Analysis on Mechanism of China’s Human Resources Supporting Green Development

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ABSTRACT

Human resources plays a very important role in the process of green development. As a major analytical perspective, mechanism has an important influence on the supply and allocation of human resources, especially in China. This thesis takes the perspective from strategic mechanism arrangement and key mechanism restrictions of human resources to study china’s green development in both historic and realistic way, as well as puts forward suggestions on how to improve such mechanism.

INTRODUCTION

Against the backdrop of “New Normal”, China’s economic growth is slowing down and exploring a green development path has become a major subject for future development. At present, China has yet to establish a market mechanism for green development. Under such circumstance, in order to realize green development, we have to look from within and give more prominence to human resources. We should let people to sustain the framework of green development.

Mechanism analysis is a major analyzing method in modern economics [1]. Whether in theory or practice, human resources’ influence on green development is closely connected with mechanism environment and arrangement. Formulation and application of human resources and green development regulation has exerted or is exerting impact on the above area.

Therefore, we need to draw on methodology on mechanism economics, explore the mechanism cause behind normal economic phenomenon, and provide a comprehensive analysis on influence of human resources on green development.

HISTORY OF STRATEGIC MECHANISM OF CHINA’S HUMAN RESOURCES AND GREEN DEVELOPMENT

Human resources driving green development is a process of changes and innovation of mechanism. In western countries, such process always comes after economic liberation and political democracy. The government usually doesn’t demonstrate its preference. Human resources influence on economic growth mostly relies on the market mechanism. In China, however, this process is one gradual change, mostly controlled by the government and arranged from down to top.

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Along with economic and social development as well as market reform, China’s green development and human resources have already made many breakthroughs. However, historically speaking, if the government controls the strategic mechanism, especially when the strategy of green development deviates from that of the human resources, exhausting economic mechanism will outweigh inclusive mechanism, which results in putting more emphasis on resources than human, taking than protecting, and growth than development. In a large way, this restricted vitality of human resources and contains China’s green development.

**Influence of Planned Strategic Mechanism after 1949 on Human Resources and Green Development**

When PRC was first founded, both domestic and international landscapes were complicated. The Chinese government copied USSR’s highly centralized planned economy, thus creating a model of planned human resources and development.

With regard to human resources, within the comprehensive arrangement of the government, China witnessed a great leap in terms of scale and level of human resources. Statistics show that in 1949, people with junior college degree accounted for 3.42% of total population, and students enrolled in college were only 117,000 [2]. Since PRC was founded, universal education was gradually put in place. Middle and higher education was enhanced and focus was put on vocational education [3]. By the 1960s, China had put in place a relatively comprehensive national education system. According to the 2nd national demographic research, illiteracy rate dropped to 32.3%, more than half of the level of 80% in 1949. People with junior college degree and above reached 2.87 million, 15.5 times that of 1949. People above 15 years old received an average of 2.6 years of education, 2.6 times that of 1949 [2]. However, issued brought by planned strategic mechanism cannot be ignored. Mechanism initiated and controlled by the government had formed barriers between rural and urban area, among regions and within rural and urban area. In reality, this mechanism restricted people’s movement and migration through household registration system. Under such mechanism, the scale and structure of human resources were all controlled by the government. Cities, state-owned departments and enterprises controlled supply of human resources while those in the rural and private sector were constrained. In a way, China did not set up a market mechanism for human resources.

In terms of development model, China prioritized industrialization in this period. Through highly centralized mechanism, capital, foreign exchange, energy, raw material, farm produce, and labor cost were intentionally dragged down, creating a low threshold and favorable environment for industrialization. However, tertiary industry lead by service sector was ignored due to over emphasis on heavy industry. Brown development was heightened [4]. Intentionally lowered price undervalued natural resources and left behind a hampered environment. Looking back now, we can see that such mechanism did support China’s capital accumulation in that special period. But it also became a driver for low efficient investment and loss of eco environment, which has a lingering impact on environment resources.
Material Capital Oriented Strategic Mechanism’s Influence on Human Resources and Green Development since 1979

Since 1979, market’s value was gradually affirmed and market mechanism started to play a leading role in China. Mechanism mostly controlled by the government from top down gradually changed to one lead by market from bottom up. A series of transformation started to take place.

In terms of human resources, since 1979, especially 1990s, private and foreign sector has witnessed much growth, including some government departments. More autonomy was given to hiring and payment decisions. A large number of people migrated to coastal areas and entered into employment competition [5]. It is safe to say that China by then has already established a labor market. However, more emphasis was put on material investment and accumulation, human resources supply and distribution still lagged behind, creating an imbalance with economic development [6].

In terms of material resources oriented strategic mechanism helped cultivate a competition mechanism in which GDP was prioritized. The government gave more concern to economic expansion rather than transforming development driver. Economy relied more on natural resources rather than human resources. Fast economic growth brought serious environment problems. In the meantime, eco resources was undervalued than material ones, along with overdue reform, government supervision still had its fingerprints on natural resources trade, which resulted in a situation where market could not play its fair role. This also came along with over consumption and waste of resources.

Brief Summary

In a nutshell, whether it’s 1949-1979 or since 1979, government always exerted a heavy influence on human resources supply and distribution and its development model.

From 1949-1979, highly centralized structure facilitated rapid economic growth within a short period, but it also caused segregation of human resources and non-market oriented value of resources, which in turn contained human resources and green development. Since 1979, market mechanism has had a bigger say, which greatly improved overall national strength. However, restrictions of the mechanism did not vanish, but left a lingering impact on environment.

We can see that the government’s strategy is changing and innovating, but still falls behind the increasing demand of social mechanism. A sustainable, inclusive strategic mechanism needs to be put in place that can give full play to human resources, drive transformation of development model, and realize green development.

ANALYSIS ON KEY MECHNISM RESTRAINTS OF HUMAN RESOURCES SUPPORTING GREEN DEVELOPMENT

As China’s market reform deepens, mechanism that is restricting green development and human resources has already or is making breakthrough. However, the task of mechanism innovation remains arduous. In some key sectors, restraints still exist. “Double restraints” is in the way of human resources distribution, which lowers the efficiency of green development and weakens human resources influence.
Supplying Mechanism Restraints of Human Resources Supporting Green Development

Human resources support green development mainly in two ways, supply and mechanism design. The key lies in forming a sound mechanism which accelerates investment and promote supply. Mechanism design aims to provide more sustainable and efficient human resources. From a realistic view of China’s current situation, such mechanism restraints lie in three aspects: education system, benefit system and awarding system.

Education system restraints

At present, China is one of the countries that lead in the education industry. Since 1979, higher education witness historic leaps of development. Its coverage is expanding. By the end of 2014, China has 2529 higher education institutions, which have 35.59 million students. The net enrollment rate reached 37.5%, topping the world’s record [7]. But in terms of the overall strength, China is still not number one. The imbalance between educated people and social economic development still exits. Specifically speaking, goal of higher education and market demand do not coincide with each other. Education investment lacks scientific selection, which results in employment problem and difficult return of education investment. On the other hand, emerging green industry hungers for large numbers of talents. Skilled, expert, and comprehensive talents are still hard to obtain. At the same time, training system is yet to improve, which also impairs efficient supply of human resources. Currently, most training programs focus on the re-employed and relocated. The contents and efficiency is yet to improve, which calls for immediate green development and improvement of quality, universal education system. In this way, the second population bonus can be given full play.

Benefit system restraints.

In china, social benefit system such as education, culture, health, social welfare, and housing lags far behind economic development. Universal coverage is yet to exist. Differentiated treatment and complicated procedure are major obstacle in terms of human resources accumulation. On the one hand, difficult access to education, healthcare, and housing impairs development of human resources, which in turn restraints its improvement. On the other hand, an imperfect system cannot provide enough social services. Many families had to cut back on investment on human resources in order to make ends meet. This is also bad for raising awareness from a micro level, which slows the green development of the whole society.

Rewarding system restraints

The rewarding system still has room for improvement, especially for high end scientific researchers, who are the major force in promoting green products and technology. In sufficient rewarding system restrains the creativity and ingenuity of them. For example, in terms of payment, there are still many problems between payment distribution and project funding.

Distribution Mechanism Restraints of Human Resources Supporting Green Development

The key of distribution mechanism is through a sound arrangement, free movement can be achieved in space and industry. In this way, human resources will cluster around green industry, and combined with innovation, so that better distribution can be made
to realize green development. From the current perspective, the main constraints lie in three aspects: household registration, enterprises and regions.

Household registration restraints

For China, freer movement between urban and rural areas and intercity can improve employment and promote restructuring economic development mode. Although the State Council already put forward regulations that further reform on household registration, the current system remains a big obstacle for people migration. In fact, in 1949, the Chinese government did not carry out a strict household registration system. It was put in place later when the government decided to develop the second industry first. It was the only choice back then when heavy industry was the priority [8]. However, this household registration system still has many disadvantages, it decreases people’s migration and their ability to involve in the economy as well as trapping the potential of human resources in green development. Under such strict household registration system, though human resources involved in green production and consumption obtained skills to survive and develop, they still cannot get household registration where they work, thus denied the access to fair employment, education, housing and other social welfare. This would cause unsustainable green production and consumption, and also green development.

Enterprises restraints

At present, the monopoly landscape of SOEs hasn’t been thoroughly changed. China’s human resources market, especially SOEs, though introduced competition mechanism, the open access still is not enough. The energy sector SOEs, in particular, although also introduced hiring mechanism reforms, a fair, open selection system is yet to be put in place. Nepotism still exists. People with highly skilled qualification still find it hard to get into such companies. Even if they do get in, key departments and positions are still denied to them. The innovative support from human resources to green development is also compromised.

Regions restraints

A widening gap among different regions in China creates different demand for regional human resources. In eastern China, along with increased economic growth and green development, original demand for human resources is enlarged and higher demand is also formed. In this region, human resources level is higher, and creates cluster effect. Without a sound mechanism, differences are widening among different regions. Eastern regions attract more human resources from the west. This is due to the market’s mechanism, and also because of green development and human resources changes. In the long term, nationwide speaking, there is an urgent need to improve a coordinated mechanism among different regions, change the imbalance situation, and promote a more balanced development.

IMPROVING HUMAN RESOURCES MECHANISM, PROVIDING SUPPORT FOR GREEN DEVELOPMENT

Green development calls for a sound human resources mechanism. The key part is to bring vitality and lose restrictions, through streamlining and restructuring, eliminate obstacles of migration. In this way, a sound mechanism can be formed.

Improving Migration Mechanism

Eliminating mechanism barriers among different organizations and departments
Human resources can freely move from one enterprise or organization to another, or from one department or region to another. No matter what kind of migration it is, market or personal will oriented movement is beneficial to personal, enterprise, industry and departments gains. For green development, insurance from mechanism for a sound migration should be established and risks should be managed. At present, we should start by eliminating all the barriers including ownership, identity, industry, region, and rural and urban difference, enhance innovation of migration mechanism. Special reform should target state-owned enterprises, and eliminate biased treatment for staff who are not formally recruited. Undifferentiated treatment should be upheld so that migration and identity can be equal in terms of use, transfer, evaluation and social welfare.

Accelerating household registration mechanism reform

Household registration should be reformed to a universal and easy procedure. At the same time, associated education, healthcare, employment, social welfare, and housing mechanism should be put in place. Differentiated treatment to “locals”, “outsiders”, “urban resident”, “rural resident”, “people from metropolis”, and “those from small towns” should be changed. A common welfare system should be established and provide a mechanism support for human resources.

Improving Rewarding Mechanism

Enterprises should fund for human resources

Enterprises are a major force for green development. To realize such development, restrictions such as capital comes first should be put away. An asset right of human resources should be emphasized, and prominence should be given to funding approval, evaluation, credibility management and exit mechanism. Intelligence, knowledge and skills should be regarded as “personalized asset”, and shares and returns should be given to them, thus creating a combination of human resources and material asset, better promoting motivation of entrepreneurs, scientific researchers and staff. In this way, more vitality and be injected to national green development.

Improving use and management of scientific research funds

China should build on the innovation drive and green development, emphasize human resources, and invest more on scientific research. On the one hand, scientific research funds should be tailored to its characteristics. In terms of profit share, transfer, license, buying shares can be adopted to improve reasonable share of returns. On the other hand, use and management of scientific research funds cannot be the same, tailored and specified method should be adopted; complicated procedures should be streamlined, thus giving more autonomy to researchers so that they can contribute more to green development.

Improving Mechanism Security of Human Resources

A sound and secured social benefit mechanism not only promotes personal and family investment on human resources, optimize its accumulation and distribution, further green development, but also serves as a stabilizer and adjustor for social harmony. Such mechanism focuses on fair access to compulsory education, employment service, care for the elderly, and basic healthcare, so that everyone can enjoy equal returns of human resources development, as well as the fruit brought by personal, family, and national development. In the future, first of all we should secure
equal education right among different regions and class, especially pre-education for
migrant workers’ children in order to promote fairness. Secondly, a secured equal
healthcare right should also be in place to meet the demand of migrant workers, and
incorporate them into cities’ healthcare system. Healthcare transfer, and a common
health system should be established. Thirdly, equal right to housing should be secured,
and the concept of green development should be put into reality, development strategy
and mode should also change in an actual way to prevent property investment edging
out human resources investment. A long-term and sustainable mechanism to meet
living demand should be established, in order that people can have an enjoyable living
environment and provide sustained vitality and vigor to green development.

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