

# China's youth unemployment rate climbs to record high

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Young people are facing an unprecedented jobs crisis in China, amid a sharp economic contraction driven by the global slump and COVID crisis.

Last week the government reported that the world's second largest economy grew by only 0.4 percent year-on-year in the second quarter. In fact, on a quarter-by-quarter basis, the economy contracted by 2.6 percent in the three months to the end of June.

According to the statistics, in June, the unemployment rate of urban youth aged 16 to 24 was as high as 19.3 percent.

Fu Linghui, a spokesman for the National Bureau of Statistics, attributed this to "the young people entering the labour market for the first time, generally facing the predicament of frictional unemployment, and under the influence of the pandemic, the ability of enterprises to create jobs has declined."

This explanation angered many young people who are deeply affected by their predicament. The bureau's statement did not respond to their concerns at all.

According to the statistics, the urban youth unemployment is mainly affecting high school, vocational high school, college and undergraduate graduates. The situation may be worse than officially acknowledged because the bureau's jobless estimate only measures those who have sought employment in a short period of time.

Since 2018, when the bureau began regularly announcing the youth unemployment rate, it has generally shown an upward trend year-by-year. It has now nearly doubled from the 10 percent recorded just four years ago.

The peak rate generally occurs in July and August with the arrival of the graduation season. But this year the rate jumped to 18.2 percent in April and is still rising.

According to the Ministry of Education, there will be 10.76 million university graduates this year, 1.67 million more than in 2021, and a record high in both scale and growth. This will undoubtedly make the unemployment situation even more severe.

Under the heading of "graduates breaking 10 million for the first time," a mocking Weibo post received thousands of likes and comments. "Employment is always better last year, unemployment is always worse next year," it said. "People are becoming more and more 'Involutionised.'"

The word "involution" is mentioned in many other posts and comments. The term has become a buzzword among Chinese youth over the past few years to describe increasingly fierce competition and meagre returns that are disproportionate to the level of competition.

According to a report published by the Chinese recruitment website Qiancheng Wuyou, more than half of undergraduate graduates intend to pursue a master's degree, and of those who are pursuing a master's degree, about 30 percent are considering a doctorate. Such a choice is on the one hand a desire to temporarily escape the pressure of entering the labour market, and on the other hand a response to increasingly fierce competition.

Due to the deteriorating employment environment, more and more young people want to enter more stable large companies and civil service institutions, which leads to higher qualification requirements and discrimination. In May, a piece of news became a hot topic. It reported that "a doctor of nuclear physics who graduated from Peking University successfully obtained a position in a grassroots administrative unit." This at once caused discussion about "involution" on social media.

In this deteriorating economic environment, young employees above a certain age are also more likely to be laid off. Under the topic “Autumn Recruitment,” a Weibo user asked for help. “Unfortunate things happened. I originally received an offer from a company, but the company HR notified me some time ago that my job offer was temporarily dismissed. Now I only receive a small amount of damages.”

In the comments below the post, many young people shared similar experiences. One wrote: “The company terminated the contract a month ago. The most annoying thing is that the company even refused compensation on the grounds that I didn’t officially join. I can’t get rid of my depression now. Trying to contact the tutor to find a way to postpone my graduation.”

At the same time, widespread distrust of manufacturing industries is affecting the employment situation. Despite much official propaganda urging youth to enter industrial jobs, the chronic and pervasive lack of labour rights protection is driving them away.

One comment voiced the distrust of the propaganda machine and the lack of workers’ rights. “If manufacturing jobs are so attractive, ask the children of economic experts to work in factories first,” it suggested.

According to reports, in the past few years, the service industry has been the main source of youth employment, adding to a large “flexible employment” population. By the end of 2021, according to the National Bureau of Statistics, this “flexible” workforce will reach a staggering 200 million people. This data includes “de-organised, part-time” jobs such as courier riders, dispatching/outsourcing workers and self-employed drivers.

This growth was interpreted by state media as “the active choice of young people” and “a brand new employment situation.” Such reports have been met with widespread outrage, that are depicted as “singing at funerals” and intended to glorify grim unemployment and insecure jobs.

While official spokesmen are still trying to paint a brighter picture, the high unemployment, especially among youth, shows the impact of the global crisis on China’s economy. Previously, the government pinned hopes of economic and employment recovery on a rebound of consumption after the pandemic was

contained.

Before COVID-19, the growth of China’s tertiary industry was inseparable from the contribution of private consumption to GDP. However, household consumption has not shown the expected “rebound.”

In addition to the impact of the ongoing pandemic, higher unemployment is reducing overall spending power. Wang Jingwen, a macro researcher at China Minsheng Bank, warned: “If the youth unemployment rate rises further, it may lead to an increase in household precautionary savings, which will put pressure on the entire social consumption and the real estate market. This may lead to social stability problems.”

Dissatisfaction about the economy and jobs is sparking discussions on social media and more broadly at breakneck speed.



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