



**ADB TA No.8675 –PRC**

**Policies for Promoting Employment of University  
Graduates in the People's Republic of China**

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# Outline

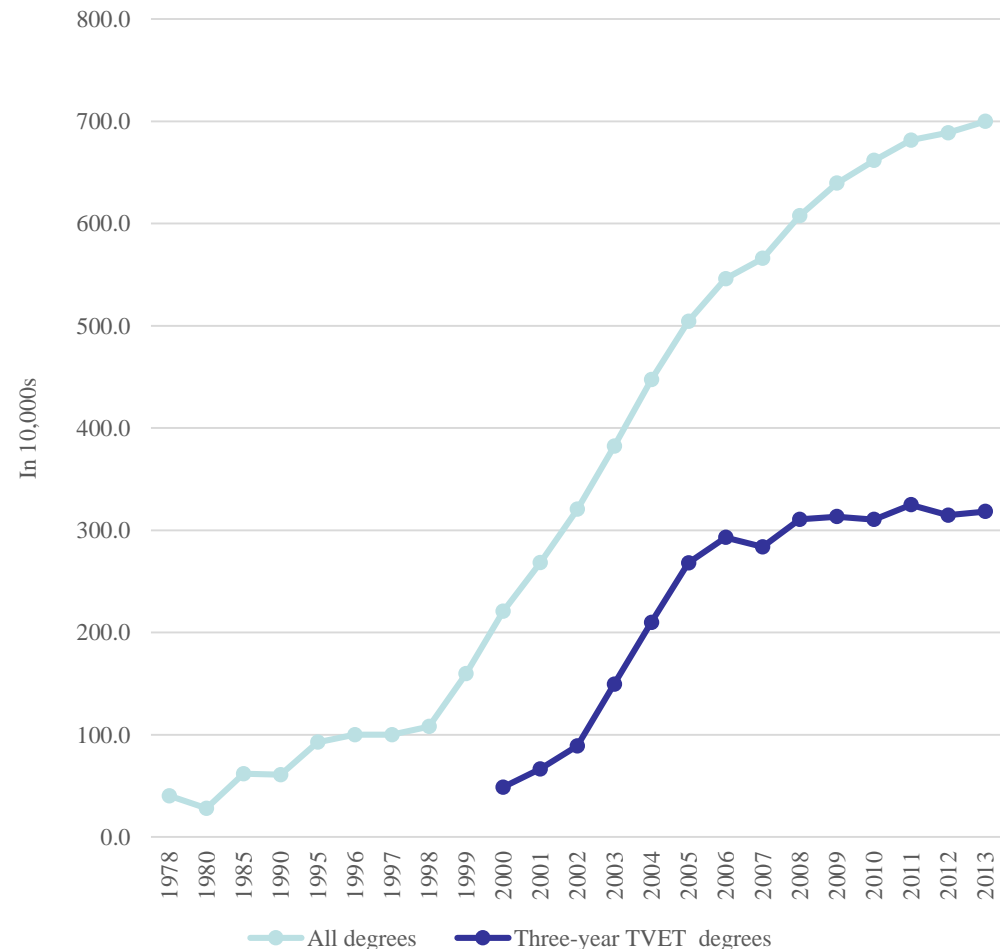
- Why do we need to study the policies for employment of university graduates in China?
- How do we tackle the project?
- What are the research findings?
- What are the policy recommendations out of this TA?



# Why do we need this TA?

- Huge expansion of higher education since late 1990s
- Internationally, call to make HEI more responsive to the needs of the economy and society
- PRC government has developed a comprehensive set of policies to promote employment of college graduates
- Part of the puzzle to transform Chinese economy into knowledge economy

Number of university fresh enrollments by degree type in China 1978-2013





# How do we tackle the project?

- This TA employs several research methods to evaluate existing policies for promoting employment of college graduates in China.
  - Text analysis to review the content of existing government policies
  - Qualitative research methods (FGD, interviews with officials from 15 provinces, field trips to 8 provinces) to gain in-depth insights
  - Quantitative methods to analyse large-scale survey data on college students, graduates and university staff at the Career Offices



# Research findings 1: labor demand curve is indeed sloping downward!

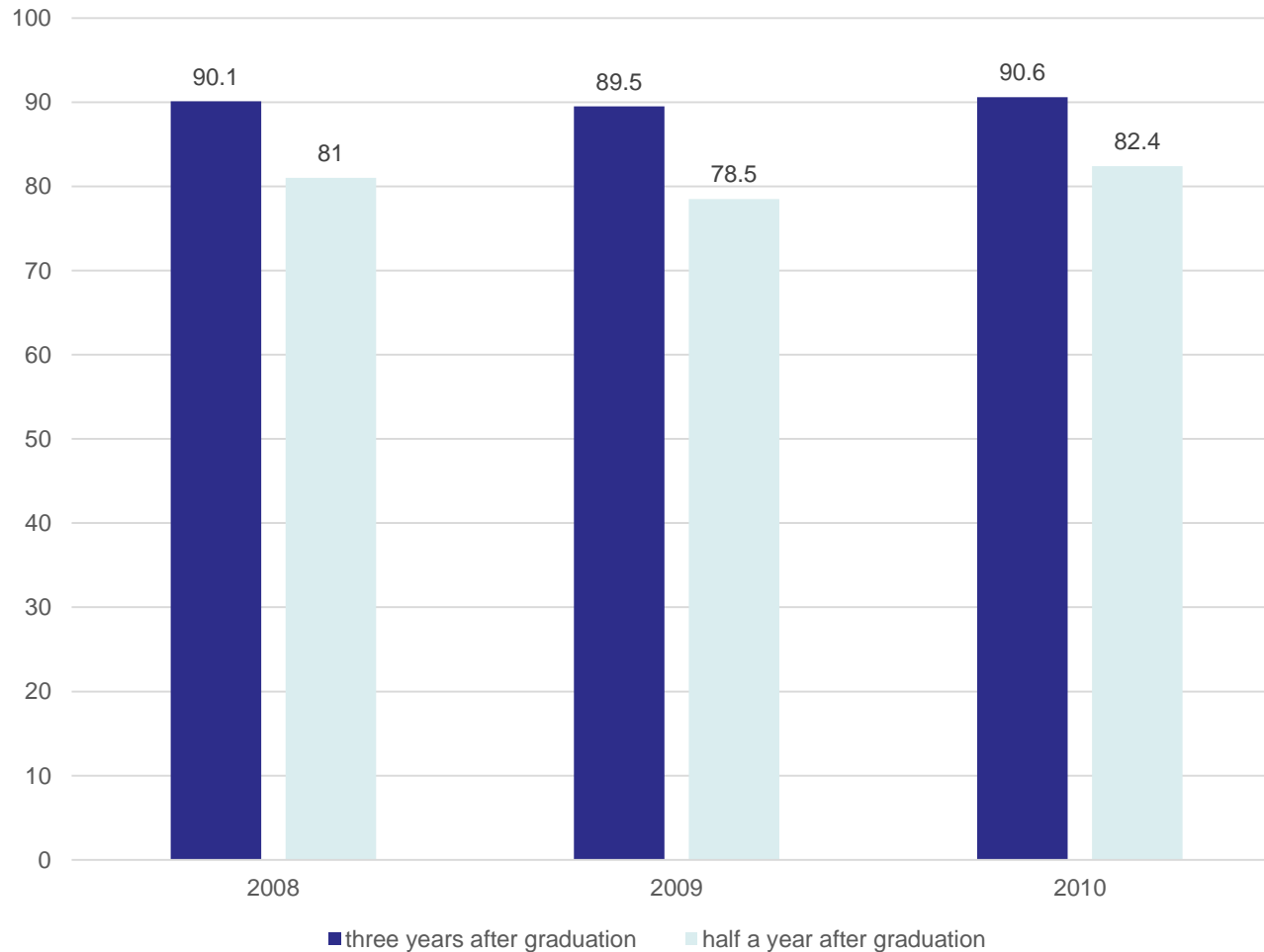
**Table 2.1 The job placement of college graduate just before graduation in China in various years**

Students' self-reported job status in June before graduation	2003	2005	2007	2009	2011	2013
Signed job offer	40.7	47.2	40.4	34.5	43.3	43.5
Admitted to graduate school	15.1	16.8	14.1	18.3	13.7	14.0
Continue study abroad		2.3	2.7	3.2	2.6	2.8
Self-employed and entrepreneurship	4.0	3.6	13.9	11.1	12.6	11.7
<u>Unemployed</u>	<u>35.8</u>	<u>22.4</u>	<u>22.6</u>	<u>26.4</u>	<u>21.9</u>	<u>23.4</u>
Prepare for graduate schools application	1.7	4.8	2.9	3.1	2.4	2.0
Temporarily out of labor force			2.4	2.2	2.1	1.8
Others	2.7	3.0	1.1	1.2	1.5	0.9

*Sources: College Graduates Placement Surveys in China by the Graduate School of Education, Peking University, 2003, 2005, 2007, 2009, 2011, and 2013.*

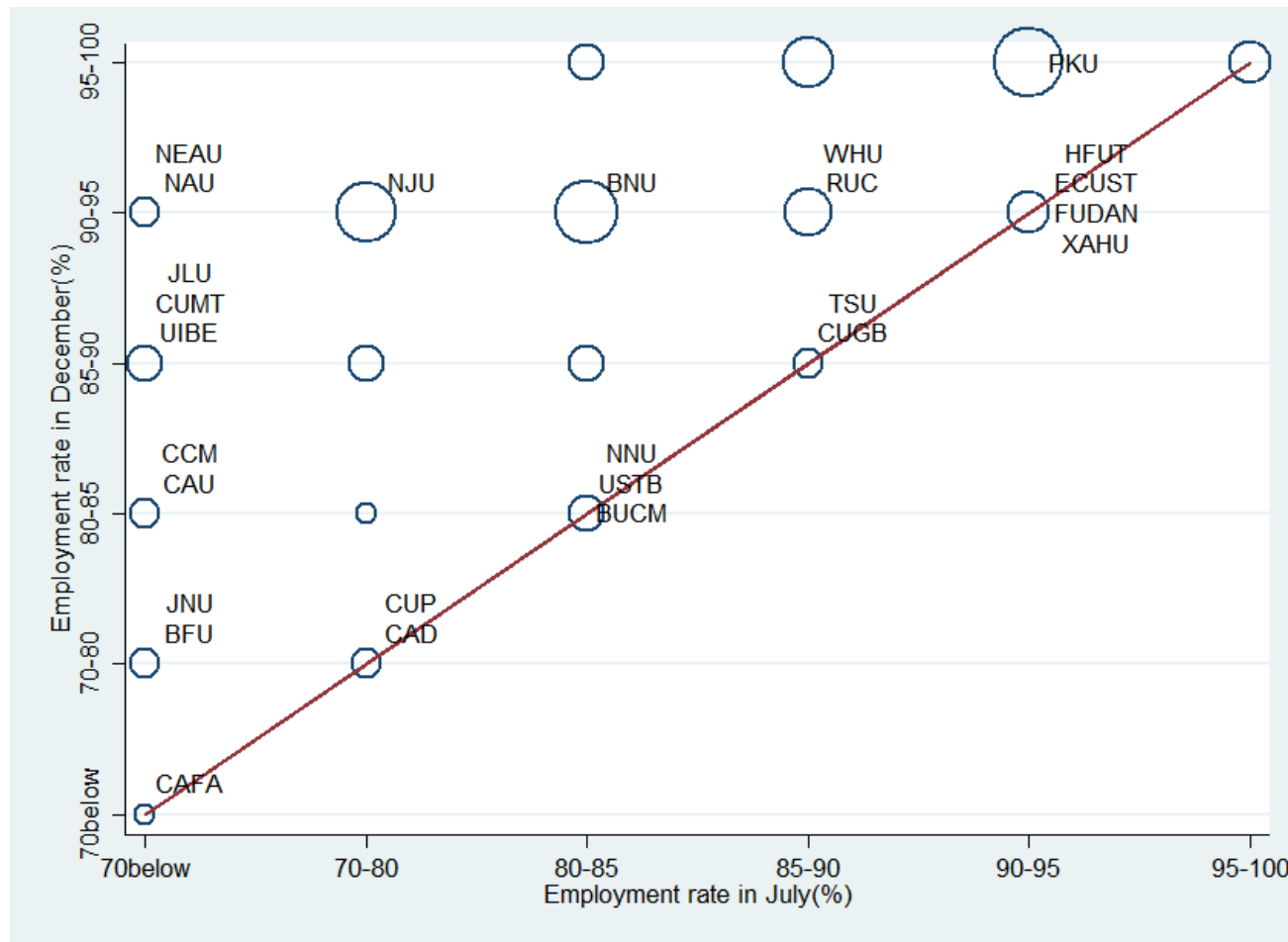


# Research findings 2: It takes time for graduates to find jobs in the labor market



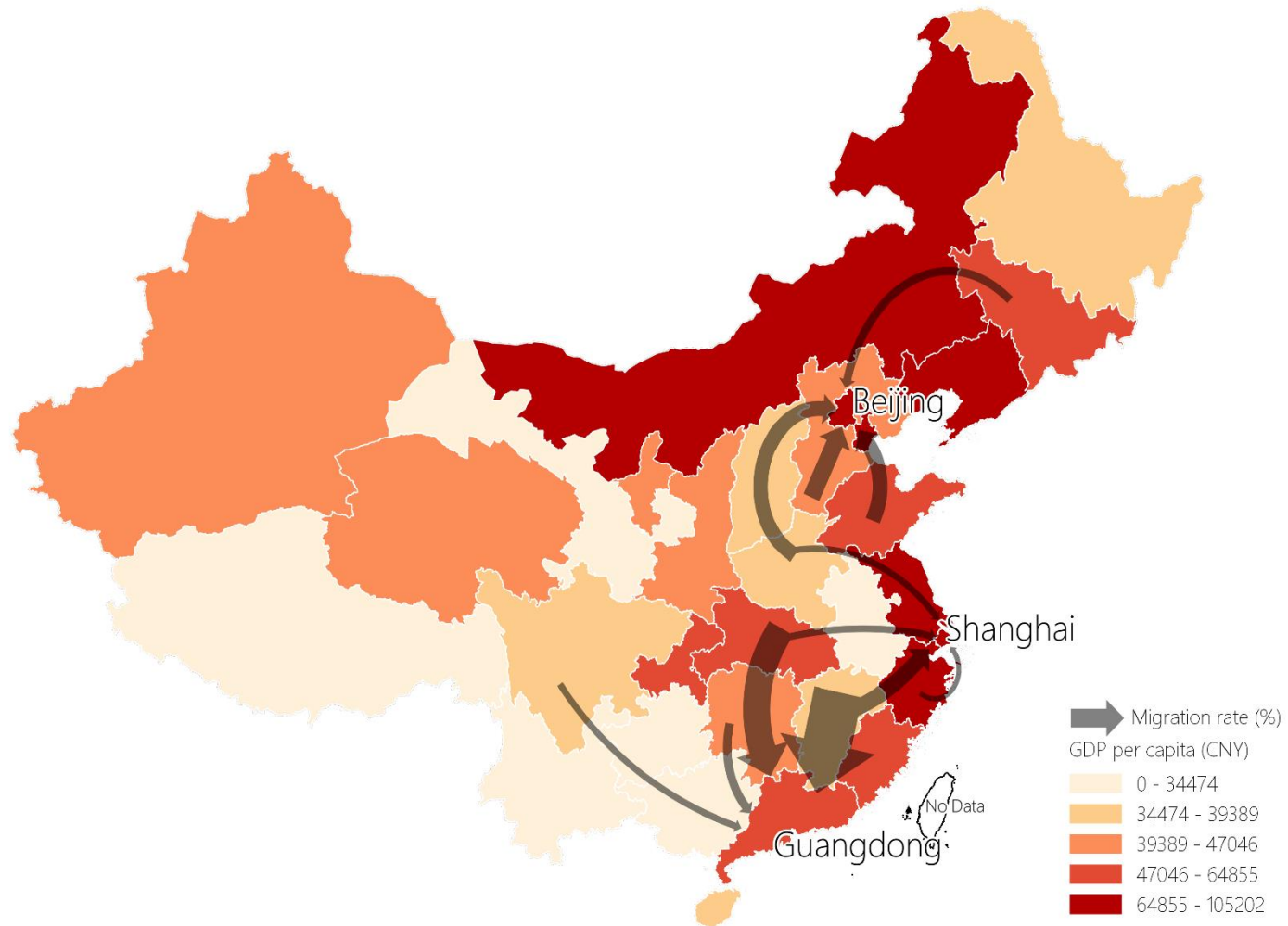


# The Range of placement rates in July and December 2002 of 70 universities that report directly to the MOE





# Research findings 3: Graduates gravitate towards economic growth and job opportunities





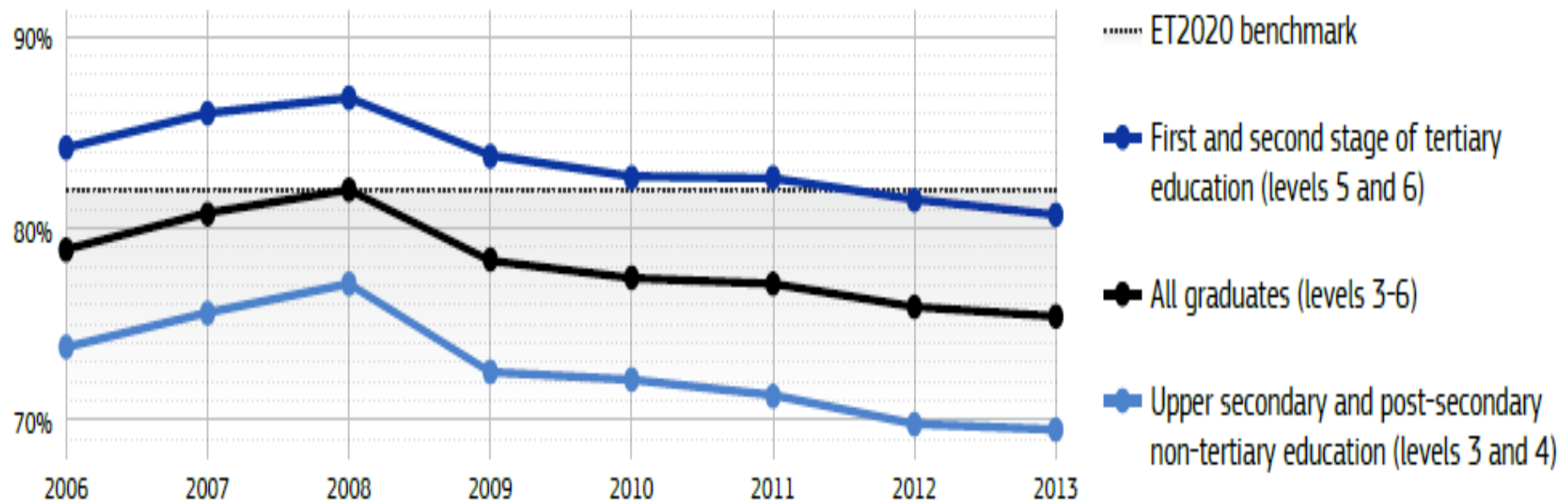


## Research findings 4: Disparities exist in both placement and quality of placement

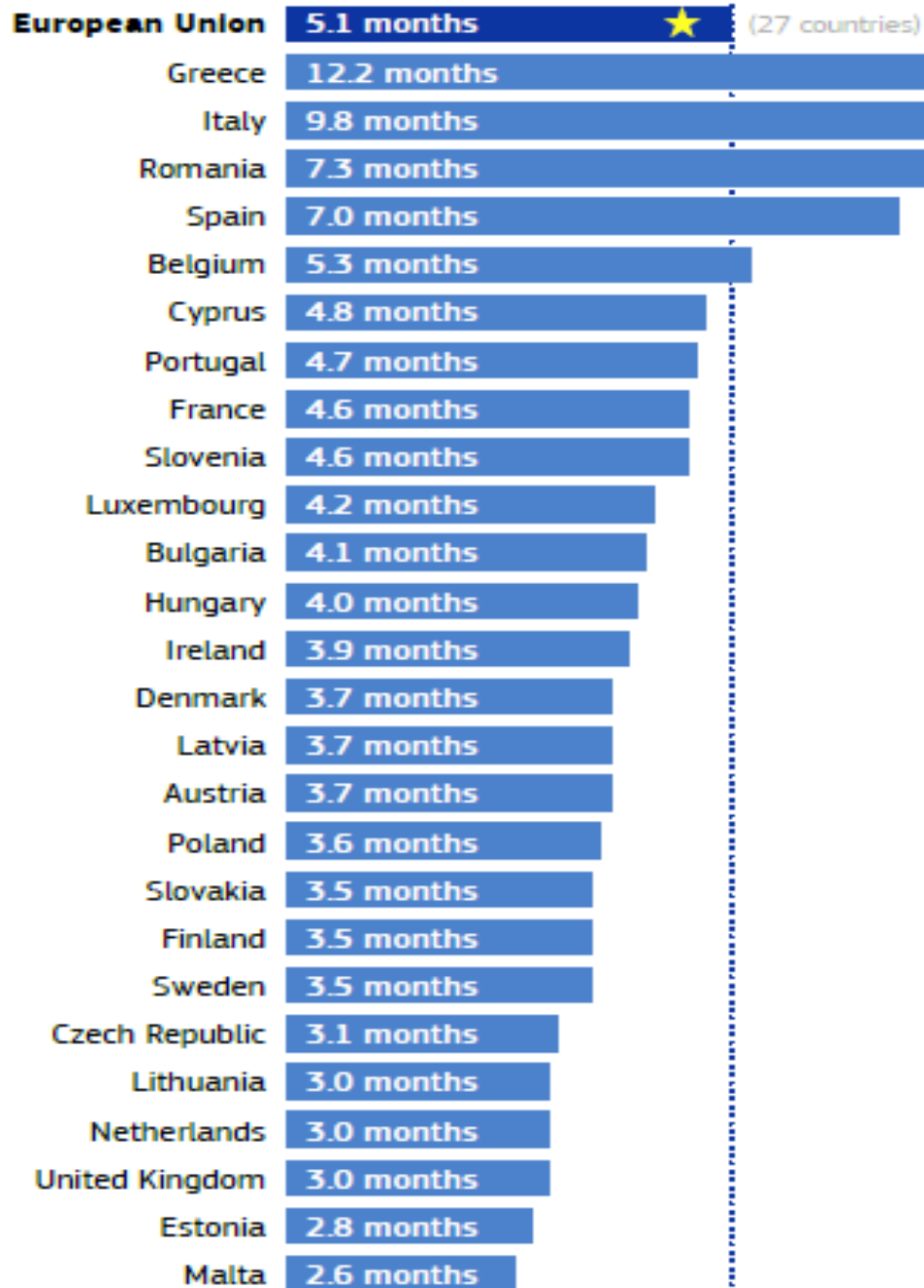
- Male students, students who acquired Master degrees and above, enrolled in key national universities, grew up in urban areas, whose parents are better educated or hold more prestigious jobs, enjoy a considerable advantage in placement outcomes upon graduation
- Placement of four-year degree graduates fall behind three-year degrees since 2010



## Research findings 5: Placement statistics are consistent with international literature

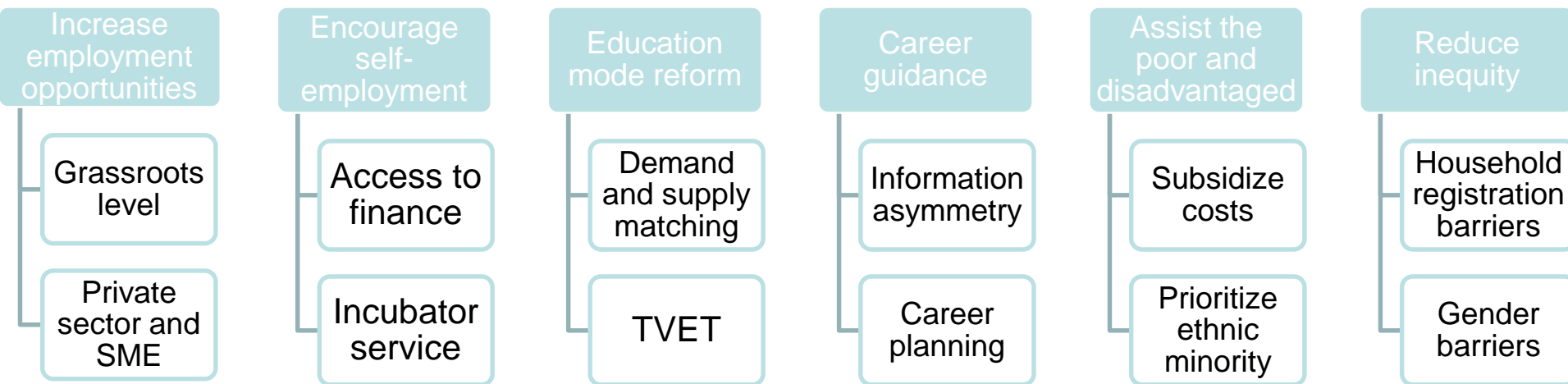


EU-28 employment rate of young people aged 20 to 34 not in education or training who graduated 1 to 3 years previously, by education level, 2006-2013





# Research findings 6: PRC has developed comprehensive policies on employment of college graduates





## Research findings 7: There is little hard evidence on what policies has worked and their relative cost-effectiveness

- Existing literature focuses on the output of the policies (coverage) rather than the outcomes or the impact
- True in China and globally: Mckinsey Center for Government (2013). Education to employment: Designing a system that works.



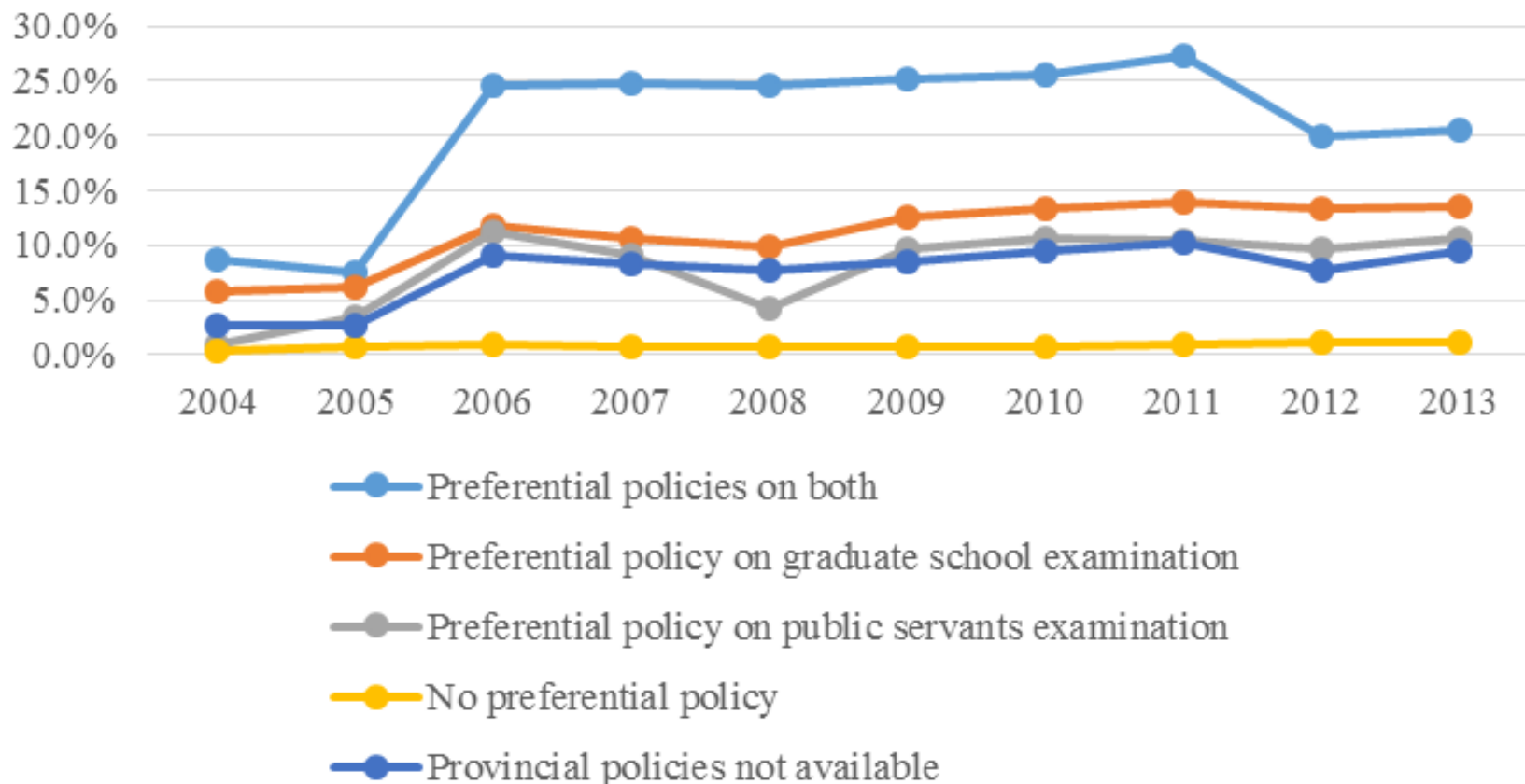
## Research findings 8: Lack of reliable and longitudinal data a major stumbling block in evidence-based policymaking

- Administrative data hard to access and limited information
- Proliferation of college graduates surveys by researchers but few longitudinal
- Employer satisfaction survey has only attracted attention in the PRC recently
- Labor market information such as current and future job opportunities, wages and its trend, job profiles, career path difficult to access in China



# Research findings 9: Students responded to incentives in grass-roots placement program

Percentage of graduates





## Research findings 10: Self-employment is the way to go but need to be cautious of the risks

- Cultivating entrepreneurship is critical and has the potential of a multiplier effect
- ‘Hardware’ are more or less in place but ‘software’ (qualified teachers) lacking
- Cautious about over-enthusiasm and backlash in the short term





# Research findings 11: Some HEIs have created innovative ways to promote employment

- Efforts on Early Placement through strengthening university-industry linkage
- Placement rate as indicator for admission allocation
- Capitalizing on new policies and growth points for jobs: OBOR



## Research findings 12: Some administrative policies that negatively affect the employment of graduates

- Higher education institutions are required to report placement statistics on graduates in June of each year which is not realistic as most graduates take a few months at least to find employment.
- While Hukou requirement has loosened up in most cities, it has become stricter in metropolitan cities.



## Recommendation 1: Supply-side reform

- While preserving the intrinsic value of education, HEIs need to be mindful of its instrumental values which is to produce workers for the economy
- Transformation of third-tier provincial universities to polytechnic universities in a market-oriented fashion
- Gradual adjustment of enrolment plans based on placement and employment statistics



## Recommendation 2: Strengthen University-industry linkage

- Employers should be encouraged to provide input to programs, to comment on their quality and relevance and that of the graduates from programs.
- Universities staff should take time to gain experience in the economic sector to know better the needs of the labor markets and adjust their curriculum accordingly



## Recommendation 3: Improve data collection and data use

- MHRSS and MOE should set up a National Longitudinal Survey of College Graduates covering graduates from every other cohort that provide their labour market experience one year, three years and six years after graduation
- MHRSS should lead on the implementation of regular employers satisfaction survey
- MHRSS should lead on the setting-up of labor market information platform



## Recommendation 4: Streamline administrative policies

- Strengthen supervision, accountability and coordination through the inter-ministerial committee headed by the Ministry of Education (MOE) set up by the State Council in 2004
- the City of Beijing have extended the reporting timelines to October for graduates finding employment



## Recommendation 5: Enlarge the evidence base for sound policymaking

- Solid impact evaluation studies need to be carried out at least for some key policies
- Take stock of best practices on promoting graduates employment and scale them up



Thank you!