

China's growing army of unemployed graduates

Zac Hambides
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China has a huge number of unemployed college graduates. In July, China's ministry of education revealed that over 25 percent, or roughly 1.5 million of the 6.3 million students who had graduated this year, were unemployed. Of those who graduated last year, 800,000 remained unemployed.

These jobless graduates are part of a wider employment crisis. China's first-ever "White Paper" on employment statistics was released on September 7. Entitled *China's Human Resources*, it reported that the number of registered unemployed is 9.2 million or 4.3 percent of the urban labour force.

A typical case was reported in the *Global Times* on August 24. After graduating in June from a university in Henan Province, Qiao Li had difficulty in finding work, in rural areas or in Beijing where she now lives. "I'm from the countryside," she told the newspaper. "My parents have no wealthy social network of contacts to help me secure a job in my hometown. They tried to ask around to help me, but received no response. There are too many famous universities in Beijing. When we attend interviews, we often meet students from leading universities. Employers prefer to hire them."

According to the state-run *China Daily*, roughly one million graduates live in squalor on the outskirts of China's major cities and commute into the cities to work each day. They have been termed "ant tribes" for their low social status, poor living conditions and frenzied job seeking.

An official report last year found that after years of study, often using up their families' life savings, the average wage of a college graduate was equal to or less than that of a rural migrant labourer, just hovering above the poverty-level income of 1,500 yuan

(\$US224) a month.

There has been a six-fold increase in graduates since 1998, when one million graduated, compared to 6.3 million this year. Until the 1990s, a college education all but guaranteed a job in one of the state-owned enterprises or the state bureaucracy, but this career path has since been destroyed for most new graduates. The civil service, traditionally a large employer of graduates, recruited just over half a million from 2006 to 2009.

In 1998, the ruling Chinese Communist Party (CCP) effectively introduced a "user pays" system for tertiary education, ordering a trebling of university student numbers without adequately increasing government funding. This ultimately led to a dramatic rise in student fees. This expansion of education was bound up with the transformation of China into a cheap labour workshop for global corporations.

Students are now being forced into fierce competition for jobs, with employers quick to capitalise on the resulting desperation. In releasing the employment White Paper, Ministry of Human Resources spokesman Yi Chengji told the media that 12 million jobs will be available this year but that 24 million workers will be entering the workforce, half of them high school or college graduates.

The White Paper has predicted that the urban population will increase to 700 million by 2015, outnumbering the rural population for the first time in the country's history. As a result, urban unemployment is likely to rise. From 2005 to 2009, only 50 million jobs became available in the cities.

Any downturn in China's growth, as a result of the continuing global economic crisis, would result in social and political upheavals. That is the CCP regime's biggest fear, as can be seen in Premier Wen

Jiabao's reply last month to US demands for a faster revaluation of the Chinese currency. Wen warned that a 20-40 percent revaluation would cause large-scale factory closures and "there will be major turbulence in the Chinese society".

The Tiananmen Square protests in May-June 1989 were initiated by students whose demands remained limited to democratic rights under capitalism. Nevertheless, their movement unleashed discontent among urban workers who raised much more radical social and economic demands. The CCP responded by crushing the entire movement with tanks and heavily-armed troops.

Over the past 20 years, the social existence of students and graduates has been transformed. According to the White Paper, 114 million workers are now considered to have "professional knowledge or special skills" as a result of education. Far from becoming a new middle class, these graduates are increasingly finding themselves toiling under the same brutal exploitation as other sections of the working class.

During the May-June strikes this year among automobile and electronics workers, students were involved. The strikes first erupted at the Honda transmission plant in Fushan, where the participants included interns from technical schools working for low wages. One of the workers who recently committed suicide at the giant electronics manufacturer Foxconn was an 18-year-old graduate working during his school break.

This new generation of workers is also in the forefront of China's rapidly expanding use of the Internet and mobile phones. These technologies are being used to organise strikes and protests, and gain access to information and ideas beyond China's borders. According to official statistics, 70 percent of Internet users earn less than 2,000 yuan (\$US298) a month.

The Chinese authorities insist that graduates must accept whatever job they are offered or set up small businesses. However, the latter "option" is largely unrealisable for the vast majority of poverty-stricken graduates who would have exhausted their financial resources paying for their fees. According to a survey

by Soochow University this summer, of the 4,000 student and graduate "entrepreneurs" in eastern Jiangsu province, only 4 percent were able to obtain bank loans. Only 0.2 percent of graduates become self-employed.

This crisis of joblessness is part of a broader global phenomenon. A recent report by the International Labour Organisation found that unemployment among 15-to-24 year-olds rose internationally by 10 percent from 2007 to 2009, and now stands at 81 million worldwide.

The oppressive conditions of the majority of Chinese graduates have raised concerns among the ruling elite in China and internationally about the potential emergence of social and political unrest and ferment that could threaten the country's cheap labour regime.

The US-based *Forbes* magazine warned on September 9: "We certainly should be concerned about poor people from a humanitarian standpoint, but if China starts to suffer from real social instability, it will most likely come from a disenfranchised middle class unable to realise its dreams. From the French Revolution to the Chinese one, most revolutionary leaders have been university-educated, middle-class people who were marginalised by society and had their hopes thwarted."



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