

ing and expectations (or do so on their own volition), this pressure will surely be brought to bear on the colleges and universities where their children enroll. Just as cultural change is calling for “green” campuses and worksites, pressure might come to pass for a leaner, more austere academic experience, at a lesser charge to students.

Institutional leaders, board members, and government educational officials face the following challenge: There is no evidence that the needs for a highly skilled and well-educated workforce are going to diminish, whatever course the economy takes toward recovery. At the same time, the conditions that provide access and opportunity to complete various forms of postsecondary education and training are languishing in this country, with essentially flat performance over the past quarter century. Furthermore, other developed countries are surpassing the United States now in percentage of the younger population with degrees and certificates, so the US first-mover status toward mass higher education has been eroded. Finding the will and the way to use the most effective educational resources is now both a moral and an economic obligation. ■

Chinese Graduates’ Employment: The Impact of the Financial Crisis

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Based on the statistics of the Ministry of Education, in 2009 higher education graduates will include more than 6.11 million in China, while in 2002 the total number comprised only 1.45 million. However, the employment rate of graduates in 2008 consisted of less than 70 percent. The increasing number of graduates seeking employment has been challenging for the Chinese government. The current economic crisis will surely deteriorate the condition further. Very likely, in 2009, close to 2 million graduates may not find jobs—many of whom are postgraduates, even doctoral graduates.

CAUSES OF EMPLOYMENT PROBLEMS

Several factors are responsible for the dire situation of Chinese graduates’ employment. The massive expansion of enrollment since 1999 is one issue. At the end of the last century China’s exports were badly influenced by the Asian financial crisis that

began in 1997. China’s economic growth declined sharply, while at the same time domestic demand was not high enough to maintain the momentum of economic growth. To increase domestic demand the central government of China reduced interest rates dramatically for saving accounts. Yet this measure proved noneffective in getting people to increase their spending. In 1999, the Chinese government was encouraged to stimulate domestic demand by increasing higher education enrollment. This policy was accepted by the government. By 2008, the new enrollment of students in universities rose by about 6 million, providing Chinese universities close to 24 million students in total.

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While enrollment expanded, enrollment has not been carefully matched with student employment prospects. Before 1978, China adopted a centrally planned economic system. Beginning in 1978, a market economy was introduced into China, and the country opened its door to foreign investment. But this market-oriented policy was not adopted in China’s higher education. Even today the new enrollment of students at almost all levels (with the exception of a small number of private colleges) is first arranged by universities and colleges and then approved by governments at various levels, often without a survey of market needs. With demands in the job market changing constantly, the tension created by the gap between the supply of graduates and the demand of employees has intensified. Consequently, too many graduates have majored in accounting, Chinese language and literature, law, and computer science, whereas jobs related with these fields are limited. At the same time, many companies cannot find qualified employees working in specific technical fields.

The major economic crisis that originated in the United States in 2008, also affects China. Amid the global financial crisis, China’s economy has started declining in a surprising speed since summer 2008. Tens of thousands of foreign-invested companies in the eastern provinces of China, such as Guangdong and Zhejiang, collapsed, and millions of people lost their jobs. Employment in China has receded. Fewer positions are available for graduates and will be limited in 2009 and the next few years. For instance, in a job fair held by Donghua University, more than 30,000 graduates competed for 1,700 positions provided by foreign firms.

MEASURES BY THE CHINESE GOVERNMENT

The Chinese government has taken some measures to try to solve the crisis of graduates’ employment. The Chinese government hopes that injecting a huge investment into the economy will create jobs and relieve much of the pressure of grad-

uates' unemployment. However, some experts predict that building infrastructure will only provide manual jobs for ordinary workers and will thus benefit college graduates much less.

Another measure is to expand postgraduate enrollments. The Ministry of Education plans to expand enrollment of master's degree students by 5 percent and doctoral students by 1.7 percent. Given the job decline, many graduates choose to study further. This year, 1,246,000 undergraduate degree holders will be taking the postgraduate entrance exams. Yet, expanding postgraduate enrollments cannot solve the problem of graduates' employment; the trend can only offer some relief to or postpone the current employment pressure. In fact, in recent years the employment of master's degree graduates has become problematic.

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Diverting graduates to the rural area is a third measure. However, a vast gap exists in terms of developmental level, opportunities, and living conditions between urban and rural areas. Thus, most graduates prefer to work in cities. To encourage the graduates to go to the countryside, the government has come up with policies such as preferential treatment when graduates (after two-years service) apply to become government officials or extra points are added to their scores in the examination for graduate study. These policies are not attractive as given the low salaries graduates can earn in these areas of the country.

CONCLUSION

Recently, the Ministry of Education has been calling for the whole society, including overseas Chinese, to contribute ideas to improve Chinese education overall. Promoting creative and vocational education has been raised as a way of providing new graduates with creative education and job skills to meet the needs of the market and face the challenges of a changing world in the decades to come. Perhaps this approach constitutes a more fundamental strategy that will eventually solve the problem of employment of university graduates, but the impact will take many years to become apparent. ■

The Poor and the Rich in US Universities

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In the United States, socioeconomic mobility has declined over the past three decades, with lower-income levels and wage and benefit losses among many middle-income families. Of course, the current global financial downturn might only extenuate this divide in the United States and throughout much of the world—despite the best efforts and plans of national leaders, including President Obama.

A number of national studies have pointed to highly selective and elite US private and public universities becoming less accessible to lower-income students. The general assumption, minus any good analytical studies, views students from lower-income families as doing less well in academic performance and sense of belonging at these universities than their more wealthy counterparts.

DISAGGREGATING INSTITUTIONS

A closer look at first-degree students in a group of highly selective public and private universities tells a more nuanced story. Our study, "The Poor and Rich," focusing on low-income undergraduate students who receive federal Pell Grants (generally for students with less than \$40,000 of family income), found considerable differences in the presence of low-income students among selective universities. Further, the findings challenge the prevailing notion that low-income students have significantly less-satisfactory experiences and outcomes than their more wealthy peers—at least in highly selective universities.

On issues of affordability and access, foreign as well as many US observers of American higher education often fail to disaggregate its network of colleges and universities. We tracked the presence of low-income students among a group of 32 public and private selective higher education institutions, including the eight Ivy League institutions and flagship state universities. With some key caveats, public universities are generally much more accessible to low-income students—despite the claims of private institutions that they effectively provide generous discounts in tuition rates and financial aid.