



Chapter 2

New Trends in Human Resources and Social Development

- (1) Strategy The Ministry of Human Resources and Social Security, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Commerce, and the All-China Federation of Industry and Commerce Jointly Issued Opinions on Strengthening Human Resources Services to Support the High-quality Development of the Manufacturing Industry
- (2) Strategy Social Security Reforms Take Center Stage at National People's Congress and Chinese People's Political Consultative Congress: Key Debates Focus on Fairness, Sustainability, and New Economic Challenges
- (3) Strategy “Investing in People “: A Profound Interpretation
- (4) Strategy New Policies and Measures in China to Support Employment and Entrepreneurship for Key Groups
- (5) Strategy Reshaping Workers' Identity and Skill Value: China's Industrial Workforce Development Strategy and Practices from the Perspective of Government Work Reports

(1) Strategy The Ministry of Human Resources and Social Security, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Commerce, and the All-China Federation of Industry and Commerce Jointly Issued Opinions on Strengthening Human Resources Services to Support the High-quality Development of the Manufacturing Industry³

In order to thoroughly implement the spirit of the 20th National Congress of the Communist Party of China and the Second and Third Plenary Sessions of the 20th Central Committee, and to promote the implementation of the strategy of building a strong manufacturing country, the Ministry of Human Resources and Social Security, together with multiple departments, jointly released the “Opinions on Strengthening Human Resources Services to Support the High-Quality Development of the Manufacturing Industry.” This policy aims to promote the specialization and modernization of the human resources service industry, help build a modern industrial system, promote high-quality and full employment, and provide strong human resources support for the transformation and upgrading of the

manufacturing industry.

This policy, through multi-dimensional and multi-level measures, promotes the deep integration of the human resources service industry and the manufacturing industry, aiming to provide professional and modern human resources support for the high-quality development of the manufacturing industry. It achieves this through coordinated development mechanisms, high-end talent attraction and cultivation, recruitment and employment security, professional training systems, management innovation empowerment, SME services, international services, and optimization of the market environment, laying a solid human resources foundation for the transformation and upgrading of China's manufacturing industry and the improvement of global competitiveness.

3. References from multiple news articles:

https://www.mohrss.gov.cn/xxgk2020/fdzdgknr/zcfg/gfxwj/jy/202412/t20241211_532145.html

<https://mp.weixin.qq.com/s/fdZEXYSAqA3bt9pUh0qpZg>

Table 1: Strengthening the Strategic System of Human Resources Services to Support the High-Quality Development of the Manufacturing Industry

<p>① Sound mechanism for synergistic development of human resources service industry in the manufacturing field</p>	<p>② Help high-end talent attraction in advanced manufacturing industries</p>	<p>③ Strengthen the manufacturing industry recruitment and labor protection</p>	<p>④ Carry out professional training for manufacturing human resources</p>
<p>Carry out pilot projects for integrated development; Assemble various forms of innovation consortia; Foster human resources service organizations specializing in manufacturing services; Create service clusters.</p>	<p>Support the establishment of post-doctoral research stations or innovation practice bases; Provide senior talent search services for the construction of major innovation platforms; Strengthen preferential policies in professional title evaluations for human resource management professionals.</p>	<p>Promote the construction of specialized and industry-based talent market; Form recruitment and employment consortium, improving the East-West human resources service collaboration; Enhance the effectiveness of matching supply and demand.</p>	<p>Support participation in the construction of industry-education-assessment skills ecosystem; Compel talent demand catalogs, building cross-enterprise training centers; Provide diversified pre-employment services.</p>
<p>⑤ Strengthen manufacturing human resource management empowerment</p>	<p>⑥ Deepening human resources services for manufacturing SMEs</p>	<p>⑦ Innovate internationalized human resources services for manufacturing industry</p>	<p>⑧ Optimize the human resources market environment in the manufacturing industry</p>
<p>Develop human resource management consulting in the manufacturing industry; Encourage manufacturing enterprises to release demand for human resource services; Promote artificial intelligence-enabled human resource services</p>	<p>Guide human resources service organizations to provide services in SME clusters; Accelerate the development of digital human resources management; Improve the whole chain of services.</p>	<p>Carry out international exchanges and cooperation and sharing in the field of human resources; Build an international talent exchange market; Construct a platform carrier for exporting human resources services.</p>	<p>Implement inclusive and prudent supervision; Select innovative cases, Organize brand service activities; Strengthen financial support.</p>

(2) Strategy Social Security Reforms Take Center Stage at National People's Congress and Chinese People's Political Consultative Congress: Key Debates Focus on Fairness, Sustainability, and New Economic Challenges⁴

During the 2025 National People's Congress, the issue of social security has become a hot topic of discussion among deputies. As China's economy and society continue to develop and the demographic structure changes profoundly, the fairness and sustainability of the social security system as well as the issue of protection in the new business environment are becoming more and more prominent.

I. Social security fairness to be improved

Significant disparities persist in China's social security system between urban and rural areas, regions, and demographic groups, with the persisting equity deficit demanding urgent resolution. As emphasized by Zheng Gongcheng, member of the Standing Committee of the National People's Congress (NPC), "The core institutional mission of social security lies in advancing fairness and equality, necessitating comprehensive institutional optimization to ensure equitable and adequate coverage for all citizens. In pension system reforms, rural retirement

support has emerged as a critical battleground. NPC deputy Lu Qingguo found through calculations that a moderate increase in pensions could significantly improve people's livelihoods. Deputy Zhang Yi proposed a "Ten-Year Doubling Plan" and advocated for a "benchmark + floating" mechanism to balance regional disparities. Yang Zongke suggested revitalizing rural assets through "land-based pension". Parliamentarians unanimously recognize enhanced pension provisions as both moral compensation for farmers' historical contributions and economic stimulus through increased consumption. Challenges need to be addressed through a multi-pronged approach, including financial support, household registration reform (such as granting urban residency to migrant workers), and technological empowerment (such as smart eldercare solutions).

II. Challenges to the sustainability of social security

With the aging of the population, the sustainability of the social security system

4. References from multiple news articles :

<https://www.rmzxw.com.cn/c/2025-03-20/3697146.shtml>

<https://www.rmlt.com.cn/2024/0305/696732.shtml>

<https://www.xinhuanet.com/fortune/20250306/a362838bef6f49afad3a0a17d3dc2b50/c.html>

<https://www.nbd.com.cn/articles/2025-03-07/3780921.html>

faces serious challenges. Zheng Gongcheng suggests that the sustainability of the social security system should be enhanced through measures such as optimizing the financing mechanism and improving the fund investment and operation system. Multi-level pension systems such as the basic pension insurance fund, strategic reserve fund, enterprise annuity, occupational annuity, and personal pension should be developed synergistically to form a more stable and sustainable pension security system.

In addition, the deputies are also concerned about the promotion of long-term care insurance. NPC deputy Zhou Yanfang noted that as China's population ages, there is an urgent need for care for older adults with disabilities. However, the pilot programs for long-term care insurance face several challenges, including limited coverage, reliance on medical insurance for funding, a shortage of care professionals, and a lack of unified assessment standards. She suggests incorporating long-term care insurance as the “sixth pillar” of the social security system, establishing a unified national system, optimizing the financing mechanism (e.g., introducing mandatory enrollment at the age of 40), strengthening the training of nursing talents and promoting smart aging technology. At the same time, insurance companies should improve operational efficiency to support the system's sustainable development.

III. Social security in new forms of employment

With the rapid development of the digital economy and the platform economy, the number of workers in flexible employment and new forms of employment has increased significantly. How to protect the social security rights and interests of this group has also become an urgent issue. Zheng Gongcheng suggests that policies should be optimized and adjusted according to the special characteristics of the flexible employment group, reduce the burden of social security contributions, and promote social security coverage by category and type of insurance. Workers' compensation insurance should be borne by platform enterprises, while pension insurance and medical insurance should adopt a system of shared responsibility between platforms and workers. At the same time, more flexible options should be provided for contributions and retroactive payments, breaking the bundled approach of “four insurance policies in one” and allowing monthly, quarterly, and annual contributions, as well as retroactive payments. Miao Yanhong, a member of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), hoped that relevant policies and regulations could be further improved, and that the criteria for identifying labor relations could be perfected, so that the

existence of dominant labor management between a platform enterprise and a worker could be identified as a labor relationship, and it should be made clear that the platform enterprise and the worker have the obligation to sign an employment contract and pay social insurance.

Overall, the deputies were full of confidence in the future development of

China's social security program. They believe that by further deepening the reform in a comprehensive manner, effectively establishing the concept of high-quality development, and promoting the optimization of the key systems of social security, China's social security system will be more complete, providing more reliable and adequate protection for all people.

(3) Strategy “Investing in People “: A Profound Interpretation⁵

On March 5, 2025, Premier Li Qiang of the State Council proposed in the Report to the Work of the Government to channel more funds and resources into “investing in people,” serving the people's livelihood, supporting employment expansion, promoting income growth and burden reduction for residents, strengthening consumption incentives, and fostering a virtuous cycle of economic development and improved livelihoods.

On May 5, 2023, General Secretary Xi Jinping pointed out at the first meeting of the 20th Central Committee for Financial and Economic Affairs that it is essential to align with the people's expectations for a better life, uphold the people's principal position, closely integrate high-quality population development with high-quality living standards for the people, closely integrate “investing in things” with “investing in people,” do our best and act according to our capabilities, and establish a sound population service system that covers all people and the entire life cycle.

“Investing in things” and “investing in people” are mutually synergistic and intrinsically consistent. The ultimate goal of investing in things is to benefit people,

promote human development, and safeguard human rights. The success of modernization will ultimately benefit all the people.

Against the backdrop of China's shift from population growth to population reduction, and with human resources becoming increasingly valuable, it is of greater significance to closely integrate “investing in things” with “investing in people.” By “investing in people,” we can improve the quality of the population and solidify the foundation for high-quality development and the all-round development of individuals, which is more relevant in our times.

Strategic Significance of “Investing in People “

People-Centered Development Philosophy: The essence of modernization is the modernization of people, and high-quality population development is an important pillar of Chinese-style modernization. China has always adhered to a people-centered development ideology. “Investing in people” is grounded in the principle that people hold the central position in development. It goes beyond the instrumental rationality typical of capitalism and emphasizes the value-based

5. References from multiple news articles:

https://finance.youth.cn/finance_gdxw/202503/t20250307_15868547.htm

<https://www.shobserver.com/staticsg/res/html/web/newsDetail.html?id=873950&v=1.7&sid=67>

<https://www.cet.com.cn/wzsy/ycxw/10183928.shtml>

https://m.thepaper.cn/baijiahao_30680488

<http://www.jjckb.cn/20250416/238b64055913459eb199345dac579b91/c.html>

rationale of prioritizing human well-being. The essence of “investing in people” is for the sake of the people. Increasing investment around what people think, want, and expect makes economic and social development more meaningful. Channeling more funds and resources into “investing in people” is a necessary step for China's economic and social development at this stage and a proactive choice for seeking long-term development.

Forming a New Landscape of Consumption-Driven Growth: Currently, the driving force of economic growth is undergoing profound transformation. People are the primary drivers of consumption, production, and innovation. Through investing in people, China can elevate service-oriented consumption to a dominant position, enabling consumption to serve as an internal engine for sustained economic growth in the coming decade. Comprehensively “investing in people” can substantially address the prominent contradictions of insufficient consumer willingness and weakened consumer confidence, forming a new landscape of domestic demand-led and consumption-driven growth.

Reserving Strength for Future Development: Talent is the core driving force for high-quality economic and social development. By “investing in people,” we can enhance people's quality and capabilities, laying the foundation for long-

term economic development.

Specific Implementation of “Investing in People “

Education Sector

Promoting Education Equity and Quality Improvement: China is committed to building a high-quality education system, formulating and implementing a three-year action plan for building a strong education nation, strengthening the standardization of compulsory education schools, promoting the high-quality and balanced development of compulsory education, expanding the supply of high school education opportunities, and gradually implementing free preschool education. Optimize the disciplinary settings and talent cultivation models of universities, deploy urgently needed disciplines and majors according to the development needs of new quality productive forces, and cultivate top-notch talents.

Supporting Enterprises and International Cooperation in Education: Support enterprises in establishing new-type research universities, encourage high-level foreign universities of science and technology to establish cooperative schools in China, continue to run special education, continuing education, and specialized education well, promote the integration of vocational and general education, and the integration of industry and education, and enhance the adaptability of vocational

education.

Employment and Entrepreneurship Sector

Promoting Employment and Entrepreneurship: Increase investment in corporate vocational skills training and human capital improvement and implement incentives and subsidies for enterprises that create high-quality employment opportunities. Implement employment support plans for key areas, key industries, grassroots organizations in urban and rural areas, and small and micro enterprises, and make full use of policies such as stable employment refunds, tax and fee reductions, and employment subsidies.

Improving the Employment Security Mechanism: Improve the mechanism for reasonable wage growth, improve the incentive mechanism for scientific and technological innovation compensation allocation, and reform and improve the salary system of public institutions that reflects job performance and hierarchical classification management to promote the of residents' income and economic growth. At the same time, protect the rights and interests of workers in flexible and emerging forms of employment.

Social Security Sector

Improving Fertility and Elderly Care Services: Formulate policies to promote fertility, issue childcare subsidies, vigorously develop integrated childcare services, and increase the supply of inclusive

childcare services. At the same time, focus on building an elderly care service system and promote the healthy development of the elderly care service industry.

Improving the Level of Social Security: Continue to promote the national unified management of pension insurance and give play to the role of China's national social insurance fund. Deepen the reform of the medical security system and promote the coordinated development and governance of medical care, medical insurance, and medicine.

Health and Medical Sector

Implementing the Healthy China Initiative means breaking through the traditional scope of the health sector's work and integrating health into all policies. In response to the situation of “imbalance and inadequacy,” implement special actions, gather more consensus, invest more resources, form more synergy, and turn them into a growing and diverse range of health-related services and products.

Talent Investment Sector

Establishing a Full Life Cycle Investment System: Capitalize on key junctures for talent cultivation and promotion, establish a precise “demand response” matching mechanism and an investment portfolio strategy covering the entire life cycle of talent growth, so as to maximize the value of talent at different stages..

Emphasizing Investment in Early Growth Stages: Increase investment and

support for young talents and top-notch innovative talents, allowing more outstanding young talents to stand out. Government, market, and social organizations lead the phased investment to help talented individuals cross critical growth points, such as governments at all levels establishing special funds for talent development, and industrial and industry organizations and private enterprises providing long-term and stable funding by providing authoritative scientific awards and talent development programs.

The concept of “investing in people” is proposed at the Third Session of the 14th National People's Congress and the Third

Session of the 14th National Committee of the Chinese People's Political Consultative Conference. It reflects China's high regard for human capital. “Investing in people” is not only an investment in people, but also an investment in the future and an accumulation of strength for China's high-quality development; it is not only an investment in individuals, but also a win-win strategy for the country, enterprises, and society. Through the all-round development and capacity building of people, it can stimulate technological, economic, and industrial transformation momentum, and accumulate more lasting strength for high-quality economic development.

(4) Strategy New Policies and Measures in China to Support Employment and Entrepreneurship for Key Groups⁶

On March 5, 2025, Premier Li Qiang of the State Council, in his Report to the Work of the Government, proposed the main expected development goals for this year: the surveyed urban unemployment rate to be around 5.5%, and to create over 12 million urban jobs. The setting of these two goals reflects the government's strategic emphasis on economic stability and the healthy development of the labor market, fully demonstrating the government's determination to prioritize employment. Employment, as the foundation of people's livelihood, is not only an important guarantee for the people's lives but also a cornerstone for stable economic and social development.

In order to implement the spirit of the Central Economic Work Conference, effectively respond to the impact of external environment and domestic economic operation changes on employment, and promote employment for key groups such as college graduates, people lifted out of poverty, migrant workers, and veterans, on March 27, 2025, the State Council's Leading Group for Employment Promotion and Labor Protection issued the “Implementation Plan for Intensifying Efforts to Expand Job Opportunities in Key Areas, Key Industries, Grassroots Organizations in Urban and Rural Areas, and Small and Micro

Enterprises, and Supporting Employment and Entrepreneurship for Key Groups.” This plan proposes a number of specific measures to intensify efforts in key areas, key industries, grassroots organizations in urban and rural areas, and small and micro enterprises to expand job opportunities, and to support employment and entrepreneurship for key groups.

I. Overall Requirements

Adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implement the decisions and deployments of the Party Central Committee and the State Council to promote high-quality and full employment, adhere to the goal-oriented and problem-oriented approach, adhere to the market-oriented and socialized employment direction, strengthen employment priority, accurately identify key areas of focus, focus on key groups, strive to strengthen policy support, training and empowerment, and service assistance, fully stabilize existing jobs, expand incremental jobs, improve quality, and prevent changes, intensify efforts to build an employment-friendly development mode, strive to promote high-quality and full employment, and ensure the basic stability of the employment situation.

6. References from multiple news articles:

https://www.mohrss.gov.cn/SYRlzyhshbzb/jiuye/zcwj/202503/t20250327_539427.html

<https://www.worker.cn/c/2025-04-20/8504970.shtml>

II. Key Directions for Promoting the Implementation of the Job Development Plan

Table 2: Key Directions for Implementing Job Creation Plans

<p>① Explore employment potential from new productive forces like advanced manufacturing</p>	<p>② Transform new consumption trends into new employment opportunities</p>	<p>③ Amplify employment growth through major project construction</p>
<p>-Implement growth stabilization programs for ten key industries; study investment mechanisms for manufacturing; enforce policies for maintaining scale. -Promote employment through advanced manufacturing initiatives; cultivate new employment opportunities. -Expand cultivation of various innovative enterprises to create high-quality positions. -Implement □AI+□ actions.</p>	<p>-Enhance green consumption mechanisms, develop related industries, expand green and low-carbon talent demands. -Promote cultural-tourism integration and employment expansion via relevant policies. -Establish consumption scenarios and digital consumption to drive commercial employment. -Utilize guidance funds to promote employment in service outsourcing.</p>	<p>-Monitor key projects, implement urban renewal, intensify investment-driven employment. -Strengthen labor-intensive project initiatives for low-income workers. -Explore employment potential across multiple project sectors, expand work-for-relief programs to further increase employment capacity.</p>
<p>④ Promote employment focusing on essential livelihood services</p>	<p>⑤ Expand the service space for workers at the grassroots level in urban and rural areas</p>	
<p>-Expand elderly care industry, establish professional qualification systems. -Advance healthcare projects, strengthen nursing workforce. -Increase childcare services, support social participation. -Enhance the quality and quantity of domestic services to produce brand effects. -Strengthen elderly care and childcare workforce. -Develop care services and community rehabilitation for disabled individuals, build professional talent. -Expand the team of property management staff to align with real estate development.</p>	<p>-Advance rural revitalization, develop county-level industries to boost rural employment. -Expand community job offerings, enlarge grassroots recruitment for graduates. -Encourage legal professionals to provide legal aid in western grassroots regions. -Support local use of union funds to reasonably allocate social workers. -Support employment absorption by social organizations.</p>	
<p>⑥ Enhance employment attractiveness in private enterprises and SMEs</p>	<p>⑦ Maintain stable recruitment in public institutions and SOEs</p>	
<p>-Build and utilize a comprehensive SME service network; sustain SME support initiatives. -Host China International SME Expo to help SMEs access diversified global markets. -Strengthen entrepreneurship-driven employment mechanisms; optimize entrepreneurial environment; encourage entrepreneurship among key groups.</p>	<p>-Optimize recruitment resources across public institutions, expedite hiring processes, and reinforce exemplary roles. -Promote job creation in higher education institutions and support various innovation entities within national high-tech zones and units undertaking national science and technology plans to intensify the development of research assistant positions. -Encourage state-owned enterprises to stabilize recruitment scales. -Evaluate public welfare positions to provide employment security.</p>	

III. Increase Support for Employment and Entrepreneurship of Key Groups

Table 3: Measures to Strengthen Employment and Entrepreneurship for Key Groups

<p>① Greater cost-reduction & job-stability support</p> <ul style="list-style-type: none"> -Establish a long-term regulatory mechanism for enterprise-related charges; strictly regulate enforcement and lower explicit costs (financing, logistics) and implicit costs (market access, bidding). -Continue the temporary reduction of unemployment and work-injury-insurance contribution rates. -Encourage financial institutions to innovate special loan products for stabilizing and expanding employment. -Moderately increase the loan amount. -Increase financial support for labor-intensive enterprises that do not lay off or lay off few employees and other enterprises that promote stable employment 	<p>② Encourage enterprises to absorb more workers</p> <ul style="list-style-type: none"> -Apply all relevant employment incentives to employers that newly hire eligible persons. -Expand one-off employment-expansion subsidies to qualified social organizations. -Extend the SOE □hireand-raise-pay□ incentive to end 2026. -Leverage various industrial funds to boost jobs and help firms invest in human capital, lifting low-income wages.
<p>③ Strengthen self-employment & entrepreneurship policy support</p> <ul style="list-style-type: none"> -Promote □oneclick□ service for startup and guide workers to innovate across multiple tracks (industry, tech, social services, etc.). -Learn from support policies in development zones to create a policy-package for innovation & start-up parks, speeding commercialization of innovation into growth and jobs. -Utilize incubators; reserve floor-space in government-financed incubators and lower free-entry thresholds for key groups. -Rise ceilings on guaranteed start-up loans and make better use of the public financing-guarantee system where conditions permit. 	<p>④ Improve the quality & efficiency of employment services</p> <ul style="list-style-type: none"> -Expand labor-supply services in priority sectors; set up a vacancy-collection & release system that aligns with industrial development and key investments; implement job creation in specific projects and enterprises. -Leverage public job-centers, gig-markets and market-oriented agencies to hold intensive recruitment events; match vacancy data with target groups and build supply-demand platforms. -Run targeted regional job fairs for seasonal needs (e.g., tourism, winter-sports).
<p>⑤ Conduct large-scale vocational-skills training</p> <ul style="list-style-type: none"> -Support industry authorities in focusing on positions. -With industry regulators, draft sector-specific training plans for priority job-expansion areas, increasing funding, facilities and enterprise involvement; support firms in building skill-training facilities. -Vigorously implement the □demanddriven training + skills assessment + employment services□ model; raise training levels and cultivate talent vital for development. -Help enterprises carry out the new □Eightlevel Craftsman□ system and establish pay structures that better reflect skills value to enhance the sense of gain of skilled workers in related fields and industries. 	<p>⑥ Safeguard workers□ legitimate rights & interests</p> <ul style="list-style-type: none"> -Guide firms in lawful employment to form harmonious labor relations. -Adjust minimum-wage standards appropriately to secure low-income earners□ pay rights. -Launch a campaign to rectify the human-resources market and punish illegal agencies, recruitment fraud and irregular labor dispatch to rectify the chaos of □fake outsourcing□. -Advise firms and staff to stabilize jobs through consultation and to regulate layoffs. -Create an inter-department coordination mechanism for diversified dispute resolution and risk prevention against mass unemployment events.

IV. Conscientiously Ensure Organization, Implementation, and Support

Table 4: Strategic Directions for Strengthening Implementation & Support

① Form detailed work programs	② Enhance coordination & synergy	③ Bolster funding safeguards
<p>-Each ministry need to spell out concrete measures, targets and timelines for the job-creation plan.</p> <p>-Each locality should choose reasonable focus areas for tapping and expanding capacity, and to specify goals and support measures.</p>	<p>-Tighten policy coordination and conduct employment-impact assessments.</p> <p>-Strengthen post-matching coordination via a joint-consultation mechanism to raise job-matching efficiency.</p>	<p>-Ensure employment-fund availability and integrate various related funds.</p> <p>-Improve supervision mechanism; promote online applications, reviews and disbursements, with direct subsidies to individuals, and punish fraudulent claims.</p>
④ Ensure effective work scheduling		⑤ Foster a positive atmosphere
<p>-Set up a regular capacity-tapping schedule; ministries and localities to submit quarterly progress on job creation and plan implementation.</p> <p>-The Ministry of Human Resources and Social Security to convene quarterly reviews and promptly remind lagging units.</p>		<p>-Step up policy publicity to raise awareness and participation.</p> <p>-Publicize exemplary industries, departments and regions that actively create or expand jobs and showcase best practices.</p> <p>-Promote modern employment concepts and widely share inspirational stories of employment and entrepreneurship.</p>

(5) Strategy Reshaping Workers' Identity and Skill Value: China's Industrial Workforce Development Strategy and Practices from the Perspective of Government Work Reports

The Government Work Report of the Third Session of the 14th National People's Congress (2025) explicitly states the requirement of “promoting the spirit of craftsmanship and building a world-class industrial-technical workforce.” This policy, combined with emphases on large-scale vocational skill enhancement programs, skill-oriented compensation distribution mechanisms, and improved treatment for skilled talent, indicates that there is an evolution in China's strategies of industrial workforce development. Against the backdrop of industrial upgrading and labor structure transformation, the Chinese government is committed to redefining industrial workers as core drivers of industrial reform while constructing a labor value system centered on technical skills.

From Laborers to National Strategic Assets: Redefining Industrial Workers' Status

The Chinese government places great emphasis on the development and upskilling of the industrial workforce. The aim is not only to expand the number of skilled

workers, but also to systematically reshape the professional identity and strategic status of technical workers. The current promotion of the “craftsman spirit” demonstrates the government's resolve to restore workers' social value, professional dignity, and integration into national development strategies.

“The Reform Plan for Industrial Workforce Development in the New Era” issued by the Central Committee and State Council in 2017, mandated “innovating institutional mechanisms and improving worker quality...to cultivate a large, ideal-driven, skilled, innovative, and responsible workforce.”⁷ Building on this policy, “the Guidelines on Deepening Industrial Workforce Development Reform” in 2024 proposed fostering “master craftsmen” and tiered technical talent to spearhead world-class workforce development.⁸ These policies illustrate China's strategic recalibration: industrial workers are no longer mere assembly-line operators but core agents of industrial capability enhancement and national manufacturing power.

7.Reference: https://www.gov.cn/zhengce/2017-06/19/content_5203750.htm.

8.Reference: https://www.gov.cn/zhengce/202410/content_6981894.htm.



Figure 1: Steel industry workers in Qingtuo Group, Ningde City, Fujian Province⁹

From Employment Tools to Developmental Engines: Innovations in China's Skill Training System

To elevate workers' status within industrial upgrading frameworks, the 2025 Work Report prioritizes “large-scale vocational skill enhancement campaigns”—both as a response to labor market mismatches and as a pathway to optimize human capital. In the context of the coexistence of globalization and reglobalization and intensifying international competition, skill training, in order to achieve the transformation from the demographic dividend to a talent dividend, should go beyond basic employment security to become a macroeconomic lever for transitioning industries toward high-value, intelligent

production.

In March 2025, the Ministry of Human Resources and Social Security and the Ministry of Finance jointly launched the “Skills Illuminate the Future Training Initiative”, targeting over 10 million subsidized trainees annually from 2025 to 2027. Priority groups include college graduates, migrant workers, veterans, and the underemployed, with a focus on urgently needed technical talent in manufacturing and services. This underscores China's commitment to high-quality, efficient vocational training ecosystems. It also marks that China's vocational skills training system continues to take higher quality and higher efficiency as its long-term development goals.

9. Image source: http://fjdaily.com/app/content/2021-11/25/content_1219344.html.



Figure 2: Jiangsu Vocational College of Electronics and Information collaborates with enterprises to provide secondary skill certifications for students, exemplifying institutional-market partnerships.¹⁰

Through fiscal investments, optimized resource allocation, and strengthened quality supervision, the government aims to enhance workers' competitiveness and career mobility. It promotes a diversified training framework involving enterprises, vocational institutions, and private training groups under government guidance, while establishing rigorous evaluation systems to ensure transparency and efficacy. This is of great significance for improving the overall level of vocational skills training and enhancing the public's trust in training programs. By building a wide-coverage, hierarchical and assessable skills training system, the Chinese government attempts to provide solid human resource support for the transformation and upgrading

of the manufacturing and service industries by enhancing the vocational capabilities and market adaptability of workers. By transitioning from “universal training” to “precision skill supply,” China seeks to align workforce capabilities with emerging strategic industries and modern service sectors.

Skill-Determined Wages: Exploring Compensation Systems Aligned with Technical Proficiency

Parallel to the reconstruction of workers' social status and enhancing worker skills, China prioritizes skill-oriented compensation mechanisms to sustain workforce reforms. It is also a key step to ensure the implementation of the industrial workers' team building plan.

10. Image source: <http://www.jxdzx.com/news-show-6280.html>.

Addressing the dis-match between traditional job-based pay scales and actual skill contributions, the 2025 Report advocates “accelerating skill-based compensation structures and improving skilled workers' benefits.” This “more pay for more work, higher skills, and greater innovation” logic aims to accurately reflect labor value through performance-linked wages and technical allowances. The “New Eight-Grade Worker System” exemplifies this approach. While

preserving historical worker grading traditions, it ties skill levels to operational competence, innovation capacity, and job contributions, strengthening the skill-pay nexus. Pilot programs in Shaanxi and Hubei provinces have shown initial success: clearer promotions, transparent performance evaluations, and higher wages for skilled roles than equivalent administrative positions, operationalizing the “skill premium” principle.¹¹

11. Reference: <https://news.sina.com.cn/zx/gj/2025-04-14/doc-inetaxy9594154.shtml>.