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Employability and mobility in the valorisation of higher education qualifications: the experiences and reflections of Chinese students and graduates

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Abstract

In the last two decades, we have witnessed a rapid expansion of higher education in Mainland China and Taiwan, recording a significant increase in higher education enrolments in these two Chinese societies. The massification of higher education in China and Taiwan has inevitably resulted in an over-supply of university graduates, with growing social concerns for skill mismatch being found in the labour market, stagnant graduate employment and social mobility. This paper critically examines how university students and graduates in these two Chinese societies reflect upon their employment experiences. Human capital theory predicts that other things being equal, raising participation in higher education will initially increase inequality as rates of return rise, and then it will reduce inequality as expansion reaches mass levels and rates of return decline. If the output of graduates outpaces the demand for their skills, which appears to be the current case in many countries, then supply and demand pressures reduce the pay premium for degrees and lower income inequalities. However, this study clearly demonstrates that the massification and the universalisation of higher education in Mainland China and Taiwan respectively has actually intensified inequality.

Keywords

Employability, valorisation of higher education, 'ant tribe', social mobility

Introduction

In Chinese culture, earning a prestigious college education is the main path for lower-class people to be able to climb up the social ladder, whereas securing employment is the most direct and common manner of preserving autonomy and asserting social status. Thus, from the governance perspective, education and employment are essential for the political mission of the state (Hoffman 2001; Kipnis 2011).

The massification of higher education in Mainland China since the late 1990s has increased college access and generally enhanced the extent of equity and equality in society. Nonetheless, the situation has become significantly more complex as college graduates have faced uncertain futures, especially when China has been producing greater amounts of higher education graduates since 2003 than the labour market can fully absorb (Bai 2006; Chan 2015; Mok and Wu 2016).

The most difficult period of job hunting was in 2013, when nearly seven million new college graduates entered the labour market. Only one-third of them left university with a secured position, and most of these successful job hunters were in precarious employment. With the increasing number of graduates with relatively high skills but low-paying jobs, these educated young people inevitably become a new group of working poor in Chinese metropolises (Wen and Ngok 2011).

Given that they live collectively in a 'village-in-city', a synonym for 'slum' in China, these fresh college graduates have another name: 'the ants' (British Broadcasting Corporation 2012; Fish 2015). 'The ants' – a new social group of higher education graduates with relatively low-paying jobs and disadvantaged social status – are contrary to the attractive 'middle-class dream', which they commonly expected before their graduation. A similar situation can be found in Taiwan, especially given that higher education has reached a universalisation stage where nearly 95 per cent of high school graduates have access to it (Wu 2011). The over-supply of higher education graduates in Taiwan has inevitably resulted in graduate unemployment and employment with stagnant wages (Chan and Lin 2015; The China Post 17 May 2015).

The difficulty faced by university graduates in securing employment after the completion of studies suggests that the returns of education have flattened out and that social mobility has slowed down in these two Chinese societies (Chou 2014; Keng and Lo 2011; Mok and Wu 2016). This study sets out – against the context of the massification of higher education in Mainland China and Taiwan – to critically examine the extent to which university qualifications would enable graduates to compete well in the labour market, particularly when the two Chinese societies have been undergoing significant economic structural transformations and when major employing firms raise the concerns of skill mismatch with higher education graduates (Chou 2014; Mok and Jiang 2015).

In addition, this paper will briefly discuss the salary differences between local university graduates and their counterparts graduating from overseas universities. The analysis of the present study contributes to the broader discussion on the social justice of the massification of higher education and the changing labour market.

Employability and mobility in the valorisation of higher education qualifications

Numerous studies attempt to understand the precarious state of college graduates by examining the effects of the massification of higher education and the changing labour market on their life chances, social mobility, and social equality. Most of these studies are based on the dominant distributive assumption: social justice is the morally proper distribution of social benefits and burdens among society's members (Robertson and Dale 2013). Thus, the fair distribution of direct benefits to students, such as higher education admission, top job attainment, entry-level wage, and eventually upward social mobility (Green and Mok 2013; Jiang and Tam 2015; Lauder 2014) are the main concerns of these studies. Family background and social contacts are two main decisive factors on the inequality of distribution (Bian and Huang 2015; Macmillan, Tyler and Vignoles 2015; Mok and Jiang 2015).

A critical review of the existing literature shows that most approaches to social justice in and through higher education are based on common sense notions of social justice typically assuming a distributive framework, which not only ignores, but also, more importantly, hides and disguises critical institutional analysis of domination and oppression. More specifically, the dominant distributive paradigm 'defines social justice as the morally proper distribution of social benefits and burdens among society's members' (Young 1990: 16). However, this approach is rendered inappropriate when education has failed to serve such a distributive function, especially when social justice is generated and maintained through particular forms of social relations, in particular as they are experienced in the valorisation of higher education knowledge.

More importantly, things have changed in the ever-intensifying, globalised higher education setting, and obtaining a degree is no longer a guarantee of employment, higher earnings, or, most importantly, upward social mobility. The relationship between social mobility and university credentials is being challenged in both developed and emerging economies (Bol and van de Werfhorst 2013). Haveman and Smeeding's (2006) research reveals a growing income-related gap in accessing and being successful in higher education in the United States. In top-tier colleges and universities, almost three-quarters of the entering classes come from the highest socio-economic quartile. The pool of qualified youth is significantly greater than the number admitted and enrolled. The research team at Peking University (Wen 2005) found that students from better family backgrounds account for a large proportion of

the enrolment at China's top-tier universities. Nonetheless, the substantial influence of education on social mobility worldwide has hardly been questioned by politicians. On the contrary, this influence has been strongly promoted. Largely, higher education might bring better job opportunities and higher earnings, at least based on human capital theory. However, research has shown that higher education is less important than family background for enhancing upward social mobility in the globalised and expanding higher education setting (Dobbs and Madgavkar 2014; Keng and Lo 2011).

In addition, previous studies have measured the value of investment in education by estimating the returns to investment at all educational levels. However, scholars have also confirmed that education, even higher education, is not the single most influential factor in the labour market and the upward social mobility of college students. This statement highlights the importance only of social relation in and through higher education. In fact, as one of the most significant social policy changes, the massification of higher education determines not only the distribution of resources but also the differentiation of social relations in society (Ferge 1978; Walker 1984: 31). The paradigm of the distribution or redistribution of higher education inputs and outputs is not sufficient to critically consider the underlying social structures that produce these distributions and outcomes (Robertson and Dale 2013). Extending the analytical scope from distribution to social structure is necessary, achieving a relatively stable pattern of relations among social actors (Laumann and Pappi 1976; Robertson and Dale 2013).

Employability and mobility are two dominant discourses shaping the valorisation of higher education to disadvantaged students (Dale 2015). These discourses, employability in particular, represent 'a critical shift on the fulcrum of responsibility for individuals' futures from objective opportunities in education and labour markets to subjective aspiration and managing the project of the self' (Dale 2015). Most existing studies on the valorisation of knowledge gained in higher education focus on the so-called 'effects of habitus' on the relationships between qualifications and their valorisation. These effects are important, but a distributive paradigm is employed in this study to analyse valorisation, for instance, through the foci on 'graduate premia', that is, the distribution of property or the commodification of knowledge. Unlike employment, employability places responsibility on individuals for their own lifelong learning and career development, elevating a combination of (appropriate) individual employment and (national) economic success as goals of higher education. It also exacerbates the class-based structure of the valorisation of qualifications by the operation of mystique, class differences and forms of social capital in opportunities to valorise their knowledge, marking the transition of authority over the things that count as 'employable' from higher education to the state and employers (Dale 2015).

With reference to the theoretical debates outlined above, this study will be mainly focused on key structures and discourses through which the valorisation of the graduate qualifications of those who were disadvantaged in accessing higher education is framed. With this perspective on the relationships among social class,

higher education, and labour markets, the dominant mechanisms and modes highlighted in studies on the valorisation of qualifications are on employability and mobility. More importantly, ‘class selection’ is present in the same way as access and participation, especially as the latter becomes more ‘open’. As Brown and Scase (2005: 21) rightly argue, ‘a degree becomes the key that unlocks (but does not necessarily open) doors’.

As most existing studies generally begin with an abstract statistical analysis of objective opportunities in education and the labour market, they have given less attention to the individual experiences held by the students and graduates. Based on intensive interviews and focus group discussions, this study critically examines the way students evaluate their employability and social mobility, reflecting critically on the effect of their family backgrounds (in particular their socio-economic status and social networks), together with their institutional affiliations and the status of their institutions, on their employment and social mobility prospects.

Massification of higher education and graduate employment

Believing that increasing higher education enrolment would improve the population’s quality of life and enhance national competitiveness in a globalised world, South Korea, Japan, Taiwan, Hong Kong and China have expanded higher education, using increasingly privatised and marketed strategies to meet the growing demand for higher education (Figure 1).

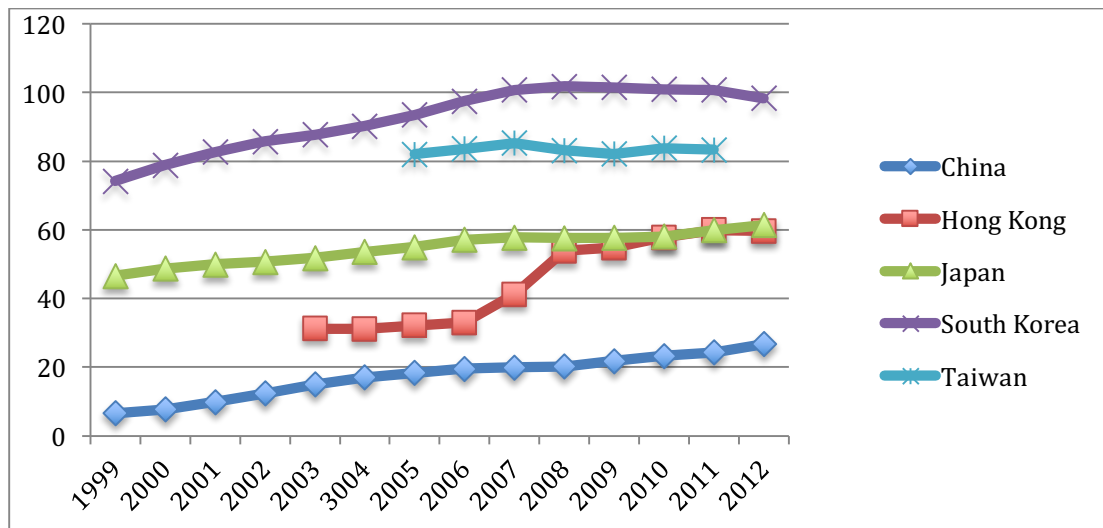


Figure 1. Expansion of higher education in selected Asian countries or areas (1999-2012).

Source: UNESCO Database, <http://data.uis.unesco.org>; Ministry of Education of Taiwan, <http://english.moe.gov.tw/>.

Note: The y-axis refers to gross enrolment ratio. The gross enrolment ratio for counties or areas except Taiwan is the total enrolment in higher education expressed as a percentage of the total population of the five-year age group following the completion of secondary school. The gross enrolment ratio of Taiwan is the number of students in graduate schools and in continuing education divided by demographics corresponding to the students in schools aged at the same education level. It can exceed 100 per cent because of the inclusion of over-aged and under-aged pupils because of early or late entrants and grade repetition.

With the massive expansion of higher education producing significantly more graduates than the labour market can absorb, university graduates have found themselves to be no longer 'stars of the sky'. Instead, many of them must face the cruel reality of becoming the new 'urban working poor', especially when they experience difficulty in securing jobs (Wen and Ngok 2011). Even when they have been able to obtain employment, their salary is unsatisfactorily low, resulting in the social phenomenon of 'high skills but low paying jobs'. Making the situation worse is that graduates face being regarded as over-qualified, with skills and knowledge that do not necessarily fit the changing market needs. Such a social phenomenon happens not only in Asia but also in other parts of the world where university graduates face uncertain employment prospects (Jonbekova 2015; Keng and Lo 2011; Mok and Jiang 2015; Nakazawa 2014).

The average monthly salaries of graduates from junior colleges and universities (in CNY for easy comparison) have not increased substantially in Mainland China because of the 'over-supply' of university graduates in Greater China. By contrast, the salary gap between university graduates and graduates from junior colleges is narrowing as shown in Table 1, whereas graduates from junior colleges in Taiwan enjoy a higher salary level than university graduates. Such a 'reversal trend' in terms of salary level suggests a growing mismatch between educational level or academic qualifications and labour market needs. Most importantly, the relatively slow or 'flattened' growth momentum of salary level for graduate employment reported below also helps explain why most of our respondents do not hold promising views toward graduate employment and upward mobility, as discussed above.

Table 1. Average monthly salaries of graduates from junior colleges and universities (in CNY).

Region	Year	Graduates from junior colleges	Graduates from universities
Pan Pearl River Delta	2011	2698	3325
	2012	2849	3753
	2013	3092	3993
Taiwan	2011	5315 (TWD 26577)	4678 (TWD 23388)
	2012	5344 (TWD 26722)	4746 (TWD 23732)
	2013	5383 (TWD 26915)	4778 (TWD 23890)
Hong Kong	2010/11	10466 (HKD 13083)	12334 (HKD 15417)
	2011/12	11266 (HKD 14083)	12666 (HKD 15833)
	2012/13	12000 (HKD 15000)	13266 (HKD 16583)

Source: *Chinese College Graduates' Employment Annual Report* (MyCOS, 2013, 116-117; 2014, 114-115); University Grant Committee of Hong Kong (<http://www.ugc.edu.hk/>); Ministry of Labour in Taiwan (<http://www.mol.gov.tw/>).

Note: The salaries of graduates from Taiwan and Hong Kong are originally represented in Taiwan dollar and Hong Kong dollar, respectively; the author converted them into CNY. The current exchange rates are 1 HKD ≈ 0.80 CNY and 1 TWD ≈ 0.20 CNY. The graduates in Hong Kong are graduates of full-time University Grant Committee-funded programmes, and self-financed graduates are not included.

Setting out against the wider socio-economic context, this study aims to provide insights into higher education, labour markets, and social class by investigating students' experiences of critical events in their life course, including going to higher education, job seeking, and so on. The role of higher education in social mobility thus needs systematic and comparative research.

Research methods of the study

With particular reference to graduate employment and social mobility, this part of the paper is mainly based on the detailed analysis of in-depth interviews conducted between 2010 to 2011 in Guangzhou and Shenzhen in Southern China, whereas the materials reported from Taiwan are primarily based on intensive interviews and focus group discussions with university students in Chiayi (in the mid-region of the country) and Taipei, the capital of Taiwan, conducted in 2013.

In the studies conducted in Guangzhou and Shenzhen, 44 college graduates were recruited for in-depth interviews by convenience sampling and snowball sampling through the social contacts of classmates and co-workers. Most of them came from developing rural regions and graduated from second-tier colleges. At the time of the interviews, they had graduated from colleges between one to three years ago.

However, none of them had been registered as local residents in Guangzhou and Shenzhen.

Regarding the methods for this research in Taiwan, the authors used their personal and institutional contacts in Chiayi and Taipei. In Taiwan, 1,000 students from selected institutions were asked to participate in an online survey, and the response rate was 39.6 per cent. First, stratified sampling was deployed to select eight universities or colleges from different regions of Taipei. Second, cluster sampling was used to distribute the online questionnaires to college students from various disciplines at the selected institutions through the internal offices of each university or college. With the help of the contacts at National Chiayi University and National Taiwan University, we conducted 10 focus group interviews with seven to eight members in each group in these two cities in 2013. These interviews were drawn from different academic disciplines, especially when respondents voluntarily replied to the invitations to join the online survey about university students' perceptions of graduate employment and social mobility opportunities.

Interviewees in Mainland China and Taiwan are at different but closely related stages of school-to-work transition. The comparison of these two groups of college students and fresh graduates draws a comprehensive view of employability and mobility, between ideal conditions and reality, in the valorisation of higher education qualifications across the Taiwan Strait. On the one hand, both nations share a Chinese cultural aspiration for higher education and have similar patterns of social relations. This similarity implies that through similar forms of social relations, similar states of social justice may be generated and maintained in the valorisation of higher education. On the other hand, a vast territory of Mainland China creates the possibility of long-span mobility for college graduates when seeking jobs. By illustrating the similar and different experiences of students and graduates in employability and mobility, this study examines the relational account of the valorisation of higher education qualifications in Chinese societies.

University students' evaluation of their employability and mobility

Report on Mainland China

Employability and the massification of higher education

Employability becomes crucial for students to obtain employment. Individual employability in the forms of ability, skill, strength, and capability is frequently adopted by interviewees to explain their success and failure in both job seeking and career advancement. However, a higher education degree is no longer a guarantee of employability. The following section will focus on our intensive interviews with university graduates in Guangzhou and Shenzhen. An interviewee with whom we

talked in Guangzhou clearly described the relationship between qualification and employability in his own view:

Qualification credential merely proves that you are capable when you receive the qualification. But qualification credentials are not necessarily equal to working ability to finish the job (Interview conducted in 2011 in Guangzhou).

The emphasis on ability outpaces previously important institutional and structural factors. For example, when asked about the largest obstacles in obtaining a job, he mentioned:

My field of study was a relatively large obstacle as I changed my career. I need to totally rely on myself. Other factors, like degree qualification as well as gender, exert a certain influence, but in the final analysis our field values ones' own skills (Interview conducted in 2011 in Guangzhou).

Another interviewee shared a similar experience of the importance of the ability to gain employment and promotion in a state-owned enterprise (SOE):

My current employer pays more attention to your individual working abilities (rather than qualification and certificates). As a SOE, its staffing is strictly controlled and based on competitive employment. If you are capable, you will be promoted annually. Otherwise, you will be stuck in the current post year after year. The advancement depends on your abilities (Interview conducted in 2010 in Shenzhen).

The emphasis on individual abilities, or employability, suggests that performance and skills-based employment systems have replaced neo-traditionalism in socialist work units (Walder 1986). However, as many studies show, social ties still play a part in graduate employment. Most of the interviewees believed that strengths and social ties are two critical factors for successful employment. One interviewee even valued social ties the most, based on his own experience:

My study subject is the largest obstacle for me to get a job... I feel I just wasted four years on my degree in Geometrics. My boss wouldn't have interviewed me without my friend's connection. No employer would be interested in interviewing you even if you have ability (Interview conducted in 2011 in Guangzhou).

Employability marks the transition of authority over the aspects that count as 'employable' to employers (Dale 2015). If students have diverse social ties and rich social capitals, then they can be in touch with several potential employers who may recognise their employability. These ties are particularly important for students who want to start a career in a new field different from their college subjects.

Spatial mobility and urbanisation

Urban households and metropolitan life are Chinese people's collective aspiration, especially for children and youth in rural areas, because of the urban-rural dual structure and developmental urbanism (Chen 2012; Solinger 1999). Moreover, several institutions, such as household registration, work unit, and personal dossier, rigidly control people crossing the boundary of the rural-urban divide.

The essence of higher education is 'not being confined by borders' (Teichler 2012). Apart from the production and distribution of knowledge and the promotion of employability, higher education is a shortcut of spatial mobility and urbanisation for the rural youth under the household registration system.

Transferring household registration and personal dossier from home to college is an important step for fresh students to complete their registration at their colleges and universities. Fresh students with a poor rural background will have a collective urban household status and will be eligible for city privilege during their study period, which lasts for at least three to four years. The status change and freedom of migration are earned by their academic performance in secondary school and employability of higher education.

One interviewee with a rural background was admitted by Shandong University, which is a national key-point university in Shandong province. Today, he is working at one of the top Chinese real estate companies in Guangzhou. The reason for coming to Guangzhou is 'to take a look at Southern China. I have lived in Northern China for over 20 years since I was born. This is my original motivation. Additionally, I was recruited by the company...The job is the reason why I stay here' (Interview conducted in 2011 in Guangzhou).

Thus, on the one hand, higher education and employment have successfully achieved the 'urbanisation of educated rural youth' by providing spatial mobility and enhancing the graduates' employability in the labour market. This success is in line with the state's considerations of the massification of higher education in elite universities and second-tier colleges to 'boost domestic demand, stimulate consumption, promote economic growth, and relieve employment pressure' (Zhu 1999).

On the other hand, in the process of urbanisation, the individual social ties of students have been restructured. Many of the interviewees expressed a feeling of leading a nomadic life, lacking a sense of home in both their current city and their hometown.

Ants are all gathered round the sugar. We are just the same. We leave our home and village for this city to share a bit of sugar. In order to live a better life, we lead a wandering life...You were born in your hometown. You have many memories about her, and she is the most influential place for you.

However, she is totally different. She is being restructured; other places are being restructured as well. Everything in China is developing so fast. When you come back to Guangzhou, your hometown is changing. When you go back to your hometown, Guangzhou is changing. I don't have a sense of home in Guangzhou because my parents are not here. You may rent an apartment wherever you want, but you won't feel at home. Anyway, there is a home to which you are unable to return. I don't know where it is as well (Interview conducted in 2011 in Guangzhou).

Moreover, these graduates may go back to their rapidly developing hometowns or to other mega cities to seek employment. Thus, when talking about their current household registration status, most of the interviewees replied that they were not registered as local residents after graduation, because they have not decided where to settle down at this stage. These graduates have to maintain their individual flexibility and adaptability to cope with the uncertainties in a fluid modern society (Dale 2015).

Social mobility and employability

On the one hand, spatial mobility from home to university and subsequent class mobility from 'rural peasant' to 'urban employee' provide interviewees' experiences of upward social mobility. They may work as office clerks or salespeople in a better work environment than those of migrant workers without higher education.

On the other hand, the quality of upward mobility and career prospects needs to be carefully examined. In fact, social upward mobility in terms of spatial mobility has individualised graduates' social ties in the host city. Strong ties with family members are sharply decreasing. A defamilisation process is happening, as the family of origin is unable to fully provide social and financial support for graduate students for their lives in the city. The graduates have to earn an income to maintain their lives in the metropolises. Although they have been enrolled in several social protection programmes, as the younger generation, the enrolment in social protection means paying a contribution from their meager salaries instead of gaining a financial benefit from them. Their upward mobility facilitated by higher education represents a move from rural educated youth to urban working poor.

In acquiring upward mobility in the future, social ties and employability are again highlighted by interviewees in this study. They are willing to accept their current low salary employment, with the hope of strengthening social ties and employability. An interviewee working as a human resource assistant at a supermarket chain said:

I have no salary expectation. No matter how much the company gives, I am in a stage of primitive accumulation. I believe university graduates will more easily secure employment if they have the same thinking. We should correctly position ourselves in society, and gain a clear understanding of direction. Then, you find a job at the company that fits into your career, regardless of

salary. You should tell yourself: I may learn plenty of things and strengthen my abilities quickly here. You need to pay tuition fees if you take professional development courses at training institutes. They may not be better than your company. Taking the company as a training course, you will feel much better as you are paid (Interview conducted in 2010 in Shenzhen).

As seen in the responses, to achieve upward mobility, fresh graduates have to keep acquiring new skills and strengthening their employability. In other words, the employability enhancement has become a lifelong project (Dale 2015). The abovementioned observations based on graduates' experiences and reflections clearly demonstrate the notion of 'employability' exacerbating the class-based structure of the valorisation of qualifications, through the operation of mystique, class differences, and forms of social capital in opportunities to valorise. Such findings are supported by Mok and Wu's research regarding university students in Guangzhou perceiving that family background, socio-economic status, social networks, and social capital through inter-generational transfer of such assets would have significant influences on a graduate's employment and social mobility opportunities (Mok and Wu 2016).

Report on Taiwan

Uncertain employment prospects and stagnant wage increase

In our focus group discussions and intensive interviews, our respondents complained to us about stagnant graduate employment and the declining wages for university graduates because of the massive expansion of higher education in Taiwan. One of the interviewees in Taipei said:

Graduate unemployment is the result of the wrong policy being adopted to massively expand higher education. Nowadays, nearly all high school graduates would get access to higher education. The over-supply of university graduates has inevitably led to graduate unemployment in Taiwan (Interview conducted in 2013 in Taipei).

The argument that our respondents put forth is well supported by empirical evidence showing that the Taiwanese government has recently announced that it is going to cut higher education enrolment by 35 per cent because of the decline in population. Huang Wen-ling, Head of the Department of Higher Education of Taiwan Government, openly said that higher education enrolment was expected to begin to fall sharply in 2016. She told the press:

Enrolment in the year 2023 could be 310,000 people less than the figures recorded in 2013, which means a TWD 30 billion (USD 947 million) reduction in tuition revenues...The number of bachelors students in particular is

expected to fall to 182,293 students, a 39.6 per cent drop from 2013's number of 301,820 (Central News Agency, 15 January 2015).

Professor Prudence Chou from National Cheng Chi University, in her recent article in *Taiwan-U.S. Quarterly Analysis*, states that 'an oversupply of university graduates has resulted in a gap between higher education and the job market due to the increasing numbers of students who have difficulties in finding a job in their university discipline' (Chou 2014: 5). According to a survey conducted by Cheng (2010), only a quarter of university graduates in the last five years have found a job related to their college major. According to official statistics, the unemployment rate of university graduates increased from 2.7 per cent in 1993 to 5.84 per cent in 2012. University graduates in Taiwan have experienced a higher unemployment rate compared to other graduates without college degrees because of the industrial restructuring and the economic downturn caused by global economic conditions (as cited in Chou 2014).

During our field interview, another respondent complained about the stagnation of university graduate salaries simply because of an excessive number of graduates from universities, which resulted in high skills with low paying jobs. The respondent stated:

Intending to stabilise graduate employment in the context of the 2008 global financial crisis, the Taiwanese government made a provision of internship opportunities for university graduates with a set salary level. Resulting from this particular set salary level for internships, major employing firms and organisations pitched the salary level of graduate employment for fresh university graduates (Interview conducted in 2013 in Taipei).

Living in a highly competitive world, and with the massification of higher education taking place in the island-state, university students in Taiwan have clear conceptions of employability. All of the interviewees would consider having higher degrees, in particular those graduating from reputable graduate schools of the selected few national universities providing advantages to their graduate employment. One respondent told us:

We are living in a highly competitive graduate employment market and everyone has to find their own way to improve not only their qualifications and credentials, but also their special skills and knowledge sets to differentiate themselves (Interview conducted in 2013 in Taipei).

Similar to Mainland China, Taiwan has also experienced economic downturn as a result of the failure in terms of economic structural changes. In the 1970s and 1980s, Taiwan was regarded as one of the East Asian Tigers with great success in the manufacturing sector and a strong industry. However, the economic restructuring since the 1990s has not been very successful, resulting in the lack of the capacity to generate sufficient jobs for absorbing the massive increase in university graduates.

One of the complaints of our respondents in Taiwan is the mismatch between the labour market needs and the skills and knowledge sets learned from the university. Some students shared with us:

Throughout our university education, we have been taught with theories and academic matters. Because universities seek global status through competition in terms of pure research and publications in scientific journals, we as students find the gap between what we have learned from the classroom and the real world because no sufficient opportunities for practices have been available in the professional world (Interview conducted in 2013 in Taipei).

Some students told us about the importance of internships and other forms of learning through engagement with industry, enterprises, and the social sector, and this statement is within this context. To enhance their employability, many of the students have attempted to search for their own channels to secure internships and professional work-related learning experiences. Students with resources and networks recommended by their families find tapping into such resources easier than those without resources and networks, who need to find their own way of enhancing their employability. In summary, the problem is closely related to the rapid expansion of university education focusing on the conventional academic track without carefully matching the changing labour market needs and university education (Chou 2014).

Differences in socio-economic backgrounds and employability

In discussions with students in Taipei and Chiayi, we have also found that differences in socio-economic backgrounds have an influence on the employability of university graduates. During our conversations with the interviewees, they shared a common view, regardless of whether they are from Chiayi or Taipei, that inequalities are held in place by the structures of employability (and mobility) and the forms of social closure that they continue to uphold. A group of students based in Taipei frankly remarked:

We are graduating soon. However, many of us have already applied for graduate schools at the most reputable national universities like National Taiwan University, National Chengchi University, and National Cheng Kung University simply because obtaining a higher degree and qualifications from these highly ranked universities in Taiwan would give us a better chance for graduate employment (Interview conducted in 2013 in Taipei).

Another group of students from the National Chung Cheng University in Chiayi told us that most of them would like to find a way to enrol in postgraduate programmes at the graduate schools of the most reputable national universities in Taipei. Some of them shared with us candidly:

Despite the fact that the learning experience at National Chung Cheng University in Chiayi area is great, we must be pragmatically rational to try to link with a more preferred university to become their graduates since most of the major employing firms would look for graduates from these selected few national universities. In fact, affiliation with these reputable universities has a significant meaning to us.

Students from the Chiayi area would consider moving to Taipei to embark on either further studies or job seeking as necessary because they do not want to stay in a relatively rural area. Going 'urban' and learning globally is highly important to them. When asked about whether they would consider going out of Taiwan for studies and work, all of the respondents in the Chiayi area shared strong motivations to go to major cities or even overseas for further studies and work if opportunities were available.

However, students based in Taiwan are less enthusiastic to go overseas to embark on studies or search for jobs. To our surprise, only three among 10 students residing and studying in the Taipei area would prefer venturing overseas for studies and work, whereas all 10 students based in the Chiayi area would try their luck if opportunities arose. The reasons accounting for the reluctance of Taipei students going global are closely related to the wealth of their families. Some respondents told us that they are 'Mum's Treasure', which means that they are sufficiently protected by their families. In view of the keener competition, relatively rich resources and assets of the students' families would result in parents finding ways to help them secure employment, offering them relatively comfortable residences and living conditions. Some of them told us that such intergenerational transfer of resources would have created a disincentive for them to move beyond their comfort zones and to go abroad to venture for new opportunities.

Nevertheless, not every family would be able to afford to send their children to study overseas, although some of them are very keen on doing so. Our conversations with respondents in Mainland China and Taiwan also revealed that a tension is emerging between local graduates and returnees who completed their studies abroad, particularly when these two cohorts of graduates have experienced differential treatment when competing for jobs. After the key findings of our interviews with university graduates and students in Mainland China and Taiwan are presented, the following analysis will further examine the graduate employment situation between the two Chinese societies when local graduates have to compete with returnees having completed their study abroad.

Widening income gap between local graduates and returnees

Local university students and graduates are unsatisfied and annoyed because of the growing income gap between locally trained university graduates and returnees graduating from overseas universities. The latter graduates would have better employability and employment packages. Figure 2 below shows the employment

rate of returnees in Mainland China, clearly indicating relatively favorable employment opportunities for them.

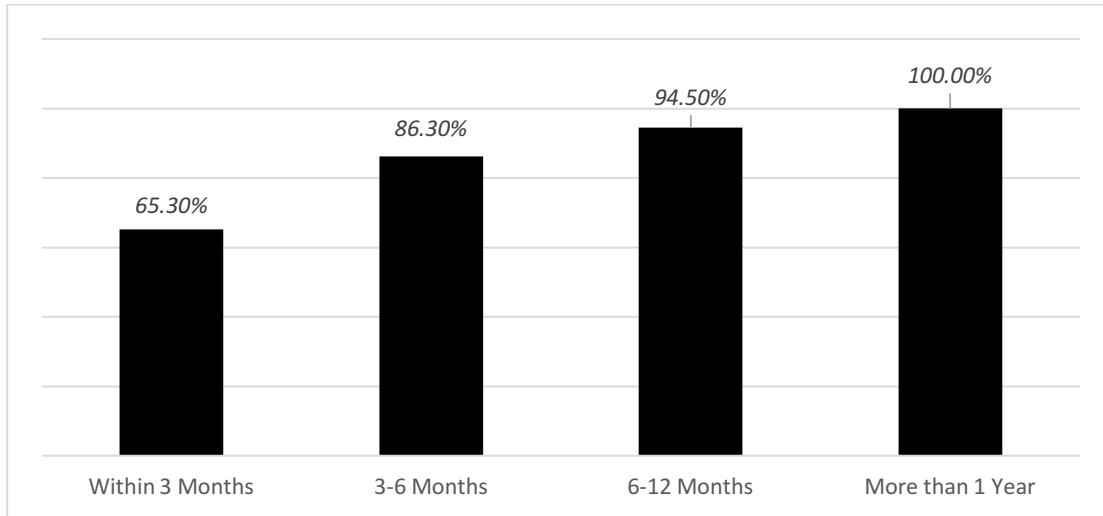


Figure 2. Employment rate of returnees after studying abroad.
Source: White Book of China’s Study Abroad (2015), p. 156.

Whether the returnees would enjoy better remuneration after coming back to China for jobs is unclear. According to the same study conducted by the Oriental Group, the average income according to the number of years on a job is as follows: one year (CNY 83,000), two years (CNY 130,000), and three years (CNY 327,000). The expected return on investment after studying abroad is expected to be the following: five years or more: 49 per cent; four years: 11 per cent; and three years: 18 per cent. Meanwhile, Figure 3 below clearly shows a more favorable employment rate of returnees when compared to that of local graduates.

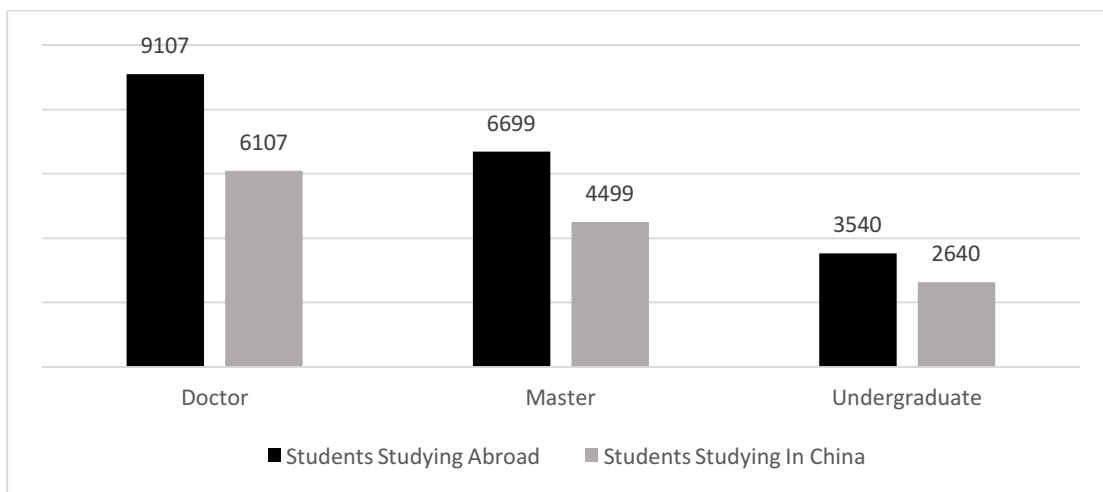


Figure 3. Comparison of starting wages (2013) (CNY/ month).
Source: Journal of Studying Abroad (Liu Xue), <http://edu.sina.com.cn/a/2014-01-24/0957238999.shtml>, retrieved on 15 July 2015.

The above figure further indicates that even the starting wages may not meet some returnees' initial expectations and that the increment and job prospects of returnees are promising. In comparing the wages of returnees with those of the locals, the returnees are definitely in a significantly better position. According to a survey conducted by the Guanghua School of Management, Peking University in 2012, 67.5 per cent of 499 Chinese international students discussing their job preferences were willing to be entrepreneurs, whereas 32.5 per cent of the interviewees expressed their intentions of finding jobs after returning to China (Guanghua School of Management 2012: 17). In view of such interests, the local governments such as Beijing, Shanghai, Zhejiang have also implemented a series of policies, offering generous subsidies and venture capitals to international students and hoping to attract them back to make contributions to the local economy. Until 2015, 112 Overseas Talents Introduction Base (haiwai gaocengci recai yinjin jidi) and 260 Overseas Students Pioneer Park exist with over 17,000 enterprises in China. In the 2012 survey as outlined above, over 60 per cent of the respondents considered that the favorable terms offered by the governments indeed created incentives for them to seriously consider coming back home after studying abroad for work (Guanghua School of Management 2012: 18). Locals are obviously unhappy with the returnees not only because they return from overseas to compete with them for jobs but also because the differential treatments offered to these returnees make them feel unequally treated, although both are university graduates. Similar situations showing that spatial mobility produces inequality in graduate employment are have also been found internationally (Faggian, McCann and Sheppard 2007; Kratz 2011).

Discussion and conclusion

In the analysis of the abovementioned findings – especially of the way university students and graduates perceive employability and spatial or social mobility – the modes of the valorisation of academic credentials, alongside analyses of their production and distribution, and especially the ways that the 'graduate labour market' is as skewed in favor of those with greater social capital and positional goods and the initial selection for university, are crucially important. Our interviews with respondents from Mainland China and Taiwan have clearly indicated that the core of the problem confronting graduate employment is passed on from the massification of access to the valorisation of credentials. Understanding the nature, forms, and consequences of the forms of the valorisation of academic credentials is thus central to any understanding of the conditions of the attainment of greater social justice through education.

Our above analysis has raised an interesting question. Is higher education now contributing to a growing inequality? Human capital theory predicts that other things being equal, raising participation in higher education will initially increase inequality as rates of return rise, and will then reduce inequality as expansion reaches mass levels and rates of return decline. If the output of graduates outpaces the demand for

their skills, which appears to be the current case in many countries, then supply and demand pressures reduce the pay premium for degrees and lower income inequalities (Knight and Sabot 1987). However, this study clearly demonstrates that the massification and the universalisation of higher education in Mainland China and Taiwan respectively may actually intensify inequality. As Lauder (2014) rightly points out, 'education has been fundamentally re-positioned in the 21st century. The polarisation of wealth and the creation of global markets in secondary and higher education has meant that we are beginning to see a fundamental rupture in education which is challenging the aspirations we had for it in the 20th century both in terms of its relationship to the economy and to social mobility'. He continues, 'the relationship of education to the economy, the cornerstone of educational policy, is fundamentally problematic: economies cannot provide the skills or jobs that are central to the education promise. The idea of upward mobility has relatedly been dealt a blow because there is developing a global institutional break between education for the wealthy and the rest. At the same time politicians seek to herd families into an intense positional competition for which there are increasingly fewer "winners"' (3). The cost of not going to college continues to rise (Pew Research Centre 2014). Without higher education qualifications, the youth cannot commodify their ability, and they are not admitted to the global auction of their employability.

In a highly unequal world, particularly one in which the globalised economy has transformed the global labour markets by having high skilled and well-educated labour force with relatively cheaper wages, contemporary society is facing a crisis in education governance framework. According to Robertson and Dale (2013):

education governance frameworks structurally and strategically select particular interests which in turn distribute (more or less unequal) social opportunities and outcomes (and therefore the basic structure). These place responsibilities on those who are particularly advantaged by them (societal interests). It also means that we scrutinize concentrations of power and create new modes of accountability and spaces for representation (politics) within and beyond the national state.

Confronted with such structurally and strategically select interests, many students from relatively lower socio-economic backgrounds have found the conventional distributive framework to be problematic; as such, a dominant distributive paradigm 'defines social justice as the morally proper distribution of social benefits and burdens among society's members' (Young 1990: 16). The educated youth in highly competitive global cities must compete for urban resources, for example, competition for elite education (Lui 2015). Hence, when analysing the relationships between education and social mobility, we cannot rest upon the conventional notion stating that education promotes social equality and social justice because gentrification in most global cities surely raises the issue of class and class inequalities.

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