This paper uses a national-scale data spanning nine years (2009-2017) to depict the relations and changes between the higher education (HE) structure and industrial structure in China. We find that the Service sector is the most capable of absorbing graduates while the Agriculture sector is the least, which corresponds with the structure of GDP in China. However, there has been a displacement amplitude between industrial and HE structure in China and the conditions between regions and industries are distinct. IT & finance industry and more prosperous regions attract most graduates while other less-developed areas suffer from a loss of human resources and “Reverse Subsidies”. Besides, over-education phenomenon exists in China and the cultivation of college students’ ability in China cannot meet with the requirements of labor market very well.

**Key words:** HE Structure, Industrial Structure, College Graduates, China

### Results & Conclusions

**Placement rate and Employment Distribution**

We could see from Table 1 that the proportion of college graduates with employment confirmed has hovered above and below 40%, and that the percentage of graduates choosing further study (either within and outside the mainland of China) is a rising trend recently. Table 2 shows that the Service sector is the most capable of absorbing graduates while the Agriculture sector is the least. And from 2009 to 2017, the percentage of graduates working in secondary industries such as Manufacturing, Utilities, Mining and quarrying has decreased whereas the finances on employment increased largest by 6.6%.

**Segmentation of China’s Labor Market**

- Starting salary/monthly in 2017 No.1.1 (6220 RMB) No.2.Critical research (5947 RMB) No.3.Finance (5657 RMB)
- Prosperous industries and regions (Eastern areas and big cities) attract most graduates and thus qualification inflation has emerged in these segmental labor markets while other less-developed areas suffer from a loss of human resources.

**HE Structure VS Demand from China’s Labor Market**

Since the expansion of higher education in China, the scale of master and PhD students has grown more rapidly compared with the number of undergraduates and polytechnic students. Consequently, graduates with a Master’s degree have the highest occurrence of over-education (see Table 3). Meanwhile, in 2017, only 19.4% of graduate students report there is strong correlation between their major and occupational category, while there are 43.4% of the graduates whose major is not very correlated or has no correlation with their job. Table 4 summarizes the displacement amplitude between industry structure, employment structure and major structure. Moreover, graduates don’t think they have benefited a lot from higher education in terms of English proficiency, financial literacy, computer skills, innovative, international vision and decision-making. The cultivation of college students’ ability in China couldn’t meet with the requirements of the labor market very well.

### Data

This paper focuses on the relations between the higher education structure and industrial structure in China. On one hand, China’s economic development has a significant impact on the graduates’ selection of industry, and the wage gap that exists between industries is an expanding trend. On the other hand, the mismatch between the education structure and China’s industrial structure is noticeable. Data used in this paper cover a series of rich information of Chinese college graduates, making it available and reliable to depict the relations and changes.

- This paper uses data from 2009-2017, mainly from the latest 2017 National College Graduates Employment Survey (NGCES) carried out by Graduate School of Education, Peking University every other year, and it records graduates’ demographic characteristics, family backgrounds, scholarly performance, perception and activities with regard to job search, and final outlets including job location and starting salaries). The sample size of the each survey is about 15-22 thousand.
- Supplementary data from policy documents and the China Statistical Yearbook

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### References


### Notes

1. Table 3 describes the incidence of education-level mismatch in our 2017 survey, which is based on undergraduates’ self-assessment. Numbers highlighted in yellow and blue represent the incidence of over-education and under-education respectively, and green represents that one’s education level matches with the job.
2. Emp(A) represents employment distribution among the whole society; Emp(G) represents employment distribution among graduate students.