

Transition from School to Work

Conference Summary
Shanghai Academy of Social Sciences
and Adecco Institute
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About the Adecco Institute

The Adecco Institute, initiated by the Adecco founder Klaus J. Jacobs in 2006, is an independent research body and think tank on the future of work. Based in London, the Adecco Institute is committed to facilitating discussions on the broad topic of work and how work has an impact on society and all of its stakeholders, from politicians and academics to employers, unions and employees. Through primary and secondary research, conferences and events, the institute provides a forward-looking and fact-based perspective on innovative approaches to help raising employability, productivity and employee satisfaction at work. Adecco's worldwide reach enriches the institute's views. With over 6,600 offices in more than 70 countries and territories, and managing a workforce of over four million individuals each year, every day Adecco employees face economic and demographic realities that both challenge and foster clients' business goals.

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About the Shanghai Academy of Social Sciences (SASS)

Founded in 1958 and administered by the Municipal Government of Shanghai, the Shanghai Academy of Social Science (SASS) is China's oldest institution for the humanities and social sciences and is the largest one outside the capital of Beijing. SASS is a leading think-tank and distinguished academic institution in China. SASS receives large parts of its funds from the municipal government, and draws financial support from various non-governmental sources at home and abroad. SASS has 15 institutes and 20 interdisciplinary centers which conduct theoretical research and applied studies in the humanities and social sciences, with a special focus on important issues arising from the current social and economic transformation and the country's continual reform and development. SASS currently has more than 700 employees, of which 465 are research staff.

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Remarks on transition processes in China and Europe

On September 7, 2008, the president of the Shanghai Academy of Social Sciences (SASS), Professor Wang Ronghua, and the chairman of the Adecco Institute (London), Germany's former federal minister of economics and labour Wolfgang Clement, met in Shanghai to sign a cooperative agreement, creating a basis for joint research on labour market issues.

Upon invitation from both institutions, prominent Chinese and European experts met in China's financial metropolis for the first workshop on April 2, 2009, which was a promising start to the first collaboration between one of China's most traditional government research institutes and the think tank of Adecco S.A. (Zurich), the world's largest private-sector human resources and staffing services provider. The conference's topic, chosen by SASS and Adecco Institute experts because of its importance in the combat against unemployment among young people, was "Transition from School to Work".

The most important conclusion drawn by participants from both continents was the absolute necessity, particularly in times of global economic crisis, to continue providing pupils and students with proper, professional training for their future careers and to even intensify these activities. Regardless of the many differences between centrally-planned and market-oriented economic systems, all participants were unanimous: If there is one crisis management tool that provides a sustainable long-term solution, it is investment in training and education.

The current situation is alarming both for the world power in eastern Asia and for the countries of Europe. The global financial crisis and the accompanying loss of jobs is hitting Chinese society, and students in particular, at the worst time imaginable. Driven by China's phenomenal economic growth over recent years and the resulting increase in demand for trained workers, more and more young people are choosing to attend university. According to official government figures, 6.1 million students will graduate from Chinese universities this year, more than six times as many as in 2000. Next year, 7.0 million university graduates are expected, and nearly 7.6 million is estimated for 2011.

Professor Wang summed up the dilemma: there may be a shortage of highly-trained workers, but the vast majority of graduating students do not fulfil the skill requirements and thus will find it increasingly difficult to obtain jobs. Making selective changes to the training offered at schools, universities and within the business world is not sufficient.

Instead, orchestrated efforts must be made by the entire community, with the aim of developing a new training and education policy that involves all actors: politics, industry, schools and universities. Professor Wang made three key demands:

1. Chinese apprenticeship policies that meet international standards;
2. the establishment of an independent university management body run by educators, not bureaucrats; and
3. the tailoring of Chinese university curricula to meet the needs of the economy.

Adecco Institute chairman Wolfgang Clement concurred fully with each of these demands. He explained that throughout his extensive political work as the minister-president of Germany's largest state, North-Rhine Westphalia, and as the German federal minister of economics and labour, his experience has been that young people are the main victims of economic weakness. Throughout the countries of the European Union, the average unemployment rate among 15- to 24-year-olds is twice as high as the overall unemployment rate. Clement explains that the unemployment situation has a "disproportional impact on this age group. They feel the effects of the crisis right at the start of their career."

In light of ongoing talks regarding China's membership in the Organisation for Economic Co-operation and Development (OECD), the appearance of the director for education drew special attention. With her international expertise, Professor Barbara Ischinger (Paris) was able to address the problem of transitions in young people's lives on a global scale. She concentrated on vocational apprenticeships and training and, within this context, congratulated China on promising initiatives that aim to promote practical on-the-job training among educators and apprentices. Yet there is still much to do. Her message, which she called "simple and global" and therefore applicable to all countries, can be condensed into the following points:

- The gap between education and employment must be bridged.
- Therefore, the right skills must be well taught in the right place.
- The "right skills" means skills matching the requirements of the workplace.
- "Well taught" implies that teachers and trainers must be informed about the requirements of the workplace.
- "The right place" means learning, where possible and practical, in the workplace.
- These aims must be pursued even in times of economic crisis.

Notable from a European perspective was the openness with which the Chinese experts not only admitted the weaknesses of their country's current education and training policies but also praised the advantages of European models and tools used for vocational preparation.

Christoph Hilbert, general secretary of the Adecco Institute, made no secret of the fact that Europe has by no means found the ideal educational system, either. The United Kingdom concentrates on providing broad, general qualifications for young talent while accepting the fact that a large number of them will not find a job because they lack the desired professional skills. Although Germany and Denmark may stand out with their elaborate dual vocational training system, apprentices' chances of securing jobs are frequently thwarted by the scarcity of openings – a negative trend that is being exacerbated by the economic crisis.

Having compared the systems in place on the two continents, Ji Guoqiang, vice-president of the Shanghai Academy of Educational Science and a key contributor to the educational concepts laid out in several five-year plans, outlined the only possible path for his country to take: in light of rapid technological and scientific advancements, universities will have to be managed like companies in the future, as platforms both for lifelong learning and – particularly important – for international exchange and cooperation with regard to the educational methods used. Professor Yang Xiong, director of the Institute of Youth and Juvenile Studies at SASS, referred to a study of 600 university graduates from 2008 as he named training, experience and personal initiative as key requirements when conducting one's first job hunt – a list of priorities which European employment market experts corroborate.

Professor Alan C. Neal of Britain's Warwick University, who worked together with the Adecco Institute to analyse the new Chinese labour laws that came into effect at the beginning of 2008, warned against setting hopes on the applicable labour contract laws as a means of combating unemployment, because they mainly have a protective function, even for young employees. The newly-enacted Employment Promotion Law, on the other hand, promotes employment by establishing a statutory framework for vocational training.

One surprising story was that of the Chinese manager of a German a medium-sized German enterprise located in Taicang, a one-hour drive from Shanghai, where production of precision parts for the automotive industry will begin mid-year. Duan Jiangsheng, a 44-year-old engineer, had studied in China before being hired and trained in Germany by Anton Häring Precision Technology in Bubsheim, Baden-Württemberg, four years ago. There he not only learned German and specialist expertise but also, as he emphasised, acquired the German-Swabian mentality, which values punctuality and teamwork in particular. Soon he and a Chinese colleague will be managing the state-of-the-art plant where around forty local specialists – who also underwent a four-year training programme in Germany – will form the core staff of the Taicang facility.

The conference, coordinated by Christoph Hilbert and Axel Schafmeister of the Adecco Institute and Li Yihai, Quan Heng and Wang Shengjia of SASS, is another outcome of the continued cooperation between SASS and the Adecco Institute, and a further step in the joint study of the new Chinese labour contract law, which came into effect in January 2008. Wolfgang Clement has invited Professor Wang and his Chinese colleagues to come to Europe next year for a follow-up meeting on these discussions. There, the findings from Shanghai will be discussed further and, if possible, flow into concrete recommendations. "Everything has to be scrutinised", Clement insisted, "the duties of schools and universities, the responsibility shared by the industry as well as the role of legislation in improving the career prospects of young people."

Summary of the conference contributions

Opening session

A plea for improved exchange between universities and companies

Wolfgang Clement, Chairman of the Adecco Institute and former German federal minister of economics and labour

In a prelude to his opening speech, Wolfgang Clement, chairman of the Adecco Institute, stressed the importance of open discussion between China and Europe. He noted that not all European concepts can be applied in China, but also stated that free and frank exchange, of the kind found between the Adecco Institute and the Shanghai Academy of Social Sciences (SASS), is essential for mutual benefit. Sharing information, experiences, arguments and opinions is just as important as the traffic in goods between China and Europe. He reminded everyone that history has shown that adopting isolationist policies, as the world did during the Great Depression, only leads to turmoil, and that trade barriers can harm citizens. Rather than fall to the temptation of isolation, countries must collaborate.

Clement went on to discuss the importance of taking a proactive approach when combating the unemployment problem today.

He stressed that an environment in which businesses have an abundance of qualified, competitive candidates to hire must be created. He called for immediate action not only to create equality of opportunity but also to promote and protect the interests of youth in every country. Clement suggested that all conference participants, in order to accomplish these goals, analyse their experiences, present their findings and engage in discussions to identify ways to assist society.

During the first question-and-answer session, Clement both provided commentary and presented questions to the conference. He rhetorically asked whether educators know enough about the workplace, and then explained that in Germany, professors fail to keep updated about the economy while teaching in universities. As a result, they cannot help students prepare to meet the needs of potential employers. Clement also criticised the lack of exchange between universities and companies. He believes that universities are hesitant to establish close links with the economy, whereas managers do not seek such links because they do not wish to have internal company issues or problems complicated through the involvement of outsiders. Clement suggested that the young should be trained and taught in the market for at least three years before graduation to aid their transition into work life.

In the second question-and-answer session, Clement addressed the topic of graduates' expectations. He called upon graduates to lower their expectations during their first job hunt, but also stressed that "after that, they should never lower their expectations."

Higher vocational systems needed – with more power to the universities

Wang Ronghua, President of the Shanghai Academy of Social Sciences [SASS] and former vice-chairman of the People's Political Consultative Conference [CPPCC] Shanghai Committee

In his opening remarks, Wang Ronghua, professor and president of the Shanghai Academy of Social Sciences, addressed the grim global financial crisis and its impact on the employment market, on which there is unprecedented pressure: this year, 6.1 million graduates will join a labour market that is currently experiencing a wave of lay-offs affecting migrant workers and other employees.

The increasing number of university graduates, though drastic, has not been unmanageable. According to the Social Blue Book, the average employment rate of university graduates in 2008 was 78 %, and it is higher in certain provinces such as Guangdong.

Nonetheless, policymakers and society at large have to put the unemployment problems of young people on the agenda. The problem, Wang said, is not a new one, and so he asked researchers to look beyond the current symptoms and to explore the causes of unemployment.

Wang continued by identifying several problems that currently affect youth transitions into the labour market. First, he suggested that there is a need to re-evaluate the current educational system's objectives and its policy framework. The aim of an educational system should be the development of well-rounded people who possess relevant skills and qualifications. The exam-oriented education currently found in China stifles the originality of youth; moreover, it seems that universities are no longer able to improve quality of life and quality of character. Professor Wang asked the participants to reflect on whether education should be human-development-oriented or exam-oriented.

In addition to these demands for a reform of the educational system, Wang argued that current curricula programmes are not well linked to the workplace. The programmes do not respond to societal needs; as a result, students may earn high marks on their exams but perform poorly in the workplace. Considering the shortage in supply of skilled workers in the labour market and the surplus of college graduates, Wang suggested that one problem be used to solve the other: by making the education of university students meet the needs of society, the problem of the lack of skilled labour can be tackled.

In China, there are also institutional and regional barriers that prevent graduates from finding jobs. For example, due to the workings and/or requirements of the registration system and social security system, it is difficult for graduates to find jobs in areas where they are not registered locally as residents. This situation impairs their mobility.

Wang also blamed companies for their role in the current problems. Many employers fail to realistically assess their skill requirements, demanding diplomas of workers when they actually do not need them. This has raised the threshold of employment, adding to the difficulties of the labour market. In addition, employers sometimes discriminate on the basis of gender, looks, race or social background.

After offering these criticisms, Wang Ronghua provided several recommendations. He suggested the development of higher vocational systems with educators working on international level this would provide workers with the skills needed to assist in the development of industries in rural and urban areas. As he criticised the universities' curricula, Wang suggested that more power could be given to university authorities, for example by endowing them with the right to hire teachers. In this way, university staffing would improve and the education of students would be enhanced. Wang went on to say that the government also needs to play a part by creating a favourable environment for the employment of graduates and by encouraging students to go to rural areas to improve the allocation of human resources while creating new jobs.

Session 1: University education and student training in China and Europe

Changing concepts of university governance; enhancing the employability of university students

Take a look at characteristics of European education, such as lifelong learning

Ji Guoqiang, Vice-president of the Shanghai Institute of Science and Technology Education; his research focuses on education reform and development and the macro-policies of education

Ji Guoqiang began his presentation by discussing the developments and changes that China has experienced in its adaptation to the global market. In recent decades, China's university education has expanded tremendously, resulting in a diversified tertiary education system. Over years of experimentation and liberalisation, China has worked hard to adapt to the market. The administration of colleges and universities has changed, with local authorities now in charge.

Two key projects for the tertiary sector are the 211 project and the 985 project. Ji explained that the 985 project aims to increase the competitiveness of the Chinese tertiary education sector, so that China as a whole can compete at the international level. He believes that the Chinese tertiary education system is not advanced enough to meet societal needs nor the needs of global competition. Two reasons accounting for the inadequacies are a lack of talent and improper management structures. Ji therefore looked to Western nations to seek better examples of educational systems.

Ji noted that because the European Union has made it a priority to prepare students for the fierce competition of the global market, Europe has many strong, competitive universities and colleges. There is an efficient allocation of teaching resources in these systems, and education ministers have recently issued a declaration aimed at improving the governance and strengths of the tertiary education sector. Some of the strengths of the European education system are the European Union's emphasis on vocational training to aid transition, the compatibility of education systems across the European Union, and the encouragement of lifelong learning. To prepare their students for the labour market and to promote employability, many European countries emphasise flexibility and adaptability.

The Chinese system, on the other hand, is quite different. Unlike their European counterparts, who stress training in specific skills, the Chinese emphasise a comprehensive education, perhaps in anticipation of economic and social developments that could lead to job shifts. Recently, Chinese universities have started to pay more attention to curriculum development in an effort to establish unique features; however, the problem has only changed from a shortage in the supply of education to a shortage in the supply of quality education. A quality education requires skilled teachers and adequate, up-to-date books, equipment and facilities.

To respond to these challenges, Ji Guoqiang offered three recommendations. First, the function of universities must be developed and redefined to enable them to play a role in lifelong learning. The Chinese education system should adopt certain European characteristics, such as increased flexibility in the selection of courses, transferability of credits between different universities, increased educational resources and the inclusion of more adults. Second, knowledge structures must be transformed to meet the needs of society. This effort would involve reforming the curriculum structure, and possibly creating partnerships between universities and companies in order to encourage innovation. Finally, Ji suggested strengthening international educational cooperation and exchanges as well as optimising the curriculum structure in order to achieve mutual recognition of diplomas in different countries.

Transition from school to work: Lessons from European studies for improved cooperation with China

The personal qualities of the individual are not enough – the individual's social capital is just as important for the labour market

Jean-Charles Lagree, Charge of the Mission for the Department of Humanities and Social Sciences, National Center for Scientific Research [Centre National de la Recherche Scientifique – CNRS], France

Sociologist Dr. Jean-Charles Lagree contributed insights from the perspective of his discipline. He reminded the participants that the question of how to provide assistance in transitions is not a new one, as sociologists have long studied how people grow up and become adults in a society. However, many sociologists have neglected the question of transitions to work, particularly during times when job scarcity was not an issue.

Lagree pointed out that work-related topics and questions arise during times of economic crisis – one historical example being the economic crisis of 1972. Sociologists have identified certain trends occurring in the transition from school to work and adulthood. These patterns are shaped and change over time as the needs and patterns of society also change.

There are three major stages to adulthood: the first, from age 16 to 18; stage two from age 18 to 22; and stage three from age 22 to 25. By the age of 25, society deems the person an adult, which implies that he or she has settled down somewhat, has a job, has a partner and is autonomous in his or her own household. Recent and ongoing changes in society, however, can make this difficult: many 25-year-olds are not settled in a job because of difficulties finding employment.

Dr. Lagree explained that the high level of expectations among graduates contributes to the problem. These expectations may be a result of the system in which the students are embedded; it imposes two social expectations upon students, the first being that because one has earned a degree, one will have an esteemed and well-paying position in the market. Though this expectation was realistic thirty years ago, it no longer is today. Second, the system demands that the transition from school to work be immediate, but this, too, is no longer realistic. The extended transition period is partially attributable to the fact that companies need time to assess the value of the diploma, as the criteria set forth by schools are not adequate.

The market bases its evaluation of potential employees on two factors: personal qualities of the individual and the individual's social capital, such as guanxi connections.

In addition, Lagree believes that the idea of “young people” is too broad a category. The difficulties that an adolescent faces in his or her transition to work life depend in part on his or her class, origin, gender and generation. Each individual enters into competition against others experiencing the same transition, and each individual has his or her own advantages and disadvantages with respect to that transition. Therefore, during any assessment a young person's background must be kept in mind. For example, society has different expectations of women than of men. When women marry, they often leave the labour market for a while to have children; when they return, they oftentimes have lost their competitive edge.

In his conclusion, Dr. Lagree stated that the main solution should be the development of the third-sector economy and a focus on knowledge and technology as the basis for that development.

Transition from school to work: European approaches to integrating young people

Well-developed, practice-oriented education systems and apprenticeships for the young can help solve the structural problem, not minimum wages

Christoph Hilbert, Research director and general secretary,
Adecco Institute

Dr. Christoph Hilbert structured his presentation into three sections: first, he highlighted empirical facts about the youth labour market in Europe. He then gave an overview of transition patterns and integration paths for young people in selected European countries, and concluded with some policy recommendations. He emphasised the relevance of the topic for society overall. In an economy with a high demand for skilled work, and which requires an increasingly long working life, unemployment can permanently damage young people's employability. Although the debates on minimum wages frequently involve arguments about a trade-off between the employment of older workers and employment of the young, this approach does not take us much further in solving the real structural problem.

Hilbert also underscored that, while the precondition for a successful transition from school to work is a sufficient supply of jobs, another important factor is that the skills and knowledge provided by the young match these jobs' requirements. If these two conditions are met, graduates will be able to quickly enter the workforce and overcome their biggest disadvantage in the labour market – their lack of experience.

Hilbert described three types of typical school-to-work transition systems in Europe. The first are countries with an overall low level of educational attainment, such as Italy and Spain, where performance in labour market integration is low. Whereas Spain has taken great effort to invest in higher levels of education, Italy has made no substantial effort to improve. The second group, which includes countries such as the United Kingdom and France, teaches general qualifications in their educational systems and provides practical experience after school; however, there is a lack of integration of practical and theoretical experience. The final group, represented, for example, by Germany and Switzerland, has an extensive vocational training system. Germany, for example, has a dual system in which students split the days in the week between classes and work. Apprenticeships, Hilbert explained, have been an effective tool for the integration of youth into the labour market in the past; however, the system is not infallible, and some people drop out.

As conclusion, Hilbert presented five facts about the labour market for youth, and pointed to ways to solve the problem of youth unemployment. First, there is no trade-off between employment opportunities for the old and those for young people entering the market. Second, unemployment among young people is significant in all European countries and is highly dependent on gross domestic product (GDP). Third, the impact of minimum wages on efficiency is relatively small in a labour market characterised by the need for qualifications and skills. Fourth, systems generating low levels of education fail to provide effective labour market integration, whereas well-structured approaches provide smoother transitions. Finally, countries with high levels of education provide resources and jobs for those people who complete their education successfully.

Patterns in university students' first employment and the factors influencing it

More self-motivation and self-sufficiency – less expectations for one's first job

Yang Xiong, Director, Institute of Youth and Juvenile Studies, SASS

Yang Xiong, the director of the Institute of Youth and Juvenile Studies in SASS, opened his presentation with an overview of the recent history of China's educational system. Formerly faced with difficulties in creating a university student population large enough to meet the labour market's demands, China now has such a high output of graduates that they are encountering problems in finding employment. In the past ten years alone, the number of university students has increased fourfold, whereas the employment rate has dropped by 23.7%. In 1985, the Chinese labour market underwent a historic shift: before that year, university graduates were assigned their jobs; afterwards, China switched to a market-oriented distribution of resources, in which students were free to attend university but also had to find jobs on their own. As a consequence, Yang suggested, the problem has switched from "entrance" to "employment".

Yang identified three key sources of problems: the structure of schools, the transitioning period and the employment market. He pointed out that the number of graduates per year is similar to that in the United States, and that there therefore should not be a surplus issue.

Western provinces in China hope that college graduates will settle in them; the graduates, however, prefer to stay in coastal cities where wages are higher, which creates a surplus of graduates in urban areas and coastal cities and immense competition for the jobs that are available. Meanwhile, in the western regions, companies are struggling to fill vacancies. The imbalance in the labour market is quite considerable.

China has already implemented a number of initiatives to combat these problems. One initiative, dubbed the "New Wave of Going to the Countryside", provides government incentives for graduates willing to settle in the western provinces for a fixed period of time. In a second initiative, students who are the only child in their family are encouraged to replace one of their parents in their job; this forces earlier retirement for employees and provides employment opportunities for the young.

A third initiative calls for the creation of internships in small and medium enterprises and social organisations. College students also have been encouraged to start their own businesses. Professor Yang spoke out against this campaign, arguing that graduates lack the necessary experience, social connections and psychological mindset to establish a successful business venture.

In his research, Yang analyses the factors influencing the employment of graduates. His initial findings show that the expectations of students are shifting. Students are accepting jobs in the private sector instead of in state-owned enterprises, and they have discovered the importance of social capital in obtaining a job. The methods that graduates use to find open positions have also changed. It is now very common for college students to rely on the Internet to find jobs. Yang also conducted a number of surveys. In one of them, over 90 % of the students questioned agreed that internships are an important way to gain practical experience while entering the job market. Another survey showed a correlation between academic performance and jobs: surprisingly, students with average academic performance were the first to find jobs. Yang suspects that the expectations of these students are lower, and that they therefore accept job offers more quickly.

Drawing from his research and surveys, Yang gave a number of recommendations: graduates should have a strong sense of motivation and self-sufficiency, there should be career guidance staff at schools, and students should lower their expectations for their initial job.

Summaries of the session

Countries must raise the quality of higher education, not just the number of students

Barbara Ischinger, Director for Education for the Organisation for Economic Co-operation and Development [OECD], Paris

Dr. Barbara Ischinger was the first discussant following the first session. Her response to each presentation drew from her experience in the OECD and as a member of the European community.

Dr. Ischinger reaffirmed the idea that, following decades of expansion in the number of college graduates in many countries, the quality of the education offered to students must be raised. The OECD countries have made good progress in investment in research and innovation, but have not been devoting enough attention to improving teaching. This need raises concerns about how to invest more effectively and how to monitor successes and achievements in learning in higher education.

Universities are sometimes criticised for lack of relevance in their curricula offerings, Dr. Ischinger said; nevertheless, a fundamental point still needs to be stressed: not all universities can be the same. Each needs to develop its own identity and mission in an increasingly competitive market, for they cannot all hope to be able to cover all levels and fields of work well. Some will focus more heavily on fundamental research, whereas others will do more to encourage practical support for local businesses and industry. To form an identity and mission, universities in many countries must be given more autonomy, as well as appropriate incentives. This approach raises governance issues because it also implicitly requires a structure for accountability.

The speakers in the first session praised the use of internships as a means to introduce youth to the market, but Dr. Ischinger took a cautious approach. She noted that there has been some concern about the creation of an “internship generation” – young people who have had a succession of internships but who are not getting permanent jobs. The role of internships is very valuable: it can be an excellent link in creating networks in the private sector, in helping companies with recruitment and in giving young people practical experience; but it must not be abused.

Dr. Ischinger also called for people to look at the longer-term trends emerging in society. One predictable trend was the gradual disappearance of routine manual work. One less predictable trend was the gradual disappearance of routine cognitive work. If students pursue careers in these areas, they will find it more difficult to find a job, as there are fewer and fewer of them each year.

Take a close look at statistics: only 70 % of graduates want to start working immediately

Wang Xiping, Director, Student Office of Shanghai Education Committee

Wang Xiping added a further dimension to the discussion by drawing attention to the discrepancies in statistics and data. According to Wang, statistical data must be regarded with care because there are discrepancies in data collection methods. Wang reminded the participants that some graduates do not want to enter the job market but instead continue pursuing an education. A survey in 2009 showed that 70 % of graduates wanted to immediately commence a career, 16 % wanted to pursue their studies and become MA or Ph.D. students, and some wished to go abroad. Therefore, further surveys need to be conducted to accurately analyse students’ expectations and needs.

In their job search, students need access to accurate information about the job market. According to a survey and an earlier presentation by Yang Xiong, students utilise multiple channels of information, such as job fairs, relatives, friends, internships and the Internet. In Shanghai and other cities, there is a central register of job vacancies.

Some 40 % of graduating students have obtained jobs through job fairs; another 40 % learned about job openings through channels like the job vacancies record. Regular information sessions conducted at universities represent another source of information. At these weekly sessions, there are also discussions about ways to solve graduates' employment problems.

Several measures have already been put in place to combat youth unemployment. One is to encourage entrepreneurship by improving the vocational training systems and preparing students for the struggles that they might encounter when starting a business. In another campaign, students are shown alternative pathways, such as a career in social services or in a rural area.

Session 2: Transition from school to work in China and Europe and its susceptibility to volatile market forces

Learning for jobs: The OECD review of vocational education and training

Right skills, well taught, in the right place

Barbara Ischinger, Director for Education for the Organisation for Economic Co-operation and Development, Paris

Dr. Barbara Ischinger argued that to tackle the problem of youth unemployment, we must have the right skills, taught well, in the right place. Dr. Ischinger then set out the steps necessary to achieve such a goal.

By the right skills, Dr. Ischinger said that she meant the right mix of provision in vocational training. An appropriate number of people should be in each career field, as determined by the needs of society. To achieve the right skills, students should be able to have some choice over their own course of studies; nonetheless, public provision of education and training also needs to take account of learning for jobs. This provision, moreover, must be tied to world-class training. These skills must be taught well. Therefore, teachers need to have familiarity with modern industry. To facilitate this experience, workers can work as part-time trainers and teachers in colleges, and teachers can spend regular periods of time in industry to update their experience, which will benefit their teaching in the classroom.

Industries, however, have the mirror/image problem: their supervisors do not know enough about how to teach. The OECD has suggested mandatory training for workplace supervisors of apprentices and trainees.

All of this must be accomplished in the right place, which is often the workplace. Schools and companies should bring learning into the workplace and make use of workplace training. Advantages of this approach include the creation of a strong learning environment with modern equipment and real-world problems, and improvements in the transition to the labour market through employers and employees getting to know each other while contributing to the output of a training firm.

From school to work: The Chinese approach and main characteristics

Qualified graduates are needed not only in urban regions and in the tertiary sector, but also in the western regions

Lu Xiaowen, Professor, deputy director of the Institute of Sociology in SASS

In his presentation, Lu Xiaowen focused on the relationship between graduates and the economy and factors influencing it. He began by recalling that Chinese economic development had started in a planned economic system in which, upon graduation, students returned to their hometowns and were assigned jobs. Reforms have changed these policies, and students now find jobs on their own.

Since the Cultural Revolution, economic sectors such as finance and real estate have grown from scratch or from an extremely rudimentary level. With their fast growth, a large number of job opportunities were available for graduating students. These job opportunities were spread throughout different sectors of the economy. The state-owned enterprises used to hire the greatest number of graduates, but that number has gradually declined. As the state-owned sector began its decline, companies in the private sector – which include companies set up by Hong Kong, Taiwan and overseas investors – experienced tremendous growth. This sector is attracting a growing number of students because more opportunities and higher wages are offered. According to a survey by Wuhan University, most graduates would prefer to pursue a career in foreign trade companies, large state-owned enterprises, public agencies, government departments or the financial sector.

As China's employment structure changed, so did its social structure. The reforms led to segregation between rural and urban areas, as newly-graduated students tend to favour the jobs offered in urban areas as opposed to those offered in rural areas. There also has been a shift in the attitude towards graduates. In the past, graduates were in high demand, which exceeded the supply, but since around 2000, there has been a surplus of graduates.

Lu does not entirely attribute the employment problem to the financial crisis; he also considers it to be a side effect of drastic industrial restructuring and development. The tertiary sector has seen a saturation of graduate student employees, and the coastal regions are overflowing with unemployed youth. Lu stressed that graduates need to lower their expectations and consider moving to the western regions to look for employment.

Studies on the reasons and countermeasures of the employment difficulties of university students

Already 4.0 million unemployed graduates, and an additional 6.1 million this year: universities are forgetting to develop the right people for the workforce

Professor Zhou Haiwang, Deputy director of the Institute of Demographics and Development of SASS

Zhou Haiwang at first put the problem of youth unemployment into perspective by examining some statistics. He noted that most students graduating in 2009 were born in 1986, which was a baby-boom period. Over 24 million babies were born around 1986, and the boom continued until the 1990s. This is a contributing factor to the surplus number of college graduates, which will amount to roughly six million this year. Zhou Haiwang concluded that the surplus of graduates is not only a long-term trend but also a result of social trends from the past.

The economy currently does not have a demand for the abundant number of graduates seeking employment, probably because the current recession has brought economic growth to a halt. Usually, at this time of year employers visit college campuses and attempt to recruit new employees. However, they are staying away this year, and many businesses are even laying off staff. The employment situation is grim for many people: more than 40 million migrant workers have lost their jobs, and in urban areas, 20 million citizens are also looking for employment.

This comes to a total of roughly 60 million people who are unemployed due to the slow creation of job opportunities. The situation becomes even more daunting if one adds the 6.1 million newly graduated students and 4.0 million graduates already looking for jobs. Having presented these shocking figures, Zhou called for an examination of the university education system.

A look at statistics reveals that there is an imbalance between and no optimal allocation of students and educators. The number of university students has in recent years increased by 3.55 % each year, whereas the number of teaching staff has increased by only 0.11 %. The balance between students and teachers is no longer optimal, and the problem continues to get worse. Whereas in university courses such as philosophy and history there are still excellent teacher-to-student ratios, on the other hand, in management studies the ratio is now 1:31, and in economics there is only one teacher for every forty students. Not only the growing number of students represents a problem; there are also concerns about the decreasing quality of education. The curricula in schools do not reflect today's social needs; as a result, there is a shortage of competent, skilled workers.

There is also a problem with the graduates themselves. First, there are too many students in the coastal regions. For example, 60 % of students in Shanghai come from other provinces, and 80 % of them hope to stay in Shanghai after they graduate because of the higher salaries and better jobs in multinational corporations. Second, college graduates tend to look down on blue-collar jobs, thereby severely limiting themselves in their choice of jobs and increasing the competition for white-collar jobs.

Zhou believes that universities tend to forget that their mission is to develop people, not just to do research. College administrators and professors are so preoccupied with designing curricula around certain educational projects and research that they lose sight of the fact that their students will enter the workforce after graduation and thus need adequate preparation for working life. Tertiary schools are also highly concerned about the assessments that they receive from the ministry of education, and at times neglect issues of human development.

Skill development – culture and mentality matters

Training of Chinese employees in Germany makes them the most treasured asset of the company

Jiansheng Duan, Managing director of Anton Häring Precision Technology¹ in Taicang, China

Duan Jiansheng presented a unique case study to the conference. He discussed the Anton Häring Academy and its role as an example for the employment market. The German-funded company, Anton Häring started operations in the 1960s, beginning with simple processing jobs. The company gradually redefined its profile and began to focus on precision technology, making it one of the top auto-parts suppliers in the world, with products including airbags, braking systems and oil ejection parts. The company's output sales volume is about 155 million euros (roughly 1.4 billion RMB), and it boasts a staff of 1,400 people.

Anton Häring noticed the special situation in the Chinese job market, with its surplus of low-qualified graduates. When advertising vacancies, the company received many applications, but few from people meeting the skill requirements. Because Häring managers could not find qualified staff, the company established its own training programme. Students are offered the opportunity to go to vocational training sites where they will be equipped with the skills necessary to do advanced blue-collar work. There is another training programme for employees who are advanced academically but possess little practical experience. Eligible employees are sent to Germany to learn about high-precision instruments and facilities. Häring believes that everyone needs to engage in further training and lifelong learning while employed by the company.

One component of Häring's training programmes is to have employees learn about German culture, for example by learning German and English. In this way, employees improve not only their linguistic proficiencies but also their cultural knowledge. Häring maintains that employees are the most treasured assets of a company, and training programmes are an effective method to increase the value of those assets.

¹ www.anton-haering.de

Summaries of the session

Do not be afraid of the current surplus of graduates: there will be a new wave of employment opportunities

Quan Heng, Professor and director of research coordination in SASS

In his summary, Quan Heng agreed with Dr. Barbara Ischinger, but took issue with Lu Xiaowen, who – according to Quan – concluded that China’s industrial restructuring and rapid growth rate are largely over, suggesting that fewer employment opportunities will be created in the future. Quan argued to the contrary, reminding the participants that the manufacturing sector takes up 49 % of overall GDP, whereas the service sector contributes only roughly 30 %, and not even half of the GDP in Shanghai. Therefore, Quan believes that restructuring the service sector can create a new wave of opportunities for employment.

Quan further expressed his belief that the current surplus of graduates is a structural one. Whereas in some sectors there is indeed a surplus of applications, other sectors are struggling to find staff. There are also vast regional differences: coastal areas attract high numbers of graduates even though there are not enough jobs, but the situation in the western provinces is the exact reverse.

Graduates need to engage in different learning styles and subjects; classroom knowledge is not sufficient

Xu Zhong, Marketing director of FESCO, the largest staffing company in China

Xu Zhong presented his company’s approach to the conference. FESCO provides consultation to over ten thousand firms and has recommended over 350,000 staff to those companies.

Recently, FESCO began implementing a plan called “4x1000”. As part of this strategy, one thousand unemployed graduates were trained in language, composition writing, business writing and interviewing skills. This training programme has helped most of the people involved to find employment. A second group of one thousand people was placed into internships to give them practical experiences and facilitate exchange between students and companies. In some cases, companies decided to permanently hire their interns.

A third group of one thousand was immediately placed into employed in a company and the last group of one thousand were hired as temporary staff.

Xu Zhong called upon students to engage in different learning styles and subjects from those provided in the classroom; he referred to a survey showing that 60% of graduates work in an area other than their major. Thus, students should broaden their learning and aim for comprehensive exposure to different disciplines. Furthermore, he asked students to take advantage of internships and vocational training, which will provide them with valuable practical knowledge in addition to the theoretical knowledge gained in the classroom.

The gap between school and work is too great – a plea for more internships

Zheng Dongliang, Deputy director, Labour Science Research Institute, Ministry of Labour and Social Security of the People's Republic of China

Zheng Dongliang helped consolidate and reiterate the problems presented by the previous speakers. There was a focus on two problems: the gap between education and work, and labour contracts. He applauded the analysis presented by Dr Barbara Ischinger and the "4x1000" initiative presented by Xu Zhong, and how these topics related to the transition problems faced by graduates. With regard to finding employment, Zheng Dongliang agreed that internships are an effective way to create opportunities.

Zheng Dongliang went on to discuss the flaws in the employment and educational systems. Graduates and employers should establish better connections with each other, as cooperation is necessary for both of them. In the past, only one-tenth of students went to college, but this number has increased drastically to one-quarter. Despite the changes in educational paths chosen by young people, there is still a great demand for blue-collar work. The mismatch in supply and demand must be addressed, and China needs to learn to make long-term structural changes rather than only consider short-term effects.

Session 3: Laws and employment protection: How to ensure better employment protection without depriving the young of employment opportunities

Laws and employment protection

Labour law does not contribute in a direct way to increased employment. But if we look beyond that, to the end of the recession, new labour law offers important benefits to companies – such as social stability and the future stability of employment relationships

Alan C. Neal, Director, Employment Law Research Unit,
University of Warwick

Alan Neal, professor of law and director of the Employment Law Research Unit at the University of Warwick, discussed the roles of labour laws and employment promotion laws, and the differences between them. Labour laws, such as the 1994 labour law in China, are models of individual protection for workers and in general view workers as the weaker party in the market relationship. Employment promotion laws, on the other hand, set out frameworks for action but do not provide specific rights or sanctions.

Neal proceeded by going into more depth on labour laws, which lay down rules for the payment of wages, the termination of employment relationships, working conditions and safety at work. Employers, politicians and business lobbyists frequently maintain, in their critique of labour laws, that when the economy struggles, labour laws are an obstacle that only increase labour costs. In Europe, labour law protections reflect the standards set by the International Labour Organization. In China, labour laws only started emerging in 1986, although initial steps in that direction were made in 1978, at the beginning of the reforms.

During times of recession, proposals to repeal, suspend or limit existing labour laws become common. In response to such calls, Professor Neal argued that labour laws ensure social stability and the future stability of employment relationships, and are therefore an asset to companies and firms, particularly when recessions come to an end. Another common proposal is the exclusion of certain groups from labour laws, such as young people or those who have lost jobs. Once again, Neal argued that these laws are put in place permanently and will benefit companies during periods of growth.

Employment promotion laws establish a sound framework for taking policy actions, provide justifications and legal authority to raise money, and establish resources to pay for these policies. However, they are limited in power to words, not actions. They provide no detailed course of action and do not specify means to fund new programmes.

Professor Neal provided general advice for examining laws promoting the labour market. He said that traditional labour laws are not designed to create more jobs, and at best can provide limited relief regarding the entrance of youth into the market. Employment protection laws are what he calls “creatures of good economic times”, which is to say that they are best suited for periods of growth. Both types of law change on the basis of the needs of the political realm, not the social realm. For both types of law, there is no evidence of a direct contribution to maintaining jobs or increasing the level of employment. He concluded that labour market policies are not adequate to significantly ease the transition from school to work.

The employment of youth: Do we need to provide more jobs or to improve human resources?

Recommends third-party mediation like NGOs and trade unions for handling disputes

Zhou Guoliang, Deputy director of the Labour Disputes Arbitration Office in Shanghai

Zhou Guoliang provided further insights into the topic of legal aspects of youth unemployment. Zhou first discussed provisions in Chinese law that can aid young people. Specifically, the law provides protection in three areas: equal salary for equal work, provisions on anti-discrimination against young people, and special protection for women. In addition to these laws, the government has taken several measures to alleviate the problem of youth unemployment during the global economic crisis. The government has created more job openings in the public sector, encourages internships and offers support to graduates establishing new businesses. Unfortunately, these measures are problematic. Many jobs in the public sector do not provide cumulative value; in jobs such as street cleaning, for instance, experience does not matter, and an employee working in such a position for too long is less employable in other areas. Internships can be difficult to establish when minimum salary requirements make the cost for companies quite high. Lastly, graduates who wish to start their own business are faced with low costs and low success rates.

China's unique background adds a further dimension to the unemployment problem. For example, the inverted family structure created by the One Child Policy complicates the situation, because entire families rely on one child to support them. On a positive note, the policy will lead to a shrinking supply of labour in the future, which might alleviate the issue of a surplus in graduates. Additionally, China has a unique industrial structure. In many industrialised countries, companies face challenges when dealing with young employees because these employees lack experience. In China, there are similar problems when dealing with both young and old employees because, due to the rapid development, old employees lack experience with new technologies.

Zhou Guoliang went on to raise several important issues. Do young people face special difficulties, and do they therefore deserve special protection? Zhou warned that short-term solutions to youth unemployment must be carried out in conjunction with long-term career development. Though employing youth in the public sector will solve the short-term issue, in the long term their employability might be harmed.

Young people are faced with distinct problems when disputes in the workplace arise and they seek forms of arbitration. Most issues brought to the attention of Zhou's office are raised by employees under the age of 30. How can these young people be protected effectively, keeping in mind that if they bring a case to court, it may have a negative impact on their career development?

As way of conclusion, Zhou recommended including labour law education in university curricula, improving the work ethics of young people and involving third-party mediation to handle disputes (such as NGOs and trade unions).

The need for laws in the promotion of university students' employment

China must break the government's monopoly in the service sector and introduce competition

Professor Yang Pengfei, Assistant director and associated research professor, Institute of Law, SASS

Yang Pengfei discussed possible causes of youth unemployment and three difficulties that many Chinese youth face when searching for a job, and gave recommendations to improve the situation. He also maintains that a social safety net should be provided for youth in employment, and agreed with Alan Neal that it is not possible to tackle employment problems solely through legislation.

There are three important facts that one must keep in mind when dealing with the youth unemployment issue. First, college students often prefer employment in the service sector. Second, young graduates, at least internationally, like to start their own businesses. In the United States, 22 to 23 % of the population is self-employed; in Europe, the number is as high as 30 %. Third, it seems that college students are concerned with being employed in prestigious positions; they want jobs with a good work environment, a high income and a high social status.

Yang went on to list reasons for the difficulties that young people face when entering the labour market, which are a series of barriers hindering youth from utilising their potential. The first barrier is the self-imposed limitation to the service sector. In high-income countries, 68 % of GDP growth is contributed by the service sector, whereas in China the figure is about 30 %. The underdeveloped Chinese service sector cannot provide enough jobs for all graduates from China's expanding universities. Young people pursuing self-employment options are faced with other distinct barriers. There are four obstacles to starting a business: the procedures for approval are complex, the tax rates are high, the social security burden is high and the control of financing is strict. All of these barriers make it nearly impossible for a business created by a young graduate to succeed.

Following his survey of the problems, Yang Pengfei offered several recommendations to improve policies and the legal environment, and thereby the employment situation. China must develop its service sector and enhance competition; business creation must be encouraged by reducing tax burdens, by providing access to financial resources and by creating incentives for entrepreneurship to graduates. China must adhere to new labour laws and must continue to work towards an improved labour market. Through these measures, China gradually will be able to deal with the short-term and long-term issues of youth unemployment.

Summaries of the session

State policy for industry and the administrative monopoly can act as barriers to young people's access to employment opportunities

Li Jianyong, Dean of Sociology Department,
East China University of Political Science and Law

Li Jianyong gave a brief summary of the relevant legal issues relating to youth unemployment, and agreed with Alan Neal that the impact of labour law – in particular the Chinese labour code – on youth unemployment is minimal.

For example, the labour contract law of 2008 did not have a significant impact on the current employment situation because it made no provisions to foster employment.

He stressed that there are several points which need to be kept in mind, such as state policies for industry, the administrative monopoly as a barrier to young people's access to employment opportunities, and the barriers to self-employment.

Afterwards, he posed a number of questions to the speakers. He asked Neal how China could combine international labour standards and international employment practices in an effort to modify Chinese labour standards and employment promotion laws. From Zhou he wanted to know how the increase in labour costs can be halted.

The government is not capable of giving jobs to new graduates

Wang Daben, Associate professor, Institute of Demography, East China Normal University

Wang Daben began his discussion by looking at examples from the international community. Spain conducted economic reforms in the 1990s to improve the competitiveness of companies and increase employment rates, measures which helped increase youth employment by 30 %. In later years, Spain conducted a follow-up reform to reduce tax burdens and once again yielded tangible results. Another example is the approach taken by the French government. In 2006, the French government made efforts to adopt a youth employment law which would make it difficult to lay off young people without just cause. In many market economies around the world, workers enjoy very limited protection and can be dismissed easily, but in European countries a valid reason is always needed.

Some people believe labour laws have increased tensions on the labour market, but Wang agreed with Neal that this is inaccurate. He posed the question to the audience of whether it is the government's role to create more jobs, and then agreed with Zhou that the government cannot carry the burden of employing new graduates who have not found work.

Conclusion: China’s “population bonus” of lower labour costs will disappear by 2020

Quan Heng, Research professor and director of research coordination at SASS

Quan Heng gave a comprehensive summary of the conference as way of conclusion. He recalled the variety of topics, ranging from university education, student development, the transition from school to work and the legal protection of employment. These topics were examined from diverse perspectives by experts from China and European countries such as Germany, the United Kingdom and France. Quan remarked that the researchers were able to harness their expertise and conduct a thorough comparative analysis of the European Union and China.

Quan Heng also drew attention to questions that remain open, the first being how the relationship between education and employment should be structured. This question is particularly relevant to China, the state council and the Shanghai municipal government, as they continue to pursue plans for education reform. Quan believes that reforms in China so far have been unbalanced and that certain sectors need to catch up with others.

The second open issue is to define the relationship between employment and economic growth, and to compare the Chinese situation with that abroad. The macroeconomic environment of China is unbalanced, with coastal regions being more developed than inland regions and urban areas being more progressive than rural areas.

The third issue that Quan raised was the protection of employees and employment promotion laws. He believes that China should amend tax policies to relieve companies from their increasing production costs. In addition, policymakers and researchers should focus on labour protection, particularly because there is an unequal distribution of wealth and income. Quan noted that the 17th Party Congress of the Chinese Communist Party concluded that salaries account for a relatively small percentage of total GDP. In addition, though China benefits from a “population bonus”, which results in lower labour costs, by 2020 demographic change and economic development will have done away with this bonus; therefore, China should anticipate the problems that may ensue from this development and start combating them today.