

# Historical Changes and Evolutionary Logic of the Employment Placement System for Veterans in China

## -- Analysis Based on Historical Institutionalism

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### Abstract

The employment placement system for veterans serves as the institutional foundation for ensuring adequate employment for retired military personnel. This work is crucial to national defense security and social stability, carrying significant importance for the government and society as a whole. An analysis based on the framework of historical institutionalism reveals that the veteran employment placement system has undergone four phases: inception, exploration, establishment, and perfection. Key milestones include the enactment of the 1958 "Defense Service Law of the People's Republic of China," the convening of the Third Plenary Session of the 11th Central Committee of the Communist Party of China, and the establishment of the Ministry of Veterans Affairs. The dynamics driving changes in the system include policy adjustments, the improvement of laws and regulations, the development of a market economy, the requirements for modernizing national defense and the military, and shifts in social demands and the conditions of veterans themselves. The logic of military restructuring and economic transition has created path dependency in institutional formation. Future improvements should focus on enhancing legal design, enforcing rights protection, and perfecting skill training systems to better safeguard the legitimate rights and interests of veterans.

### Keywords

Veterans, Employment Placement System, Historical Institutionalism.

## 1. Introduction

Under the ongoing advancement of socialism with Chinese characteristics, veterans as a special group have always been a focus of high importance to the Party and government regarding their employment and placement issues. The employment placement system for veterans, as a significant policy impacting national stability and social harmony, warrants in-depth investigation into its historical changes and evolutionary logic. However, as economic society rapidly develops and the reform deepens, the existing employment placement model has struggled to fully adapt to the complex market environment and personalized needs of veterans. In 2018, it was emphasized that "enhancing organizational leadership at the national level for the management and security work of veterans, improving service guarantees, and relevant policy systems" is a necessity. Therefore, ensuring smooth employment for veterans is an urgent problem to be addressed.

First, through the lens of historical institutionalism, exploring the evolution of China's veteran employment placement system helps enrich and deepen the understanding of institutional change theories. Additionally, studying historical changes can summarize the regularities and characteristics of the veteran employment placement system's development, providing historical experience and practical guidance for current and future policymaking. This aids in

optimizing current policies and enhancing the effectiveness of veteran employment and placement work. Finally, examining the historical changes of the veteran employment placement system facilitates evaluating the effectiveness of policies in different historical periods, identifying problems and challenges in policy implementation, and providing a basis for policy adjustments and improvements.

In summary, systematically sorting out the historical context of China's veteran employment placement system and analyzing its internal logic during its evolution is of great practical significance for optimizing existing policies and enhancing placement effectiveness.

## **2. Evolution of the Employment Placement System for Veterans**

### **2.1. Stage of Initial Development**

From 1949 to 1958, China's veteran employment placement system was in its nascent stage. During this period, veteran placement work primarily focused on demobilized servicemen from obligatory military service during wartime, centering around reemployment. The transition from a state of war to peace represented a stage-specific characteristic of the placement system. During this time, the government mainly concentrated on political, economic, and social reconstruction and addressing various internal and external challenges. Thus, employment placement policies for veterans were relatively simple, lacking systemic organization and comprehensiveness. The government primarily adopted temporary measures like offering temporary jobs or involving veterans in infrastructure projects, with these measures lacking long-term and comprehensive considerations. Furthermore, during that social backdrop, the connection between the military and government was relatively strong, leading some veterans to find relatively stable job opportunities through internal military networks rather than formal employment placement systems. This resulted in an inadequate and poorly regulated employment placement system for veterans at the time.

### **2.2. Exploration Stage**

During the period from 1958 to 1978, the employment placement system for veterans was in an exploratory phase, characterized by overall turbulent development. This phase also corresponded to a three-stage development for the military cadre retirement placement system, which included a stabilization period, a period of setbacks, and a phase of adjustments.

First, the stabilization period from 1958 until the onset of the Cultural Revolution was marked by a consistent number of military personnel retiring and transferring into other roles annually. Emphasis was placed on adhering to the principle of "reasonable use and proper placement based on work requirements and the moral and talent conditions of retired personnel." During this time, distribution efforts concentrated on strengthening the workforce in agriculture, industry, remote areas, and grassroots military units.

Soon after followed the period of setbacks, where the placement work for transitioning cadres faced tremendous blows during the decade of the Cultural Revolution (1966-1976). Few relevant policies were implemented, and an erroneous revocation of the Ministry of Internal Affairs in 1969 hampered efforts related to military transitions. Disorder and arbitrariness characterized the placement work, significantly affecting the institutional mechanisms for cadre retention and promotion. Established systems for managing veterans' affairs were disrupted during the Cultural Revolution, with existing management and service organizations dismantled or reorganized, leading to interruptions or confusion in veteran placements. The political and economic chaos made it increasingly difficult for the government to maintain a normal operational order, including the placement of veterans.

Lastly, the adjustment period spanned from the end of the Cultural Revolution to 1978, during which relevant departments began correcting the erroneous decisions made about military

retirees during the era of political turmoil. Adjustments were made under the military's requests for restructuring and readiness, and a specific placement task force for retiring military personnel was established to develop regulations related to placement methods, wage benefits, family placements, and living conditions. These measures marked significant steps towards institutionalizing military personnel retirement work.

### **2.3. Establishment Stage**

From 1978 to 2018, the employment placement system for veterans entered an established phase, coinciding with the deepening of reforms and gradual transformation of the economic system. During this period, the government issued a series of relevant policy documents aimed at promoting the employment placement of veterans and steadily establishing corresponding frameworks and mechanisms. The announcement of major reform and opening-up decisions in 1978 meant that the veteran employment placement system, based on a planned economy, gradually fell out of alignment with the new actual circumstances, necessitating large-scale adjustments and amendments to foundational laws like the Military Service Law and National Defense Law.

In 2001, the "Interim Measures for the Placement of Retired Military Cadres" broke the restrictive model of directive placements for those with over 20 years of military service, allowing them to choose their placement professions. The implementation of this policy enabled veterans to select suitable career paths according to their preferences and market demands. The introduction of the "Regulations on the Placement of Retired Soldiers" in October 2011 marked a milestone shift in placement policy. The new measures changed the basis of placements from former household registration records to focus on service duration, contributions, and urban-rural integration. Meanwhile, the 2016 plan for retired college graduate soldiers not only offered educational opportunities but also facilitated their employment placement, enhancing competitiveness and quality of life for veterans.

### **2.4. Perfection Stage**

In 2018, the system welcomed new improvements characterized by comprehensive upgrades in policy optimization, institutional reform, and safeguarding measures. The refinement of the system was reflected in diversified employment services and improvements in employment quality, addressing issues of job matching faced by some veterans. While establishing employment rights for veterans, the government implemented certain incentives and requirements for enterprises to encourage hiring veterans.

At the practical level, human resources departments at various levels strengthened vocational guidance and training programs aimed at enhancing the employment competitiveness of veterans. Training programs were tailored to fit the characteristics of veterans, differing from previous generalized training. The newly developed courses were more precise in aligning with market demands, particularly in high-tech industries, providing numerous opportunities for skill enhancement.

Additionally, local departments collaborated with veteran affairs agencies to construct a comprehensive employment services network, ensuring personalized career development plans for veterans. The veteran employment placement system deepened its focus on special groups, such as disabled veterans, where the state provided increased administrative and financial support and organized vocational rehabilitation training, ensuring their smooth reintegration into society and improvement of life quality. The introduction of these humane measures has significantly improved the satisfaction rate among transitioning service members and increased social recognition of veterans. Overall, the continuous perfection of the veteran employment placement system demonstrates the state's profound commitment to national defense and soldiers, highlighting the status and role of veterans in society.

### 3. Analysis of the Logic of Change in the Veteran Employment Placement System

#### 3.1. Key Nodes

The first key milestone was the promulgation of the “Military Service Law of the People’s Republic of China” in 1958. This marked a significant step forward in the management of the military and laid a legal foundation for the development of the veteran employment placement system. The law clearly defined the scope, duration, and obligations of military service, while also stipulating the rights and welfare protections for veterans.

The second key milestone was the convening of the Third Plenary Session of the 11th Central Committee in 1978, marking the beginning of China’s reform and opening-up era. The policymakers recognized the urgency and necessity of economic reform and started exploring the path towards a socialist market economy. This had significant implications for changes in the veteran employment placement system and coincided with increased investments in military modernization. The need for modernizing the military led to a gradual reduction in troop size, particularly during the massive 1985 troop cut which significantly increased the number of veterans and worsened employment placement challenges. To better safeguard veterans’ rights, adjustments and optimizations to the employment placement system were essential. Thus, the Third Plenary Session not only influenced China’s socio-economic development but also shaped and propelled the evolution of the veteran employment placement system.

The third key milestone was the establishment of the Ministry of Veterans Affairs in 2018, signifying a major reform in the management and protection system for veterans. This new department consolidated responsibilities for veteran management previously allocated across various departments, achieving centralized and unified management of veteran affairs. Correspondingly, local governments established dedicated departments and agencies for veteran affairs, forming a more efficient and unified service system. This change not only improved the quality and efficiency of services for veterans but also strengthened the protection of their legal rights, providing them more comprehensive and professional support.

#### 3.2. Driving Mechanisms

First, policy adjustments and the improvement of laws and regulations play a pivotal role in the driving mechanisms behind changes in the veteran employment placement system. As times evolve and national policies adapt, related policies and legal frameworks addressing veteran employment and placement are continuously refined. On one hand, policy improvements are a necessary response to changes in national strategies and policies. On the other hand, they also aim to effectively address practical issues and satisfy the employment needs of veterans. Given that the characteristics and demands of veterans are constantly shifting, the government is required to continually enhance relevant policies and regulations to better protect veterans’ rights.

Second, the establishment and development of a market economy has been one of the key driving forces behind the changes in the employment placement system for veterans. Since the reform and opening-up, the role of the market mechanism has become increasingly significant in resource allocation, with China gradually transitioning to a market economy. The intensified market competition and improved enterprise efficiency have shifted veteran employment towards more attractive cities and sectors. The government implemented a series of incentive policies encouraging enterprises to employ veterans, such as tax benefits and employment subsidies, which greatly reduced hiring costs and boosted the attractiveness of veterans as employees.

Third, the modernization of national defense and the military serves as an important impetus driving the evolution of the veteran employment placement system. As defense needs and military structures change, methods for placing veterans have continued to adapt. The modern military requires a greater number of high-quality and versatile talents, prompting a shift in the focus of veteran reemployment from traditional industries to the cultivation of skills, qualities, and adaptability. This necessitates increased policy support and encouragement from government and related departments for veterans to engage in various sectors of economic construction.

Fourth, societal demand and changes in the conditions of veterans themselves also drive changes in the employment placement system. As social and economic conditions have progressed, public expectations for the employment and placement of veterans have increased correspondingly. At the same time, the employment conditions for veterans have evolved due to national policy adjustments and shifting social needs. Veterans are increasingly required to possess diverse skills and knowledge to meet market demands, which can contribute to greater employment pressure and challenges they face, necessitating continuous improvement in their adaptability and competitiveness.

### **3.3. Path Dependency**

Over the more than 70 years since the establishment of New China, the evolution of the employment placement system for veterans has consistently followed the logic of military restructuring and optimization, exhibiting characteristics of path dependency. In 1957, China undertook its fourth major troop reduction, reducing military personnel by approximately 1.3 million from 1957 to the end of 1958. After the reform and opening-up, the Chinese military underwent six troop reductions over 40 years, decreasing from 6.1 million in 1978 to the current 2 million, cutting two-thirds of its force. The significant troop reductions during the 1985 demobilization posed immense challenges to the proper placement and employment of veterans. As the military structure evolved and troop sizes decreased, there has been an increasing demand for adjustments and redesigns in the veterans' employment placement system, suggesting that each troop reduction serves as a test for the placement system, pushing forward the institutional evolution.

Moreover, the transition of China's economic system from a planned economy to a market economy also profoundly transformed the veteran employment placement system. This transition involved not only alterations in economic structure but also changes in the policy environment and social framework, impacting veteran reemployment directly and indirectly. The characteristics of path dependency in this system have manifested markedly during this transition, highlighting continuity in policy choices and dependencies throughout economic restructuring. As the market economy has gradually taken root, employment placement policies for veterans have shifted from strictly administrative distributions toward market-oriented employment services, encouraging the government to reduce direct intervention in employment while promoting veterans' self-employment through services, training, and support mechanisms.

## **4. Measures**

### **4.1. Improving Legal System Design and Issuing Judicial Interpretations**

In ensuring the sustained and healthy development of the veteran employment placement system, refining legal system design is crucial. Launching judicial interpretations is a key initiative that can supplement the specific execution guidelines of legal documents and clarify the applicable scope and methods of relevant legal provisions. By resolving complex issues in practical execution, judicial interpretations provide clear guidance for legal implementation,

reduce uncertainties surrounding legal applicability, and enhance the effectiveness of judicial actions.

Judicial interpretations should rely on legislative bodies and judicial departments while fully incorporating input from all relevant stakeholders. In crafting these interpretations, it is essential to consider the actual situations and developmental needs of the veteran employment placement system to ensure they align practically and feasibly. Furthermore, the formulation process should also account for public opinion and expert feedback, guaranteeing that interpretations adhere to the principles of rule of law and fairness.

Specifically, judicial interpretations can clarify major issues within the veteran employment placement system, detailed legal applicability, and focal points of disputes. For instance, in terms of protecting veterans' employment rights, interpretations can define the specifics of such rights, their range of protection, and implementation methods; in prohibiting discrimination against veterans, they can provide detailed standards for recognizing discriminatory practices; and in dispute resolution for veterans, interpretations can outline the processes and authorities for addressing such disputes.

In summary, the introduction of judicial interpretations plays a pivotal role in refining legal system design and enhancing the legality and authority of the veteran employment placement system, providing robust legal safeguards and judicial support for the protection of veterans' rights.

#### **4.2. Enforcing Rights Protection and Achieving Multi-Stakeholder Supervision**

During the smooth implementation of the veteran employment placement system, enforcing rights protection is a critical element, necessitating clear legal regulations and ensuring that these rights are effectively upheld. Only through explicit legal provisions and actual judicial supervision can veterans truly enjoy their entitled protections.

Moreover, establishing varied stakeholder supervision is a useful approach for safeguarding veterans' rights. Alongside judicial oversight, engaging other social entities, such as civil organizations, media, and professional institutions, in supervising and assessing veteran employment placement work will broaden and deepen the oversight process, promptly uncover and rectify shortcomings, and increase transparency and efficiency in institutional execution.

Thus, emphasizing rights protection while achieving multi-stakeholder supervision is a pivotal measure for enhancing the veteran employment placement system. Through legal constraints and social oversight, veterans' legitimate rights can be effectively safeguarded, promoting the healthy development and improvement of the system.

#### **4.3. Enhancing the Skills Training System and Breaking Employment Barriers**

The perfection of the skills training system is crucial to improving the veteran employment placement system. This step not only enhances the employment competitiveness of veterans but also aids their better integration into social life. Establishing a comprehensive and systematic skills training program tailored to the unique circumstances and needs of veterans will equip them with practical skills and knowledge that meet market demands. Furthermore, reinforcing supervision and evaluation during the training process will ensure quality and effective outcomes, enabling veterans to master the skills they learn, facilitating their successful employment.

Strengthening the skills training system is aimed not only at enhancing the employment rate of veterans but also at breaking down employment barriers. In today's intensely competitive job market, possessing excellent skills and professional knowledge is foundational for securing stable employment. Therefore, through enhancing the skills training system and continually advancing veterans' skill levels and employability, smoother transitions from military to

civilian life can be achieved—benefiting both society's needs for talent and maximizing the human resource advantages of veterans.

In addition to dismantling employment barriers, the ongoing and diversified nature of skills training must also be recognized. As societal and technological advancements occur, the skill needs in various industries are continuously evolving, meaning that skills training for veterans must keep pace with these changes, regularly updating content and methods to ensure ongoing market competitiveness. Simultaneously, diversified training methods—whether online or offline combinations or theory and practice mixes—should be implemented to cater to varying learning needs of veterans and enhance training efficacy.

In summary, perfecting the skills training system is a vital measure for further refining and improving the veteran employment placement system. By enhancing employability and breaking down barriers to employment, a positive cycle of job integration and societal inclusion can be achieved, ultimately ensuring comprehensive protection of veterans' legitimate rights and interests.

## 5. Conclusion

In analyzing the evolution of China's retired military employment system and its policy changes, we can see that the system has gone through a historical trajectory from the initial exploration stage to gradual improvement. Since the establishment of the People's Republic of China, the country has always placed the placement and employment of retired soldiers on an important agenda. Through a series of policy measures, a relatively complete employment placement system framework has gradually been formed. This process not only reflects the country's emphasis on retired soldiers, but also reflects the society's demand for the restructuring and modernization of the military system after World War II. In the process of institutional evolution, policy adjustment and optimization are crucial. By continuously revising relevant laws and regulations, the country has provided more clear and actionable rights protection for retired soldiers. Behind these adjustments is not only the government's response to changes in the military and social environment, but also the adaptation to the needs of retired soldiers themselves, including innovation and improvement in skills training, employment services, and social protection. Looking ahead, it will be particularly important to further strengthen the effectiveness of the employment placement system for retired military personnel. This includes measures such as improving the legal system, strengthening the protection of rights and interests, and enhancing skills training to help retired soldiers better integrate into society and realize their self-worth. At the same time, governments at all levels and society should establish diversified supervision mechanisms to ensure that policies are implemented effectively and truly safeguard the legitimate rights and interests of retired soldiers. Only in this way can solid human resources support be provided for the stable development of the country and the modernization process of the military.

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