

China: Shenzhen protest highlights frustration among unemployed graduates

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At a job fair in China's Shenzhen Special Economic Zone on March 19, frustrations boiled over into an angry protest of 6,000 job seekers—mostly college and high school graduates—over the management of the event. A thousand riot police were finally brought in to break up the demonstration, which reflected far wider concerns among young people desperate to find a job.

According to the Hong Kong-based *Mingpao* newspaper, Shenzhen's Gaojiao trade fair centre had promoted the day as an opportunity for graduates to find a job—free of charge. Shenzhen, like other regions in Guangdong province—China's main manufacturing region—is currently facing a relative shortage of labour, especially of skilled workers due to increased demand from employers.

Thousands of job seekers came from all over the country—in some cases from thousands of kilometres—and queued up from early morning for the chance of a job interview. At noon, the fair's management abruptly announced a change in policy—from free entry to a fee of five yuan. The charge was later raised to 50 yuan, the equivalent of several days' wages for an average factory worker.

Companies began to pack up and leave. Concerned that they might not get an interview, some job seekers began criticising the organisers saying they had bought a ticket for nothing. Others who were lucky enough to get into the fair felt tricked as well, saying the employers had taken their resumes without bothering to ask any questions.

By around 1 p.m., a crowd started to gather, demanding a refund and denounced the fair organisers for profitting at their expense. Some sang revolutionary songs and encouraged others to take part. The crowd swelled as sympathetic spectators joined the demonstration.

Around 3,000 blocked the Shennan highway, one of the zone's major routes, causing traffic to bank up for more than 10 kilometres. Initially, local authorities sent 100 security guards but they were unable to bring the situation under control. Eventually several hundred police and 1,000 riot police were called in to break up the demonstration.

Four protest leaders were arrested, but the police were forced to release them within an hour due to concern over continuing tensions. One of those arrested, surnamed Fan, was from Sichuan province. He told the media that the police threatened to detain him for 15 days. He said he had come to the fair because the advertisement claimed it was a golden opportunity to get a job. He bought a ticket but could not get in.

The protest in Shenzhen is an expression of the deepening crisis confronting graduates. With chronic and growing employment and the inflow of millions of rural migrant workers into the cities, a high school education or a university degree is no longer a guarantee for a job.

Two decades ago, the university graduates were part of an educated elite who were automatically given a job in a state-owned enterprise on completion of their degree. But with the introduction of a labour market as part of Beijing's market reforms, the "iron rice bowl"—a guaranteed job as well as housing, health care, a pension and other social services—has ended. Millions of jobs have been destroyed as state-owned enterprises have been restructured, sold off or shut down.

The high cost of a university education excludes many students from working class and rural backgrounds. Those who manage to complete a degree find themselves in a highly competitive labour market of 24 million new urban job seekers each year—not counting rural migrants. A report in the *Zhengzhou*

Wanbao newspaper, on the same day as the Shenzhen protest, noted that nearly half of the applicants at a 5,000-job fair in Henan province for “rural migrant workers” were university students.

According to an official study by the Chinese Academy of Social Sciences, more than 740,000 university graduates failed to find a job last year. Research by Beijing University pointed out that the average entry-level wage for college students has fallen from \$US250 a month in 2003 to \$US200 last year. With three million students graduating from Chinese colleges each year, they form a pool of cheap skilled labour in managerial, engineering and other professions for increasingly “choosy” employers.

In 2000, there were only 459 research scientists and engineers in China per one million of population—one tenth the ratio of the US. Increasingly, however, transnational corporations are investing in research and development in China and exploiting the country’s cheap educated labour.

Nortel, for example, plans to invest \$200 million in R&D in China before 2006. Motorola has 19 R&D facilities and will invest another \$500 million by the end of 2008. Phillip Electronics has 15 R&D centres in China and General Electric has 27 laboratories developing projects ranging from composite-materials to molecular modeling. Similar units exist in car and other industries.

The social position of university graduates is changing. During May-June 1989, the mass anti-government protests in Beijing’s Tienanmen Square and other cities were largely led by sections of college students who were still part of a relatively privileged elite.

Today, however, the division between intellectuals and workers is rapidly disappearing. Known as “intellectual labourers” in China, university graduates are being proletarianised. Like their counterparts around the world, they are wage workers with no job security and low levels of pay. Many cannot find a job.

While most graduates struggle to find a job, the sons and daughters of the ruling elite are guaranteed a privileged existence. They form a significant portion of the thousands of Chinese students, who study overseas, gain foreign citizenship and return to take up well-paid government posts or executive posts in corporations and banks.

The son of Premier Wen Jiabao, for example, studied in the US before becoming the president of Unihub, an internet company he set up in China. Another US graduate, the eldest son of former President Jiang Zemin, has become one of Shanghai’s most powerful entrepreneurs. Former Premier Zhu Rongji’s son graduated from Wisconsin University and now is the CEO of the country’s largest investment bank—China International Capital Corp.

The frustrations among students and graduates find expression in the growing circle of anti-government critics who use the Internet and other channels to voice their ideas. Concerned about the emergence of opposition currents among students, President Hu Jintao late last year ordered campuses to strengthen “political education” or to tighten control of “students’ thinking”. These police state measures in no way address the underlying causes of dissent and can only provoke further opposition.



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