

If any student trying to enter the workforce in China should have an easy time finding a plum job, it's Wang Zhaohui.

In July, the 30-year-old graduated from China Agricultural University in Beijing --

China's top agriculture academy -- with a PhD in biochemistry and molecular biology.

That makes him well-positioned to take advantage of the communist regime's drive to upgrade its competitiveness in science and technology.

But for months now, Wang has been seeking a position with

a university, research center, or biotech company -- and has had no

luck. He says many classmates are having similar trouble. "I am so

disappointed," he says, adding that his hoped-for salary of US\$725 a

Chinese Graduates Grapple with Unemployment

Cory Barr

month might be unrealistic. "I have already lowered my expectations,

and I may have to lower them further."

Around the world, it's hardly unusual for people fresh out of

university or graduate school to have trouble landing a job. Until

recently, though, China was the exception.

For many years only the top 4% of China's students could enroll in college, and there were plenty

of white-collar jobs to go around. But since the late 1990s public

universities have undergone rapid expansion both on their main

campuses and satellites around the country.

People's University, Beijing Normal University, and China Medical University have all

opened campuses in the booming southern city of Zhuhai. Private-sector

schools, both Chinese and foreign, have also proliferated.

Graduate pipeline

With all this expansion, more than 17% of the country's college-age

students can now find places in universities. As of 2010 there were

2,236 institutions of higher learning, accommodating over 18.9 million

undergraduates and 1.2 million postgraduates. "China has taken off

like a rocket," says Mark Bray, dean of the education faculty at the

University of Hong Kong . "There are huge numbers of graduates coming

out of the pipeline."

The problem is that even in China, the world's fastest growing

economy; there aren't enough jobs for so many graduates. On Sept. 28,

2011, the director of the Education Ministry's college students

department, told reporters that some 30% of this year's grads are

unemployed and that the increase in graduates was aggravating an

already difficult job market.

Workers strike

Economists estimate that the jobless rate in China's urban areas

ranges between 4.8% and 7%. It is hard to get accurate unemployment

numbers due to skewed statistics coming from the regime.

Many of the unemployed workers are coming from uncompetitive

state-owned enterprises in China's rust belt that have been shut down.

Labor activists in Hong Kong say that disgruntled workers are striking

to protest the privatization of their companies. For instance, since

2005 17,000 Chinese textile workers near the ancient capital of Xian

have walked off their jobs after the new owners of their factory

continue cutting wages and benefits.

Blue collar anger

The regime is keen to prevent this blue-collar anger from

spreading to the ranks of college graduates -- especially since China

has a history of intellectuals taking the lead in social protests.

Students were at the forefront of the 1989 Tiananmen Square protests,

for instance.

Admittedly, university campuses in China today are hardly hotbeds of

political activity. "The days when students and intellectuals acted as

a tinder in society are a bit passé," says Robin Munro, research

director at China Labour Bulletin, a worker-rights publication in Hong

Kong. Report say this is due to heavily regime influenced

curriculum. Nonetheless, the Education Ministry is eager to get

unemployed college graduates into the workforce fast. The ministry is

urging jobless grads to start their own companies, with some local

governments offering loans to give a hand to would-be entrepreneurs.

Big-city bias

Moving to the boondocks isn't a practical solution for most graduates,

however. Having made it through university, they want to live in

comfort and make good money working in places such as Beijing,

Shanghai, or Shenzhen. "There is much more opportunity to develop

myself in a big city like Beijing," says 27-year-old Zhang Jing, who

recently earned a degree in journalism at the Beijing campus of the

Communication University of China but has a temporary job as a teacher

for US\$100 a month. "The salary and work conditions are usually much

better than in small cities."

The big cities are also where the big-name local companies and blue-chip multinationals are located. Problem is, while such employers badly need experienced managers and researchers, they "are not coming [to China] for fresh graduates," says Jun Ma, an economist with Deutsche Bank (DB) in Hong Kong. He points out that while there is great demand for engineers and managers with several years' experience, new grads are a dime a dozen. And even when companies make places for them, there is more supply than demand. A few years ago Oracle Corp. (ORCL) announced that it would hire 23 new grads for its software development centers in Beijing and Shenzhen. More than 4,800 applied. These companies are also taking notice to the vast amount of

students returning from studying abroad. The influx of technology and specialized firms that have set roots in China over the last few decades are capitalizing on the unsuppressed ideas of students who got degrees from the west.

Graduate glut

Historically Chinese students sent to the United States generally were not typical undergraduates or graduate students but were mid-career scientists, often thirty-five to forty-five years of age, seeking advanced training in their areas of specialization. Often they were individuals of exceptional ability who occupied responsible positions in Chinese universities and research institutions. Fewer than 15 percent of the earliest arrivals were degree candidates. Nearly all the visiting scholars were in scientific fields. As China continues to

become a dominant economic power the world has seen a great increase

in undergraduate students in their universities. For those that return

home they make the job situation that much more competitive in China.

The graduate glut is one more sign of how difficult it is for China to

manage a smooth transition to a market economy. Not too long ago,

college graduates who did not land jobs in the nascent private sector

were virtually guaranteed spots in ministries or state-owned enterprises.

With agencies and SOEs slimming down, those easy berths aren't available in great numbers any more.

What's more, Beijing may have unwittingly compounded its problem: It

increased college enrollments partly as a way to keep a rising tide of

high school graduates from flooding the labor market too early. That

move postponed the employment problem for many of China's young people

but did nothing to solve it.

First World status drive

Of course, in the long run, expanding the college student population

is a key to development: China's huge supply of young, educated

workers is crucial to its drive to achieve First World status. And

even with 17% of its college-age people in school, China lags behind

industrialized countries, where the proportion is 40% or more. Over

time, making it easier for people to go to university will help

upgrade the workforce, so long as the Chinese Communist Party (CCP) opens up to greater

intellectual studies. Also as cities such as Guangzhou shift away from

labor-intensive manufacturing and develop their service industries

they will attract a greater diversified population.

Impatience

For now, though, people like Wang are growing impatient. Wang says

he's thinking of leaving China for a postdoctoral position in the U.S.

"It is proving not worth the time or energy to search for work in

China," he says. Of course, with visas to the U.S. increasingly hard

to get, that's not necessarily an easy way out, either. China's

college-educated elite can count on more frustration as they search

for the jobs that match their skills.