

The Evolution of the PRC's Policies Governing College Graduates' Employment

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For decades, mainland Chinese college graduates were subjected to a rigid job assignment system and enjoyed no freedom in job selection. However, in the early 1980s, the educational authorities reformed enrollment sources, delegated assignment power to universities, and promoted "face-to-face meetings between supply and demand." In the late 1980s, the rejection of college graduates by employing units prompted the State Education Commission (SEC) to bid for the elimination of the placement system, and launched "two-way choice" activities as the intermediate stage of reforms. However, the latter have quickly lost their luster because of the segmentation of the mainland Chinese job market for talented people, and various controversial issues have emerged. Be that as it may, the merits of a job market with macro-control measures for college graduates have been affirmed, and emphasis has been placed on perfecting information networks and job counseling for students.

Keywords: PRC's higher education; college graduate job placement; segmented job market

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In the early 1950s, in order to consolidate its regime, the People's Republic of China (PRC) closed all private universities, implemented a uni-

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fied examination system for college admission, imposed a job placement system for all college graduates, and turned the college education into a sector of the mainland Chinese "iron rice bowl" system. Since then, higher education has been shouldering the responsibility for the balance of supply and demand of qualified manpower to the Chinese job market. Before the Cultural Revolution, these goals were achieved via the rigid planned economic system, high-handed measures, and various ideological campaigns. But in the post-Cultural Revolution period, Beijing's economic reform and opening-up policies have given rise to individual households, township enterprises, private enterprises, and joint ventures. The changes in economic environment have called for corresponding reforms in the higher educational system, particularly the job placement system. However, the reforms of the placement system in the 1980s proved to be an uphill battle, as each pilot measure encountered various obstacles and resistance, and all efforts were eventually put to a stop by the Tiananmen crackdown in June 1989.

In late 1992, Deng Xiaoping's trip to China's southern provinces brought the country back onto the reform track. Following this trend, the State Education Commission (SEC) relaxed its control over enrollments of self-funded students in higher education, and in 1994, launched the pilot program of "fee-paying school attendance and self-determined job selection" in forty institutions of higher learning. It further declared that by 1997, the great majority of college students throughout the mainland were to pay for part of their training expenses and determine their own job selection after graduation, a policy that has drawn keen public attention. This paper aims to study the relationship between the reforms of unified job placement system and changes in the mainland Chinese job market for talented people (*rencai shichang*). It will first review the reforms of the placement system in the 1980s and then analyze the relationship between current reforms and changes in the job market, the controversial issues engendered, and the PRC's current college employment policy.

The Reforms of the Job Placement System in the 1980s

The reforms of the unified job placement system in the 1980s can be

divided into two stages: the reforms between 1983 and 1986, and the reforms after 1987.

Reforms Between 1983 and 1986

The unified placement system in the early 1950s carried two major functions. One was to facilitate ideological control; the other was to guarantee the supply of manpower to remote, border, and minority nationality areas, as well as some key construction projects situated in Northeast China.¹ The implementation of the system, however, encountered two challenges from the outset: college graduates' resistance to backward rural areas or smaller units, and overconcentration of universities and higher learning institutions in a few prosperous provinces or big cities. The former problem was overcome by various enforced measures and political movements which sent educated youth to units at the grass-roots level. The latter was tackled by readjusting assignment power, which shifted back and forth from the central government to provincial governments according to the demands of the job market.²

The biggest stumbling block to the placement system came from higher education itself. Leaps and bounds in both enrollment and the numbers of specialties had immensely increased the workload and difficulties for job assignment. After the economic environment returned to "readjustment" and "consolidation" in 1962 in the aftermath of the Great Leap Forward, the higher educational authorities found that they had to process 177,255 graduates from over 600 different specialties (in comparison with 56,180 graduates and 323 specialties in 1957).³ For the first time, surplus graduates were reported in some specialties.⁴

The mechanisms for placement in the early 1980s basically followed

¹Liu Yinjie, ed., *Zhongguo jiaoyu dashi dian 1949-1990* (Major educational events in China, 1949-90) (Hangzhou: Zhejiang jiaoyu chubanshe, 1993), 1531.

²Ibid.; Wei Xin, Li Wenli, and Chen Dingfang, "An Analysis of the Mechanisms for Our Country's Present College Job Placement," *Gaodeng jiaoyu yanjiu* (Journal of Higher Education) (Wuhan), 1997, no. 1:30.

³*Zhongguo jiaoyu nianjian 1949-1981* (Chinese education yearbook 1949-81) (Beijing: Zhongguo dabaiké quanshu chubanshe, 1984), 239, 966.

⁴*Zhongguo jiaoyu dashi dian*, 1533.

those of 1965: graduates from the comprehensive universities administered and funded by the Ministry of Education and from the higher institutions administered and funded by central ministries were given job allocations at the national level, within the sectors under the ministry to which their institutions were attached. Those graduating from the higher institutions administered and funded at the provincial level received provincial or local job allocations. All the assignments were made in accordance with centralized planning provided in advance. Nonetheless, given the rapidly changing economic environment, accelerated educational development, and changes in society, centralized mechanisms became conspicuously out of place and required reform.

One of the major issues to be tackled has been the occurrence of wrong assignments due to the fast growth of enrollments and specialties. In the early 1980s, there were an average of 300,000 graduates and over 1,000 kinds of specialties.⁵ With limited time and helping hands, most universities made assignments according to a few ranking officials' superficial understanding of those specialties.⁶ A survey in 1984 hence revealed that in many work units, over one-third of the college-educated workers had been assigned posts which did not match their fields of study.⁷

Another major issue was the contradiction between supply and demand for specialized manpower. This can be directly attributed to Beijing's economic reform and opening-up policies and various preferential measures accorded to eastern coastal cities. The disparity between increasingly prosperous eastern and central regions and between urban and rural areas had led many college graduates to stay in cities. Many of them had turned a deaf ear to official doctrines about patriotism and self-sacrifice for the needs of the motherland as well as warnings of punitive measures,⁸ and

⁵*China Statistical Yearbook, 1991* (Beijing: China Statistical Publishing House, 1991), 692.

⁶Cao Lei, "College Job Placement and a Full Use of Talents," *Guangming Daily*, March 10, 1984, 3; Lu Shansheng, "College Job Placement Demands Reforms," *Anhui ribao* (Anhui Daily), August 25, 1984, 3.

⁷Yang Ruimin, "Mismanagement in the Job Placement of College Graduates Demands Prompt Solution," *Zhongguo qingnian bao* (China Youth Daily), April 17, 1984, 1.

⁸Graduates who refused to report to the posts assigned would lose the privilege of job placement, and could not be recruited by any publicly-owned unit within five years. See "Measures on Coordination of Job Assignments for College Graduates" (issued on October 4, 1981

audaciously refused positions in rural and border areas. Graduates from universities in big cities like Shanghai and Beijing even refused to work outside the cities.⁹ This led to overstaffing big cities, state-owned enterprises, and big units, while small collective units and rural and remote areas suffered from a dearth of specialized manpower.

The contradictions of supply and demand also appeared within specialties. For decades, under the leadership of ideology, Beijing had devoted much attention to the development of basic sciences and intentionally suppressed liberal arts. Thus, in the post-Cultural Revolution period, too many graduates existed for the former and too few for the latter. For instance, although there were about 520,000 jobs open for 276,000 college and junior college graduates in 1982, placement was concluded with a surplus of over 10,000 graduates specialized in physics and oceanic chemistry, and reports of shortages for over 330 specialties, including political science, law, finance, engineering, and textile industry.¹⁰

The third issue was the supply of specialized manpower to economic entities other than the publicly-owned units and enterprises. To solve the problems, Beijing first reformed college enrollment sources. In addition to regular publicly-funded students, admission of students who would be oriented to a certain workplace upon graduation (job-related enrollment) was introduced in 1983 to ensure the supply of talents needed by remote, border, and minority nationality areas. In the following year, some universities guided enrollment at employers' requests, namely in the admission of "contract training students." In other words, employers shouldered the training fees for the schools, with the students fulfilling contract obligations to work for the employers after graduation. This enrollment was

by the Ministry of Education, State Planning Commission, and State Personnel Bureau), in *Zhonghua renmin gongheguo xianxing jiaoyu fagui huibian 1949-1989* (Compilation of the PRC's existing regulations concerning education, 1949-89), ed. the State Education Commission (Beijing: Renmin jiaoyu chubanshe, 1991), 219.

⁹"Circular of the CCP Central Committee Propaganda Department, the Ministry of Education, and the Central Committee of the Chinese Communist Youth League Concerning the Strengthening of Ideological and Political Education Among Graduates of Institutes of Higher Learning," *Zhonghua renmin gongheguo guowuyuan gongbao* (The PRC State Council Gazette), April 30, 1984, no. 7:233.

¹⁰Cao, "College Job Placement System and a Full Use of Talents," 3.

aimed to supply manpower to smaller enterprises as well as individual households that emerged in the early 1980s. A third kind of enrollment was introduced in 1985 with self-supporting students, which would match the development of privately-owned economies, and three kinds of foreign-invested enterprises (equity joint ventures, cooperative joint ventures, and wholly-owned foreign enterprises). Under this arrangement, students were to pay tuition and other fees at their own expense and find jobs on their own efforts or at the college's recommendation. Publicly-funded and job-related enrollments were categorized as "enrollment according to state plans" (*jihuanei zhaosheng*), while the others were classified as "enrollment outside state plans" (*jihuawai zhaosheng*).¹¹

Another measure was to decentralize overall placement planning to universities and local governments. Some selected specialties and universities in Beijing and Shanghai in 1983 took charge of the job assignment for a quota of their college graduates. In the pilot programs, these universities, in coordination with employing units, mapped up an assignment plan,¹² and promoted "face-to-face meetings between supply and demand" (hereafter referred to as face-to-face meetings) involving student applications, university recommendations, and interviews and examinations with work units. As the activities enhanced contacts between employing units and students, readjustments of inadequately assigned posts were permitted.

In combination with the face-to-face meetings was the emphasis on hiring the most competent graduates. In 1983, Shanghai removed all the preferential measures granted to specific groups of graduates and took the graduates' comprehensive school reports as a major basis for job assignments. The reforms marked an end to the closed-door, ideologically-oriented procedure that had been practiced for decades.¹³

In addition, the policy of sending graduates to rural and border areas was enforced. On its part, Beijing adopted both "hard" and "soft" tactics.

¹¹For more on reforms of enrollment sources, see Jueichi Wang, *Zhongguo dalu daxue lian-zhao yu gaojiao zhi fazhan* (The unified college entrance examination and the development of higher education in mainland China) (Taipei: 1994), 51-55.

¹²*Guangming Daily*, May 18, 1983, 1.

¹³Yang Deguang, "An Analysis of the Reforms of the College Job Placement System," *Shanghai gaojiao yanjiu* (Shanghai Higher Education) (Shanghai), 1986, no. 1:72-74.

The former included prohibiting state and party or provincial-level units and the research units affiliated to them from hiring college graduates without working experience from 1984 onward. The former included the implementation of periodic service under which those who had worked for six successive years (including one year of probation) in grass-roots units and border areas were permitted to transfer to a different work site.¹⁴ Moreover, in some areas, a contract system was implemented with the removal of wage ceilings.¹⁵

In short, the reforms in the early 1980s were breakthroughs in updating the rigid and stifling placement system. The contacts among schools, students, and employing units greatly facilitated assignment work, and also provided invaluable information about the newest development of the job market. Accordingly, the higher educational institutions could make timely adjustments to their specialties or courses. However, these reforms did not achieve the expected effects in solving the aforementioned problems. For one thing, all the measures, though quite common in the noncommunist world, were completely new to both the pilot universities and employing units. During this period, demand in the job market also still far outnumbered supply; most employing units had really little alternative in their recruitment of college graduates. In particular, employing units which were disadvantaged in location or work conditions and found it difficult to attract college graduates complained that the interviews had wasted their time and money.¹⁶

As for the preferential measures for those working in rural and border areas, they were often utilized by graduates merely as a jump-off point for future urban jobs. In addition, many localities and personnel departments, by offering far more attractive benefits, "illegally" hired graduates who were already assigned to rural areas,¹⁷ which aggravated the contradictions

¹⁴Yang Deguang, "Preliminary Steps in the Reforms of College Job Placement," *Gaojiao zhanxian* (Higher Educational Front) (Beijing), 1986, no. 2:39; Yang Zhiling, Lin Bing, and Su Weichang, *Zhongguo gaodeng jiaoyu* (Higher education in China) (Beijing: Beijing Normal University, 1988), 171.

¹⁵*Zhongguo qingnian bao*, June 6, 1984, 1.

¹⁶Yang, "Preliminary Steps," 40.

¹⁷*Guangming Daily*, July 8, 1986, 1.

between supply and demand for graduates.

Reforms After 1987

The reforms in this stage can be divided into two periods, with the 1989 Tiananmen Incident as the demarcation. The first period observed an acceleration of reforms, with prospects for the eventual abolition of the placement system. The fervor for reforms, however, quickly subsided in the wake of the Tiananmen crackdown; its place was taken by the policy of sending graduates to grass-roots units and reemphasizing ideological purity.

Job assignment work in the late 1980s was by no means pleasant for universities, as the number of graduates increased from 316,000 in 1985 to 532,000 in 1987.¹⁸ These graduates, unlike their forebears, did not have much work experience and knew little about political struggles. They were much younger and self-centered, envied by their peers, and regarded by society as the "talents" behind the country's future economic development. They held high hopes about their own futures and consequently were not so receptive to the jobs assigned by the government.

However, opportunities in the job market for talented people had decreased. By 1987, large state-owned enterprises and large cities, after several years absorbing college graduates, had progressed to a level of saturation, while small and medium-sized enterprises and cities remained badly in need of trained people.¹⁹ The situation in specialties was no different; competition among universities in setting up specialties catering to students' wishes (e.g., accounting, mechanics, and computer software), specialties which had once reported "brisk demand" in the early 1980s, had led to excessive supply.²⁰

Changes in the employment system had also taken their toll. Starting from 1986, the State Council abolished the old enterprise practice of letting

¹⁸ *China Statistical Yearbook, 1996* (Beijing: China Statistical Publishing House, 1996), 632.

¹⁹ "Higher Education Is Facing Challenges and Post-Graduation Placement Must Be Oriented Toward the Grass-Roots Level," *Guangming Daily*, October 30, 1987, 2.

²⁰ Tao Hongguang, "Difficulties Occur in Job Arrangements for Some College Graduates," *Wenhui bao* (Shanghai), May 13, 1989, 1.

retired workers' children take their jobs under "kinship" recruitment. Instead, opening up employment through interviews and examinations, and the practice of employing workers on a contract basis ("contract workers") were introduced,²¹ and state-owned enterprises were empowered to dismiss unqualified workers.²² One year later, a system of sole responsibility for profits and loss, and imposition of personnel quotas in publicly-owned units were implemented. These measures made employing units more reluctant to recruit more graduates than they needed as well as more selective. In short, universities could no longer assign their students at will to enterprises who could now say no.

In late 1987, mainland Chinese society was shocked by a report which stated that over 3,000 graduates had been "returned" by employing units and needed to be reassigned, mainly because of their failure to meet professional, physical, or political requirements, or because the units were fully staffed. Some rejections were out of discrimination against female students or the practices of "backdoor" employment and the use of "connections," which replaced better-qualified graduates with less-qualified ones. A few graduates were also dissatisfied with their positions and returned of their own volition.²³ Such reports proved to be a mixed blessing, for they forced mainland Chinese educators to face the inadequacy of their specialty programs, the narrowness of the academic programs provided for students, and the importance of interdisciplinary training. They also awakened them to the rapidly changing nature of the job market and the need to establish a system that would estimate needed manpower. Most of all, it sparked off a new wave of reforms to the job placement system.

For the reform-minded educators, the rejections of graduates were a phenomenon associated with the transition from a planned economic system to a market economy. They thus enumerated the successes of some

²¹Editorial, "Contract Workers Play Bigger Role," *China Daily* (Beijing), October 17, 1987, 4.

²²"State Enterprises Given Right to Dismiss Workers," Foreign Broadcast Information Service, *Daily Report: China* [hereafter *FBIS-CHI*]-86-174 (September 9, 1986): K11.

²³"Many College Graduates Rejected for Jobs," *FBIS-CHI*-87-210 (October 30, 1987); "Insights on the Rejections of College Graduates by Employing Units," *Tianjin ribao* (Tianjin Daily), August 23, 1988, 1.

newly-established "people-run" (*minban*) universities which held no guarantee for job placement, and stated that the injection of elements such as "commodification" (*shangpinhua*), "marketization" (*shichanghua*), and competition mechanisms would be conducive to helping students develop their own initiative and encourage employers to make the best and proper use of trained personnel.²⁴

The reforms were started by an increase in the percentage of college graduates assigned by universities. Among selected universities emerged a fervor for the establishment of counseling departments and various kinds of information services for both graduates and employing units. Some universities encouraged students to take one-year practical training with their prospective employing units.²⁵ This culminated in an SEC announcement in January 1988 of a long-range reform program for the eventual elimination of the placement system in 1993.²⁶

According to the long-range program, 70 percent of freshmen enrolled in 1989 were to pay tuition and find their own jobs in 1993, with the remaining 30 percent funded by the state and receiving job assignments after graduation to ensure the manpower needed in border and rural areas, as well as some special projects. The period between 1988 and 1992 was called the "intermediate stage" during which the aforementioned face-to-face meetings would progress into so-called "two-way choice" activities (*shuangxiang xuanze*), moving from selected universities to all institutions of higher learning. In these activities, job-seekers and work units would enjoy autonomy in their choices, with no guarantee of a job, and those who failed to land a unit finding their own jobs back in their hometowns.²⁷

²⁴Yuan Chuang, "A Further Discussion of the Implementation of 'Mutual Selection'," *Shehui kexue* (Social Sciences) (Shanghai), 1988, no. 12:46-48; "The State Education Commission's Answers About Job Placement," *Zhongguo qingnian bao*, May 24, 1988, 3; Yang Ruimin and Ke Qi, "Competition Must Be Introduced into College Graduate Job Placement," *Zhongguo jiaoyu bao* (Chinese Education News), January 14, 1988, 1.

²⁵Zhang Jidong, "The Year 1987: The Reforms of the Placement System in Higher Learning Institutions," *Daxuesheng* (University Students) (Beijing), 1988, no. 1:34-35; Yang De-guang, "The Reforms and Practices of the Placement System in Shanghai-Based Higher Learning Institutions," *Shehui kexue*, 1987, no. 12:45-47.

²⁶Yang and Ke, "Competition Must Be Introduced," 1.

²⁷"College Students to Pay Tuition, Find Jobs," *FBIS-CHI-88-002* (January 5, 1988): 30;

In hindsight, the mistakes that the SEC committed in its attempt to eliminate the placement system can be summarized by one word: over-hastiness. First, the reform-minded education officials overestimated the readiness of society for drastic reform. The announcement that the placement system would be abolished aroused panic among college and even middle school students who had always regarded job assignments as the most immediate goal in their pursuit of higher education.

The educators also ignored the fact that market mechanisms for fair competition had yet to be established. During this period, anxiety and frustration were common among graduates in disadvantaged positions, who were rejected for lack of better "connections" or money. Female graduates were so discriminated against that many of them could not even secure an interview. Postgraduates and graduates with doctorates found themselves not wanted under the employing units' excuse of being "overqualified," as the latter feared that they might hinder the promotion of other low-educated workers.²⁸ In the midst of voices for caution and criticisms of being over-hasty, the entire reform program was disrupted by the 1989 Tiananmen Incident.

The first and foremost decision that the SEC made in the wake of the Tiananmen Incident was to pledge a return to the old placement system, with an emphasis on the principles of "coordinating with all parties concerned, assigning suitable jobs to graduates, first satisfying the needs of the priority departments, mainly sending the graduates to grass-roots posts, and reinforcing the strength of the production forefront."²⁹ Students were reminded of the importance of "red and expert" criteria in the job assign-

"Future College Entrants 'Free to Choose' Jobs," *FBIS-CHI-88-006* (January 11, 1988): 39; "University Graduate Job Placement Discussed," *FBIS-CHI-88-077* (April 21, 1988): 43-44.

²⁸See "The Psychological Battle During the Period of Reforms," *People's Daily* (Overseas edition), May 12, 1988, 4; "You, He, and I Talked About 'No Job Placement'," *Zhongguo qingnian bao*, April 19, 1988, 3; "Mutual Selection: Satisfactory Jobs and Qualified Manpower," *Fujian ribao* (Fujian Daily), July 30, 1988, 2; "Backdoor Cases Are Conspicuously Increasing," *People's Daily*, March 24, 1989, 5; "Jobs Hard to Find for Highly-Educated," *Jiushi niandai* (The Nineties) (Hong Kong), January 1989, 27-29.

²⁹"Responsible Person of the State Education Commission Answers Question on the Assignment of Jobs to College Graduates This Year," *Liaowang zhouban* (Outlook Weekly) (Overseas edition), May 14, 1990, no. 20:17.

ments, urged to volunteer to work in border areas, and requested to work in low-level positions at least two years before applying to any party and government department above the provincial level. Those who refused the jobs assigned were subject to punitive measures, including returning all the public expenses including the subsidies and scholarship they had received in their four years of study, and being sent home to find their own jobs.³⁰

During this period, the controversial "two-way choice" activities, with a guarantee of jobs to graduates, were limited in some selected universities. But in the harsh job market, universities had to devote all their efforts to squeezing job vacancies out of employing units while job-seeking students faced one cold shoulder after another.³¹ In order to avoid the "punishment" of working in the grass-roots units and the harsh employment climate, many seniors took examinations for graduate programs, which had lost favor in the late 1980s.³²

In contrast to the setbacks in the placement system, reforms in the employment system were continually promoted. The method of recruitment through examination had become increasingly popular among employing units; by 1990, 70 percent of the central government's fifty ministries and commissions had adopted this method.³³ In the following year, Shenzhen city declared that all two-year and four-year college graduates were to be employed on a contact basis.³⁴ Another noticeable change was the rising demand for graduates with higher academic degrees, especially among large enterprises and joint ventures.³⁵ These changes sent a message to

³⁰*People's Daily*, December 9, 1989, 3; *Zhongguo jiaoyu bao*, February 20, 1990, 1; *ibid.*, June 16, 1990, 3; "Answers to Questions about Some Policies Concerning the Job Assignment to College Graduates," *Zhongguo gaodeng jiaoyu* (Higher Education in China) (Beijing), 1991, no. 3:25.

³¹Mo Shiwei, "Demand Is More Than Supply of College Graduates This Year," *Ta Kung Pao* (Hong Kong), May 2, 1992, 2.

³²Wang Shengcun, "Looking for a New Alternative," *Zhongguo qingnian bao*, January 14, 1991, 3.

³³Yao Lishi, "China Makes New Progress in Employing Cadres Through Examination," *Liaowang zhoukan*, March 18, 1991, no. 11:13-14.

³⁴*FBIS-CHI-91-119* (June 20, 1991): 72.

³⁵"Number of Graduate Program Applicants Increases," *FBIS-CHI-92-056* (March 23, 1992): 53.

the general public: there would be no return from reforms of the placement system.

The Reforms Since 1992

In late 1992, the SEC had obtained a golden opportunity for further reforms of the placement system. During economic reforms, various special economic zones, development zones, foreign-invested enterprises, and private enterprises had sprung up, calling for qualified manpower. Their calls were echoed by many state-owned enterprises and state organs which were facing the increased retirement of their skilled workers.³⁶ In the employment system, the contract labor system by this time was being extensively practiced among various kinds of enterprises. Most state-owned enterprises, with employment autonomy granted by their local governments, were no longer willing to accept the college graduates forced on them. Moreover, the "Provisional Regulations for State Civil Servants," which had undergone ten years of revisions, was expected to be approved in August 1993; from then on, all state organs were to recruit workers via civil service examinations.³⁷ Taking advantage of the upswing in the job market and the changes in the employment system, the SEC declared in May 1993 that the time was ripe for the intermediate stage of reforms.

Since 1993, there have been three employment channels for college graduates: accepting job assignments to state-owned enterprises, landing on an employing unit via "two-way choice" activities, and entering state organs by passing civil service examinations. As the "two-way choice" activities are the heart of the reforms and account for almost all the present controversial issues concerning college graduate employment, our analysis of the intermediate stage of reforms will focus on its development over the recent years, its relations with the segmented job market, and related controversial issues.

³⁶Xinhua: College Graduate in Short Supply," *FBIS-CHI-92-059* (March 26, 1992): 39-40.

³⁷Yan Huai, "The Civil Service System on the Chinese Mainland," *Zhongguo dalu yanjiu* (Mainland China Studies) (Taipei) 37, no. 8 (August 1994): 21-23.

The expansion of "two-way choice" activities: In early 1993, the SEC declared that "two-way choice" activities would be implemented in all the thirty-nine institutions of higher learning affiliated with the SEC.³⁸ Ninety percent of their students, with recommendation from schools, were to seek employment through these activities. The graduates would enjoy free choice in choosing jobs within the state-set limits, and participating work units had autonomy in employment.³⁹ In 1994, these institutions began the program of "combining tracks for 'publicly-funded students' and 'self-supported students'," the so-called "merger program." All these institutions' newly-admitted students were to pay school fees and enjoy autonomy in job selection after they graduated. The "merger program," the SEC pointed out, would be implemented nationwide in 1997; by then, most college students would pay substantial fees for their education while only a small portion would receive public funds.⁴⁰ The policy, controversial as it was,⁴¹ had further consolidated "two-way choice" activities, which soon become a major channel for college seniors to seek their jobs.

In order to regulate the flow of college graduates in the two-way choice program, the SEC has set various limits, the most notable being domicile restrictions. These restrictions in big cities are aimed to control the number of students from other localities, and ensure the return of students to rural and remote areas after they finish their studies in big cities. In addition, college graduates of higher learning institutions affiliated with state organs are requested to seek jobs within the relevant employing system. Postgraduates must apply for positions within higher learning institutions, publicly-owned scientific research units, large and medium-sized

³⁸To Set Up Step by Step an Enrollment System and Job Assignment System in Higher Education to Suit the Needs of a Market Economic System," *Zhongguo gaodeng jiaoyu*, 1993, no. 1:7-8.

³⁹Deng Haiyun, "The Great Trend Toward the Job Market," *Guangming Daily*, May 7, 1993, 1, 2.

⁴⁰Liu Renjing, "Combining Tracks for 'Publicly-Funded Students' and 'Self-Supported Students'," *Zhongguo jiaoyu bao*, April 5, 1994, 1.

⁴¹For details of the program, see Jueichi Wang, "A Comparative Study of Higher Education Tuition Policies of the Two Sides of the Taiwan Strait," *Zhongguo dalu yanjiu* 40, no. 8 (August 1997): 48-70.

state-owned enterprises, and the People's Liberation Army.⁴² Each year, each institution fulfills a quota for key employing units, as most of these units, with the exception of those with new projects urgently requiring talent, have had great difficulty recruiting college graduates because of their disadvantages in location. The above limits and measures constitute the PRC's macro-control policy over the employment of college graduates.

In comparison with two-way choice activities in the late 1980s, the current activities are much more spectacular in numbers and size. In addition to the activities held by universities and local governments, large-scale activities have been sponsored by provincial governments and held in stadiums, with the number of job-seeking college seniors totalling over 10,000, and information stalls representing 200 employing units. The impacts of these activities on a society previously permeated with the "iron rice bowl" mind-set have been both immediate and obvious. In addition, while various college graduate job departments at the provincial level have been established, many universities have also set up job counseling departments to provide timely job information and guidance.

However, the much-publicized job fairs have reported little achievement, as the rates for successful job unit-graduate contracts have decreased each year. According to Gan Beilin, director of the student job assignment division of Beijing city, the city government's job fair has reported only an average of 100-200 successful contracts each year, or less than one percent of the total student participants. In big cities, about one-third of all college graduates still find jobs on their own. As Gan admits, the major function of job fairs currently lies in the exchange of information and providing some consolation to anxious students that there are still opportunities.⁴³

The ineffectiveness of job fairs, some educators comment, is due to the lack of full-time trained professionals for job counseling and a sound information system. Some have noted students' unrealistic expectations

⁴²See "The Employment Measures for This Year's College Graduates Are Affirmed," *People's Daily*, January 19, 1994, 3; "Macro-Control or Regulating via Economic Measures," *Zhongguo qingnian bao*, May 7, 1997, 3.

⁴³Chen Zhiwen, "Perfecting Employment Mechanisms," *Zhongguo qingnian bao*, May 21, 1997, 5.

about their career and their insistence on staying in big cities. Others have pointed out changes in the employment system, such as expansion of employment autonomy and the popularity of the contract labor system, which have provided employing units with the opportunity to utilize the two-way choice program to refuse college graduates or recruit specific candidates. Moreover, the implementation of the civil service system in 1993 and the streamlining of state organs the following year have substantially decreased the functions of state organs in absorbing college graduates. But the big headache for the SEC is not so much the ineffectiveness of job fairs as several prominent issues exposed by them. These issues are closely connected with the segmentation of the mainland Chinese job market for talented people.

The segmented job market: In studying the contradictions of the supply and demand for manpower in Taiwan over the years, Taiwan scholar Joseph S. Lee has concentrated on two aspects. One involves the functions of Taiwan's job market, including factory policies over recruitment, job training, and promotion. The other is analyzing the structure of the job market. With the theory of labor market segmentation, he divides Taiwan's job market into three layers: two layers in the primary labor market and one in the secondary market.⁴⁴ Lee's model is of great help in our analysis of the mainland Chinese job market for talented people in the 1990s.

Thanks to Beijing's policy of "letting some people become rich first," and preferential economic policies, the imbalance in economic development between the eastern region and the central and western regions, and between urban and rural areas had already caught attention in the late 1980s. The disparity has become all the more prominent after Beijing decided to deepen economic reforms in late 1992. Following the heels of the imbalance is the issue of the widening income distribution gap between different regions, urban and rural areas, and among different trades and enterprises under different ownership. Although statistical data about the wage gaps among different trades in mainland China are not available at this

⁴⁴Joseph S. Lee, "An Empirical Study of the Functions of the Labor Market in the Taiwan Area," in *Taiwan renli ziyuan lunwen ji* (Papers on Taiwan's human resources), ed. Liu Ke-chih (Taipei: Lianjing chuban shiye gongsi, 1995), 558-68.

time, a segmented job market can still be easily discerned from the data in table 1.

Thus, for college graduates in the 1990s, the following three kinds of job markets are presented:

1. The first layer of the primary market is comprised of large units, large profit-making enterprises, employing units involving finance and insurance, and foreigners. They are located in big cities, particularly in the eastern region. They provide good wages and benefits; their bonuses are generous and their employers' subsidies are increased in proportion with their income. Above all, they provide better opportunities for promotion and earning money on the side. This level also includes positions in three kinds of foreign-invested enterprises and large private enterprises which offer much higher wages but are much more demanding and less secure.

2. The second layer of the primary market is comprised of smaller units in big cities. Their wages and benefits are not attractive; the opportunities for promotion are few. Included in this group are some profit-making township enterprises and private enterprises which may offer more opportunities for utilization of specialties, but with poor benefits. The units and enterprises share a common point: a promise of household registration in the city. Through them, job-seekers of other localities can stay in big cities and easily transfer into the first layer.

3. The third layer (i.e., the secondary job market) includes rural governments, and small enterprises and so-called "key construction units" located in rural areas, especially in central and western regions. The harsh realities these work units present to college graduates include backward economic development and information services, as well as the lack of any opportunity for graduates to bring their specialties into play and dismal prospects for promotion, to say nothing of the opportunity for transferring to the primary job market. Above all, as many of the units or enterprises are either starved for cash or burdened with debt, the unlucky graduates, like other employees, will soon face an absolute decline in their income due to inflation, defaults in the payment of wages, or even layoffs.⁴⁵ Forced

⁴⁵Wang Chengxiong, "Chinese, Change Your Job Attitude," *Zhongguo rencai* (Chinese

Table 1
The Income Distribution Gaps in Mainland China in the 1990s

Items	Descriptions
Regional imbalance	Between 1978 and 1992, the average income gap between coastal and inland urban areas increased from 1.56 to 2.37 times. ¹ In 1994 the per capita GNP in Guizhou accounted for only 49.6 percent of the national average, in comparison with 376.4 percent reported by Shanghai. ² In October 1997, per capita income in Shanghai was 704 <i>yuan</i> , 70 percent more than the national level. ³
Rural-urban gap	The gap widened from 1984's 1:1.60 to 1:2.53 by 1993; ⁴ the average rural resident's annual income is expected to rise from 686 <i>yuan</i> in 1990 to 2,474 <i>yuan</i> by the year 2000, an annual increase of 5.8 percent in real terms. Average income could reach 7,570 <i>yuan</i> by the year 2010. In comparison, the annual income for an average urban resident can jump from 1,387 <i>yuan</i> in 1990 to 6,625 <i>yuan</i> in 2000, a rise of 7.3 percent each year. The average income is expected to reach 20,392 <i>yuan</i> by the year 2010. ⁵
Trade income gap	With national average wage per capita = 100, between 1990 and 1994, the average wage in industrial enterprises went down from 102.9 to 102.8; in transportation and communications, up from 117.8 to 120.4; in finance and insurance, from 97.9 to 124.4. The gap between wages for occupations such as finance and insurance and the wages for geological prospecting went up from 1.33:1 to 1.52:1, without taking bonuses into account. ⁶
Gap by form of ownership	In 1992, the average income for three kinds of foreign-invested enterprises was 4,037 <i>yuan</i> , or 1,400 <i>yuan</i> more than that of publicly-owned enterprises, and 1,903 <i>yuan</i> more than that of township enterprises. By early 1994, its rate of increase reached 92.2 percent, in comparison with the national average of 26.3 percent. In 1997, the average income of three kinds of foreign-invested enterprises and some township enterprises was two to three times more than that of state organs and academic research institutions. ⁷

Sources:

¹Shen Xueming, "Problems Concerning the Present Income Disparity in Our Country," *Zhenli de zhuiqiu* (Seeking for Truth) (Beijing), 1995, no. 12:30.

²Huang Yong, "How Should the Personal Income 'Pie' Be 'Cut'?" *Zhongguo gaige* (China Reform), 1996, no. 4:32-34, translated in Foreign Broadcast Information Service, *Daily Report: China* [hereafter *FBIS-CHI*]-96-125 (June 27, 1996): 27-30.

³"Shanghai Leads Nation in Per Capita Income," Beijing Xinhua, December 3, 1997, translated in *FBIS-CHI*-97-337.

⁴Shen, "Problems Concerning the Present Income Disparity," 30.

⁵"Center Predicts Sharp Rise in Resident Income," Beijing Xinhua, October 27, 1994, in *FBIS-CHI*-94-208.

⁶Jin Xizai and Ding Huanquan, "The Current Income Disparity in Our Country: Present Condition, Factors, and Solutions," *Dongbei daxue xuebao* (Journal of Northeastern University) (Philosophy and Social Sciences Edition), 1996, no. 5:22.

⁷Task Group for Income Distribution, Economics Institute of the Chinese Academy of Social Sciences, "A Study of the Present Income Distribution in Our Country," *Guanli shijie* (The Management World), 1997, no. 2:62-71, reprinted *Fuyin baokan ziliao: Laodong jingji yu renli ziyuan guanli* (Reprinted Newspaper and Journal Materials: Labor Economy and Management of Human Resources) (Beijing), 1997, no. 5:57.

unemployment has also often been reported, as some local governments are too poor to afford the college graduates sent to them.⁴⁶

This segmentation has greatly influenced college graduates' job-seeking behavior. In a 1991 survey conducted by Shanghai City's Bureau of Higher Education of college graduates from the city's institutions of higher learning, three kinds of foreign-invested enterprises and units involving foreigners were singled out as the favorite choice for employment. The most unfavorable places were units in rural areas and towns and teaching jobs in secondary schools.⁴⁷ In March 1996, a survey conducted by Beijing University of that year's college graduates reveals that 73.3 percent of 206 respondents chose "income" and 50 percent chose "utilization of their talents" as the most important factor in selecting jobs.⁴⁸ Another survey made in 1996 reported that 71.5 percent of college graduates questioned wanted to stay in the city, while 72.8 percent wished to work in coastal cities.⁴⁹

Thus, in job fairs applicants swarm to units of the primary job market; in contrast, third-layer markets usually become the "forgotten corner."⁵⁰ Standing in between, the small units in big cities attract a substantial number of graduates who are ready to give up their specialties in order to re-

Talents Magazine) (Beijing), 1997, no. 4:18; Department of Student Work of Shandong Agricultural University, "A Study of the Survey on Graduates' Conditions Since 1990," *Gaodeng nongye jiaoyu* (Higher Education for Agriculture) (Shenyang), 1996, no. 6:77-80, reprinted in *Fuyin baokan ziliao: Gaodeng jiaoyu* (Reprinted Newspaper and Journal Materials: Higher Education) (Beijing), 1997, no. 3:68.

⁴⁶Qian Lili, "Why Poor Areas Cannot Attract Talents While at the Same Time Suffering from Brain Drain," *People's Daily*, May 4, 1993, 5; Yi Wen, "Why Hebei Suffers from Brain Drain," *Wen Wei Po* (Hong Kong), October 20, 1993, 6; Yu Dao and Yang Hui, "Autonomy in Job Selection: From Predicament to Success," *Qingnian shidai* (The Youth Times), 1996, no. 8, reprinted in *Fuyin baokan ziliao: Gaodeng jiaoyu*, 1996, no. 10:91; "Jin Fen, Are You Ready?" *Zhongguo qingnian bao*, April 26, 1997, 5.

⁴⁷Fan Long and Liu Shuqing, "An Analysis of the 1990s' College Graduates' Attitudes in Job Seeking," *Lilunjie* (Journal of Theory) (Shenyang), 1996, no. 6:22-23, reprinted in *Fuyin baokan ziliao: Gaodeng jiaoyu*, 1997, no. 2:77.

⁴⁸The Party Committee of Beijing University, "A Survey of the Graduates of Beijing University," *Qingnian yanjiu* (Youth Study) (Beijing), 1997, no. 3:15.

⁴⁹Liu Jian, "How to Do Good Work on Macro-Control," *Zhongguo jiaoyu bao*, May 13, 1997, 5.

⁵⁰Gao Jun, "What Are the Job Prospects for 1996 College Graduates?" *Zhongguo qingnian bao*, April 18, 1996, 1.

main in big cities. A case in point took place in the recruitment of several hundred college graduates by a police department in Guangzhou in 1996. The rookies, it was soon revealed, were mostly from other localities; their main purpose was to keep their household registration in the city so as to be able to stay.⁵¹

The responses of work units to the homogeneity of college graduates' job-seeking behavior have been varied. Although many units located in rural and remote areas still passively wait for the state to send them the manpower they need, quite a few have made efforts to attract applicants with various preferential measures on residential housing, household registration, and extra income.⁵² But their success hinges on the coordination between the policymaking departments and their work units at the grass-roots level; the latter's protectionism and lack of money often turn the measures into empty promises. In comparison, city-based units are much more aggressive as well as extremely selective in recruiting college graduates. For applicants they urgently demand, they easily beat the more disadvantaged units by offering "three nos": no household registration card, no report card, and no personal files.⁵³ On the other hand, their quest for "high quality" manpower has engendered the following three syndromes.

1. The "diploma" syndrome: emphasizing advanced academic degrees and well-known universities. This has been reflected in a craze for applicants with advanced academic degrees (doctorates, master degrees, two bachelor degrees, or at least a bachelor degree) and outright rejections of two-year college graduates; a preference of graduates carrying elite and key university diplomas over those from ordinary universities; and a preference of publicly-funded graduates over self-supported ones.⁵⁴ The syndrome has spread to the recruitment of civil service employees. In October

⁵¹See Liu Qian and Yang Guangzeng, "Too Many College Graduates?" *Liaowang zhoukan* (Beijing), May 27, 1996, no. 22:9, translated in *FBIS-CHI-96-175*.

⁵²*Ibid.*

⁵³Sun Zhijun and Dai Jingtang, "Backward Areas Suffer from Brain Drain," *Zhongguo rencai*, 1994, no. 5:24.

⁵⁴Xiong Junwen, "An Analysis of Fallacies in the Selection of Talents," *Jiangnan daxue xuebao* (Journal of Jiangnan University) (Hefei), 1996, no. 4:90-91.

1997, it was reported that the civil service examinations were to be held to recruit 1998 four-year publicly-funded college graduates or postgraduates from selected higher learning institutions affiliated to the SEC and various state organs. Some organs even requested that the test-takers have two bachelor degrees, master degrees, or even doctorates.⁵⁵

In recent years, the syndrome has also been aggravated by the protectionism permeating rich provincial governments. For instance, in 1996, Hainan and Guangdong declared that only postgraduates of other localities were welcome, and no vacancies were available for those four-year and two-year college graduates. Furthermore, the Guangdong government requested foreign-invested enterprises to solve household registration questions and acquire permits for purchasing food grain.⁵⁶

2. The fervor for certificates: Certificates verify the qualification tests graduates have passed, such as in English proficiency (normally at least level 6), knowledge of accounting or computers, and various kinds of job training classes.⁵⁷ In the beginning, these certificates were requested as a reference to their bearers' potential and flexibility. Currently, they have become a crucial criterion for selection.⁵⁸

3. Discrimination against females: This phenomenon has become commonplace, and its seriousness can be fully demonstrated from two recent reports. One concerns a selection mass meeting held by the Shenzhen city government in 1996, in which more than 80 percent of the positions of employing units required males, rather than indicating "no restriction" for sex.⁵⁹ Another report by *China Women's News* states that at a talent ex-

⁵⁵Jiang Yandong, "Civil Service Examination Is to Be Held," *Zhongguo jiaoyu bao*, October 6, 1997, 3; Huang Yuyong, "Postgraduates Working in Grass-Roots Units: Good News or Bad News," *Ta Kung Pao*, November 14, 1997, A6.

⁵⁶Sun Weijun, "College Graduates' Employment: Challenges and Expectations," *Zhongguo gaodeng jiaoyu*, 1996, no. 3:8-9.

⁵⁷"A Deep Thought on the Fervor of Taking Certificate Tests," *Zhongguo jiaoyu bao*, June 6, 1996, 3.

⁵⁸Hu Chenggong, "An Analysis of the Phenomenon for Taking Tests for Certificates," *Shanghai gaojiao yanjiu*, 1997, no. 4:27.

⁵⁹Ling Min and Liu Xiaohu, "Everyone Says, 'The Peacock Flies Southeast'—Where Does the Peacock Land in the Southeast? The 1996 Assignment of Guangdong University Graduates," *Daxuesheng*, July 10, 1996, no. 7:7, translated in *FBIS-CHI-96-231*.

change fair held by the Ministry of Personnel in the first weekend of January 1997, twenty-seven ministries and departments refused to employ or placed limits on employing female college graduates.⁶⁰ To add insult to injury, some employing units list requirements for height, weight, good appearance, and figure. Many excuses have included blatant male chauvinism, i.e., "Girls are delicate and cannot be assigned to heavy work; girls are a nuisance and it is not convenient to send them on a business trip; girls are involved in many things, including marriage, childbirth, and menstrual leave."⁶¹

Controversial Issues and Current Policy

In short, the mainland Chinese job market in the 1990s has been so conspicuously segmented that it has produced a vicious circle between college graduates' job-seeking behavior and employing units' policy for recruitment. A major impact of the results has been further contradictions in supply and demand for specialized manpower between coastal cities and inland areas, between urban and rural areas, and between large state-owned enterprises and small ones.

The other impact has been the creation of contradictions in job opportunities. In job fairs, two groups of college graduates can be clearly discerned. One group consists of those in advantageous positions who enjoy a wide latitude in their choice of employment: they are from well-known schools, have advanced academic degrees, their specializations are in demand, and they have special abilities or household registration in big cities. The other group consists of those who are disadvantaged: the students from lesser-known schools, have two-year college diplomas, specialize in fields for which there is less demand, are female graduates, or are students from rural areas. These students often have no other alternative but accept posi-

⁶⁰"Largest Women's Organization Calls for More Equality," Beijing Xinhua, January 18, 1996, in *FBIS-CHI-96-017* (January 25, 1996): 13-14.

⁶¹See note 59 above.

tions in rural and remote areas.⁶²

Aside from the above impacts, some side-effects have also been observed. In order to prepare for examinations for various kinds of certificates, civil service examinations, and entrance examinations for advanced study in graduate schools, many senior students have spent money to attend preparatory classes. More students have also begun looking for jobs at the beginning of their senior year, and quite a few have signed job contracts and started work right away. Senior student absenteeism has become so commonplace that some universities have arranged for practical training credits and thesis writing for the final semester.⁶³ These students may soon have to face the challenge of many sophomores and juniors attempting to contact work units.⁶⁴

Another side-effect is concerned with the utilization of manpower. As mentioned earlier, students are willing to give up their specialties to stay in cities. Similarly, many units are also willing to recruit well-known college graduates whose specialties bear little relation to the positions offered. According to a survey, the rate for college graduates engaging in jobs unrelated to their specialties increased from 3 percent in 1989 up to 9 percent in 1992, and to 17 percent in 1995. A survey by Fudan University of 450 seniors in 1996 reveals that only 9.1 percent of seniors chose their specialty as their priority in their job search, 71.7 percent were concerned about the future prospects of their positions, and 45.15 percent thought wages mattered most.⁶⁵ The de-emphasis of specialties has incurred contradictory views, as some scholars praised students' adaptation to the objective environment, while others have criticized it as a waste of manpower.

The latter is particularly serious in light of the employment of over-

⁶²Zhang Mingsuo, "Contradictions of Supply and Demand in the Market of Talented People and the Deepening of Educational Reforms," *Zhengzhou daxue xuebao* (Journal of Zhengzhou University) (Philosophy and Social Sciences Edition), 1996, no. 3:43-44.

⁶³"Is It Appropriate for Senior Students to Go to Work Before Graduation?" *Wenhui bao*, July 2, 1997, 3.

⁶⁴See note 50 above.

⁶⁵Zhou Xiaoxing, "An Attempt to Analyze the Positive Effects of the Job Market of Talented People to Higher Education," *Jiangsu gaojiao* (Jiangsu Higher Education) (Nanjing), 1996, no. 5:33.

qualified manpower. The phenomenon in which many postgraduates are forced to engage in low-level work has been criticized as a "squandering" of manpower, given the fact that workers with education above the junior college level account for merely 2 percent of the total mainland Chinese population, and those with specialized technology merely 1 percent. The trend has engendered a dilemma in the development of junior and two-year college education, as many junior colleges now face difficulties in enrolling students, and have made an attempt to upgrade to a two-year college program.⁶⁶

A third side-effect has been rampant levies. As mentioned earlier, two-way choice activities have been implemented with macro-control measures in order to regulate the flow of manpower. But for students from rural areas, these measures, particularly domicile restrictions, have left them little choice. They have demanded an abolishment of the measures and fair competition, and their voices have grown all the stronger since the implementation of "merger" policy. The impotence of college officials in enforcing the macro-control policy can be fully revealed by remarks made by Bi Wentu, director of Qinghua University in charge of job assignments: "The university at best can restrain their students from applying for jobs in specific areas. But to force them to accept assignments to remote areas is a tall order." Under such conditions, "economic measures" have become the most popular solution. On the one hand, a monetary reward is offered to those students who are willing to accept jobs in rural or remote areas. On the other hand, fines and levies are charged respectively to students who refuse to go back to their hometown or take positions assigned in remote areas, or are employed by private enterprises or foreign-invested enterprises.⁶⁷ These fines and levies, Gan Beilin has argued, may appease those students who are willing to receive the job assigned.⁶⁸

⁶⁶Zhang Xiaoming, "High Consumption' of Talents: A Dangerous Illusion," *Zhongguo rencai*, 1997, no. 8:47-49.

⁶⁷Chen Zhiwen, "Macro-Control or Economic Measures?" *Zhongguo qingnian bao*, May 7, 1997, 5.

⁶⁸"The Job Placement Condition and Policy in Beijing-Based Higher Learning Institutions," *Zhongguo rencai*, 1996, no. 7:46.

The economic measures, however, have become a channel for many higher learning institutions to increase their incomes. In 1996, a group of college graduates in Chengdu filed a law suit against their school for unreasonable levies, amounting to 3,000 to 5,000 *yuan*. The items included compensation for a four-year education, employment counseling, household registration for staying in Chengdu, assignment to coastal cities, subsidies for work units, reassignment of work, late reports to work units, etc.⁶⁹ The trend has quickly spread to state organs at various levels. In rich coastal cities, for instance, household registration fees are charged to graduates from other localities who are employed by local work units; in poor rural and remote areas, levies have been extorted for permits bypassing household registrations for graduates who want to leave their hometown for cities.⁷⁰

In addition to the levies and fines, college graduate job-seekers have also fallen prey to money-seeking job fairs and privately-run job agencies. Disputes and lawsuits over false contracts and frauds are common, and many students lured by the promise of helping them stay in big cities have given up positions assigned in rural areas.⁷¹

Some scholars have called for a cut in college enrollments to ease the contradictions of the supply and demand of manpower, and echoed students' calls for the abolishment of macro-control measures. Others believe that the solution lies in the continuation of placement reforms and further perfection of the job market for college graduates; the latter has obtained SEC officials' support.

According to the SEC, although the numbers of college graduates are continually growing, their ratio to the total population is very low.⁷² In addition, it claims that the contradictions exposed in job fairs are mainly attributable to students' unrealistic expectations about their jobs. The phe-

⁶⁹Yu and Yang, "Autonomy in Job Selection," 92.

⁷⁰See note 67 above.

⁷¹See note 51 above.

⁷²Song Gengyun and Zhu Qingan, "Cultivate the College Graduate Job Market and Promote Appropriate Allocation of Talented Manpower," *Xiangtan daxue xuebao* (Journal of Xiangtan University) (Xiangtan, Hunan), 1997, no. 4:116-17.

nomenon of an excessive number of college students is also stated to exist "only in several large cities"; "in a large number of medium-sized and small cities and the vast countryside, all college students can easily find jobs, no matter what kind of field they specialize in."⁷³ Moreover, the SEC notes that the current job market for college graduates is far from mature: the imbalance of regional development is glaring, the job information system is yet to be perfected, and some deleterious effects have been rampant, to name but a few.

In the current merger program, students pay for only 10-20 percent of their training costs; according to the SEC, it is thus wrong to "exchange that for 100 percent employment freedom." "Self-determined job selection" should by no means be understood as allowing students unlimited selection of a work unit after graduation. In short, inexperienced college graduates are expected not to attend job fairs open to the general public, but the ones held by educational institutions solely for them, and choose their own jobs within the limits set by the government.⁷⁴

Several remedial measures, however, have been adopted for two-way choice activities. For instance, instead of large-scale job fairs, the SEC has encouraged smaller fairs coordinated by several universities in accordance with specialties and disciplines. It has prohibited the organization of job fairs by any colleges or departments other than those in charge of graduate employment at all levels, and recognizes only college-issued graduate employment agreements signed by schools, students, and work units.⁷⁵ In the meantime, emphasis has been placed on establishing an information service network and strengthening job counseling for college graduates to help them understand the general conditions of the job market and the needs of relatively backward cities and rural areas.⁷⁶

⁷³See note 51 above.

⁷⁴Gan Beilin, "Just How Far Away Are We from 'Self-Determined Job Selection'?" *Daxue-sheng*, 1996, no. 5:7-8.

⁷⁵"SEC Official Answers Questions Concerning This Year's College Graduate Employment," *Zhongguo jiaoyu bao*, April 18, 1996, 1; "Regulations for College Graduate Employment Are Made," *Zhongguo qingnian bao*, April 21, 1997, 1.

⁷⁶Shao Xiaofang, "How to Do Good Work in Job Counseling for College Graduates," *Zhongguo rencai*, 1997, no. 7:41-42.

Conclusion

For decades, Beijing had utilized the job placement system to control the flow of college graduates in an attempt to maintain a balance of specialized manpower for different regions. In the early 1980s, the increasing disparity in economic development and the fast development of college education prompted the SEC to delegate placement power to colleges and implement supply-and-demand face-to-face meetings. But after 1987, reforms in the employment system, students' demand for more autonomy, and the rejection of college graduates by work units forced the SEC to launch the intermediate stage of reforms, with the goal of eventual abolishment of the placement system. The reform policy, however, proved premature for a society which still relied heavily on the "iron rice bowl" system and was abruptly put to a stop by the Tiananmen Incident.

In late 1992, the SEC seized the momentum of further economic reforms to reintroduce the intermediate stage of employment reforms. Since then, the focus has shifted from job arrangements to civil service examinations and two-way choice activities in particular. The expansion of the latter has made a great contribution to eradicating the "iron rice bowl" mind-set, but its limitations in China's increasingly segmented job market of talented people have become apparent. The homogeneity of job-seeking behaviors among college graduates has led to aggravated supply and demand problems for qualified manpower. The trend among work units for recruiting college graduates of well-known schools, postgraduates, and students with special abilities, as well as general discrimination against females has created contradictions in job opportunities and wasted manpower. In addition, it has contributed to increased interest among college seniors to take examinations for certificates and graduate schools, de-emphasis of specialties, and rampant levies.

In the face of these various side-effects, SEC officials have insisted on the necessity of a job market for college graduates. The macro-control measures, though hindering fair competition, are by no means mainstream; the major difficulty lies in students' selfishness and unrealistic expectations about jobs. Thus, the measures should be continued while job counseling should be strengthened to provide students with a realistic understanding of

the job markets. Instead of promising complete freedom in job selection, educators warn that by the end of the century, the label of "waiting for employment" could exist for college graduates.⁷⁷

⁷⁷See note 74 above.