Vocational Training to Facilitate Rural Urban Migration in China: A Nonparametric Analysis

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Abstract

The rapid industrialisation and urbanisation has driven gigantic numbers of rural labourers in China moving off-farm and into urban areas. However, the poor education they have received and low skills they possess have seriously hampered their way into urban employment and poses huge challenges to China's social stability and sustainable development. In order to solve this problem, the government implemented the "Sunshine Project" in 2004 which aims to provide non-agricultural skill training for rural migrants before they leave their rural home areas. This paper focuses on the training situation and its efficiency for China's rural migrants after the implementation of this project. The results indicate that the formal training programme focuses on the long term effects. The trainees receive both theoretical education and practical training, they can get certificates nationally recognised, which facilitate their job hunting. On the contrary, the informal training programs are very market-oriented and basically address the short term or instant effect. Both the formal and the informal training are important and they are complementary. The supply of rural migrants' training programmes increased after the implementation of the "Sunshine Project". Based on provincial panel data, the paper analyses the TFP (total factor productivity) change in China's rural migrants training during 2004–2009 through a nonparametric Malmquist index approach. Twenty-nine provinces' training input and output data were selected from China Labor Statistical Yearbook 2005–2010. The results indicate that the TFP of China's rural migrants training increased from 2004 to 2009 primarily due to technical progress; the TFP of China's rural migrants training varied among regions. Recommendations of this study are as follows: in addition to continue investment in the migrants' pre-job training, government should also create policies to stimulate employers to invest in the migrants' on-job training, thereby establishing a more flexible investment sharing mechanism.

Keywords: China, Malmquist index, rural migrants, vocational training

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