research, transparent and accountable processes, and citizenship engagement are expanding. CDRF strives to meet these challenges and to coordinate policy research work that supports the work of government, civil society and enterprises in furthering equitable development in China.

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