

## More than eight million graduates from Chinese universities this year

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Short on time? Here are the highlights:

- · China will graduate a record number from its universities this year
- Even as more graduates enter the domestic job market, the economy is cooling and US-China trade tensions are building
- This has left many graduates feeling that it will be more difficult to find a job this year, and more are considering taking a gap year as a result

China's *People's Daily* newspaper reports that the nation's universities graduated more than 8.34 million people in summer 2019, up from 8.2 million in 2018. This record graduation rate reflects the remarkable growth in higher education participation in China over the last 20 years.

The tipping point for enrolment growth in Chinese higher education happened around the year 2000. The gross enrolment ratio was nearly 8% that year, and UNESCO reports that that key metric had surpassed 51% as of 2018. Over that same period, total enrolment in Chinese universities climbed from 7.36 million to more than 44 million. (For comparison's sake, total higher education enrolment in the United States peaked at just over 21 million students in 2011 and has been declining marginally ever since.)

In a media briefing in late 2018, China's Vice Minister of Education Lin Huiqing acknowledged that this year's graduates would face a more challenging and competitive job market, but added, "We have the condition and capability to deal with challenges and difficulties, as the country's economy runs steadily and the business environment keeps improving."

Indeed, a recently updated labour market indicator would seem to back up the vice minister's claim. The China Institute for Employment Research (CIER) index, which seeks to measure supply and demand in the domestic labour market, declined from 1.54 in 2017 to 1.41 in 2018. Put another way, the CIER index calculates that there were still 1.41 employment opportunities for every university graduate as of 2018.

The decline in the index this year reflects that not only are there more degree-holding graduates seeking career opportunities in China, but also that the economy has been cooling somewhat -a trend that will be aggravated further by US-China trade tensions this year.

In a recent statement to CNBC, a spokesperson for China's National Development and Reform Commission confirmed that some companies are scaling back their efforts to recruit Chinese graduates. "Due to (the) impact from the continued increase of China-US economic trade frictions and other uncertainties, recruitment demand for university graduates is tightening in Internet, finance, and other industries...Some companies have postponed their campus recruiting efforts." Meanwhile, the *South China Morning Post* notes that employment concerns are looming larger for graduates: "The number of Chinese graduates will rise 140,000 from last year at the same time as firms struggle to prevent massive lay-offs in a slowing economy, increasing the central government's concern to the point that it formed a special task force under the State Council this month to spearhead efforts to secure employment."

And a survey of more than 88,000 Chinese graduates, conducted in the early months of 2019 by the online job platform Zhaopin, found that nearly nine in ten (88%) felt it would be difficult to find a job this year. Another 8% said they would be willing to take a gap year after graduation (up from 7% who indicated the same in 2018).

For additional background, please see:

- "Further evidence that international students are increasingly prioritising employment outcomes"
- "Chinese study destinations and post-study plans changing this year"
- "Increasing numbers of Chinese graduates returning home from overseas"

https://monitor.icef.com/2019/07/more-than-eight-million-graduates-from-chinese-universities-thisyear/