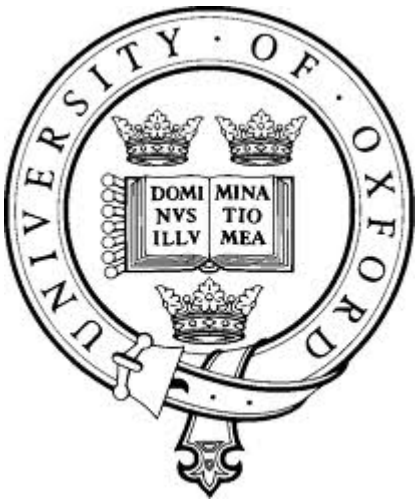
Wages, Family Background, on-campus Performance and Gender: An Investigation of Chinese Graduates' First Job Salaries



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List of Tables and Figures

List of Abbreviations and Glossary

Cadre A person in a position of administration or authority, such as a vice chairman of the student union, or a monitor of the class.

CCP Chinese Communist Party

Gaokao The nationwide university entrance examination in China.

GEGS Graduate Employment Guidance System

HE Higher education

HEIs Higher education institutions

Hukou Chinese household registration, largely divided into ‘rural’ and ‘urban’ categories. It is related to Chinese citizens’ civil rights.

NCT National Computer Test, compulsory for students in Chinese universities

OCP on-campus performance, such as a student’s academic grades in the university.

RMB Ren Min Bi, the Chinese currency, or the so called ‘yuan’. At the time of viva, 1 Sterling equals approximately 10 RMB and 1 USD equals about 6.3 RMB.

Abstract

The last five decades have witnessed an increasing interest in the education-employment transition. In China, millions of university students graduate each year. Their employment has important impact on various aspects of the Chinese society. Additionally, university-work transition is related to the well-being of university graduates and their families. Therefore the university-work transition in China deserves more attention from scholars and practitioners.

This thesis examines the determination of Chinese university graduates' first job salaries. It investigates whether and how university graduates' family background, on-campus performance (OCP) and gender are linked with their first job salaries. The thesis distinguishes three dimensions of graduates' family background: Hukou status, parental CCP membership and income. It distinguishes three dimensions of graduates' OCP: academic achievements, professional capability and political/ideological attainment. Information collected through interviews is used to interpret the statistical results. The results show that graduates' first job salaries are significantly affected by their professional skills, political/ideological attainments and family income. Graduates' gender, academic performance and family Hukou status have little impact on their first job salaries.

Compared with the widely observed wage disparities among less educated workers caused by gender and Hukou status, this thesis provides evidence that higher education helps reduce the gender wage gap and rural-urban disparity in China. Analyses in the thesis are consistent with 'state as equalizer' and 'market as equalizer' theories. This thesis provides little evidence to support the marketized transition theory, as we find graduates' first job salaries are still largely affected by their political/ideological attainments in university. Considering the unique context, the results suggest that some widely used human capital indicators and productivity signals are not applicable in the Chinese labour market. Practical implications are derived from the thesis.

Chapter 1: Introduction

1.1 Background

Due to the importance of higher education (HE) to an individual's future earning abilities, especially in their first employment, much attention has been paid to the relationship between HE and labour market outcomes. In China, with the recent rapid expansion of its HE, millions of Chinese university students graduate and enter into the labour market each year (see Table 1.1). This gives China the largest graduate labour market in the world. Also, with the marketized transition of Chinese society, including its HE and labour market, the traditional central allocation system (*fen pei*) for graduates' first employment and salaries, which was a legacy of the planned economy, has been abolished[1]. Some problems emerge in the new graduate labour market in China.

In China, anecdotal stories and public media sources alike have lent support to the widely held belief that meritocracy in the graduate labour market is limited, and that HE is failing to make inroads in this regard[2]. This popular belief is somewhat supported by the relatively low returns to education and high returns to job seekers'

[1] Before the late 1990s, each university graduate '…was guaranteed a government assigned job through a centralized placement system' (Li and Zhang, 2010, p38). Also, the starting salaries of these jobs did not vary significantly. Therefore we may observe a strong egalitarianism existing in this state allocation system. There is a wide literature examining the centralized allocation system of Chinese university graduates, for example, see Zhou (2006).

[2] In many countries such as China, education is culturally and politically considered as an instrument to increase meritocracy in the labour market (e.g., Temple, 2006; Brennan and Naidoo, 2008). This has even been clearly emphasized in the developmental strategies of Chinese education, especially the HE. Failure to do so has aroused public anger at the reforms of Chinese HE.

family background and/or gender (e.g., Peng, 1992; Xie and Hannum, 1996; Heckman, 2005, etc), especially in wage determination at the entry level. The suspicion about the inability of Chinese HE to enhance the meritocracy in the graduate labour market attracts great academic concern and public or official anxiety. For example, Ning (2007) doubts that the rapid expansion of Chinese HE failed to enhance the screening function of education[3]. On the contrary, in the university-work transition in China, such fast expansion might partially result in a closer link between labour market outcomes and family background[4].

Table 1.1 Number of Chinese University Graduates (1997-2010)[5]

Year	1997	1998	1999	2000	2001	2002	2003
	829,070	829,833	847,617	949,767	1,036,323	1,337,309	1,877,492
Year	2004	2005	2006	2007	2008	2009	2010
	2,391,152	3,067,956	3,774,708	4,477,907	5,119,498	5,311,023	5,754,245

(Data source: Ministry of Education, various years; Unit: individual; http://www.moe.edu.cn/publicfiles/business/htmlfiles/moe/s6200/index.html, accessed on 5th April 2013)

Some scholars further suggest that it may not be appropriate to examine the university-work transition in China by simply transplanting established theories based on past experiences in the developed world. For example, as shown by Xie and Hannum (1996), the Chinese labour market, including the graduate labour market, is far from well-developed since some essential conditions are not yet met (such as freedom of labour migration/residence, restriction of state intervention and

[3] In various occasions, Chinese officials asserted that increase the number of HEIs and students in HE can improve HE's ability to select and provide suitable potential employees to the labour market. An overview of the rapid HE expansion in China will be provided in the later parts of this chapter.

[4] Highly-meritocratic labour markets usually offer high returns to labour's productivity-related factors, such as education and experiences; while in labour markets where meritocracy is low, returns to education are usually low and job market outcomes are largely affected by family background and gender.

[5] I only selected data from these years because before the mid 1990s, the number of Chinese university graduates fluctuated sharply due to the unstable HE educational system, caused by a series of political unrests, such as the disturbance and closure of universities in the Cultural Revolution between 1966 and 1976.

well-developed platform of employment information). Educational credentials may hence have limited impact on wage determination due to strong non-market factors, such as the control by the state actors and the presence of socialist/egalitarian ideology (Oberschall, 1996; Fligstein, 1996; Liu, 2003). Heckman (2003) also points out that in China there is a tradition to restrict high returns to skill or formal education since the foundation of PRC.[6]

The scarcity of rigorous research on graduate employment in China, and the wide suspicion about a possible lack of merit-based graduate labour market call for more in-depth research on the university-work transition based on Chinese evidence. This is important because the employment of such a tremendous size of well-educated population is directly linked to the stability of the Chinese society[7], as well as long term economic growth and competitiveness in China and other countries[8]. For example, the expansion of the graduate labour market may impact upon industry in a significant way. Also, due to the importance of first jobs in individuals' future career development, university-work transition may possibly affect long term social equality. In addition, the university-work transition may affect families and individuals' choices in many ways. For example, if human capital accumulation in HEIs cannot bring good prospects in the graduate labour market, then an individual may choose not to attend HEIs even if he/she is qualified and able to afford the

[6] This tradition was pushed to an extreme in the Cultural Revolution, in which intellectuals were considered as a reactionary class.
[7] Realizing that the number of university fresh graduates each year is counted by millions, their employment, especially their first employment, has often been emphasized by the Chinese government.
[8] Thinking about the large size of Chinese population and strong economic connection between China and the rest of world after its export-oriented 'open and reform' policy, it is not difficult to understand China's economic growth on human capital can have a significant impact on the economic development in many other countries.

tuition[9]. To give another example, students may have stronger incentives to enhance their practical skills such as foreign language abilities if these skills are demonstrated to have large positive impact on their employment prospects[10]. Policy makers also need more knowledge of the university-work transition when making interventions into the HE and the graduate labour market, where unexpected challenges often appear[11]. This is especially important when we notice that many existing theories and successful experiences based on evidence from more developed societies are not compatible with the Chinese context, as Chinese HE and labour market are still far from mature in comparison with the developed countries.

In this thesis I hope to find Chinese evidence to test whether the outcomes of graduates' search for first employment after the rapid expansion of the HE and the abolishment of the state-planned graduate placement system still largely rely on family background and gender. I also hope to provide readers with more knowledge on the social stratification and inter-generational income mobility in China by examining whether and how individuals' efforts can reduce (or enlarge) the disparities in the graduate labour market outcomes, which are caused by their family background. Additionally, I am strongly motivated to connect findings in the thesis

[9] This is somewhat demonstrated by the increasing numbers of no sign-up or no-show in the National University Entrance Examination (Gaokao).

[10] It can be a bit surprised to see that in China, university students do not necessarily have strong incentives to spend time, effort and money to enhance their practical skills. Instead they may have much stronger motivations to get good grades in their majors. This is perhaps because of the widely known strong 'exam-oriented' system in the Chinese education, in which marks in academic exams is the only criterion to evaluate whether a student is good or not.

[11] For example, after the abolishment of the central-planned placement system, the state may face the challenge that there is not enough university graduates choose to work in the less developed inland/remote areas, and the state no longer has strong power to force graduates to work in those regions. But for the country, to maintain a reasonable size of well-educated elites in those regions is quite important to reduce the regional disparity.

with the on-going reforms of the Chinese HE and labour market. For example, as shown in later chapters, the finding that the rigid student loan repayment system prevents graduates from less rich families from obtaining high-paid first jobs would suggest that the educational authority may consider readjusting the student loan scheme in the future.

1.2 The research questions

In this thesis, I try to add to the knowledge of university-work transition by analyzing the determination of university graduates' first job salaries in China. With individual level data, I will focus on a cohort of graduates from same level HEIs.

In the past, human capital theorists and signaling theorists made some contributions in this area by incorporating the effects of human capital and productivity signals of (potential) labour into the Chinese context (e.g., Heckman, 2003; Schultz, 2004). However, some widely adopted human capital indicators and labour productivity signals (e.g., schooling length, test results) may not be able to conform to the reality of the immature Chinese HE and under-developed labour market, such as the existence of restrictions of free domestic migration/settlement, the sharp spatial variation in economic development (e.g., Yue et al, 2008), and other residues of the planned system (Maurer-Fazio and Dinh, 2004).

Furthermore, in comparison with the tremendous amount of existing studies focusing

on the impact of different educational levels (e.g., postgraduate degrees, undergraduate degrees, middle school diplomas, vocational diplomas; or different ranks of HEIs, such as elite/key universities and non-elite universities) on the labour market (e.g., Ning, 2010), there is relatively scant literature drawing attention to the relationship between graduates' human capital accumulation during studies in the same or similar HEIs and the first job wage determination. To examine whether and how human capital accumulated from the same (or same level) HEIs affect graduates' first job salaries is important because this is not only directly related to graduates' career prospects and development, but also linked to students' study motivations and behaviors in HEIs, as well as the educational quality of Chinese HEIs. If such human capital has limited link with job prospects, then students may choose not to work hard to perform well at university. Instead they may undertake the minimum workload as long as their performance is satisfactory to get their degrees[12]. Therefore this question is directly connected with the educational quality. This is an important issue which attracts wide attention, especially during the rapid expansion of HE when the academic and public concerns of reducing HE quality are quite strong.

To overcome some researchers' over-emphasis on family backgrounds' impacts on labour market outcomes without sufficient attention to the possible impacts of human

[12] This can be somewhat explained by an interesting belief in Chinese universities: 'Hooray, 60 points! No more additional waste!' (*liu shi fen wan sui, duo yi fen lang fei*). It means that a wise strategy for university students is to get 60 points (the pass mark in the 0-100 scale in Chinese universities) in each exam during studies at university, all other efforts to get better performance are unnecessary. Such belief and the recent rapid expansion of Chinese HE have attracted concerns of educational quality of Chinese HEIs.

capital or labour productivity signals, and also to overcome the past tendency to concentrate on levels of educational qualifications, I construct a regression with both students' family background and human capital indicators or productivity signals obtained in HEIs as independent variables to examine the determination of undergraduates' first job salaries in China. I suggest that to explain the variation of undergraduates' first job salaries in the Chinese labour market, students' on-campus performance (OCP, and this concept will be examined in detail in the next section of this chapter) during their undergraduate studies should be incorporated into the regression. Perhaps OCP variables are more suitable than other indicators of students' human capital and productivity signals often used in some developed societies, such as recommendation from faculty members[13]. Selecting the OCP variables may also improve the human capital theory and signaling theory by enhancing their explanatory power on less mature labour markets such as the Chinese labour market.

There is a substantial literature which examines the women's situation in the labour market based on evidence from China and other countries, as well as the possible gender gap in returns to education. However, the question of discrimination against well-educated females, and their credentials obtained in HEIs, remains very interesting. This is an important question because it is directly related to

[13] References from faculty may be assessed by employers when making salary-related decisions in some developed countries, where the reference contain useful information on the job applicants. This is also supported by Rebick (2000) on the case of Japanese education and labour market. However, as will be shown in Chapter 3 and the Appendices, in China, though we can see the comments or evaluations for each graduate by the faculty in our data source, it is obvious to notice they are quite bureaucratic and contains little information besides stereotyped official expressions.

individual/family choices of education, and is also linked to China's long term development. For example, if females cannot obtain good career prospects even if they earn university degrees, their parents may have much stronger incentives to reduce the expenditures on their daughters' education, and save the money as dowries to attract their potential husbands. Then the country may have a less educated female labour force, which may become a disadvantage to its sustainable development. Although it is commonly believed that Chinese females are still on the weaker side in the labour market (comparing with their male peers) even if they are educated (e.g., Shu and Bian, 2003; Guang and Kong, 2010), I argue that female graduates may not necessarily earn lower first job salaries than their male peers. This argument can be rather different from the popular belief in China. Therefore, we also examine gender and its possible interactions with family background and OCP on the first job salaries. This will contribute to the existing discussion on whether the expansion of HE provides females with more opportunities to earn equal pay with their male peers, or actually enlarges the gender wage gaps (e.g., Loury, 1997; Hendersen et al, 2000; Maurer-Fazio and Hughes, 2002; Zhang et al, 2008; Gaetano, 2010; Li and Zhang, 2010)

In short, this paper uses evidence from the Chinese HE and labour market to answer the following questions:

(1) Do students' (graduates') family background and OCP have significant positive effects on their first job salaries after graduation, as predicted by existing theories?

(2) Does the labour market discriminate against female graduates and their family background and OCP by providing them lower first job salaries and/or returns?

(3) What are the possible mechanisms behind the answers to the above questions, and are they similar to or different from existing mechanisms demonstrated in many other regions outside China?

By answering the first question, it is possible to enrich the knowledge in the field of education-employment transition by moving beyond the existing studies which to date have tended to pay more attention to the effects of graduates' different qualifications on their job market performance while putting less emphasis on the possible impacts of different credentials obtained from same (or same level) HEIs on labour market outcomes (e.g., Maurer-Fazio, 2006; Feliciano, 2006). By comparing with the pre-marketized reform period, this thesis may join the debate about whether returns to family background, especially family political/ideological status can be replaced by returns to human capital[14]. By answering the second question, we are able to examine whether in an immature labour market with recent HE expansion, well-educated females (undergraduate degree holders) are still discriminated against (e.g., earn lower first job salaries or have lower returns to human capital), as

[14] Marketized transition theorists argue that with the transition from a planned system toward a marketized system, the foundation of high returns to individual or family political/ideological status will be eroded or eliminated. Instead, returns to human capital will become much higher (e.g., Nee, 1996; Nee and Cao, 1999). Not all existing empirical studies on different former socialist countries support the marketized transition theory.

expected by the popular belief. Answers to the second question may also enable us to investigate whether during the marketized reforms, the government and socialist ideology still play an important role in restricting gender wage gaps, as expected by theorists who believe in 'the state as an equalizer' (e.g., Bauer et al, 1992; Honig, 2000; Zuo and Bian, 2001). By answering the third question, it is able to gain a better understanding of the rapid and drastic changes in Chinese HE and labour market, as well as the connections between them. Answering these questions can also enrich the knowledge of the sociology of China, especially in the field of social stratification and inter-generational income mobility, through a small entry point. For example, it is possible to test whether in the Chinese graduate labour market, family financial capabilities still affect children's income directly, as they do in the low-end labour market[15].

Furthermore, addressing these questions will enable us to offer some practical implications to the ongoing reform of Chinese HE and the labour market. For example, our findings indicate that if the educational authority would like to reduce the relationship between graduates' family background and their first job salaries (and hence improve the meritocracy in the university-work transition), a larger freedom could be granted to the HEIs for establishing or enhancing institutional networks with employers and cooperate with employers, which may be helpful for

[15] Though there is no rigid definition of 'high-end' and 'low-end' labour markets, in China it is popularly perceived that 'high-end labour market' refers to the labour market mainly for white-collar employees with college or above educational levels. In contrast, 'low-end labour market' is mainly for less educated workers who mainly work for bad conditioned, labour intensive jobs. University graduates are not likely to obtain jobs in the low-end labour market.

employers making employment and salary related decisions according to graduates' merits rather than family background or gender. After noticing the similarities and differences in socioeconomic context and institutional factors in different societies, implications generated from this thesis based on the Chinese experience may be somewhat applicable in some other developing countries as well, especially those that are in the process of transition to a market economy, and those experiencing high speed HE expansion or labour market reforms

1.3 The concepts

It is necessary to define the key concepts before starting the analysis. To answer the questions raised in the thesis, according to the societal context and data availability, we define three key concepts: family background, OCP and first job salaries.

1.3.1 Family background

Throughout the 20th Century, researchers have defined the concept of family background from various perspectives. The measurement of family background also varies according to varieties in sampling methods, survey/documentation skills, data availability and societal circumstances (e.g., Rossi et al, 1974; Treiman, 1975; Nam and Terrie, 1982; Rumberger, 1983). Considering the availability or accessibility of data and the special characteristics of the Chinese context, this thesis uses students' family incomes, family household registration statuses (widely known as 'Hukou' in

literature) and parental CCP membership statuses to measure students' family background.

Several considerations persuade me to take students' family incomes as a component of students' family background in this research. First, in the Chinese context, family income is not a sensitive subject as in many other countries, so it is easily accessible[16]. Instead, it is a compulsory item in the data source because of it being the key criterion to determine students' eligibility in applying for loans or some bursaries through the university. In contrast, many widely adopted measurements, such as parental occupational statuses can be more sensitive in China[17]. Second, in China, family income may be a suitable proxy variable for some other aspects of family background when the information is inaccessible. In my data source, some widely examined facets of family background, such as parental education and parental occupational statuses are not easily available. Thirdly, family income is a continuous variable, which is more straightforward than many other categorical variables to manifest students' family background.

Hukou is the official registration of Chinese citizenship, which is one of the most typical legacies from the era of the socialist planned system[18]. It links not only to

[16] As noted by some researchers in the area of sociology of China (e.g., Murphy, 2002), Chinese respondents are not very reluctant (as in many other societies) to reveal incomes of their families if it is not related to tax issues. This is quite different from the western culture which treats salaries as an important privacy of individuals.
[17] This is perhaps related to the Chinese traditional culture. The link between the Chinese traditional culture and how to collect data in China should be noted.
[18] For more details of the history and functions (including both strengths and weakness) of Hukou, please see Chan and Zhang (1999).

labour mobility and rights of settlements, but also to civil rights (Wu, 2010). Hukou is generally divided into 'urban' and 'rural' categories. In practice, rural Hukou holders and their children are usually entitled to fewer civil rights and social welfare, particularly in healthcare, education and employment. For example, rural migrant workers' children do not have easy and/or equal access to compulsory education in urban areas. Due to the widely known urban-rural gap and its significant impacts on the labour market outcomes in China[19] (e.g. Luo and Dai, 2005; Cai, 2007; Khan and Riskin, 2008; Meng and Luo, 2008; Park, 2008; Ash, 2008; Guang, 2010), as well as the widely perceived linkage between Hukou and civil rights/welfares, this thesis also incorporates students' family Hukou statuses as a component of family background. It is necessary to admit that in this thesis, I can only make estimations of the Hukou situation of students' families according to their family addresses, and it is possible to make incorrect estimations. For example, a family with rural Hukou may have a residence in the urban area (it is permitted by the current less strict regulation on rural-urban migration), and a family may have two or more residential places in both rural and urban areas, especially with the privatisation of the real estate market in China. Nevertheless it is too important to separate family Hukou statuses from the concept of family background in the Chinese context. Students' family Hukou status is a '0-1' dummy variable divided into 'rural-urban' respectively[20].

[19] In the literature review chapter, we will examine some existing studies on whether and how the Hukou system links to labour market outcomes in China.

[20] In fact, the Hukou system in China is rather complicated. For example, it is also geographically divided. However, this thesis only divides students' family Hukou status into rural and urban in order to concentrate on the rural-urban difference and its impact on the graduate labour market.

Due to the leadership of the Chinese Communist Party (CCP) in a variety of aspects of Chinese society, and considering the widely known strong socialist/communist ideological dominance in China, parental CCP membership status is also incorporated as a component of students' family background. It is widely believed that in China, parental CCP membership can somewhat proxy for the political statuses/capital owned by a student's family (e.g. Dickson and Rublee, 2000; Lam, 2003; Bian, et al, 2001; Appleton, 2008). Also, as a variable, it could be a suitable proxy for a family's connection to the mainstream ideology in China, which is important in measuring family background in some countries such as China. Some researchers such as Bian (1994) believe that parental CCP membership also largely symbolizes the social connections possessed by families. Selecting parental CCP membership statuses as a component of students' family background further enables us to examine whether political/ideological advantages still bring significant economic returns to individuals in China's rapid marketized transition (e.g., Walder, 1995). The data records whether a student has (at least) one parent with CCP membership (including probationary membership) [21]. However, the internal stratification of CCP members will not be considered[22].

Some other possible factors such as nationality, marriage statuses and ethnicity,

[21] The thesis does not further examine the difference between whether it is the father or mother that has the CCP membership, or both of them have CCP memberships.

[22] In China, an ordinary CCP member and a CCP member with an administrative post may possess difference political power. However for convenience, such internal stratification of CCP will not be discussed in the thesis.

though they may be incorporated into the concept of family background in many other sociological studies, are not taken into account in this thesis. This is partially because of the strict sampling strategy (will be further introduced in Chapter 3) controlled or standardized those factors. For instance, we do not incorporate nationality and ethnicity into family background because only Chinese Han students were selected into the sample[23]. The marriage statuses of students are not incorporated as a component of family background either, as before entering the university, students are usually still younger than the minimum age to marry, and Chinese university students are usually not allowed to get married during their studies[24]. Therefore students usually remain single graduation. In addition, students selected into our sample have not done any formal paid job before and hence cannot contribute to their family incomes[25]. Otherwise we would not need to define the concept of OCP and first job incomes as below.

1.3.2 On-Campus Performance (OCP)

The definition and measurement of students' performance on campus vary from case to case. Many scholars tend to narrow the concept by only examining the most observable aspect of students' performance: their academic scores/grades (e.g.

[23] This is mainly because of the extremely low percentage of international and minority students in Chinese HEIs, which is related to China's international and ethnical policies. It is also possible to reduce the disturbance of nationality and ethnicity in the statistical analysis. For more details of sample selection please refer to the introduction of Chinese HE in the later part of this chapter and Chapter 3.

[24] According to the PR China Law of Marriage, the minimum age for marriage is 22 and 20 for males and females respectively. However it is a common practice in China that the university and/or the students' parents forbidden the students to marry during their studies in HEIs.

[25] Noticing the rigidity of the Chinese education system, unless very exceptional cases, it is quite unlikely for a university student to have job experience before entering university due to the legal requirement on minimum working age and the length of compulsory education.

Heyneman, 1976; Thomas et al, 1979; Walpole, 2003). Another term, 'academic credentials', is usually adopted to replace the OCP. In countries where degree classifications vary according to students' academic results, the difference in degree classifications is also counted as students' performance. For example, based on a UK cohort, Smetherham (2006) measures graduates' performance by their degree classifications (such as 1st class degree or honours/2:1/2:2). Students' results in certain subjects, such as mathematics, computer or languages are also often considered as components of their performance in school/university (e.g., Heyneman, 1976; Raimes, 1987; Schiller et al, 2002).

However, though relatively easier to measure, it is also widely noticed that academic credentials are not the only aspect of students' performance at school/university. For instance, human capital can also be enhanced or accumulated by students' performance in other aspects of their university life, such as participating in extracurricular activities, which may make students more self-disciplined and have stronger teamwork skills. Students' performance in some other facets of university can reveal signs of their abilities/productivities/trainability to employers. This is supported by MyCOS Institute (2011) based on evidence from the Chinese labour market.

Therefore, considering the accessibility of data and the Chinese context, this thesis chooses the following three aspects to operationalize the concept of students' OCP:

(1) academic achievements (2) professional/practical skills and (3) political/ideological aspects. All of them include some detailed components. In this thesis, we look at two factors in examining students' academic performance: (a) overall scores of the curriculum of their admitted majors, which my reflect students' intelligence quotient (IQ)[26], knowledge and dedication to work, and hence often be selected as an indicator of human capital; (b) interdisciplinary studies, which indicates learning subjects out of students' admitted/registered majors, measured by the number of their selected interdisciplinary courses (so-called minor options). This is a suitable variable to reflect students' knowledge structure, which may be considered/assessed by employers (e.g., Hu and Zhou, 2007; MyCOS Institute, 2011). We examine three factors of students' OCP related to professional/practical skills: (a) computer ability, which is measured by the scores of the National Computer Test (NCT); (b) foreign language ability[27] and (c) participation in internships. Similarly, we examine two factors of students' OCP related to political/ideological aspects: a) Serving as student cadres in student organizations and b) Gaining the Chinese Communist Party (CCP) membership. In Chapter 3 we will explain the exact format of these indicators and the data source which have information on these factors in more detail. The more comprehensive definition of OCP may be helpful for us to understand the university-work transition and the determination of first job salaries,

[26] The measurement of IQ is usually complicated, however for students without work experience and with similar age, academic test scores are usually believed to be positively associated with their IQ.

[27] 'Foreign languages' in China usually means any language other than Chinese and its dialects. However since in the most of Chinese universities English is compulsory, and English is also a compulsory subject in the university entrance examination (with quite limited exceptions), in this thesis 'foreign language' refers to languages other than Chinese and English. This will be further explained in the third chapter, in which the details of the fieldwork and the selection of variables are examined.

especially in the Chinese labour market. In the following part we examine the concept of first job salaries.

1.3.3 First job salaries

There is relatively less controversy over the concept of first job, though it can be understood as either 'a first formal job' after a certain level of education, or the 'absolute first job', including both formal and informal jobs, before, during or after certain level of education, even including self-employment. Thinking of the research objectives and the advantages of data, this thesis adopts the first definition and refers to 'first job' as a first formal contracted employment after students have left university with their undergraduate degrees. This definition is more suitable in the Chinese context, as it is widely believed that there are few university graduates doing informal or unregistered jobs. I choose this definition also because it matches the measurement of the data. In view of the Chinese context, all monetary compensations/remunerations besides the wages, such as annual bonuses, travel and medical packages[28], as long as they are disclosed in the data, are included into the definition of first job salaries in the thesis.

Having illustrated our research question and key concepts, it is necessary to provide some more details of HE and labour market in China. In fact, past studies have introduced various aspects of Chinese HE and labour market already (e.g. Min, 1991, 2005; Agelasto and Adamson, 1998; Jaschok, 1998; Mok, 1998; Jing, 2003; Pretorius

[28] In China, being different from many other countries, sometimes such monetary convertible items can become a quite significant part of a person or a family's income.

and Xue, 2003; Cai et al, 2008; Knight and Song, 2008; Zhou, 2006; Ash, 2008). Therefore, this thesis only briefly introduces some background information which is directly related to the research questions, and the fieldwork (data collection), as well as some facets which are significantly different from other countries or less noticed in the past.

1.4 An introduction to Chinese higher education

One of the most significant feature of Chinese HE is its strict and rigid entrance and registration systems. Candidates for HEIs usually need to finish compulsory education and further obtain a high school diploma before sitting in the annual National HE Entrance Examination (known as 'Gaokao' in China). The result of Gaokao is normally the only criterion for HEIs to select successful candidates. Unsuccessful candidates are permitted to retake the Gaokao in the following year, usually they re-sit once only. This is perhaps because of that for a candidate, usually the preparation for Gaokao can be quite tough and difficult. Gap years and inter-HEIs transfers are usually not permitted in China. Thus it is not hard to infer that students in HEIs are in similar ages if they were selected in the same year. In addition, though China is a large and populous country, the international level of its HE is far behind many other countries, especially the developed countries. This can be reflected by the extremely low proportion of international students, foreign staff

and non-Chinese-instructed courses in Chinese HE[29]. This is perhaps partially due to the popular belief of China's restrictions on academic freedom.

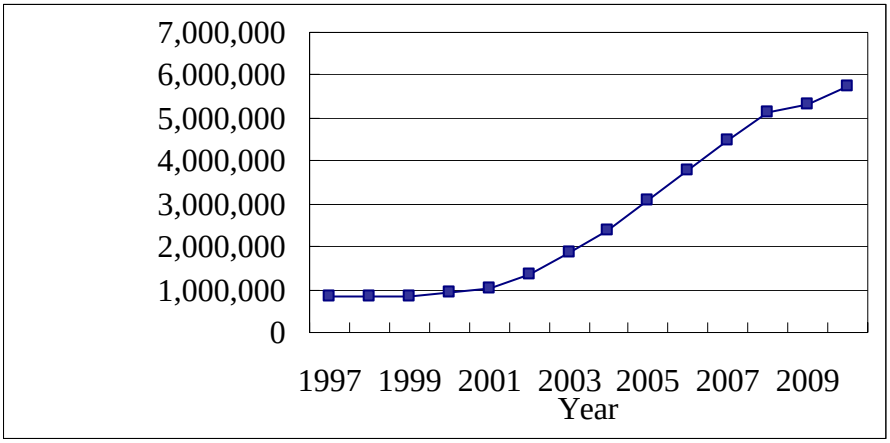
Also, unlike more steady developments of HE in many other parts of the world, Chinese HE experienced a period of rapid expansion between the late 1990s and the early 2000s (roughly 1998 to late 2003, see Figure 1.1, and also Table 1.1), during which the number of HEIs, as well as the students' population increased sharply. During that period, a lot of new HEIs (mostly non-elite universities) were founded[30], especially in the central and eastern part of China where the economy is more developed and hence there is a stronger local fiscal capacity to support HEIs. The population size of university students increased rapidly, and the number of female university students is becoming fairly equal to male students. For example, according to Zhou (2006, p9, p156), the gross attendance rate for HE of the suitable age group (usually 18-22 in the Chinese context) rose from around 10% to near 19%, and females covered around 45.7% of the university student population in 2004 (this figure was below 39% in 1998, see Zhou, 2006, p156). In Chapter 3 we will find these aspects significantly affect the selection and representativeness of our sample. For example, due to the fact that the proportion of international students is quite small, only focusing on Chinese students will not significantly reduce the

[29] For a striking instance, in around 20 years since the 1980s, only a cumulative total of 258,000 foreign students were accepted by Chinese HEIs (Su, 2002, p160-162). In contrast, the registering number of Chinese students in 2004 was more than 13.3 million (Zhou, 2006, p157).

[30] The fast expansion mainly concentrate in non-elite HEIs, which becomes a reason of selecting two non-elite HEIs as our case study (will be further explained in the fieldwork chapter). Traditional elite HEIs, especially the top institutions were reluctant to rapidly expand their admission quota probably due to stronger academic considerations, such as the potential risk of reducing teaching quality due to the influx of students.

representativeness of the sample.

Figure 1 Trend of Number of Chinese University Graduates (1997-2010)



(The figure is based on Table 1.1. Source: Ministry of Education. Unit: Individual. The sharp increase of the number of university graduates since 2002 till 2008 demonstrates a rapid expansion of HE admittance between late 1998 till around 2004, as university students usually need 4 years to finish their studies.)

The curriculum, pedagogy and the structure of HEIs in China are also significantly different from many other countries. Though at first glance, Chinese HEIs consist of several schools and departments, just as their counterparts in other countries, the arrangements of the educational curriculum and organization of those schools and departments are not exactly the same as the HEIs in many other countries. The structure of HEIs in China affects the fieldwork, since the data are kept and administrated by each school of the fieldwork universities. The Chinese educational curriculum is also different from other countries. Not only some specific courses such as computer trainings are usually compulsory for HEIs students (except for some special majors)[31], but we also find the curriculum in Chinese HE includes a lot

[31] That is an important reason why we choose computer test scores as a component of OCP apart from the general academic scores.

of compulsory ideological courses/classes (which usually cover a significant proportion of total courses/classes), such as the Karl Marx Philosophy and Chairman Mao's Thoughts[32]. These courses/classes '…serve as a benchmark of ideological correctness within what remains a highly centralised system of curriculum development' (Vickers, 2009, p523). Such components of education may also affect the labour market outcomes- as shown in the quantitative and qualitative empirical chapters they may disturb the judgment of employers on students' productivity through some signals. It is widely known that China adopts a force-fed ('*Tian Ya Shi*') pedagogy in its education (including many HEIs), and students are under strong pressure to obtain good marks. This may also affect their labour market outcomes since such pedagogy may not directly meet the requirements of employment. Unlike HE systems in some other countries, in Chinese HE, the marking (scaling) system or criteria are the same or quite similar for almost all universities/schools/departments[33]. This is convenient when we need to aggregate data from different schools of the fieldwork universities.

Some researchers ascribe the rigidity of the Chinese HE system, the unique educational contents and structure of HEIs to the strong political intervention on Chinese HE (e.g., Unger, 1982; Wright, 1998; Wan and Peterson, 2007). Perhaps this is another point to which researchers need to pay enough attention since the state undertakes most responsibilities of HE and controls most resources for HE

[32] These courses are strongly emphasized by the authority, even by the top CCP leaders.
[33] This is perhaps because of the rigid Chinese HE system and a lack of academic freedom in China.

development. It is one significant difference between Chinese universities and HEIs in many other countries. This is one reason for us selecting some more political/ideological variables (such as cadre experience or CCP membership status) into the concept of OCP.

The unique link between HE and the Hukou system in China is less noticed by scholars probably due to a lack of research on graduates' transition from university to work in the Chinese context. However, in consideration of the Hukou's strong connection to my fieldwork, and its possible effects on the labour market outcomes (e.g., Guang and Kong, 2010), it is necessary to briefly introduce the link between HE and the Hukou system. A successful candidate for HEIs, regardless of his/her original Hukou status (urban or rural) and place (the original registration place of Hukou, usually the birth place or father's birth place), usually will be granted an urban Hukou of the place where his/her university is located[34]. Also that is why we do not incorporate students' personal Hukou statuses into the concept of family background in the thesis. After graduation, his/her urban Hukou status can be continued if the graduate successfully finds his/her first job in the place where his/her university is located[35]. His/her Hukou status discontinues if the graduate

[34] In China almost all HEIs are located in urban areas. That is why in Chinese people's eyes, attending HEIs is one of the two best (most convenient) ways to earn an urban Hukou. A student's original (pre-university) Hukou status and register place is usually same as his/her family's Hukou status and register place.

[35] Here it is necessary to explain that if a graduate has failed to find a destination within a certain period after graduation (usually 1 year), his/her Hukou in the university location may be discontinued. He or she will not longer be considered as a 'fresh graduate' (even if he or she has not job experience) and hence not be able to join the recruitment programs reserved for fresh graduates only. That is an obvious disadvantage in the labour market and hence graduates have very strong pressures (or incentives) to secure a destination before or at the latest within one year of their graduation. This can somewhat explain the high employment rate of Chinese university graduates.

decides to find a job elsewhere. As will be illustrated in Chapter 4 and Chapter 7, the new Hukou status granted to students due to their entrance to HEIs may affect the determination of their first job salaries.

Students admitted by Chinese HEIs, as their peers in the western world, have rights and freedom to attend a variety of major or minor optional courses, improving their capacities of foreign languages and computer skills with the facilities and supports from the university, and are encouraged to attend internships. However their ideology (or moral status) and participation in other social activities are still more or less monitored (Wright, 1998). Therefore, during their studies, Chinese university students are usually not easily allowed to initiate or register organizations on their own as their counterparts in western countries, and in general they mainly join the university-initiated organizations (such as the student union)[36], and compete for cadre positions in those organizations. Also, in Chinese HEIs, students are allowed and encouraged to compete for joining the CCP. The criteria and competitiveness for HE students joining the CCP are same or quite similar in all Chinese HEIs, though could be different from other sectors. The trustworthiness and obedience of students in HEIs are mainly revealed by their past performance in the Chinese Communist Youth League (CCYL)[37]. This is very likely due to that university students in China

[36] Theoretically Chinese citizens are entitled to the legal rights to initiate organizations. But in practice, there are restrictions for university students to initiate organizations at university. It is beyond the scope of this thesis to examine the detailed reasons. Comparing with some other countries, the on-campus student events in China may not be as diverse.

[37] According to the Constitutions of the CCP and CCYL, CCYL is the leading organization for elite youth fighting for the communism. In reality, CCYL can be considered as a youth training camp for the CCP, since the maximum age to stay in the CCYL is 28. In China, the majority of university students have already obtained membership of CCYL before gaining admittance to HEIs (Bian et al, 2001, p836). That is why the CCP branches

have few job experience, and hence it could be rather difficult to properly evaluate their trustworthiness and obedience by other means. Although the success rate for joining the CCP is much higher in HEIs than in many other sectors, we must note that it is still very competitive for students to join the CCP during their studies[38].

It is also essential to introduce the first destinations of students after they graduate from Chinese HEIs. Not all graduates from HEIs immediately enter the labour market (including self-employment) before or shortly after their graduation: some of them successfully continue full-time education (usually at the postgraduate level), some of them leave China for other countries (for various purposes, though mainly for full-time education), some are selected by special organizations (e.g. the PLA, or secret sectors such as nuclear-related organizations)[39], and a small proportion of students become self-employed after their graduation. Normally graduates from Chinese HEIs can confirm their destinations before their graduation or within a short period after their graduation (usually 1 year)[40]. Generally speaking, graduates from elite HEIs are more likely to continue fulltime education and go abroad after receiving their undergraduate degrees than graduates from non-elite HEIs (e.g., MyCOS, 2011). This is probably because graduates from elite universities usually

in the HEIs are able to judge applicants' trustworthiness and obedience from their performance in the CCYL.

[38] The overall successful application rate to join the CCP in China is estimated as slightly higher than 10% as reported that the CCP currently had less than 81 million members in 2010. However it is widely estimated that the rate to successfully join the CCP among university students is around 25%.

[39] Usually these selections are organized by the government, and individual students should obey if been selected.

[40] In fact, the vast majority of graduates can find a destination before or within one year of their graduation. This provides some conveniences to the fieldwork and statistical analysis. However, as worried by the authority, the employment of university graduates gradually creates some pressure on the labour market. Though nowadays the graduates' employment rate is quite high, there is limited effective mechanism to make it sustainable, after the era of state-allocation system of labour.

have stronger academic capability to pursue further fulltime education. Graduates from special HEIs (such as the National Defense University) are more likely to be selected by special organizations. This is perhaps because of such special HEIs are usually have stronger connections with special organizations such as the army. These facts are related to the selection of the fieldwork sites and samples, which will be further explained in the third chapter. The following section will introduce some further details of the labour market in China.

1.5 Some further details of the Chinese labour market

There are many studies on the labour market in China (e.g., Delman, 1990; Groves et al, 1995; Xie and Hannum, 1996; Parish and Michelson, 1996; Nee and Cao, 1999; Khan and Riskin, 2001; Appleton et al, 2005; Yueh, 2004, 2008, 2010; Knight and Song, 2005, 2008; Ash, 2008; Li and Gustafsson, 2008; Knight and Yueh, 2009; Knight et al, 2010). Therefore, this thesis only introduces those aspects of the Chinese labour market which are directly linked to the research questions and the fieldwork. In general, the job-searching process for university graduates in China is similar to many other countries: after the state abolished the central-planned allocation system of graduates around the early 2000s, university graduates need to apply and compete for jobs (or other destinations, such as continuing full-time education either in China or abroad) on their own merits and via various channels (including personal/family networks, university-employer channels and other

information). In order to attract employers and earn better job opportunities or higher salaries, university graduates try their best to demonstrate their strengths to employers via various ways (e.g., through interviews and application packages). Job searching, which is widely-known as 'looking for work units (*zhao danwei*)' in China, usually starts from the beginning of students' final year in the university[41]. In general, the formal university-employer institutional networks are not fully established as in some other countries, such as Japan (e.g., see Rosenbaum and Kariya, 1989). Hence most employers also need to use various channels (e.g., websites and job fairs) to select potential employees among graduates. They try their best to collect information on potential employees (the applicants), and also try their best to verify the existing information provided by applicants. The state, however, still possesses the power to allocate graduates into specialized jobs/fields, e.g. joining the army.

In China, the employment rate is rather high (near 96%, Ministry of Human Resources and Social Security of PRC, 2011)[42], while at the same time, the wage level is rather low according to the international standard. Since various income distribution systems and wage determination systems co-exist in the Chinese labour

[41] Work units, or *danwei*, is a kind of legacy from the socialist planned economy, when the word 'employer' was considered as an ideologically reactionary term related to private ownership or capitalism. In contrast, the term 'work unit' is often referred as public or organizational places which provide employment to labour. However nowadays after 30 years marketization reform in China, the word 'employer' no longer has a strong ideological connotation. In this thesis, the term 'work unit' (or *danwei*) has the same meaning with the word 'employer'.

[42] Some researchers are skeptical about the official employment figures in China and challenge them from different perspectives. For example, Solinger (2001) argues that official figures of unemployment in China have some caveats, such as adopting a chaos of relevant but different terminology when calculating the unemployment rate (e.g., 'Xiagang' and 'jobless'), the difficulty in counting the re-employment, and various ways of measuring 'informal laid-off', such as early retirement. However we note that if not going to make exact predictions, the official employment figures can still be trusted to give us a general overview of the employment situation in China.

market, we pay close attention to the fact that salaries in China have various substantial components (such as standard wage, welfare package provided by the employer, rigid bonuses[43], premium, and free using of services). These elements are all included in the definition of the concept of 'first job salaries'. Similar to many other labour markets, first job salaries are not completely negotiable in the Chinese labour market. Some employers offer rigid first job salaries by setting a specific amount of salaries for a particular job in the advertisement, which is not negotiable at all. Some other employers set a semi-flexible first job salary by setting a specific range of salaries for a particular job (e.g., RMB 38,000-RMB52, 000/Year), so that the negotiation on salaries only exist within that range. There are also some employers who completely rely on negotiations with fresh graduates in order to decide their first job salaries.

Also, in comparison with many other parts of the world, especially the more developed regions, the internationalization of the Chinese labour market is still limited - though fast improving. This is manifested in the low ratio of foreign employees in the Chinese labour market, even though China is seen as one of the most attractive places for foreign investment and the so called 'world factory'[44]. This

[43] In many Chinese work units, perhaps due to the existence of an egalitarian wage determination system, bonuses are not necessarily (or at least not completely) based on performance, as they are in many developed societies. Instead, they may be set before each financial year. That is why they are sometimes labeled as 'rigid bonuses' in China.

[44] For example, at the end of 2011, there were 241,900 foreigners working in China, counts around 0.03% of the total workforce in China (around 764.2 million). http://www.mohrss.gov.cn/SYrlzyhshbzb/zwgk/szrs/ndtjsj/tjgb/201206/t20120605_69908.htm, accessed on 22nd Feb, 2013. This may be because of the strict restrictions of hiring foreigners in China and the complicated procedures for foreigners obtaining employment visas to work in China. See The Regulations of Foreigners Work in China (*Waiguoren zai Zhongguo Jiuye Guanli Guiding*) for more details.

is another factor persuading me that it is not necessary to include foreign graduates from Chinese HEIs into the sample. Another point to which we pay special attention is that the restriction of labour migration is gradually loosening, especially following the legal recognition of domestic migrant workers. For example, domestic migrant workers are usually no longer negatively labeled as '*Mang Liu*' (directly translated from Chinese, means rangers without destination). Nevertheless the level of domestic labour mobility is still low in China, especially if compared with some developed societies[45]. As we will see later, these facets of the labour market are probably related to the graduates' job searching process.

In comparison with the developed world, the distribution of information in the Chinese labour market is also limited due to a series of factors, such as technical, financial and cultural reasons. For example, there is still not very reliable technical platform of authentic information for university graduates' profiles through which employers can easily access graduates' information or find adequate candidates, probably due to the information verification process can be time consuming and quite expensive, as well as the general lack of social trust in China. Nor is there a reliable and sophisticated information platform for graduates to find suitable employers. The difficulties related to information distribution significantly increase the cost of job searching (and also employee selection), which as will be examined in

[45] It is important to note that in China due to the restrictions of the Hukou system, it is rather complicated for domestic migrants, including students who decide to work in a place different from his/her university or original Hukou registration place, to claim long-term or permanent settlement rights. This significantly increases the job searching costs and the difficulty of domestic labour mobility.

Chapter 4 and Chapter 6, can affect the graduate labour market outcomes and the process of wage determination.

China is experiencing an industrial upgrading process (e.g., Gereffi, 2009), in which its labour market may require more well-educated elites with good professional skills, especially in modern science and technology, rather than book worms (e.g., Hu and Zhou, 2007). Hence, scholars notice that undergraduate degree holders are less attractive than in the past (Fladrich, 2006), if they cannot effectively reveal or signal their human capital and potential productivities to employers. That is a reason why we believe that besides the degrees or qualifications, graduates' personal human capital stock signaled by their OCP deserves sufficient attention in the field of education-employment transition. It is also a reason to incorporate some specific indicators (such as attendance of interdisciplinary courses and computer skills) which reflect graduates' specific capabilities on modern science& technology and knowledge structure into the concept of OCP.

1.6 The Structure of the thesis

The remaining parts of the thesis will be arranged as below. Chapter 2 reviews the relevant literature on the university-work transition, in which we will pay special attention to the wage determination process. It examines the existing literature on how graduates' family background, on-campus performance and gender affect their

first job salaries in both country-specific and more general context. Chapter 3 introduces the fieldwork that I conducted in China, and from which I will continue to discuss the methods for sample selection, controlling variables and statistical analysis. Introducing the fieldwork may help readers understand the nature of this research, and also provide some first-hand experience for future studies which may involves fieldwork in China, especially Chinese HE and the labour market.

In Chapter 4, I will examine the relationship between graduates' family background, OCP and their first job salaries based on quantitative data collected from the field work. Some findings are consistent with the popular belief and existing studies, while some other findings fall beyond of the predictions of the existing theories in the field of education-employment transition. Some evidences based on the special characteristics of the Chinese society as well as previous studies are adopted to explain the statistical results in this chapter. Chapter 5 focuses on whether and how gender affect graduates' first job salaries. Based on the results, I will add to the literature on whether and how Chinese HE enlarges or reduces the possible gender wage gaps. Chapter 6 and Chapter 7 reveal some further qualitative information which are not available through statistical analysis. They will not only provide more evidence to support the statistical results in Chapter 4 and Chapter 5, but also add some hints to explain the findings in the two previous chapters. Chapter 8 concludes the thesis, in which the findings, contributions, limitations as well as possible directions for future studies are summarized. It also engages with existing theories

and the Chinese context to generate more thoughts on university-work transition, and provide practical implications to China's on-going and/or proposing reforms on its HE and labour market.

Chapter 2 Literature Review

In chapter 1 I explained the research questions, and defined some key concepts of this thesis. The thesis explores whether in China, a large developing country with a recent and rapid expansion of its higher education (HE), university graduates' family background, on-campus performance (OCP) and gender affect their first job salaries after their graduation. In addition, we will continue to investigate some possible mechanisms to explain why (or why not) Chinese university graduates' family background, OCP and gender have a significant impact on their first job salaries. Also, in order to have a general understanding of the university-work transition in China, some details of Chinese HE and its labour market were introduced in the first chapter.

This chapter reviews some literature which focuses on the determination of labour market outcomes, especially for fresh graduates. Although the mainstream literature on the education-employment transition pays much more attention to the relationship between labour market outcomes and different educational qualifications than to the link between labour market outcomes and attainments in higher education institutions (HEIs), in the coming section we are still able to review three theories that can help clarify whether and how students' various attainments in their universities affect their labour market outcomes after graduation.

2.1 Students' on-campus performance and graduate labour market outcomes: three theories

In this section, we review the institutional network theory, human capital theory and signaling theory, which explain various aspects of the relationship between students' on-campus performance or attainments and their labour market outcomes after their graduation from different perspectives. We pay attention to both specific studies on the education-employment transition in China, and also more general literature based on evidence from other parts of the world.

2.1.1 Institutional network theory

Institutional network theory examines how linkages and trust between educational institutions and employers affect the allocation or determination of fresh graduates' first job opportunities (Rosenbaum and Kariya, 1989). The linkages between educational institutions and employers can be established through either the more marketized factors (such as the Japanese case, see Rebick, 2000) or the state intervention (such as in the Mao's China, see Luo, 2004). With the linkages and trust, employers may largely transfer the power of selecting potential employees to the HEIs, as employers believe HEIs should have much more information about graduates' abilities than they have. Then largely based on the recommendations (or first round selection) from HEIs, employers make the final decisions on recruitment and/or salaries. This can save employers' recruitment costs as they can largely rely

on the recommendations from HEIs and hence they do not need to spend too much on collecting/verifying the information about graduates' productivity. In return, employers may offer some advantages to their linked-HEIs, such as offering a reasonably fixed recruitment quota on graduates from those HEIs, or offering some priorities to graduates from those HEIs. HEIs are expected to recommend/nominate graduates to employers according to graduates' merits and suitability to specific job requirements, otherwise they may lose the trust from linked-employers and cause negative results on the job opportunities of their graduates in later years.

Therefore, when the links between employers and HEIs is stable and strong, fresh graduates' first job opportunities are largely determined by their attainments in the HEIs (because HEIs can better evaluate their merits and potential productivity), as well as the linked-employers of their universities. Usually students with better OCP are more likely to be recommended by their institution to first jobs with higher salaries. Kariya and Rosenbaum (1988) demonstrate that in Japan, academic grades have the main influence on the recommendations by the schools and hence largely determine graduates' opportunities to get good or high-paid jobs. Besides the academic performance and majors, Hoffman (2001) finds that in Mao's era, graduates' ideological/political behaviors were also highly emphasized by the university when making job nominations. It is also sometimes perceived that in Mao's era, interpersonal relationship between graduates and the university staff could affect the nomination decisions in Chinese HEIs, and also the first job

opportunities, which suggests that the institutional networks may also create spaces for anti-meritocratic factors in the university-work transition. However, although there is an interesting debate about the efficiency or meritocracy of the institutional networks between HEIs and employers (e.g., Ishida, 1993; Brinton and Kariya, 1998), this thesis will not engage too much with the debate because the institutional linkage between employers and HEIs in China has been radically destroyed following the abolishment of the state-allocation system between the late 1990s and early 2000s. In the coming sub-section, we will review another theory that has been widely discussed in the context of market economy, the human capital theory.

2.1.2 Human capital theory

The concept of human capital originates from Adam Smith's analogy that the talent (useful abilities) possessed by workman in the society can be considered in the same way as other production essentials, which incur certain costs that are repaid with possible profits (Adam Smith, 1776). Some other scholars notice that the formation of human capital and other types of capitals are different. Human capital can be largely gained through education/study, apprentice/learning, and experience or knowledge accumulation (e.g., Schultz, 1971). Mincer (1958) expresses the concept of human capital in the mathematical means by the equation: Log (wage) $=b_0+ b_1$Education$+ b_2$Experience$+ b_3$ (Experience)$^2+$ other control variables and disturbances.

From this equation, it is able to understand that the hard core of human capital theory is that holding other factors constant, both education and experience (and maybe also other factors) can increase the talent (or so called useful abilities in Adam Smith, 1776) possessed by individuals. These talents and useful abilities can affect the employability of individuals and are likely to increase (or decrease) employers' profits, and hence increase (or decrease) those individuals' wages. The human capital can be further divided into different specifications as well (Becker, 1964). For example, general or transferrable skills such as computing capacity are more likely to be obtained via education, while job-specific skills such as repairing a specific type of car are more likely to gain via apprentice or experience. Also we can notice that the relationship between individuals' wages and the human capital that they possess may vary in different circumstances. In the following subsection we will review the literature on whether and how human capital brings economic returns at different stages of economic development and reform.

2.1.2.1 Human capital and labour market outcomes: different stages in the economic development and reform

Scholars find that at different stages of economic development, human capital accumulated by job applicants may have different impact on their labour market outcomes. A group of researchers, with a special focus on the countries which are in transition from the communist central-planning system towards the market system (including both former USSR countries and China), investigate whether and how the

returns to human capital are different before and after the marketized transition in these countries (e.g., Chase, 1998; Flanagan, 1998; Jones and Simon, 2005). Although there is a consensus on the fact that the returns to education have been significantly increased since the transition (e.g., Orazem and Vodopivec, 1997; Flanagan, 1998; Munich et al, 2005), there is a debate as to whether the returns to more socialism-adaptive human capital factors has been diminished or eliminated. For example, Rutkowski (1996) finds that soon after the launch of the marketized reform, Polish white-collar workers started to earn dramatically more than blue-collar workers, who might have better economic returns than white-collar workers in the communist era. This can be partially explained by the reduced political/ideological privileges of blue-collar workers after the transition in Poland. Similar findings are obtained by market transition theorists such as Nee (1989), who finds that the redistributive power is gradually shifting from the bureaucrats to the market forces in China. Being consistent with market transition theorists, Zhao and Zhou (2002) find that the returns to education in urban China increased substantially since 1978. They also find that '…relative to the increasing returns to education over this period of time, returns to party membership has declined' (Zhao and Zhou, 2002, p363). Nevertheless they notice that the impact of some political capital may still persists and may stay alongside the market mechanisms. On the other hand, some researchers find that political/ideological advantages not only play an important role before the marketized reforms, but may also be important to obtain administrative posts with clear material privileges even after the marketized reforms (e.g. Walder,

1995; Hanley and Treiman, 2005).

A more synthesized view is that political/ideological statuses can be converted into market-recognized human capital. For example, adopting the evidence from the high-end urban labour market of China, Bian et al (2001) argue that communist party membership not only symbolizes some socialist human capital, but due to the meritocratic recruiting criteria of the communist party, CCP members usually also have higher occupational competency than their non-CCP peers. Probably this is why we can see that Bian and Zhang (2002) find that income returns to human capital such as education and professional competency increase alongside an increase in returns to CCP membership and cadre status. So it is somewhat predicable that CCP members may be more appreciated by employers. For example, graduates with CCP membership can demonstrate higher loyalty, stronger self-discipline and better interpersonal skills, which may bring them better job opportunities.

Though it is not the main task of this thesis to judge the difference in returns to graduates' human capital in pre-reform and transitioning China, the above paragraphs provide some suggestions that some political or ideological aspects of graduates' OCP may impact on their first job salaries and cannot be neglected in the Chinese context. A review of the existing literature on the division of returns to human capital at different stages of economic development and reform is also helpful for researchers better understanding the debate about whether or not the economic

returns to political/ideological privileges are replaced by returns to individual personal productivity after China started its marketized transition[46].

2.1.2.2 The link between human capital and job market outcomes via job searching and capital conversion

It is widely known that job searching capacity (including preparation, efforts, financial support, etc) can have significant positive impacts on the first job outcomes in the education-employment transition. For example, if a student has better financial support in the job searching, it is more likely for him/her to obtain a better paid first job, or a higher-prestige position than a peer student without good financial support in the job searching. It is noticed that human capital possessed by each student is also linked to their job searching capacity, and therefore human capital may have an impact on first job outcomes via its effects on students' job searching capacity.

For example, with a cohort of Chinese university graduates, Ding (2004) finds that graduates with stronger human capital usually have less concern about possible limitations in their access to social networks when searching for jobs. Adopting a panel data of Chinese University graduates, Ma and Ding (2009) find that graduates with higher human capital, such as those studying in elite institutions, being a CCP

[46] It is widely known that before China's marketized transition, returns to political/ideological privileges in PR China were very high as political/ideological capital might be one of the most important determinant of a person's career prospects, while the returns to classical human capital such as education were extremely low or even negative. For example, during the Cultural Revolution period, intellectuals such as university academic staff and well-educated students were very likely to be classified into the 'reactionary class' (which is politically/ideologically negative), and received very bad careers and salaries.

member or student cadre, are usually less concerned about social capital in job searching. Ma and Ding (2009) argue that the human capital and social connections supplement each other. This is reasonable because social connections can provide essential job-related information to fresh graduates, while their human capital largely affects how they process/utilize such information.

A few other scholars (e.g., Bourdieu, 1986; Coleman, 1988) pay further attention to the link between and convertibility of different types of capital (mainly economic, cultural, political and human capital). This convertibility can become a reason why graduates with stronger human capital are likely to obtain better first jobs or higher wages. For example, based on a cohort of Chinese overseas students, Xiang and Shen (2009, p520) demonstrate that the higher human capital gained through education (especially proper overseas education) get more '…social worth, and in turn deserve special economic and social privileges'.

The human capital paradigm makes tremendous contributions to the studies of wage determination, including the university-work transition literature on both China and other countries. However, a significant weakness of this paradigm is the difficulty in measuring the real human capital accumulation in colleges. This is even more significant in the context of the Chinese HE and labour market, where some widely adopted human capital indicators, may not have effective impact on the labour market outcomes, due to some other factors which distort the market mechanism in

wage determination, such as possible political and ideological intervention (e.g., Heckman, 2003; Zhiqiang Liu, 2003; Schultz, 2004). Therefore, in order to investigate whether and how the human capital accumulated in HEIs affects graduates' labour market outcomes, considering the Chinese context and availability of data, we carefully select variables to operationalize the concept of OCP, as explained in the first chapter.

In both China and other countries, scholars further notice that it is necessary to find out some effective signals or devices to 'screen out' those who have more human capital and who have less. So in the next part, we will review another theory, the so called 'screening theory' (from the perspective of employers), or the 'signaling theory' (from the perspective of job applicants), which addresses the labour market outcomes of fresh graduates and their first job salaries.

2.1.3 Signaling theory (screening theory)

Signaling theorists argue that in the university-work transition (the labour market for fresh graduates), as is the case for some other types of labour market, asymmetrical information coexists with competition because the quality (e.g., productivity/ability) of graduates (labour) may vary significantly. For example, Spence (1973, p356) argues that hiring can be considered as employers' investment under uncertainty in the labour market, since generally job applicants (graduates) know much more about their real ability (productivity) than their potential employers know. Therefore,

employers need some signals or devices to screen out those who are most talented with highest productivity, or who are the most suitable employees among a large amount of university graduates, and then set their first job salaries according to the productivity or suitability revealed by such signals or devices (e.g., Spencer, 1973, 1974; Psacharopoulos, 1979; Weiss, 1995). That means, reliable information about the job applicants is needed in order to reduce uncertainty when making hiring and wage decisions (e.g., Stiglitz, 1975). On the other hand, in a competitive labour market, fresh graduates as potential employees also need to send signals about their ability (productivity) and other job-related individual characteristics (such as loyalty) to their first employers, in order to improve their first job opportunities and obtain maximum first job salaries. Therefore, some screening theorists argue that education, institutions and performance could be considered as devices or filters which help the employers to screen graduates with different productivity, and also help the graduates to send signals about their productivity to employers, so that the imperfect information and uncertainty in hiring and wage decisions can be reduced (e.g., Arrow, 1973; Wise, 1975; Weiss, 1995).

It is noticeable that elements of screening theory and human capital theory complement and contradict each other at the same time. On the one hand, as explained by Blaug (1976), in order to gain proper returns to human capital from the labour market, human capital must be revealed via proper signals, and educational achievements can often become such signals. That is perhaps one reason that in the

studies of university-work transition, some human capital indicators (e.g., academic grades, references, IT and language skills) are also widely selected as signals of productivity in the screening literature. But on the other hand, the debate regarding the explanatory mechanisms of graduates' first job salaries should also be noted. Human capital theory argues more about that education and experience have the main function of improving job applicants' productivity, and the improved productivity can gain economic returns from the labour market (e.g., for fresh graduates, higher first job salaries). The screening theory, being different from human capital researchers, argues more about that the main function of education and experience is to screen out job applicants with different productivities, and then wages and job opportunities can be determined accordingly. Though it is beyond the scope of this thesis to distinguish which theory is more reliable or suitable, it is nevertheless helpful to notice the consistency and competition between these two theories, especially when we review the literature on the widely selected productivity signals, and the cost of screening in the following sub-sections.

2.1.3.1 What are signals in determining fresh graduates' first job salaries?

In the literature of university-work transition, there is a wide debate on what are effective signals to reveal fresh graduates' abilities and hence affect their first job salaries. Generally speaking, the educational system, labour market system and socio-cultural factors have largely determined what can become effective signals of fresh graduates' abilities and therefore affect their first job salaries.

If restricting the analysis to graduates from either the same or same level of HEIs, a lot of researchers believe that graduates' academic achievements should be considered as important signals of their talents (potential productivity). The most observable aspect of academic achievements, scores or grades, attract many signaling theorists' attention. For example, Wise (1975) finds that graduates' academic grades in college have a substantial impact on salaries. Based on a sample from the UK, where degree classifications vary according to graduates' academic performance/results (such as 1st and 2nd class degrees), Smetherham (2006) finds that the level of degrees can demonstrate graduates' capabilities, and hence be used by employers as criteria when making recruitment decisions. She finds that in the UK where the economy is largely knowledge-driven, graduates with highest credentials (such as a 1st class degree) '…are to some extent shown to be at a positional advantage within the labour market' (Smetherham, 2006, p29). Nevertheless, a further investigation on the variation of labour market outcomes within the 1st class degree cohort is needed. In a comparative study, Kariya and Rosenbaum (1988) demonstrate that academic scores have limited impact on the chances to obtain skilled jobs with good salaries in the USA, while such grades may have significant effects in hiring outcomes in Japan. This is probably because 'the labour market for Japanese university graduates is more structured and formalized' (Rebick, 2000, p474).

Besides academic achievements, it is noticed that some other aspects of graduates' attainments in HEIs may also be treated as signals of their productivity when they are applying for jobs and bargaining salaries after graduation. For example, based on a Hungarian sample, Galasi (2003, p19) finds that foreign language abilities and IT skills can '…produce a non-negligible wage advantage' to graduates. These attainments could be signals collected by potential employers in the labour market, and therefore it is appropriate to incorporate attainments such as foreign language abilities and IT skills into the concept of OCP used in this thesis. In Japan, overall evaluation from the institution or professors can reveal graduates' productivity to the employers, because in the university-work transition in Japan '…professors and/or departments sometimes play a large role as intermediaries' (Rebick, 2000, p473).

In societies with relatively more flexible educational systems, such as the USA, university graduates' age may vary significantly due to the difference in their pre-college or in college experience (e.g., part time jobs, gap years, etc). Also, college graduates are allowed (and are sometimes encouraged) to gain work experiences before or during their studies in HEIs in these societies. In these societies, there is a long lasting debate about whether graduates' age, job experience and job searching length are considered as signals of productivity in the labour market. Though noticing it is illegal for employers to discriminate against job applicants by age, it is also noted that a young age can become a negative signal of job applicants' productivity, since in many social norms, young age is highly

associated with deficiency, lack of self-discipline, and unreliability (e.g., Osterman, 1980; Hamilton, 1986, 1987). Therefore, job applicants with younger ages are less likely to obtain good job opportunities.

On the other hand, some researchers are skeptical about whether young age is an accurate signal of graduates' poor ability. Scholars such as Waldman and Avolio (1986) find that the link between employees' age and job performance is complex. Also it is often perceived that younger employees may be more motivated than their peers with higher ages. So the evidence for employers treating young age as a negative signal of graduates' productivity is insufficient. Similar to the disputes about whether age is a signal of productivity, some other researchers argue about whether the length of job searching is evaluated as a negative or positive signal. However, considering the rigidity of the Chinese educational system, as well as the fact that the graduates in our sample all entered the university in the same year, this thesis does not take age as an indicator of productivity in the regression and empirical analysis.

To briefly sum up, there is a long-lasting debate about which factors are considered to be signals of graduates' productivity in wage determination, including the process of university-work transition, as well as how employers screen out productive fresh graduates when making hiring and salary related decisions. The signals and screening mechanisms are perhaps largely determined by the socio-economic

conditions in each society, as well as the HE system and labour market development in different countries. That is one reason for us selecting different elements to operationalize the concept of OCP when examining its impacts on graduates' first job salaries in China, where the educational system is quite rigid and graduates are usually in similar ages and have little formal job experience if they graduated in the same year. In the next sub-section we will review further literature on signaling theory, which examines the costs of sending and collecting signals in the wage determination process.

2.1.3.2 Signals are not cost-free: how they are sent and collected?

As illustrated by Stigler (1961, p213), '…information is a valuable resource'. In the university-work transition, when making the recruitment and salary related decisions, employers may find it is not cost-free to observe effective and reliable signals which can demonstrate graduates' real productivity. Some signaling theorists argue that such costs can affect employers' hiring and salary related decisions, and sometimes even reduce the meritocracy in the university-work transition.

For example, noticing it is not free to collect information about graduates' real productivity, Arrow (1973) and Rosenbaum et al (1990) find that employers tend to make recruitment and salary related decisions on some easily available signals, such as academic credentials, which can only partially reflect graduates' true productivity. For employers, selecting which signals should be collected is also a costly decision,

as it may largely rely on employers' knowledge of the educational system, the suitability of job applicants' and the job requirements, which may involve a lot of monetary costs, time or effort (e.g., experienced human resource officers should be hired before recruiting other potential employees). Though job-specific tests carried out by employers can detect effective and realistic signals to identify graduates' real ability in each specific job, Spencer (1974) demonstrates that employers will not arrange such tests unless the improved information about graduates' real capacity and suitability for the specific jobs are worth the costs of such tests. Therefore, based on signals only partially reflecting graduates' real productivity, employers may not be able to effectively set first job salaries according to graduates' productivity. Ning (2007) further notices that some easily available signals may not be reliable due to possible cheating behaviors (e.g., in less regulated context, exam grades cannot reflect students' capacities). In such circumstances employers may have to choose the 'strong screening approach': hiring fresh graduates with reasonable starting wages, then readjusting their wages based on their first period real job performance (Psacharopoulos, 1979). However it is often quite hard to obtain information about readjusted wages so this issue is seldom discussed in the literature of university-work transition.

It is not cost-free for fresh graduates to effectively send reliable signals about their true productivity either, even though they know their productivity/ability better than their first employers. For example, registration fees and time to prepare for some

qualification tests are required if they would like to demonstrate their productivities via good results in such tests. Shen and Zhao (2005) further finds that in less regulated HE systems, bad money can drive out good since it is difficult or costly to identify trustable signals (for both employers and fresh graduates)[47]. Then graduates may find it more difficult to choose which signals they should provide to their potential employers, and such difficulty may increase the cost of signaling as well. Therefore, it is able to infer that graduates who are able to effectively send positive signals (and hence reduce the possible uncertainty) to their first employers are more likely to obtain better opportunities or higher salaries. Since the capacity to effectively send reliable signals about productivity is related to graduates' family background, for example, graduates from rich families may be more able to afford relevant expenditures, this is another reason to examine how family background may affect the university-work transition. In the next section, we will further review theoretical and empirical studies which discuss the relationship between graduates' family background and their first job opportunities after graduation.

To briefly sum up this section, we have reviewed three theories which help us to understand the relationship between graduates' on-campus attainments and first job salaries after their graduation: network theory, human capital theory and signaling theory (screening theory). The features and disadvantages of these theories have been

[47] Bad money drives out good, which is also known as 'Gresham's Law', originally refers to that in the era of metal money, people prefer to use debased money in transactions and keep un-debased money since the latter is more 'valuable'. This is further implied in Akerlof (1970) when he explained the 'market for lemons': with the existence of asymmetrical information and/or uncertainty, high quality (or reliable) goods will be kicked out from the market by the low quality (or unreliable) goods, since the consumers do not wish to pay higher prices for high quality goods due to their limited knowledge or high cost to distinguish high quality and low quality goods.

scrutinized. Although no theory can explain everything, a careful review of these theories while remaining aware of the difference in societal context can provide us with some hints about selecting relevant control variables when analyzing the wage determination in the university-work transition in China.

2.2 Family background and labour market outcomes: general and China specific literature

This section reviews existing studies about whether and how students' family background affects their first job opportunities. Due to the significant differences in country specific contexts and the various means to define or measure family background, we firstly review the more general literature on how students' family background affects the labour market outcomes, and then review some more specific studies which examine the link between family background and labour market outcomes in China.

2.2.1 The general literature on the impact of family background on labour market outcomes

Though it is widely perceived that highly meritocratic labour markets usually offer high returns to a worker's individual productivity related characteristics (e.g. education and experience) rather than their family background, it is hard to find a

place where family background is not associated with labour market outcomes. For example, scholars demonstrate that family background is usually associated with children's educational opportunities (e.g., schooling chance, length and quality, etc) and hence it can affect the labour market outcomes in an indirect way (e.g., Heyneman, 1976; Dimaggio, 1982; Schiller et al, 2002; Walpole, 2003). Though there are more detailed discussions about how family background affects labour market outcomes indirectly via unequal educational opportunities, we will not further review them since this thesis focuses on graduates who have the same educational opportunities and hold the same level degrees.

Scholars demonstrate that family background can also affect the labour market through other ways, especially the job-hunting behaviors, even if the educational opportunities are controlled. One of the most significant examples is that graduates with different family backgrounds usually have significant different job-hunting strategies, due to various psychological factors related to their family background. Furlong and Cartmel (2005) explain that graduates with less advantaged family background are much more eager to obtain jobs in the shortest possible time by lowering down expectations on wages. Feng (2010) finds that when looking for jobs, graduates have lower psychological pressure if they have well-educated parents. Also, it is possible that graduates from less advantaged families may be quite eager to demonstrate their financial independence, which is another factor that pushes them to obtain first jobs in the shortest possible period and hence reduce their expected and

real salaries.

However, on the other hand, though students with disadvantaged family backgrounds are under stronger psychological stress in the job searching process, they are probably more likely to use such stress as an incentive to obtain better job opportunities or higher salaries, as they may have stronger wish to change the life of their families and themselves (Chenglong Li, 2010). Such incentives usually contribute to higher first job salaries. That means, psychological stress due to disadvantaged family background can bring positive results to graduates in the labour market.

Graduates' family background can affect their channels and resources when looking for first jobs, and hence create some impacts on their first job opportunities. For example, it is easier for graduates with advantaged family background (e.g., parents in high-status positions) to create necessary interpersonal connections (especially the 'weak ties', see Granovetter, 1974, 1983; Bian, 1997) for job searching, and hence improve their chances to find good first jobs or earn higher starting salaries. Also, graduates with advantaged family background are more likely to obtain job-related information through their advantaged families, such as well-educated parents who can collect job information effectively (e.g., Parnes and Kohen, 1975; Wen, 2005). Better family background can further provide more support to graduates' job search, for example, financial support to purchase professional career services,

transportation and job preparation. In contrast, as demonstrated by Furlong and Cartmel (2005), graduates from less advantage families usually invest less time and money in job searching, as they may feel not quite worthy of job search process. They also have lower wage expectations. Hence they are less likely to obtain better paid first jobs than their peers from advantaged families.

In short, this sub-section has briefly examined some past literature on whether and how family background affects graduates' job opportunities and salaries when looking for their first jobs. Family background can affect the university-work transition by both psychological and economic factors, which are likely to affect graduates' job search behaviors and hence have impacts on the first job opportunities and salaries. However the more specific connections between family background and first job salaries still largely rely on the societal context. Therefore, in the coming sub-section we will review the literature which specifically focuses on the relationship between family background and labour market outcomes in China.

2.2.2 Family background and job market outcomes in China: the existing literature

Since China is in transition from the state central-planned system to the market economy, it is noticed that parental economic and educational statuses have a much stronger impact on children's attainments in the labour market than in the past. For example, after 1978, the intellectuals were soon shifted from the reactionary class to a respected class as the link between knowledge and productivity was suddenly

emphasized by the authority and public (Xiaoping Deng, 1994). Also a gap in incomes and a large level of uncertainty were also permitted by the government after the launch of marketized reforms in China. Therefore, compared to Mao's era, well-educated parents are now much more likely to help their children obtain well-paid jobs after their graduation through their improved public status. Graduates from richer families may also feel that it is easier to cope with the institutional and market complexity during the transition with the help of their family financial capacities, and hence obtain some advantages when searching for first jobs and bargaining for higher salaries. This is consistent with the view of other scholars such as Nee (1989, 1991), who believes that the fast transition to market system may effectively erode returns to political and ideological statuses (especially parental political statuses), as the institutional bases of cadre dominated economy can be diminished.

However, the arguments surrounding the strengthening of the relationship between family educational or economic statuses and children's employment and salaries, and the reduced impact of parental political/ideological statuses on children's employment are challenged by some other researchers, who find that a strong political and institutional power co-exist with the emerging of the market forces (e.g., Appleton et al, 2008). As there is a '…continuing need to have linkages with state bureaucrats and state-run enterprise' in the Chinese labour market (Parish and Michelson, 1996, p1044), scholars such as Morduch and Sicular (2000) and Walder

(2002) find that family political background, especially whether or not there is a governmental administrative officer in the household, has a significant impact on the children's employment. Nevertheless measuring parental political statuses is difficult due to the unavailability of sensitive political data and the complexity of Chinese administrative structures. Zhou and Suhomlinova (2001) measure Chinese households' political statuses by the size of family accommodation. They use this indicator because the size of family accommodation was largely and positively associated with parents' political status under the traditional housing-allocation system. But the validity of this method is decreasing since family accommodation is much more marketized nowadays than in the late 1990s or early 2000s when there were more restrictions on the Chinese real estate market.

As many researchers argue that the CCP monopolizes the political power in China, parental CCP membership is always believed by both the researchers and public to have a large impact on children's employment and salaries in the labour market (e.g., Yang et al, 2010). Also, as introduced in the previous chapter, parents' CCP membership is a widely selected indicator to measure families' political and ideological statuses in China, as scholars find that in that generation (born in the late 1950-60s, who are most likely to be parents of university graduates in the 2000s), people were selected into the CCP mainly according to 'their ideological and political reliability'[48] (Dickson and Rublee, 2000, p93). Dickson and Rublee (2000)

[48] The ideological and political reliability in the pre-reform China was usually determined by a person's class ('*Cheng fen*'), which is largely divided into revolutionary and anti-revolutionary. For more details of '*Cheng fen*',

and Bian et al (2001) further argue that to gain extra advantages for children's employment and future development is an incentive for people gaining the CCP membership even since the Yan'an Period (1937-1949), and the CCP makes some sacrifice by reasonably tolerating such privileges, in order to attract enough members and maintain the loyalty of its members[49]. Therefore, it is possible to predict that graduates with parents in the CCP may enjoy more advantages in finding their first employment and bargaining for higher salaries.

However, some other scholars doubt that parents' CCP membership itself can bring extra advantages for their children's employment. For example, Morduch and Sicular (2000) argue that parents with ordinary CCP membership cannot make effective rent-seeking for their children's employment, unless they have administrative positions in the CCP or the government. Li and Zhang (2010) also obtain similar results, and argue that parental CCP membership nowadays is not powerful enough to affect their children's employment if they are not cadres, although parents with CCP memberships are more likely to obtain government or managerial jobs in China. This explanation reveals that a significant stratification may exist within the CCP: some CCP members may be senior officials with strong administrative power, while a large proportion of CCP members may come from low social classes, such as frontline blue collar workers or poorly educated farmers, especially among those born in the late 1950s-60s. However it is beyond the scope of this thesis to further

see Lin (2012).

[49] This thesis does not find evidence to support such arguments. It is beyond the thesis to research Chinese politics and history of the CCP.

investigate the relationship between labour market outcomes and CCP internal stratification, and the relationship between CCP and Chinese politics.

As briefly shown in the previous chapter, another widely discussed factor, which has a possible impact on children's employment in the Chinese labour market outcomes is the family Hukou status (or graduates' pre-college Hukou status). Traditionally, due to the large rural-urban disparities (rural residents are entitled to significantly fewer public welfare resources), and the rigid division between rural and urban household registration, scholars argue that college graduates from rural families are likely to suffer some disadvantages when looking for their first jobs after graduation, even though higher education can somewhat reduce the income inequalities due to different Hukou statuses. For example, Guang and Kong (2010) use experimental studies in Beijing and find that employers still favour graduates with urban Hukou, as their urban Hukou may signal higher personal quality (Suzhi) and make employers or even customers feel that they are more reliable. On the other hand, due to the gradually loosening restrictions on rural-urban migration and higher mobility in the Chinese labour market (e.g., Murphy, 2002), as well as the fast speed of urbanization in China (e.g., Whyte, 2010), some researchers suspect that the wage discrimination against rural Hukou status may be diminished. For instance, though it is too early to say whether or not the efforts are effective, 'regulations have been passed designed to give migrants equal treatment with urban Hukou-holders in such realms as wages, fringe benefits, and schooling for their children' (Whyte, 2010,

p21).

In a short summary, this sub-section has reviewed the more specific literature which examines the relationship between family background and children's employment opportunities in China. It is generally accepted by scholars that in China, owing to the fast emerging of its market forces and knowledge's large contribution to its development, parents' educational and financial background can significantly affect children's employment opportunities. However, there is a debate as to whether or not the impact of family political and ideological statuses on children's employment has been reduced or restricted. Considering the control of and intervention on the Chinese HE and labour market by the state actors, especially by the CCP, many researchers argue that family political/ideological background still plays an important role in children's employment, including the salaries of their first jobs. The variables which operationalize the concept of OCP enable an exchange of ideas about whether or not the marketized reforms in China can erode the returns to the political/ideological capital. Family Hukou status is still believed to be a factor that can affect the employment of children, even for well-educated university graduates. Nevertheless this belief is under some suspicion due to the loosening restrictions on domestic migration and the emerging ambiguity of the borders between rural and urban citizenship classifications. Considering the wide debate about the impact of family financial, political power and Hukou status on the Chinese labour market outcomes, as well as the availability of micro level data, we believe that it is

necessary to include family annual income, parental CCP membership and family Hukou status into the family background variables when examining whether and how they affect graduates' first job salaries after graduation. In the next section, we will review the literature focusing on gender's effects on graduates' labour market outcomes, which is a widely discussed topic in both China and many other parts of the world.

2.3 Gender issues in the education-employment transition: the power of state and the power of market

The gender difference in wages and employment opportunities, especially in the determination of graduates' first job salaries, is widely examined by scholars based on evidence from different parts of the world. This thesis reviews two large trends of literature which focus on gender difference in the determination of graduates' first job salaries: the state as equalizer (or anti-equalizer) and the market as equalizer (or anti-equalizer).

2.3.1 State as equalizer (or anti-equalizer)

The state and the laws/regulations/ideologies created by the state have been believed to have a large impact on the wage determination between different genders for a long time. For example, in many countries, before the 20th century, females were largely excluded from the HE and primary labour market in some countries due to

state regulations and religious requirements. Therefore, females earned much less than their male peers. The situation has been largely changed after the Second World War, when most governments initiated relatively equal policies for females' attendance of HE and entry to the primary labour market. However, the situation varies significantly across countries and societal systems. For example, in countries where gender-equality laws are strongly and effectively enforced in the labour markets, females are more likely to obtain equal labour market opportunities as their male peers (e.g., Zeng, 2003; Zhang et al, 2008). The state can also create the mainstream culture and ideology which has an impact on the gender difference in labour market outcomes. Based on evidence from China, Fan (2003) partially ascribes the gender wage difference among educated employees to the long-lasting Confucian ideology created and emphasized by various Chinese dynasties, which suggests a distinct division between males and females ('*Nan Nu You Bie*'), and that males and females should serve in different parts of the economy or society ('*Ge Si Qi Wei*'). Minghuan Li (2004) further argues that the traditional culture creates strong negative impressions against women, so that females (maybe even well-educated females) are not expected by the Confucian ideology to take good jobs. Instead females are often expected to concentrate on their marriages and rely on families (good work/study is not as nice as good marriage, '*Gan de Hao Bu Ru Jia de Hao*'). However, some other scholars (e.g., Leung, 2003) are skeptical about whether such cultures/ideologies with strong discrimination against females still have a significant impact when the governmental control over gender construction is

not fully consistent with the culture.

In countries where the state has stronger administrative power over the labour market, including some socialist or former socialist countries, the state is believed to exert greater impact on enlarging or reducing gender wage gaps among well-educated labour. For example, scholars such as Bauer et al (1992), Brainerd (2000) and Hannum et al (2010) find that socialist states significantly improve females' access to HE and labour force participation. So that female college graduates may earn rather equal entry level wages as their male peers. Since a large proportion of jobs are allocated through a centrally planned system in these countries, and the socialist principles may often require a gender balance in most types of entry level jobs in the primary market, females are not likely to be discriminated against when attending their first jobs after graduation. Other scholars further demonstrate that the communist governments in these countries largely established a dominant ideology that females can perform equally well or even better than their male peers, and such ideologies and female independence resulting from the ideology can largely reduce gender wage gaps (e.g., Hershatter, 2000; Honig, 2000; Fan, 2003). On the other hand, Shu and Bian (2003) find that the gender wage gap in China before the marketized transition is not smaller than after the transition towards a market economy, although the sources of gender wage gaps can be different in the central planned era and more marketized period. In the following sub-section we will review more literature about how the market forces become equalizers or anti-equalizers of

wage determination between genders, especially in university graduates' first job salaries.

2.3.2 Market as equalizer (or anti-equalizer)

Besides the state's power in enlarging or reducing the gender wage gaps among university graduates, researchers notice that the market forces can exert an impact on gender wage gaps as well. Again such impact can be two-fold. On the one hand, the development of a market economy and labour market maturation can create a greater volume of employment opportunities, as well as more incentives for females to pursue more education, and therefore reduce the gender wage gaps (e.g., Bishop et al, 2005). On the other hand, the emerging market forces can also enlarge the gender wage gaps since the market forces may erode the state's power in maintaining females' economic status and educational opportunities, as well as the state's control of gender wage differences through central plans or allocations. How the market forces affect the gender difference in labour market outcomes, especially in first job salaries, vary across societies.

Under the market forces, there are mainly three sources which provide female graduates with more opportunities to earn equal or even better first job salaries. The first source is the improved mobility due to the emergence of market forces. It is widely demonstrated that mobility of labour is usually associated with job searching capacity and wages (e.g., Loprest, 1992; Smeets, 2006). Feng Wang (2000) and

Christiansen (2007) adopt the evidence from China and demonstrate that young and well-educated females have rather strong mobility in the labour market, which could be an advantage when bargaining their first job salaries with employers. This largely reduces the wage difference from their male peers. Li and Zhang (2010) also suggests that the high mobility of female graduates can somewhat punish employers with male preferences.

The second factor to reduce the gender wage gap among graduates by the market forces is that the market mechanism provides strong incentives for females to pursue more education, especially at the college/university level or above. This is quite obvious in China after the strict enforcement of the 'one-child policy' (e.g., Fan, 1998; Michelson and Parish, 2000; Hannum et al, 2009). With more equalized educational opportunities, more and more females can take those traditionally male-dominant high income posts (e.g., Buttner, 1993). The third source is the shift in duties and responsibilities of jobs due to the progress in technology and changes in the economic structure. For example, Gershuny (1983, 2000) demonstrates that the technological progress results in a shift in job- family balance, time-use strategies, as well as the allocation of domestic work between genders. Therefore, females have more time than ever before to concentrate on professional careers so that they may have better opportunities to obtain equal wages. Nevertheless, although 'women's labour force participation and their earnings have been rising across the industrialized world…(and) women spend significantly less time on routine

housework' (Gershuny et al, 2005, p657), it is too early to say that the gender segregation (perhaps even among well-educated university graduates) in domestic housework has been eliminated, as 'women still do the bulk of routine housework and caring for family members while men have increased their contributions disproportionately to non-routine domestic work' (Kan et al, 2011, p234). These arguments lead the thesis to discuss whether the education of females can improve their bargaining power in reallocation of domestic work, and hence can obtain more equal opportunities in the external job market. It will also be interesting to investigate whether a more balanced domestic work allocation has appeared among Chinese couples (especially among well-educated couples), who are living in a fast transitioning and industrializing society.

However, not all literature suggests the market forces reduce the gender wage gaps among well-educated labour. Based on evidence from Canadian university graduates, Davies et al (1996, p125) find that though '…gender becomes a weaker predictor of these outcomes (wages, unemployment etc)', male graduates usually suffer shorter unemployment lengths in the recession time. Another research on the university-work transition of Canadian university graduates (Finnie and Wannell, 2004) shows that male graduates usually work longer hours than their female peers, and therefore may obtain higher first job salaries. Napari (2008) finds that in Finland, female graduates earn significantly less than male peers, perhaps due to more significant negative effects from marriage and child-birth. In the Japanese labour

market, Rebick (1999) finds that comparing to their male peers, female graduates are more likely to voluntarily choose less-pressured lower paid jobs (or even part time jobs). And during the recession time, in comparison with males, females often have larger reduction on their wage expectations. In the case of Turkey for example, Tansel (1994) finds that even for graduates with HE qualifications, the returns to education for females are still lower than for males. However this is not widely supported by empirical studies based on other countries (e.g., Psacharopoulos, 1994; Ren and Miller, 2012).

In the above paragraphs, we reviewed the two large trends in previous studies focusing on the gender wage gap among university graduates: state as equalizer (or anti-equalizer) and market as equalizer (or anti-equalizer). In fact, though these two trends are different, it is hard to say they are incompatible with each other, or are isolated from each other. Actually both the state and market forces can affect gender's role in wage determination in almost every country. In this thesis, we will examine how gender plays a role in the determination of university graduates' first job salaries in China, the largest and fastest developing country,. Perhaps the results may provide some hints to explain how the state and market affect gender's role in wage determination in the university-work transition in China.

2.4 Other influential factors on the wage determination of university graduates: a brief review

Besides on-campus attainments, family background and gender, researchers also find some other factors which affect the wage determination. The majors chosen in college by graduates are also demonstrated to be associated to their salaries after graduation (e.g., Berger, 1988; Weinberger, 1999; Robst, 2007). For example, Weinberger (1999) finds that college graduates from mathematical majors can earn higher than graduates from other majors without strong mathematical trainings. Health and appearance are believed to have impacts on job opportunities as well (e.g., Heilman and Saruwatari, 1979; Rothblum et al, 1990). Job locations are also widely linked to wage determination (e.g., Hare, 2002; Hering and Poncet, 2009). For example, wages in the Southeast China are usually higher than in the northwest inland areas.

Although these aspects are not central topics of this thesis, they remind us of some factors which may have an impact on the wage determination in the university-work transition. Therefore they should be adequately controlled according to the availability of data and societal context. For example, considering the possible association between majors chosen in college and first job salaries after graduation, and also considering China's fast industrialization which has resulted in a strong political and societal emphasis on the development of science and technology, this thesis controls for graduates' majors by dividing them into natural

science/engineering subjects and social science/humanity subjects.

2.5 Chapter Summary

In this chapter, we reviewed some previous studies which examine the factors determining graduates' first job salaries. Their contributions and limitations were also noted. The previous studies help readers to understand the contributions of this research on the determination of university graduates' first job salaries, as well as the connections and differences between this thesis and the existing literature. The existing literature also provides us with some hints to select the main determinants which will be investigated in this thesis.

In this chapter, at first we examined three main existing theories on how graduates' on-campus attainments affect their first job salaries: the institutional network theory, human capital theory and signaling theory (or screening theory). According to the institutional network theory, graduates with better attainments in the university can usually obtain better first job opportunities as they are more likely to be highly appreciated by their universities, and hence gain more advantages when universities are making first round selections on behalf of first job employers who have strong links with these universities. Human capitalists usually believe that graduates with better performance in the university are offered higher first job salaries since they are believed to have higher human capital accumulation and hence have higher (potential) productivity. Signaling theorists often argue that on-campus attainments can be

adequate signals to demonstrate graduates' capacities and hence be able to affect the recruitment or salary-related outcomes. The conditions and limitations of these theories are also reviewed. For example, the institutional network theory has limited explanatory power in societies where employers have few connections to universities.

We also reviewed the existing studies on how family background affects graduates' outcomes, especially salaries, in their first employment. Many scholars argue that family background can affect graduates' job-searching behaviors (or strategies) and hence impact upon their first job salaries. Also, researchers are largely in consensus that family background can significantly determine the information and channels of graduates' job search, so that graduates' first job salaries can be affected. Nevertheless there is a debate about the definition and measurement of graduates' family background, which vary across different societal contexts.

There are also some previous papers which specifically address the relationship between family background and labour market outcomes in China. Scholars reach a consensus that parental financial capacities and educational background have large effects on the labour market outcomes of their children, but there is a continuing debate about whether and how the political/ideological dimensions of family background affect children's employment outcomes, especially the salaries. Some researchers argue that in China the foundation of political/ideological impacts on

children's employment has been largely eroded during the marketized transition, while other scholars demonstrate that family political/ideological background still play an important role in their children's employment opportunities. Similarly there is an on-going debate about the role of family Hukou status in graduates' employment and salaries, especially about whether or not family Hukou remains as a barrier of labour market entry under the loosening rural-urban migration restrictions. The debate will be carefully considered when analyzing the empirical results, which would contribute to the research on urban-rural issues.

We further reviewed two important trends of previous studies which focus on the gender issues in the determination of graduates' first job salaries: state as equalizer (or anti-equalizer) and market as equalizer (or anti-equalizer). Some researchers believe that the state can become an equalizer to reduce the gender difference in graduates' first job salaries through creating gender-equalized laws, ideologies or societal culture. Some other scholars find that the market forces may also reduce the gender wage gaps in three ways: improving females' labour market mobility, shifting the job requirements and thus reducing females' physical disadvantages, and also providing more equal access to educational resources. Nevertheless researchers find both the state and market forces can also create factors which may enlarge the gender wage gaps, even among well-educated university graduates. It is not possible to isolate these two trends, as in almost every country, both the state/authority and the market forces have their influences on the determination of graduates' salaries

among genders. The analysis in the empirical chapters will be further connected to the secondary literature.

Though not falling into the central topic of this thesis, we very briefly reviewed some literature on other factors which may influence the university-work transition, especially graduates' first job salaries. These factors mainly include job location, graduates' registered subjects, graduates' appearance and health. They not only create spaces for future research, but also provide some reminders when doing the fieldwork and selecting controlling variables. In the next chapter we will look at the process of fieldwork, through which first hand data was collected.

Chapter 3: Fieldwork, Data and Methodology

In this chapter, I will briefly introduce my fieldwork in China, through which I accessed data source to collect first hand data, which have information on Chinese university graduates' family background, on-campus performance (OCP) and first job salaries in the labour market. The methods to process the data and conduct statistical analysis will also be explained. This will be helpful for readers to gain more general knowledge about the university to work transition in China, and will be important for the subsequent chapters in which both quantitative and qualitative data are analysed.

3.1 The fieldwork sites

In order to find first hand evidence to demonstrate and explain the possible impact of students' family background, OCP and gender on their first job salaries, I conducted some fieldwork in MM University and GG University, which are both located in Fujian Province, China. Before the fieldwork I also spent sometime on making essential preparations, such as raising travel grants and establishing essential networks for this field work. Such preparations were really helpful, otherwise my fieldwork would become much more difficult and might encounter more unexpected happenings. I also received helpful instructions of doing fieldwork in developing countries and how to effectively connect general social science principles with the

unique Chinese context[50].

MM University is a non-elite comprehensive university[51]. Currently there are more than 20,000 students (including both undergraduates and postgraduate students, though it is widely noted for a non elite university, being different from many elite HEIs, the size of postgraduate students is usually rather small, comparing with the number of undergraduate students) studying in the university. Around 4,000-5,000 undergraduates completed their studies and graduated with degrees from MM University in 2009. MM University employed over 2,100 academic and non academic staff when I conducted the field research. Though larger than many HEIs in some other countries, by the Chinese standard, MM University is of medium size in both the population of students and staff. This is perhaps because during the rapid expansion of Chinese HE, the population size in Chinese HEIs also significantly increased.

GG University is also a non-elite comprehensive university. There were approximately 19,000 students studying in GG University when the fieldwork was conducted[52]. According to the Chinese standard, it is also a medium size university. According to various ranking providers, both MM University and GG University

[50] Such instructions are mainly from attending supervisions offered by advisors, informal exchanging of ideas with other researchers who have experience of doing fieldwork in China, as well as the discussion with examiners at the transfer of status examination.

[51] In this thesis, 'non-elite' is defined according to the classification of the Ministry of Education. Those HEIs not on the list of elite institutes of the Ministry of Education will be considered as non-elite HEIs. Currently most HEIs in China are not elite institutes.

[52] It may be necessary to note that the size of students population can be different between the period when the fieldwork was conducted and the submission of the thesis.

rank around the middle at the national level[53]. Fujian Province is located on the east coast of China, opposite Taiwan across the straight. In 2009 the GDP per capita in Fujian Province was about RMB 33,437, which ranks in the 10th place among all 31 provinces/direct-governed cities in China[54].

Though I tried my best to extend the scope of my fieldwork within the research schedule and budget, some reasons persuaded me to finally select MM and GG University as my field research sites instead of some other possible sites. Firstly, the location, Fujian Province, though on the coast of China, only has a slightly higher than average level of HE resource and economic development[55]. Therefore, comparing with many other possible sites, samples and findings from MM University and GG University may have stronger representativeness of Chinese HE. By contrast, HEIs in western provinces and in ethnic minority regions are less representative due to their exceptional location and the low level of local economic development. Secondly, both MM University and GG University are non-elite comprehensive HEIs, which mainly intake students from the local area and adjacent regions. Thus it is much easier to control the possible disturbance of the original residence of students (where they study/live before attending HEIs)[56], and students

[53] In China, HEIs are ranked according to a variety of factors, such as size of student population, teaching and research quality, land occupation, and also graduates' employment prospects. Both the authority such as the Ministry of Education and some other organizations such as Sohu Education rank Chinese HEIs. However it is usually not able to know the exact methods of such rankings.

[54] Http://www.stats-fj.gov.cn/tongjinianjian/dianzi2013/index-cn.htm, accessed on 21st Oct, 2013

[55] Although Fujian Province is located on the coast, and coastal regions are usually believed to have more advantages in economic development than inland China (e.g., Yue et al, 2008; Gustafsson et al, 2008), such possible advantages in Fujian may be largely offset because Fujian is located on the military frontline whenever the Beijing-Taipei relationship becomes intensive. Therefore, it is not strange to see higher education and economy in Fujian Province is not as developed as in some other coastal areas of China.

[56] For example, if students join a university from all parts of China, we may need to consider the possible disturbance on their OCP and job search results due to different dialects they speak.

from such universities are more likely to obtain their first employment in the province where the university is located[57]. A comprehensive university also has much higher representativeness of Chinese HE than those specialized HEIs (such as the Chinese National Defence University). Selecting samples from a non-elite institution is helpful in avoiding or restricting the 'selection effect'[58]. That is why I decided to choose MM University and GG University rather than a key institution such as Peking University or Tsinghua University. Also, as most HEIs in China are considered as non-elite institutions, samples from MM University and GG University are more representative than samples from elite HEIs. The third reason is my parents' senior professorships and managerial positions there enable me to gain access to some unpublished original data sets, as well as many internal official documents in MM University and GG University. They also helped me to establish some essential networks for conducting my fieldwork. In China, in comparison with many other countries, such networks established via strong ties (e.g., blood-hood), are usually more effective and reliable. Fourth, both MM University and GG University are located in Fujian Province, which is my hometown. My familiarity with the local circumstances significantly reduced possible difficulties in doing field research, especially in conducting interviews. That also made my fieldwork much more feasible by saving a lot of expenditure and time on arranging accommodation and transportation. For example, I can stay in my parents' flat without paying money.

[57] This is helpful to reduce the disturbances on graduates' first job salaries caused by the variety in employment locations, and it is more convenient for conducting interviews with recent graduates.

[58] In elite universities which intake many top students from all over China, the 'selection effects' are likely to be much stronger as their students are much more likely to be exceptional. This may bring more disturbances or noises to the statistical analysis, and also reduce the representativeness of the sample.

3.2 Sample selection

Having considered the balance between the sample representativeness and accessibility, robustness and rigidity of statistical analysis, as well as the research schedule and budget, I only included the undergraduate students graduated from 6 schools of MM University and 4 schools of GG University in 2009 (they were admitted into MM University or GG University in 2005) into my sample. This is the most recent data that I could obtain from MM and GG University when I was conducting the fieldwork. This data prevents my analysis from being disturbed by the sharp reforms on the Chinese HE before 2004 and the labour market in the early 2000s[59]. The subjects covered by these schools include both humanities/social sciences (*wen ke*) and engineering/natural sciences (*li ke*), which make me believe that they have good representativeness of subjects (educational content) in Chinese HE[60]. In contrast, undergraduates from some other schools in MM University and GG University which have both limited numbers of students and/or weak representativeness of subjects in Chinese HE are not included in the sample. Though I wish to extend the fieldwork to another 2 schools in GG University, renovations on

[59] The high speed expansion of Chinese HE started from 1999 and gradually slowed down from 2004. Through the late 1990s till the early 2000s, realizing the problems of the past planned system in the labour market, the government gradually abolished the system of job-assigning, and permitted a much higher mobility of the labour than ever before. During this period, China was also suffering a strong pressure of unemployment, especially due to the reform and tremendous down-sizing of its state-owned business. It is officially estimated that at least around 30 million of state sector employees has been formally or informally laid off (including 'Xiagang' and 'retrenchment') between late 1990s and early 2000s.

[60] As shown in the Chapter 1, the Chinese educational authority classifies the university educational contents into humanity/social sciences (*wen ke*) and engineering/natural sciences (*li ke*) largely according to the former USSR standard. Engineering/natural sciences subjects may be entitled to some preferential policies in China due to China's policy to support a rapid industrialization. This may not be quite same as in the western world.

their archives made it impossible for me to gain access to the data. Postgraduate (including both master and doctorate levels) students were not selected into the samples due to a lack of the support from the Graduate Education Offices of MM University and GG University[61].

I also set some other criteria to select the sample. In view of the small number of minority and international students (as shown in the introduction chapter), I only selected Chinese Han Ethnicity (the majority ethnicity in China) students into the samples[62]. Also, due to the extremely low ratio and ethnical considerations, disabled graduates were not included in the sample[63]. This sampling strategy is helpful to improve the robustness of the statistical analysis, and the representativeness may not be significantly reduced.

3.3 Data collection

After setting the sampling criteria, I instructed the administrators of the Provost Offices of the 6 schools of MM University and 4 schools of GG University to print a

[61] However postgraduate education and undergraduate education in China are totally different and has limited connections. Also, for non-elite HEIs such as MM University and GG University, there are not large numbers of postgraduate students. Nevertheless, we hope future research can conduct further analysis based on postgraduate cohorts.

[62] In China, students from ethnic minorities are usually granted some extra advantages (the so called 'positive discrimination') by the state through the HEIs; also, after their graduation, many of them choose to go back to their regions of origin, where usually minority residents dominate the local population, and they are not likely to have strong competition with Han Race graduates there. As shown in Chapter 1, only a very small proportion of students in Chinese HEIs are from overseas. In addition, foreign students may have to pass extremely strict political/ideological and other checks before obtaining permissions to seek employment in China. These are related to the minority policies and international policies in China which will not be further examined in the thesis.

[63] It is noticed that the proportion of disabled students is very small in both MM university and GG University, as well as most Chinese HEIs. It is beyond the scope of the thesis to discuss the possible reasons. Therefore to include disabled graduates may not be able to significantly improve the representativeness of this research, and hence we exclude them to simplify the statistical analysis in the next chapter.

list of names of eligible graduates for me. The list was very helpful to save time in finding the profiles of these eligible graduates. With the list, I went to the archives of each school to search for the relevant paper-based information of all these eligible graduates. In total, there were 2,429 graduates eligible for our sample from MM University and GG University. Except for one graduate who lost his life in an accident shortly after his graduation and before signing his first employment contract, all the remaining 2,428 graduates have confirmed their first destinations by the time of my fieldwork, which was around 1 year after their graduation[64]. The first job salary information of these 109 observations is not available. The reasons of unavailability of information mainly include continuing fulltime education, leaving China for other countries, starting self-employment and missing data[65]. Then I decided to conduct the quantitative analysis based on the information of the remaining 2,319 observations (of whom 1,119 were females) [66].

With the ethical permission from Oxford University and the network established by my parents and myself[67], I obtained access to the archives of schools in MM University and GG University to examine and transcribe the fresh quantitative data

[64] The fact again falls in line with the fact that in China, as shown in the introduction chapter, the vast majority of university graduates should have secured their destinations (jobs, self-employment, further fulltime education, etc) within 1 year upon their graduation. Due to the extremely low proportion of graduates who failed to confirm their first destinations within 1 year after their graduation, we are not going to examine them in this thesis.

[65] The low percentage for graduates from these two universities to continue fulltime studies and/or go overseas is consistent with the common wisdom that in China, graduates from elite universities are much more likely to continue fulltime studies and/or go overseas than graduates from non-elite HEIs. Excluding this small proportion of graduates will not significantly reduce the representativeness of the data.

[66] These rather high female/male ratios of the samples echo to the fact that in China, females have rather equal or similar opportunities as males to access HE resources (Zhou, 2006).

[67] Although in several cases, ethical permissions are considered as restrictions when doing social sciences fieldwork, in China, such permissions from well-recognized institutions may be considered as a signal of 'professionalism', and can facilitate to establish networks for fieldwork.

sets. Documents stored in the archives have information on those graduates' family background, OCP and first job salaries, and also other information for various purposes. The Student's Information Forms[68] were usually dispatched to students at the beginning of their studies, with a main purpose to collect essential information to assess and verify students' eligibility to apply for some financial supports, e.g., university hardship bursaries, external scholarships and/or student loans. This form contains information on the economic and political background of each student's family members at the time when they entered the university. This included the family annual income, names and political background of family members, and so on. Also, it shows detailed personal information of the student, including age, gender, health, ethnicity, religion, studying major, and so on. A photocopy of health-examination report is sometimes attached to the form, from which it is able to check whether or not a student has any disability.

This form is filled by students themselves. The university requires them to fill the accurate information, and untrue information may bring negative consequences to students[69]. Additionally the university may randomly verify the information on the form provided by students, however I did not know about how the university to do so, and whether it could be difficult or not[70]. Although it is not able to re-verify the

[68] The names of the documents are originally in Chinese and translated into English by the author of the thesis, according to the title and contents of the document. They may not be the exact same as Chinese. This also applied to other documents mentioned in the thesis.

[69] For instance, if a student provides untrue information, his/her application for funding maybe terminated.

[70] I informally asked a few university administrative staff about verification of the information contained in the documents. They told me that due to the limited time they have, it is unlikely for the staff to verify the information in all these forms. It is possible to estimate that they may randomly verify some of them, or pay more attention to those are eligible for financial supports.

accuracy of information in the form, this is the best available information that can be obtained and trusted. The information about students' families (especially the income information and place of family residence) from this form enabled me to identify the key variable, students' family background. The basic information about each student enabled me to control for some factors mentioned in the above section. Students' family Hukou statuses can be estimated from the information of their reported family addresses[71]. However, as briefly discussed in Chapter 1, some other often-examined information about students' family background is not available or not controlled in the thesis.

Student's University Records have information on the key indicators of a student's performance in the university. These records sheet could be useful for the provost offices of schools in MM University and GG University. To show a student's performance on studies, a Student's University Record in MM University and GG University provides the following information about a student: scores of major course examinations (measured by 0-100 point scale) to show graduates' performance on learning, the NCT results (National Computer Test, compulsory for Chinese university graduates[72], selection of interdisciplinary courses (courses outside of the student's major, sometimes called minor options or optional courses) to reveal

[71] Although it is possible for a family holding urban Hukou status may move to live in a village for the better natural environment, such estimations are generally reliable due to the restrictions of labour mobility and the difficulty in changing of residential places in China (e.g., Murphy, 2002). This is particularly the case in China when its real estate market is not as developed as in many western countries.

[72] We noticed that in order to obtain the degree from the HEIs in China, a student need to achieve at least 60 points in the examinations of major courses, and also in the NCT. In China, to get the pass score is usually not very difficult.

graduates' attendance in interdisciplinary studies, and foreign language information[73]. The foreign language information is usually recorded as 'yes' or 'no' (1 or 0 respectively in the data)[74]. A photocopy of the transcript of the full curriculum and a photocopy of the NCT report are usually attached to Student's University Records. If a student has taken a test of a foreign language, sometimes it is possible to find a photocopy of test report or certificate attached to Students' University Records.

To show a student's involvement in extracurricular activities, Student's University Records provide the following information about a student: internship participation, whether he or she has cadre experience in student organisations, and whether the student is a current or probationary CCP member. There are also some evaluations of the student revealed by the Student's University Records, such as the morality evaluation filled by the student's tutor or class monitor, and the 'thesis evaluation' filled by the student's academic supervisor. These evaluations or comments, not surprising to readers who have basic knowledge of the governance of Chinese HEIs, are quite stereotyped and provide only standard bureaucratic expressions[75]. That is

[73] In almost all Chinese HEIs, English is officially recognized as the first foreign language, which is a compulsory element of each university student's major courses. Scores of English examinations are often converted into students' scores of major subjects. In this paper 'foreign language' refers to any language other than English and Chinese.

[74] Sometimes the more detailed information of knowing a foreign language is included as well. For example, in that form, sometimes it is able to find which second foreign language a student acquires, and what level he or she has achieved in that foreign language. But in the statistical analysis we do not consider the possible different impacts on first job salaries between different second foreign languages.

[75] Almost all evaluations on students' graduation theses read something like 'the thesis is consistent with the principles of Marxism and Leninism…interesting and demonstrate innovative findings…contributory to the four-modernization of China…satisfy the supervisor'. Similarly, almost all these morality evaluations read 'this student loves motherland, support socialism and CCP…work hard in studies and help each other…will be a good elite for the socialist construction of our motherland in the future…'. An administrative officer in MM University clearly stated that the person who filled the form may not necessarily know the student well, and such information is just to satisfy the educational authority who concerns a lot the ideology of students in HEIs. That is why they are sometimes believed as 'bureaucratic bosh'. It is further explained that the faculty is not interested in filling such bureaucratic words either. Such explanation is reasonable since the administrative staff needs to fill the Student's University Records for hundreds of graduates each year, and it is impossible for them to carefully

why in this thesis, such evaluations are not coded into qualitative or quantitative variables.

The thesis also pays attention to the Employment Agreement of University Graduates. This is the employment agreement signed between the first employers and the graduates (or final year students if they obtained job offers before graduation), with the counter signature/stamp of the university, to keep a record of its graduates[76]. From this document, it is able to get the detailed information of a graduate's first job monthly salary (if extra information on other welfare benefits which can be converted into monetary terms available, they are also added into first job salaries in our data) and the name of the first employer. If the address of employer is not shown (sometimes people may be lazy to fill in a long address or location), the employment location can be estimated according to its name, the common knowledge and also the author's experience. However it is not possible to always make correct estimations, since an employer may have branches in different parts of China or even overseas[77]. Nevertheless, this information is generally reliable and it is helpful to control the possible disturbances of location on graduates' first job salaries in the statistical analysis.

I transcribed the data from one school after another, and once I completed the

evaluate each graduate.

[76] HEIs are officially required to do so.

[77] In such work units, it is very likely for new graduate employees to frequently relocate their work within the work units. For example, a graduate may be hired by Bank of China's Fujian Branch, but the Fujian Branch may send him/her to the bank's headquarter in Beijing for the initial working period and hence the first job salary would be Beijing rate. Such intra-company relocation will not be examined in the thesis.

transcribing in each school, I asked the Student Administration Office in that school to contact those graduates in the sample from that school for interviews. I think this is much more efficient than contacting the potential interviewees on my own. I provided some basic instructions on how to contact and invite the potential respondents to interviews to the staff of each Student Administration Office, but I allowed sufficient freedom to the staff[78]. I noticed that the staff were very efficient in making contacts through phones and emails, but they seldom sent interview invitations by mail. A possible explanation is that sending letters can be costly and time consuming in China. In total, with great efforts, I had a few dozens graduates who attended interviews. Also through my parents' arrangements and personal efforts I interviewed some teaching and administration staff in MM University and GG University, such as officers in their career sections. With the already-established network, I also conducted interviews with some employers (or their representatives in charge of recruiting).

The interviews happened at different times at various locations, mainly including the staff offices in the university, tea houses near the university, high-standard restaurants, and fast food shops close to graduates' working units. Regardless of interview locations, with my best efforts, I prevented disturbances from other people, which means that the interview talks were not interrupted by someone else, in order

[78] In my transfer of status assessment before the fieldwork, Professor Takehiko Kariya and Professor Albert Park pointed out that it would be necessary to provide the local staff with some basic instructions so that they can follow the ethical principles when contacting the potential interviewees. They also pointed out it is essential to allow sufficient freedom to the local staff, as they are more familiar with how to adopt the ethical principles to the local context, e.g., the traditional culture.

to make the interview progress properly. I used electronic recorders (an iPod and an MP3) in the interviews, and used pencil and paper sometimes to write down the key words in the responses. Though ‘researchers have argued against producing a pen and notebook during interviews because they might impede communication’ (Murphy, 2002, p5), in my interviews the respondents seldom minded it after understanding this research was ethically permitted by University of Oxford. My background as a research student with formal higher education experiences in China eased a lot of communicational difficulties between the interviewees and myself, while my nationality and my fluency in Mandarin reduced the uneasiness or concerns of respondents during the interviews. Many interviewees quite appreciated the opportunity to attend interviews conducted by an Oxford University research student, which suggests that the status of interviewer may have impact on (potential) interviewee’s motivation to participate. And some of them commented the interview style was professional, as they have seldom experienced in interviews in academic purposes. Also I felt that some of them were perhaps more interested in the small souvenirs after the interviews, which are small postcards and/or book marks purchased in the UK. This is perhaps because they have not gained too much oversea experience and hence some souvenirs from abroad can become an incentive for them to participate.

However, even though I made a lot of preparations, the fieldwork was still a learn-by-doing process, in which I gradually gained experiences to progress the field

research and also readjusted myself to unexpected happenings and circumstances. This was quite obvious during the interview stage, especially when respondents talked about the flaws of the current research and career-supporting systems in the Chinese HE, to which I did not pay sufficient attention before starting the fieldwork. Several respondents, including both graduates and university staff, mentioned some widely-known but never officially published information (usually quite close to facts and down-to-earth). To effectively incorporate such responses into the research and convey more facts of university-work transition in China to the readers, I must find some written evidence to support or dispute such never officially published information. That is why I sought the university internal documents, such as minutes of administrative meetings on student affairs, student union guidance and even the departmental CCP committee records. My parents used their administration power to obtain a lot of such documents for me, and I am also indebted to anonymous staff in the Development & Reform Office of MM University for the generous support in offering me access to all the internal documents saved in their offices (Development& Reform Office stored most of such university internal documents because of its important role in reforms of the university internal management).

3.4 The methodology

After collecting the qualitative and quantitative data from the fieldwork, this section introduces the research methods of the thesis. Having considered the research question, sample and the format of data, I select the commonly used OLS regression

in the fields of education-employment transition and wage determination (e.g., Muller and Shavit, 1998; Morduch and Sicular, 2000; Li and Zhang, 2010, etc) as the main statistical method to analyse the quantitative data. Qualitative data from both university internal documents and interviews are incorporated to investigate some aspects of university-work. It is also able to have some clues of participants' perception of the university-work transition in China, which are also helpful in providing some more possible explanations to the statistical results.

I aggregate the data from MM University and GG University instead of analyzing them at the university level. The aggregation is suitable since for both universities, students are mainly from the same province, and the marking/scaling system is the same at the two universities, which have similar educational qualities (since they are both same level non-elite institutions and located in the same province). The criteria for students of these 2 HEIs to take interdisciplinary courses or second foreign languages, take internships or cadre positions, and join the CCP are also the same or quite similar. Graduates from both universities mainly seek their first employment in the same province as well.

It is necessary to standardize some quantitative data before constructing OLS regressions. At first, I paid attention to one of the key measurement of family background, students' family incomes, and standardized it according to family size. From the Student Information Form, it is able to obtain the information of a student's

family size by the answers to the question which asks for the information about students' direct/close family members. However according to the instructions to fill in that form, usually only parents and siblings are considered as 'direct/closest family members', and thus it is not able to know exactly how many persons rely on that family income[79]. Therefore, I decided to use a simple family income per capita measurement to standardize the family income. The basic principle is: choose one type of family as a standard (e.g., a family consists of the parents and the only child), and then convert the income of other types of families to the standard type according to the family size. For instance, for a family that consists of the parents and 2 children, their family income will be readjusted by the equation 'adjusted family income=nominal family income×3/4'. Though there are some other more sophisticated methods to readjust family incomes, this method is appropriate due to its simplicity and suitability to the data. In fact, most graduates in the sample from MM University and GG University come from families with 3 persons (parents and the only child)[80]. This thesis does not readjust family incomes according to the labour force participation of family members (e.g., whether both parents are working or only one of them is employed), as this may make the statistical analysis more complicated.

[79] For example, a family's income may need to feed people other than the 'direct/closest family members', such as a student's retired grandparents who depend on the student's family.

[80] A possible explanation of the large proportion of 'parents with single child' family mode in the sample is that the graduates of the 2009 cohort were mostly born in the end of 1980s, when the 'one-child policy' was quite strictly and effectively enforced in China. The 'one-child policy' allows each household to give birth to one kid only, and only in special cases, a second kid is permitted to be born. Though some families may give birth to more children than they were permitted, for such cases, those children beyond the permission are considered as 'illegal children' and thus not able to be officially registered. Hence the Student Information Form will not reveal such information either. Many studies examine and debate on the 'one-child policy' in China, e.g. Merli and Raftery (2000) and Greenhalgh (2008). The low proportion of students from single-parent families or families with 4 or more persons is another reason for me using the 'simple family income per capital measurement' rather than other more complicated techniques when readjusting the family incomes according to family size.

Another variable that needs to be standardized is the first job salary of graduates. In China, as in many other countries, wages may vary according to employment location due to the uneven economic development level across provinces (e.g. Gustafsson et al, 2008; Yue et al, 2008). For example, the average annual salary in Shanghai, the largest Chinese city located in the costal area, may be higher than twice of the annual salary in Gansu Province, a province located in western China. Hence the readjustment of salary is essential in this thesis in order to minimize the possible disturbances to the statistical analysis on graduates' first job incomes due to employment locations. In examining the data, I use a simple regional salary ratio to readjust the graduates' first job salaries by region. The basic logic of this readjustment is thus: choose the wage level in one province/region as the standard, and convert the salaries received in other provinces to the standard wage level. For example, if the average urban salary wage in Fujian province is 2,400RMB per month, and the average urban salary wage in Guangdong Province is 3,600 RMB per month, then the 'simple regional salary ratio' between Fujian and Guandong Province is 2400/3600= 2/3. Then if a graduate's first job salary in Guandong province is 6,000RMB, I convert it into the Fujian province level by 6,000×2/3= 4,000RMB. As the thesis only standardizes salaries according to locations at the provincial level rather than lower levels, the simplicity of this standardization method may be an advantage[81]. Given the fact that more than 80% of graduates from

[81] There are existing studies which examine the inter-provincial income differences based on the Chinese data with more advanced methods, such as Tsui (1996) and Kanbur and Zhang (2005). However their methods may

MM University and GG University chose to take their first jobs in Fujian Province, and scholars demonstrate few undergraduates choose to work in rural areas (especially for first jobs), I decide to treat the salary level in urban Fujian as the standard[82].

It is also necessary to control for some other variables in order to examine the impacts of graduates' family background, OCP and gender on their first job salaries, though these variables are not incorporated into the concepts of family background and OCP. Since our data collected from both MM University and GG University were from different schools/subjects, and the differences in educational contents may affect labour market outcomes, a dummy variable is created to control for the possible effects of school/subjects as well. Considering the official measurement in Chinese HE, I divide all these subjects in the sample from MM University and GG University into two classifications: Science/engineering majors and Humanity/social sciences majors. This division is suitable to the data, as the numbers of observations in these two subjects are more or less similar. The thesis does not go further to the division of majors, because at the undergraduate level, the difference in educational contents within the science/engineering majors or the humanity/social sciences subjects, is usually less significant than the difference in the educational contents

have higher requirements on data. Therefore, a simple region salary ratio could be one of the most efficient ways to standardize the regional salary differences in order to reduce the possible statistical disturbances due to employment locations.

[82] This figure is supported by various university internal documents. This figure is trustable because in China, graduates from non-elite universities usually have lower regional mobility when applying for jobs. In addition, Fujian is a province located on the coast with stronger economy than many other parts of China, which is another reason to attract a large proportion of graduates from universities in Fujian.

between humanity/social sciences and science/engineering majors. The relationship between graduates' majors and labour market outcome is not the main topic of the thesis.

Some variables, though they may possibly affect labour market outcomes, will not be controlled in the OLS regression. Due to the strong rigidity of the university entrance system and the compulsory fundamental education system in China, students recruited by the university in the same year should have similar ages: entering the university at around 18 (± 1 year) and graduating at around 22 (± 1 year)[83]. Hence I do not take age as a control variable. Also, once a student has been admitted by a HEI, he/she will automatically be able to obtain an urban Hukou in the city where his/her institute is located. Therefore, in this thesis students' personal Hukou statues are not taken into consideration[84]. Since my samples consist of university graduates only, we do not consider the possible division/segment on the Chinese labour market, as in China, it is widely noticed that quite few university graduates choose to work in rural areas or in informal/unregistered jobs. Perhaps this is because such jobs cannot

[83] In China, usually from age 6, children are under the compulsory fundamental education system. Usually only after 12 years they can finish their high school studies and then become eligible to apply for HE. However, since fundamental education always begins in autumn of each calendar year, as well as the regional differences, some children commence their education between 6-7, or between 5-6. If not successful to enter HEIs, applicants are permitted to re-apply in the next year, but usually they only resit once for Gaokao. If they choose to work before HE, they may no longer be eligible to apply for normal HE. Instead, they can apply for adult HE, which is quite different from the normal HE and this thesis does not discuss it. As shown in the introduction chapter of the thesis, we also notice that dropping out, gap years or deferring or transferring are quite exceptional in Chinese HE.

[84] As shown in Chapter 1, a Chinese HEI will offer urban Hukou status in the city where the institute is located (in China almost all HEIs are in cities) to all its students once they completed their registration. Therefore, in a HEI, all students should usually have the same Hukou registration place and status. That is why in this thesis we do not pay attention to students'/graduates' personal Hukou statuses (and perhaps that is why the Student Information Form does not ask students' personal Hukou statues either). But students' family Hukou statuses are considered as important parts of family background in this thesis. Researchers unfamiliar with the Hukou system in China may need to pay attention to the difference of students' personal Hukou statuses and their family Hukou statuses.

generate good salaries as expected by university graduates in China.

Due to limited information and a tight research schedule, this thesis is unable to consider the possible changes of graduates' information during their studies in the university. For example, a student's family annual income may change after he/she was recruited by a HEI. His/her parents may become much richer after he/she has been admitted, but due to the limited information, it is not able to detect such changes. Some unobservable factors, such as students' physical appearances, graduates' and/or employers' possible specific preferences/tastes, are not taken into consideration either.

3.5 Chapter summary

This chapter summarized the detailed process of data collection. It introduced the fieldwork sites and explained their advantages. Then it continued to illustrate the steps to collect empirical data. After that, this chapter provided a comprehensive description of the source, format and measurement of data. The interviews and university internal documents, which aimed to collect qualitative data, were explained after the introduction of the quantitative data. These may provide readers with a clear and comprehensive understanding of the fieldwork, sample, and data adopted in the thesis.

A separate section in this chapter introduced the methodology that will be adopted in

the thesis. Considering the research question and the data, I will use OLS regression to analyse quantitative data, while qualitative data are adopted to further enhance our understanding to the determination of graduates' first job salaries in China, and provide some possible clues to explain our quantitative results. This chapter also introduced how to standardize family income and first job salaries by family size and by the estimated employment location respectively. Some unobservable factors will not be taken into our regression.

The fresh first hand data source has several advantages when compared with existing data sets adopted in the field of education-employment transition. At first, the data reveals some information which is not available in the past. In particular we have students' family incomes as a component of their family background, and also the exact information on their first job salaries is included. These overcome the past difficulties in finding a suitable proxy measure for the first job, and the vagueness in evaluating family background and the job market outcomes due to '…could not get the sensitive wage information' (Li and Zhang, 2010, p40).

Secondly, with the data, it is able to investigate more detailed human capital indicators and productivity signals of students/graduates from the same (or same level) university, and then examine their impacts (and also the impacts of family background) on the labour market outcomes. Furthermore, this contributes to the literature of education-employment transition because so far most of the studies in

this field concentrate on the educational levels before formal higher education (e.g. middle schools), which are easily disturbed by the possible segmentation of the labour market.

Thirdly, in comparison with other similar-sized samples, the data has good representativeness of Chinese HE. Similar to students in MM University and GG University, the vast majority of Chinese university students are registered in non-elite comprehensive HEIs. Most Chinese HEIs are non-elite comprehensive universities, like MM University and GG University. Both of them are located in a province which has a medium level of economic development and HE resources. Unlike samples from a single academic discipline, data in this thesis from MM University and GG University covers different academic disciplines, which enables the thesis to control for the possible effects of educational content. The 2009 graduate cohort (entered university in 2005) successfully avoids the possible disturbances from external shocks, such as the rapid expansion of Chinese HE between 1999 and 2004, and the world-wide financial crisis which reached its climax in 2008. These enhance the representativeness of the data, which is another advantage. Based on the quantitative data and OLS regression, the next chapter will report quantitative empirical results on the relationship between graduates' family background, OCP and their first job salaries.

Chapter 4 Returns to University Graduates' Family Background and on-campus Performance: Analysis of the Quantitative Evidence

In the previous three chapters, I clarified the research questions and reviewed the relevant literature about the university-work transition in China and other parts of the world. I also explained the detailed steps of my fieldwork, through which I collected data from an original source. The data and variables were also thoroughly explained.

In this chapter, I will use the quantitative data collected in the fieldwork to examine whether fresh graduates' family background and on-campus performance (OCP) are positively and significantly associated with their first job salaries in the Chinese labour market. This chapter also gives some plausible explanations to the statistical results. In the next chapter I will further add gender and its interactive variables into consideration.

4.1 Regressions and results

In this chapter, the main statistical results of returns to graduates' family background and OCP are based on the following OLS regression model:

$$LogSal=Constant+ b_1 Family\ Background+ b_2 OCP+ b_3 Subject\ Dummy +u$$

In the regression, as illustrated in the previous chapters, family background is the vector of variables which includes three indicators: graduates' family income, family Hukou statuses and parental CCP membership. OCP is the vector of variables which measure graduates' performance at university, including both academic and non-academic aspects. The subject dummy, defined as graduates' major disciplines in university, is divided into Science/Engineering and Humanities/Social Sciences subjects[85]. In the above regression, the coefficient b_1 measures the job market returns to students' family background, and b_2 measures returns to graduates' performance in the university. B3 is the coefficient of the control factor of graduates' subjects. U includes all other error terms which may affect graduates' first job salaries, such as their physical appearances or unobservable information. This thesis takes the logarithmic format of graduates' first job salaries and their family annual incomes, and records them as 'LogSal' and 'LogInc' in the statistical results. I also take log of the scores of students' major subject exams and National Computer Test (NCT), which are recorded as 'LogMarks', and 'LogCT' respectively. The descriptive data is shown in Table 4.1.

[85] Science/Engineering subjects and Humanities/social science subjects are recorded as 0' and '1' respectively in the data.

Table 4.1 Descriptive Data (Overall)

	Mean	Std. Deviation
Hukou	0.481	0.500
ParentalCCP	0.465	0.499
Family Income	52.45	22.26
Marks	75.07	6.57
Interdisciplinaries	3.82	3.54
ComTest	72.29	6.90
Intern	0.334	0.474
FLanguage	0.196	0.397
Party	0.266	0.442
Cadre	0.253	0.435
Subject	0.502	0.500

Table 4.2 reports the estimates of three models of graduates' first job salaries. Model 1 presents the net effects of graduates' family background on their first job salaries. Model 2 is another specification into which the effects of graduates' OCP are added. Model 3 presents the net effects of graduates' OCP on their first job salaries.

Table 4.2 OLS Results of Family Background and on-campus Performance Variables Affecting Graduates' First Job Salaries

	Model 1		Model 2		Model 3	
	B	**SE B**	**B**	**SE B**	**B**	**SE B**
(Constant)	-0.484**	0.023	-2.320**	0.156	-2.955**	0.161
Family Background						
LogInc	0.586**	0.014	0.237**	0.013		
Hukou	0.000	0.005	0.005	0.004		
ParentalCCP	-0.003	0.005	0.005	0.004		
OCP						
Academic achievements						
LogMarks			-0.061	0.058	-0.010	0.061
Interdisciplinaries			-0.001	0.001	0.000	0.001
Political/Ideological attainments						
Party			0.066**	0.005	0.073**	0.005
Cadre			0.071**	0.005	0.082**	0.005
Practical/Professional attainments						
Intern			0.036**	0.005	0.05**	0.005
FLanguage			0.079**	0.006	0.096**	0.006
LogCT			1.33**	0.065	1.809**	0.064
Subject Dummy						
Science/Engineering=0	-0.001	0.005	-0.002	0.004	-0.005	0.004
R^2	.447		.693		.650	

(For Tables 4.2-4.4, N= 2,319, Level of Significant: ** 1%, * 5%)

Table 4.3 OLS Results of Family Background and on-campus Performance Variables Affecting Graduates' First Job Salaries (Extended Model Specifications)

	Model 4		Model 5		Model 6		Model 7		Model 8		Model 9	
	B	**SE B**	**B**	**SE B**	**B**	**SE B**	**B**	**SE B**	**B**	**SE B**	**B**	**SE B**
Constant	0.026	0.144	-0.318**	0.022	-3.060**	0.119	-2.439**	0.113	-2.835**	0.167	-0.045	0.127
Family Background												
LogInc	0.592**	0.014	0.454**	0.013	0.278**	0.014	0.233**	0.013	0.284**	0.014	0.460**	0.013
Hukou	-0.003	0.005	0.001	0.005	0.005	0.004	0.006	0.004	0.004	0.004	0.000	0.005
ParentalCCP	-0.002	0.005	0.006	0.005	-0.002	0.004	0.005	0.004	-0.001	0.004	0.006	0.005
OCP												
Academic achievements												
LogMarks	-0.248**	0.077							-0.116	0.063	-0.148*	0.068
Interdisciplinaries	-0.001	0.001							-0.001	0.001	-0.001	0.001
Political/Ideological Attainments												
Party			0.097**	0.006			0.066**	0.005			0.097**	0.006
Cadre			0.094**	0.006			0.072**	0.005			0.093**	0.006
Practical/professional Attainments												
Intern					0.042**	0.005	0.036**	0.005	0.042**	0.005		
Flanguage					0.087**	0.006	0.079**	0.006	0.085**	0.006		
LogCT					1.647**	0.069	1.334**	0.065	1.640**	0.069		
Subject Dummy												
Science/Engineering=0	-0.001	0.005	0.000	0.005	-0.003	0.004	-0.002	0.004	-0.003	0.004	0.000	0.005
R^2	0.451		0.569		0.634		0.692		0.635		0.571	

Table 4.4 OLS Results of on-campus Performance Variables Affecting Graduates' First Job Salaries (Extended Model Specifications)

	Model 10		Model 11		Model 12		Model 13		Model 14		Model 15	
	B	**SE B**	**B**	**SE B**	**B**	**SE B**	**B**	**SE B**	**B**	**SE B**	**B**	**SE B**
Constant	0.695**	0.191	0.425**	0.005	-3.770**	0.122	-2.936**	0.117	-3.695**	0.174	0.418**	0.154
Family Background												
LogInc												
Hukou												
ParentalCCP												
OCP												
Academic achievements												
LogMarks	-0.108	0.103							-0.041	0.067	0.001	0.084
Interdisciplinaries	0.003**	0.001							0.000	0.001	0.001	0.001
Political/Ideological Attainments												
Party			0.147**	0.007			0.073**	0.005			0.147**	0.007
Cadre			0.145**	0.007			0.082**	0.005			0.145**	0.007
Practical/professional attainments												
Intern					0.061**	0.005	0.050**	0.005	0.061**	0.005		
Flanguage					0.108**	0.007	0.096**	0.006	0.108**	0.007		
LogCT					2.277**	0.066	1.809**	0.063	2.277**	0.066		
Subject Dummy												
Science/Engineering=0	-0.013	0.007	-0.008	0.006	-0.006	0.005	-0.005	0.004	-0.006	0.005	-0.008	0.006
R^2	0.004		0.341		0.573		0.650		0.574		0.342	

Table 4.3 and Table 4.4 present the results of some other specifications with different groups of independent variables. Before more specific and detailed discussion in the next section, we can generally find that the results in Table 4.2 are consistent with the estimates in Table 4.3 and Table 4.4.

For example, it is able to notice that in the models of Tables 4.2 and 4.3, neither graduates' family Hukou status nor their parental CCP membership has significant impact on graduates' first job salaries. Another important dimension of family background, the family income, is positively and significantly connected with graduates' first job salaries. Also, shown in Tables 4.2, 4.3 and 4.4, graduates' professional/practical attainments in university, including their foreign language ability, internship experience and computer skills, are significantly and positively associated with their first job salaries. In addition, estimates in these three tables suggest that graduates' first job salaries are positively related to their political/ideological attainments at HEIs. This somewhat demonstrates that the university-work transition process is rather 'purified', comparing with this process in many other countries or lower end education-employment transition, which are more likely to be affected by many other factors (e.g., age and work experience).

Both Table 4.2 and Table 4.3 reveal that the connection between family financial capacity and graduates' first job salaries can be reduced by graduates' OCP. For example, comparing with Model 1 in Table 4.2, which shows a one percent increase

in a graduate's family income can increase his/her first job salary by near 0.6%, Model 5 in Table 4.3 shows that this figure drops to around 0.45% if we controlled the political/ideological attainments in university. This figure further drops to about 0.23% if practical/professional achievements at HEIs were also controlled, as reported by Model 7 in Table 4.3.

Table 4.3 and Table 4.4 indicate that the relationship between graduates' political/ideological attainments in university and their first job salaries can be reduced by graduates' professional/practical achievements. For example, if we only control graduates' family background and political/ideological attainments, as shown in Model 5 of Table 4.3, we notice that joining the CCP may increase a graduate's first job salary by 9.7%, and student cadre experience can increase a graduate's first job salary by 9.4%. These two figures drop to 6.6% and 7.2% respectively if graduates' professional/practical achievements were also controlled, as in Model 7 of Table 4.3. Similarly, in Model 11 and Model 13 of Table 4.4, when family background is not considered, these figures will drop from 14.7% and 14.5% to 7.3% and 8.2% respectively, if we take graduates' professional/practical attainments in university into account.

This finding suggests that nowadays in China, after around 3 decades of marketized transition, the criteria to join the CCP may have been somewhat changed. Being consistent with some other studies (e.g., Bian et al, 2001), the results somewhat

indicate that with the development of market economy, human capital (including education and experience) may become an important predictor of CCP membership attainment. Also, perhaps students with CCP membership and/or cadre experience are more likely to have better professional/practical skills. For example, student cadres may have stronger incentives to learn more IT knowledge in order to use computers for assisting their administrative work, and hence they may obtain higher scores in computer tests. This result is in line with the existing arguments about the conversion of different types of capital (e.g., Xiang and Shen, 2009). In addition, it may support a synthesized view of the connection between CCP membership/student cadre experience and the graduate labour market outcomes. That means, CCP membership and/or student cadre experience may work as an essential or important ticket to some high paid jobs, and also it may serve as an indicator of a graduate's positive attributes, given that human capital may be taken into consideration when admitting CCP members in Chinese universities.

4.2 Labour market returns to graduates' family background

This section discusses the labour market returns to the three components of graduates' family background: family income, family Hukou status and parental CCP membership. Plausible explanations of the findings will be also provided in this section.

4.2.1 The relationship between graduates' family Hukou statuses and their first job salaries

Model 1 in Table 4.2 shows that graduates' family Hukou statuses (same as graduates' pre-college Hukou statuses) have little effect on their first job salaries. Results of some alternative specifications are consistent with the results obtained in Model 1. It is quite contrary to the empirical results from existing studies (e.g., Guang and Kong, 2010) and the conventional wisdom to notice that family Hukou statuses are not significantly associated with graduates' first job salaries in China[86]. Therefore further investigation on the possible reasons for this finding is needed. The intermediate effects of higher education (HE), the socialist political/ideological factors and the urbanization/industrialization process in China are suggested as three important reasons to explain why students' family Hukou statuses do not significantly affect their first job salaries after graduation.

It is not hard to notice that Chinese HE helps to reduce the disparities between students from rural and urban families in the labour market. At first, as shown in the introduction chapter, once a student has registered in a Chinese higher education institution (HEI), he or she will be automatically granted an urban Hukou in the city where the HEI was located. Therefore, when he or she started to seek employment and if the potential employers require the information of his/her Hukou status, he or she could use her new urban Hukou status instead of the family Hukou status. Since the new Hukou status can usually be retained until 1 year after his/her graduation,

[86] As explained in Chapter 1, a rural Hukou usually brings disadvantages to its holder and the holder's children in the Chinese labour market.

and it is not very likely for a graduate to fail to confirm a destination within that period, we can speculate that the vast majority of graduates can secure a job (or confirm other destinations such as continuing fulltime education) with the same Hukou status- the urban Hukou where his/her HEI is located. Therefore, it is rather easy for graduates to hide the disparities in their family Hukou statuses, and hence family Hukou statuses are not likely to have large effects on university graduates' first job salaries.

Secondly, with formal education provided by HEIs, rural students are very likely to adapt to the urban lifestyle (e.g., Huang, 2010; Jin, 2012)[87], and are also able to avoid the conventional prejudices against rural people, such as rural people are not well educated and less civilized (Whyte, 2010, p16). As quoted from an informal talk with a private employer, he commented:

'*…probably in general, people from rural areas have lower personal quality (Suzhi)*[88]*. However this is not the case for those who have earned a university degree, as their personal quality can be improved through the university education, and after 4 years at university, they will have adapted to urban life, just like students from urban regions…*'.

This is understandable because all Chinese HEIs are located in urban areas, and HEIs students are generally required to live in university-provided on-campus

[87] It is noted that in many Chinese HEIs, first year rural students have some disparities in behaviors with their urban peer students, but from the sophomore year to the final year in the university, the disparities are decreased significantly. For example, there is a popular saying about Chinese university students come from rural areas 'First year rural styled, second year urban styled, third and fourth year cannot be recognized by parents' (*yi nian tu, er nian yang, san nian si nian bu ren die niang*). This suggests that during their years in the university, students from rural families gradually get used to the urban life, and their disparities in life-style with urban peers may be largely decreased.

[88] Personal quality, in Chinese reads '*Suzhi*', is widely adopted in China to describe a person's overall civilization level, politeness and adaptability to the society.

accommodations during their studies. Therefore, it is possible that the widely existing urban-rural wage disparity does not affect fresh graduates from HEIs, and graduates from rural families may not have fewer opportunities to obtain high-paid first job offers.

Thirdly, as shown in the introductory chapter, quite few university graduates (including those from rural families) go to those labour intensive, bad condition, informal/unregistered work units (or the so called 'secondary labour market') where a lot of discrimination on the basis of Hukou statuses or gender take place. In contrast, the vast majority of university graduates obtained employment in formal work units with reasonable/standard working conditions, which usually have stronger financial capacity and better social prestige. These employers do not need to worry too much about the possible additional costs (e.g., higher settle-down subsidies) to recruit graduates from rural families, and do not have too much difficulty in renewing the employees' urban Hukou statuses if necessary[89]. Hence these employers do not have strong incentives to discriminate against graduates from rural families by paying them lower first job salaries. Meanwhile, in comparison to those labour intensive, bad condition, and/or informal/unregistered work units, these employers with stronger financial capacity and better social prestige are more likely to obey the relevant regulations to prevent wage discrimination against employees

[89] After a student's urban Hukou gained by attending the university is terminated (usually 1 year after his/her graduation), his/her urban Hukou status usually need to be renewed by the government through his/her employer if he/she still hopes to keep an urban Hukou. In practice, the difficulty and cost of renewing of an employee's urban Hukou are often associated to the size, financial capacity and social prestige of the employer.

from rural families [90]. Furthermore, even though the possibility of wage discrimination on account of rural background may still exist, the university graduates with rural family Hukou statuses also have stronger capacity to defend their rights upon the law/regulations with their knowledge and trainings obtained through university education. That is another reason to believe that Chinese HE effectively reduces or even eliminates the rural-urban disparity in graduates' first job salaries.

The existence of socialist ideology and policy also serves as a reasonable explanation for the unanticipated finding that students' family Hukou statuses do not significantly affect their first job salaries. Some rural preferential policies with strong socialist characteristics restrict and reduce the possible rural-urban difference in graduates' first job salaries. The most significant policy, 'Build a Socialist New Countryside Campaign' *(jian she she hui zhu yi xin nong cun yun dong*), initiated in the context of China's rapid economic growth, provides some priorities and privileges to rural areas in order to compensate for the sacrifices incurred by the rural regions in the past (Whyte, 2010). The new socialist countryside approach strongly encourages the efforts to invest in the development of rural areas by offering a lot of privileges (e.g., preferential tax policies). Therefore, in order to take advantages of such preferential policies, many employers nowadays may have strong

[90] In China, usually the larger size, the better financial capacity and the higher social prestige an employer has, the more likely that employer strictly obeys the relevant law/regulations on employment/recruiting. Since the Chinese labour market is far from well-developed, whether an employer will strictly obey the law/regulation significantly affects the wage and welfare of the employees.

incentives to recruit educated employees with some rural backgrounds by offering them attractive salaries, especially first job salaries. In addition, the widespread of the CCP branches in the Chinese labour market become an effective regulator of the enforcement of some socialist egalitarian principles (such as the 'same job, same salary' principle *she hui zhu yi tong gong tong chou*) in the work units[91]. Therefore, under the protection of such socialist principles and ideology, university graduates with rural family Hukou statuses are likely to have first job salaries equal to their peers from urban families. This is another plausible reason why graduates from rural families do not significantly earn lower first job salaries than graduates from urban families.

The fast speed of urbanization and industrialization in China is another reason why the disparity in first job salaries between graduates with rural and urban family hukou statuses is not as significant as commonly anticipated. With the progress of urbanization, the borders (including both psychological identity of rural or urban dwellers, and the geographical label of rural or urban) are getting increasingly ambiguous (e.g., Feng Wang, 2010). For example, with the fantastic speed of '…confiscation of rural land for urban commercial and industrial development' (Whyte, 2010, p20), nowadays it is much more difficult than ever before to identify

[91] In China, a CCP branch should be established if the work unit has a certain amount of CCP members. The CCP branch usually has the responsibility of enforcing the regulation that the development/business of that work unit follows socialist principles, including the socialist 'same job, same salary' principle. It is also easy to understand that in China, work units with more educated employees and less labour intensive are more likely to meet the minimum requirement to have CCP branches. For example, it may not be strange to see a consultancy firm with about 10 well-educated consultants has a CCP branch, but a shoe factory with more than 2,000 uneducated domestic migrant workers does not have a CCP branch.

rural and urban regions with geographical or spatial criterion. Also, as rapid urbanization and industrialization have significantly increased employment and labour mobility in China[92] (Murphy, 2002; Li and Li, 2010; Yi, 2010; Weng et al, 2008, and also their statistics shown in Table 4.3- Table 4.4 as below), Chinese employers nowadays may pay less attention to the possible long-term additional costs caused by hiring fresh graduates from rural families (e.g., Hukou renewal fees, gaps in welfare to be provided by the employer, etc.). Sometimes private employers may not consider too much about such long term additional costs because the private business may not last very long due to strong competition. Therefore, they are not likely to set discriminative first job salaries or provide fewer high-paid positions to graduates from rural families to compensate for the possible long-term additional costs, as predicted by some researchers (e.g., Guang and Kong, 2010).

Table 4.5 Average Length of First Employment Contract (university graduates)

Year	Length	Year	Length
1995	7.5	2001	2.98
1996	4.4	2002	2.74
1997	3.8	2003	2.65
1998	3.48	2004	2.62
1999	30.2	2005	2.29
2000	2.96		

Table 4.6 Changes of Stay Rate and Number of Jobs (university graduates)

	Stay Rate[#]			Job changes[##]		
	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years
Year						
1991	100	84.6	76.9	1	1.15	1.36
1993	95	70	50	1.05	1.4	1.65
1995	100	66.7	55.6	1	1.39	1.53
1997	90.9	69.7	51.5	1.09	1.48	1.56

[92] The rapid urbanization and industrialization in China largely happened after 2003.

1999	87.5	57.5	27.5	1.14	1.5	1.68
2001	88.3	61.7	31.7	1.09	1.49	1.76
2002	85.3	56.9		1.16	1.57	
2003	88.1	40.3		1.14	1.73	
2004	79.9			1.24		
2005	56.8			1.42		

(# measured by the percentage of graduates stay in their first jobs within 1, 3 or 5 years after their graduation; ## measured by the average number of job changes within 1, 3 or 5 years after their graduation. Data source of Table 4.5- Table 4.6: Weng et al, 2008, p35)

4.2.2 The impacts of graduates' parental CCP memberships on their first job salaries

From Model 1 in Table 4.2, we can see that whether a graduate's father or mother has CCP membership does not significantly affect his/her first job salaries. Even after we control OCP variables in Model 2, the impact remains negligible. Although it is consistent with Li and Zhang's results (2010), this finding contradicts to the popular belief that parental CCP memberships can benefit their children's employment or gaining extra economic returns for their offspring.

This finding may be explained due to the strong surveillance on CCP members in China. As a CCP member, the parent is (or parents are) usually under stronger surveillance or monitoring from various channels (especially from the CCP Internal Section), which make the exploitation of the privileges of CCP membership privileges in helping one's children in gaining extra economic advantages in the labour market quite difficult[93]. The cost for CCP members to seek economic advantages for family members in the labour market can also be quite high, since

[93] Various regulations forbid CCP members to gain extra advantages for their families. The CCP Internal Section and Surveillance Section spent tremendous time and efforts to enforce those regulations.

these actions can be considered as disloyal, which is unacceptable and intolerable by the CCP. In addition, considering the fierce competition and huge difficulty for gaining CCP memberships in China, CCP members may not feel worthy to exploit the valuable membership in order to merely get economic returns for their children. Therefore, we may notice that students with a parent (or parents) affiliated to the CCP do not have obvious advantages in gaining better first job salaries.

Nevertheless we must pay special attention to this unconventional result. Though graduates' first job salaries are not significantly associated with their parental CCP affiliations, we do not have evidence to argue against the some existing studies, which believe that CCP members can obtain extra advantages for themselves and family members (e.g., Walder, 1995; Yang et al, 2010). The relationship between long term labour market outcomes and parental CCP membership is beyond the scope of the thesis, and the thesis is not going to join the debate about parental CCP membership and children's career development.

4.2.3 The impacts of graduates' family incomes on their first job salaries

Model 1 presented in Table 4.2 shows that graduates' family incomes are positively and significantly associated with their first job salaries. Results of an alternative specification are shown in Model 2, and we find the effects of graduates' family incomes on their first job salaries are robust.

It is not surprising to see that students from families with higher incomes usually also earn higher first job salaries. As many scholars have demonstrated, the higher investment in the job searching process often results in better employment outcomes (e.g., Barron and Mellow, 1979; Farber, 1983; Dellavigna and Paserman, 2005). In China, similar to many other parts of the world, applicants have to compete for jobs and hence job searching can be costly. For instance, graduate job applicants may need to spend hundreds or even thousands of RMB on information gathering, job-searching transportation, buying adequate clothes for interviews, and purchasing essential digital equipment to facilitate job hunting (e.g., a mobile phone). As will be shown in the qualitative evidence, these expenditures are not small sums and can enlarge the financial burdens felt by many students[94]. Therefore, in China, students from richer families can usually afford higher job searching costs (or invest more in the job searching process), and hence get more chances to win better-paid job offers.

Also, in China's marketized transition, higher family incomes may usually symbolize access to better family social networks. Thus students from richer families are more likely to mobilize and use the social networks established by their parents to get advantages in the job hunting process, such as access to more information about job-hunting and enhancing their leverage when negotiating first job salaries. Some scholars come to the result that in China, social networks established by the parents and close relatives in the family (the so called 'strong ties', see Bian, 1997,

[94] Considering the standard of tuition of Chinese HEIs, a few thousand RMB may amount to a significant proportion of university student's tuition or maintenance. That is a significant sum of money.

2002, 2009; Lin, 1999, 2011) are quite important and have direct impacts on job seekers' labour market outcomes[95]. This can be especially important for fresh graduates, who are not able to establish professional social networks through past job experiences.

Psychological factors, which are relatively less emphasized in many other circumstances, also help to explain why in China students from richer families earn more in their first job salaries after they have graduated from HEIs. In China, students from poorer families are usually more eager to start to earn money as soon as possible after graduation, in order to demonstrate their financial independence and reduce the psychological pressure of relying on their poor families[96]. The pressure to start to earn money in the shortest period after graduation may create strong incentives for graduates from poorer families to reduce the duration of the job-searching period and decrease the expectation of salaries or welfare provided by their first employers. Also, such pressure can also weaken their leverage when negotiating salaries with their first employers. In contrast, students from richer families usually do not have strong psychological pressure to earn money as soon as possible. Without such psychological pressure, they can easily extend job searching time in order to find jobs with more satisfactory salaries. Students from richer families may also expect better starting salaries or something comparable with their

[95] In contrast to the fact that weak ties can bring higher job market returns by extending the job-search area, information and mobility (e.g., Granovetter, 1983), strong ties in China usually play a direct and straightforward role in improving the job hunting results (e.g., Lin, 1999; Bian, 1997, 2002).

[96] As researchers noticed, students from poorer families are often quite eager to demonstrate their financial independence by starting to cover their parents' expenditures and paying back the loans owned during their studies in the university (e.g. Epstein, 1961; Furlong and Cartmel, 2005).

parents' incomes than their peers without rich parents. Similarly, parents with higher incomes may place higher expectation/requirements on their children's first job salaries[97]. In comparison with students from poorer families, students with richer parents are more likely to strengthen their negotiation power when arguing for salaries with their first employers as well, since they have stronger financial capacity to maintain their job search and do not need to reduce their wage expectations. These factors provide them some advantages in getting better first job salaries.

4.3 The effects of graduates' on-campus performance on their first job salaries

From Model 1 and Model 2 in Table 4.2, it is able to find that after controlling the OCP variables, the relationship between graduates' family background and first job salaries becomes weaker. For example, a one percent increase in a graduate's family income can bring less than 0.24% increase in his/her first job salary after controlling for the OCP variables. This figure was near 0.6% if OCP variables were not controlled. This result suggests that the good performance or achievements in HEIs may help to reduce the disparities in graduates' first job salaries caused by their family background. Nevertheless we notice that not all aspects of graduates' OCP are significantly related to their first job salaries. In this section, I will examine the impact of different components or dimensions of graduates' OCP on the

[97] Though there is a gap between expected salary and real salary in the job offer, it is likely that under conditions of asymmetrical information about the potential employees' real productivity (especially for first jobs), those who expect or ask for higher wages are likely to be offered higher real salaries, as such actions may be a signal of some unobserved valuable factors. This is especially the case when the salaries are negotiable between employers and job seekers. Chapter 6 will provide some vivid evidence to explain the possible mechanisms.

determination of their first job salaries by engaging with existing literature. Some plausible mechanisms of how graduates' OCP affect their first job salaries will also be examined in this section.

4.3.1 Returns to graduates' academic achievements

From Table 4.2, we find that the most surprising result shown in Model 2 is that graduates' academic attainments at university, measured by their grades in major discipline examinations and attendance of interdisciplinary courses (minor options), does not have significant effects on their first job salaries at all. Removing family background variables in Model 3 and adding gender and gender interactions (as will be shown in the next chapter) do not alter the significance of the results in Model 2. Such results are quite different from the existing findings based on evidence from many other countries, which demonstrate that higher academic scores and wider attendance of interdisciplinary studies may bring better labour outcomes to fresh graduates (e.g., Wise, 1975; Smetherham, 2006).

In addition, since it is often believed that academic scores and attendance of interdisciplinary courses are often considered as important signals of certain attributes of students (e.g., dedication to work and study, knowledge structure, etc.) in the graduate labour market, the finding that graduates' academic scores and attendance on interdisciplinary courses are not significantly associated with their first job salaries is a surprising deviation from the predictions of existing theories

and conventional wisdom. This finding also casts doubt on the predictions of existing theories in the field of education-employment transition, especially the human capital theory and signaling theory, in which students' academic grades and knowledge structure are considered as important component of their human capital accumulated in the university and can signal their potential productivity after being employed. We may further suspect that graduates' academic grades are not suitable indicators of human capital and/or signals of potential productivity in the Chinese labour market, as they are in many other circumstances.

Two possible reasons suggest that in China, graduates' academic scores and attendance of interdisciplinary courses are not able to effectively reflect their intelligence and knowledge (including knowledge structure), and are therefore not likely to affect graduates' first job salaries. The first reason is that due to institutional constraints, graduates' authentic transcripts are not easily available to the employers who need them to judge graduates' intelligence and performance. After the job-allocation system was abandoned, employers are not easily able to obtain the transcripts directly from the university without essential social networks since the transcripts are kept on behalf of the students[98]. Though employers may ask students to provide the information of their academic grades and courses attended, in MM University and GG University, the transcripts are usually only accessible by students

[98] After the job-allocation system was stopped, the institutional network/connections between employers and HEIs diminished or even disappeared. If an employer would like to obtain authentic transcripts to judge or verify students' information when making salary-related decisions, he or she usually need to have some essential personal connection to the administrative staff in the university or at least the provost.

through the university intranet[99]. In China, a society in which social trust is often lacking (see Hong, 2005), it is not hard to understand that these online-printed transcripts could be not very trustworthy, since they can be forged easily. So the only trustworthy transcripts are those have been authenticated by the provost office or notarized by the government office. However, in Chinese HEIs, obtaining the authenticated or notarized transcripts can be very complicated, time consuming and expensive for the students. Therefore, it is understandable that due to a lack of institutional network between employer and university, as well as lack of essential trust in the society, employers face difficulties in accessing the authentic transcripts when they make hiring or salary-related decisions. Or in other words, employers usually do not have reliable evidence which truly reflects graduates' academic scores and attendance of interdisciplinary courses. Hence graduates' academic scores and attendance of interdisciplinary studies may not have a significant impact on their first job salaries.

The educational curriculum and pedagogy in Chinese HEIs may be the second reason for graduates' academic grades and attendance of interdisciplinary studies not largely affecting their first job salaries after graduation. It is widely known that in Chinese education including HE, the pedagogy is extremely examination-oriented, and students are mainly trained in a forced-feeding style to 'get good marks' instead of learning the knowledge from the courses provided by the university. Thus there

[99] An anonymous employee of MM University told me in an informal talk that many other Chinese HEIs also have same or similar regulations on students' transcripts.

can be a lot of job applicants with high scores but low-skills (*gao fen di eng er*) on the labour market (Yu, 2006; Liu and Neilson, 2011), which creates an impression in the society and among many employers that high academic grades may not necessarily be linked to ability or intelligence (Yu, 2006). Hence employers may not wish to make salary-related decisions upon students' academic grades, and students' academic marks may not have significant effects on their first job salaries.

Also, it is widely known that in China, the CCP has a strong presence in the universities (e.g., Wright, 1998). Therefore, it is not strange to see that a large part of the educational contents in Chinese HEIs, as shown in Chapter 1, is covered by ideological courses which in the eyes of many employers may not be able to provide useful knowledge or skills to students. Thus it is possible to understand that even if an employer can access the authentic transcripts of the job applicants, he or she may not pay too much attention to students' grades which are largely affected by scores in these ideological and non-knowledge based courses. So students' academic grades may not be significantly associated with their first job salaries.

4.3.2 Returns to graduates' political/ideological attainments

Though the returns to fresh graduates' political/ideological attainments or statuses have attracted relatively less academic attention in the past, it is not counterintuitive to find that in China, a country in which the CCP dominates and has a wide presence in its labour market, fresh graduates who joined the CCP and/or had student cadre

experience at university can earn higher first job salaries than those without CCP membership and/or cadre experiences in student organizations. According to the results in Model 2 in Table 4.2, a graduate who joined the CCP during his/her studies in the university may earn 6.6% higher in the first job salary than a peer graduate without CCP membership (this figure increased to 7.3% after removing family background variables in Model 3). Similarly, a graduate who was a cadre in a student organization at university may get 7.1% higher in the first job salary than a graduate without cadre experience. The next chapter will demonstrate adding gender and gender interactive variables does not affect the significance of graduates' political/ideological attainments on their first job salaries either. Two plausible reasons are provided to interpret these results.

At first, job applicants who have joined the CCP and/or who have served as student cadres at university may demonstrate higher employability to first employers. According to the admission criteria of CCP members and selection principles of student cadres at university, students applying for CCP memberships need to prove their loyalty, obedience and correct political/ideological stance. Also, consistent with the signaling theory, serving as cadres in student organizations usually screens stronger interpersonal networks, communication abilities and management skills. In China, these factors are directly linked to job applicants' employability, and can reduce employers' uncertainty when making employment or salary-related decisions. In addition, fresh graduates with these employability-related advantages can help to

reduce their first employers' costs (e.g., an employee with higher loyalty is less likely to betray his/her employer and hence decreases the management costs), thus employers have strong incentives to attract those fresh graduates by offering them higher first job salaries or providing them jobs with better remunerations. Meanwhile, these employability-related factors are not easily observed or verified in the normal job application process but can be somewhat detected by whether a fresh graduate obtained CCP membership and/or student cadre experiences at university. Therefore, fresh graduates who joined CCP and/or gained student cadre experiences in the university are more likely to be favoured by their first employers and earn higher first job salaries.

Secondly, CCP membership and student cadre experiences can be considered as important components of personal political/ideological statuses in China, where '… the continuing value of political status in the semi-marketized transitional economy' (Appleton et al, 2008, p2) still exists. Therefore, fresh graduates with CCP memberships and/or student cadre experiences during their studies at university are likely to gain some economic advantages in the labour market, including higher first job salaries. It is also noted that sometimes, CCP membership and student cadre experiences can be political tickets to certain entry-level jobs or positions (especially those positions with administrative functions), which may offer attractive first job salaries. In other words, according to many job advertisements, only graduates with CCP membership and/or student cadre experiences in the university are eligible to

apply for those entry-level jobs or positions, and these positions may bring higher salaries or welfare. Therefore, graduates with CCP membership and/or cadre experiences in university student organizations are likely to earn higher first job salaries.

Furthermore, in certain circumstances, different types of capital are convertible (e.g., Bourdieu, 1986; Xiang and Shen, 2009). In China's reform towards a socialist market economy, in which the connection between the Party-state and the market and the 'socialist direction' are preserved, political/ideological capital and some other types of capital are convertible. For example, as briefly illustrated above, the political/ideological capital of fresh graduates can be converted into human capital (e.g., interpersonal networks, management and communication skills) when they are looking for jobs in the labour market. Also, for employees, possessing such political/ideological capital is likely to reduce the communication or transaction cost of their employers when doing business with the state-sector (including the government)[100]. This is rather important as in China's reform towards the socialist market economy, government purchasing always takes a large proportion of financial budget. Therefore, employers may wish to pay higher first job salaries to intake fresh graduates with CCP memberships and/or cadre experiences in the student organizations, since those graduates are often believed to possess more

[100] In China, employees with CCP membership are much more likely to establish good interpersonal relationships to the government officers, and therefore increase the likelihood of winning the government purchase bids for their employers. Also, CCP members are usually more familiar with the procedures and specific skills to negotiate with the government when necessary. Hence employers may wish to pay good salaries to attract them, as contacting and negotiating with the government can sometimes be very costly and complicated in China.

political/ideological capital than graduates without CCP memberships and/or student cadre experiences.

In fact, these two reasons are not isolated from each other. CCP membership and/or student cadre experience can be political or ideological entrance ticket for some high paid jobs. And CCP membership and/or student cadre experience can also reflect some unobserved positive attributes of graduates, and hence bring higher first job salaries to graduates with CCP membership and/or student cadre experience. Therefore, a more synthesized argument can be provided to explain the link between graduates' political/ideological attainments in HEIs and their first job salaries after graduations.

4.3.3 Returns to graduates' professional/practical skills

From Table 4.2, it is able to observe that professional/practical skill-related aspects of students' OCP, including students' foreign language capacities, their computer skills and participation in internships, are significantly and positively linked to their first job salaries. For example, a graduate who can use a second foreign language may earn 7.9% higher first job salary than a graduate who can only use Chinese and English (this figure increased to 9.6% if the family background variables are not considered). Such results do not counter the popular belief and existing studies (Tong and Su, 2010; Wang and Lowe, 2011). According to the Chinese context, previous studies and evidence from the fieldwork, I find three possible reasons to explain this

result. Qualitative evidence in the Chapter 6 will be able to provide us with extra clues which have been less observed in the past to explain this result.

At first, strong professional/practical skills can improve job applicants' (potential employees') capabilities to learn essential specific skills/knowledge related to the prospective jobs. Therefore, employers may spend less on training employees who have gained stronger professional/practical skills through their studies in the university. Such (potential) employees are therefore more likely to gain higher first job salaries, or have more opportunities to be selected into higher paid jobs/positions. For example, fresh graduates with internship experiences usually have stronger learn-by-doing abilities and know better on how to adopt their knowledge into practice. Then they usually cost less time and money to acquire essential job-specific knowledge/skills if hired. Therefore, those fresh graduates are more likely to be favoured by employers in the job market, and their first employers may wish to pay them higher wages (or provide higher-paid positions) to attract them. Similarly, fresh graduates with stronger foreign language abilities can significantly reduce the communication difficulties in training and working, and hence decrease the training costs of employers (e.g., the language teaching and translation expenses). This may be quite important for employers having (or hoping to have) international or multi-national business. In China, given the fast process of internationalization, there are many employers who have or are going to have international business, so it is reasonable to notice that graduates with better foreign language capacity are often

favoured by employers (e.g., Yuan and Yang, 2008), and usually get higher first job salaries than those without good skills in foreign languages. The same logic also applies on graduates with better computer skills, since computer skills are important in China's modernization and move towards a high-technology society. First job employers are likely to offer higher salaries to attract graduates with better computer skills since they can invest less on their pre-job or on job training. This explanation is consistent with the human capital theory and signaling theory. This explanation is plausible also because these skills can be easily verified in China. Employers can easily detect the graduates' internship experiences and foreign language abilities through interviews, and authentic NCT scores are usually available from the Examination Centre of the Ministry of Education.

The second plausible reason is that stronger professional/practical skills usually lead to better job searching capacity for the graduates. Usually, job applicants with stronger computer skills can better-use computer facilities in job searching, or establish necessary interpersonal networks to assist their job-hunting (e.g., Kuhn and Skuterud, 2000, 2004; Autor, 2001). This is especially helpful for job applicants in China, where the computer literacy is still limited, and job-searching via information technology is not as popular as in developed societies. Similarly, graduates with better foreign language capacities are able to find more job information written in non-Chinese languages[101]. They are also more likely to establish interpersonal

[101] In order to ascertain job applicants' foreign language abilities, employers sometimes write their online careers section or paper-based job advertisement in foreign languages. Sometimes the applications are even required to

networks with foreign employers in China. Therefore, in comparison with graduates who have weaker foreign language abilities, they are likely to have more well-paid job opportunities and often earn higher first job salaries. Fresh graduates who have done internships during their studies are also likely to have better opportunities to construct good interpersonal networks for winning higher-paid first job offers than those without internship experience.

The third reason, which is relatively less-noticed by researchers in the field of the university-work transition, is that graduates with stronger professional/practical skills gained in university usually have better adaptability to the multi-national working circumstances and high-tech working environments. The positive relationship between employees' capacities in foreign languages and their adaptability to multi-national working circumstances and multi-cultural workspaces is widely perceived. Also, it is not hard to understand that better computer skills may help a graduate to adapt to the high-tech environment in a quicker and less-painful way. China has started its export-oriented (or sometimes called 'externally-oriented', *wai xiang xing*) 'open and reform' for more than 30 years since 1978. Over these three decades, its level of internationalization has been significantly increased, and therefore much more multi-national working circumstances and high-tech working environments appear in the Chinese labour market (See Table 4.7-Table 4.10). Therefore students with stronger professional/practical skills are more likely to win

be completed in English or another foreign language. This appears more often among multi-national work units or employers with strong business connections with other countries.

high-paid offers in these working environments due to their greater adaptability to these working circumstances.

Table 4.7 Foreign Investment in China, 2005-2008

Year	FDI (billion of USD)*	Increase rate (%) to previous year
2005	60.325	------
2006	63.021	4.47
2007	74.768	13.59
2008	92.395	23.58

(*Source: National Bureau of Statistics, China Statistical Yearbook, various years)

Table 4.8 Employment in Foreign Firms in China, 2004-2008

Year	No. of Employees in Urban China*	No. of Chinese Employees in Foreign Firms*	Percentage
2004	26476	563	2.13%
2005	27331	688	2.52%
2006	28310	796	2.81%
2007	29350	903	3.08%
2008	30210	943	3.12%

(* Numbers of employees are measured in ten-thousands. Source: National Bureau of Statistics, China Statistical Yearbook, 2009)

Table 4.9 The Development of Foreign Trade (Export and Import) in China, 2004-2008

	GDP*	Gross value of foreign trade*	Gross Exports*	Gross Imports*	Foreign trade/GDP (in percentage)
2004	15987.83	9553.91	4910.33	4643.58	59.76
2005	18321.74	11692.18	6264.81	5427.37	63.82
2006	21192.35	14097.14	7759.46	6337.69	66.52
2007	25730.56	16674.02	9345.56	7328.46	64.80
2008	30067.00	17992.15	10039.49	7952.65	59.84

(*Measured by billions of RMB. Source: National Bureau of Statistics, China Statistical Yearbook, 2009)

Table 4.10 The Development of High-Tech Industry in China, 2005-2008

Year	2005	2006	2007	2008
Number of Enterprises (unit)	17527	19161	21517	25817
Employees (thousand)	6630	7440	8430	9450
Gross Industrial Output (billions of RMB)	3436.7	4199.6	5046.1	5708.7
Profits (billions of RMB)	142.3	177.7	239.6	272.5

(Source: National Bureau of Statistics, National Development& Reforms Committee and Ministry of Science& Technology, Statistical Yearbook of High-Tech Industry in China, 2010)

4.4 Returns to graduates' subjects

From Model 1 to Model 3 in Table 4.2, we find that after controlling for graduates' family background and/or OCP, there is little gap in first job salaries between graduates from science/engineering majors and graduates from humanity/social science majors. Graduates with science/engineering degrees earn very slightly higher first job salaries than those with humanity/social science degrees, and the difference is statistically insignificant. Though readers may feel surprised by this result[102], we have to admit that as shown in Chapter 1, the curriculum and pedagogy among majors in Chinese HEIs (at undergraduate level) may not vary sharply as in many western universities, since students in different subjects need to attend a large proportion of common courses in Chinese HEIs. For example, in almost all Chinese HEIs, a significant proportion of the syllabus is covered by compulsory political and ideological classes. Also, in China, the connections between undergraduate majors and first jobs requirements are also quite limited (Xia, 2003; Yu, 2006). For example,

[102] In China, there has been a strong emphasis on natural sciences/engineering subjects since the early Mao's era, when the development of heavy industry started to become the topmost task. A lot of priorities are also given to natural sciences/engineering subjects due to their close link to heavy industry. A Chinese motto 'If you are good in maths, physics and chemistry, you do not need to worry about anything' (*Xuehao Shu Li Hua, Zoubian Tianxia Dou Bu Pa*) clearly demonstrates that it is popular believed that graduates from natural sciences/engineering subjects usually have some advantages in the labour market.

it is common to see that a graduate with chemistry background work as an accountant for a mobile phone producer. Therefore, at the undergraduate level, first job salaries are not affected too much by graduates' subjects. It is beyond the scope of this thesis to explore further possible reasons of these results.

4.5 Chapter summary

With the university administrative data of the most recent graduates from two non-elite HEIs in Fujian Province, this chapter touches upon several dimensions of the Chinese graduate labour market, which is still un-developed in comparison with more developed western labour markets. Also, in comparison to the past studies' concentration on the relationship between labour market outcomes and levels of educational attainment, this chapter extends the lens to the returns to graduates' educational credentials obtained in same university or same level HEIs. In this chapter, I chiefly provided quantitative evidence to examine whether graduates' family background and OCP have significant effects on their first job salaries. Some of the findings are consistent with the previous studies, while some of the results diverge from the predictions of existing theories in the field of education-employment transition, and challenge conventional wisdoms and popular beliefs in China. This chapter provides some explanations for the findings, and in Chapter 6 we will further use qualitative evidence to extend findings and explanations in this chapter.

In no surprise to readers, it can be found that graduates' family incomes have been found to be significantly and positively associated with their first job salaries. Also, as predicted by the human capital theory and the signaling theory, graduates' professional/practical skills, which are reflected in their abilities of foreign languages, computer skills and internship experience, have significant positive impacts on their first job salaries. However, given the common perception that Hukou plays an important role in the Chinese labour market, it is quite surprising to see that graduates' family Hukou statuses have little impact on their first job salaries. Also, the existing theories and many empirical findings are not consistent with the results which demonstrate graduates' academic grades and attendance on minor options do not have significant effects on their first job salaries. Unlike in some other countries, graduates' academic performance in HEIs may not be an indicator of their human capital or a signal of their potential productivity in the university-work transition in China. Although literature about the education-employment transition does not pay too much attention to the political/ideological credentials gained by graduates in the university, it is not counter-intuitive to notice that graduates' political/ideological attainments have large and positive effects on their first job salaries. The coefficient of family income drops from near 0.6 in Model 1 to smaller than 0.25 in Model 1 and Model 2 suggests that graduates' OCP somewhat weakens the link between their family background and first job salaries.

This chapter also casts doubt on some proposed reforms on Chinese HE. For example, the analysis suggests that the automatically-granted urban Hukou for university students is helpful in reducing the rural-urban wage gap at the stage of first job salaries. Therefore, it is necessary to be cautious when proposing the abolition of such regulations. But on the other hand, the proposed reforms of educational contents and pedagogy in Chinese HEIs (e.g., reducing the proportion of ideological courses, shifting from the force-fed and score-oriented pedagogy to more flexible teaching methods) may help to make graduates' academic performance effectively reflect their potential productivity.

Since I use data sets on the first job salaries of fresh university graduates, it is able to minimize the possible disturbances caused by work experience and job changes, which often become a weakness of other studies in the field of education-employment transition. However, as a trade-off, this thesis is not able to address future earnings (lifelong incomes) and promotions. Therefore the results in this thesis may not apply to later stage of the career life. In addition, in this chapter, gender's possible effects on graduates' first job salaries have not been analysed. It is an important part of wage determination in the university-work transition. Also adding gender and interactive variables could perhaps alter the value and significance of the results obtained in this chapter. So in the next chapter, we will further examine the possible gender wage gap between fresh graduates, as well as the possible interactive effects between graduates' gender and their family

background and/or OCP.

Chapter 5 Gender Gaps in University Graduates' First Job Salaries: An analysis of the quantitative data

In Chapter 4, I used the quantitative data and examined the labour market returns to graduates' family background and on-campus performance (OCP). This chapter examines whether female graduates, after they received formal higher education, still earn lower first job salaries than their male peers. Or in other words, by using the quantitative data, this chapter investigates whether the gender wage gap also exists at this specific career stage (first job) in the well-educated group, as it widely exists in less-educated groups (e.g., Shu and Bian, 2003). Furthermore, this chapter also examines whether there are significant differences in returns to male and female fresh graduates' family background and OCP. In addition, this chapter also aims to test whether the relationship between graduates' family background, OCP and their first job salaries will be significantly changed after controlling their gender and interactions.

5.1 Regressions and results

In this chapter, the main statistical results of whether the graduate labour market discriminates against females, including both 'pure discrimination' and discrimination against female's family background and OCP are based on the following OLS regression model:

$$\text{LogSal} = \text{Constant} + b_1\text{Family Background} + b_2\text{OCP} + b_3\text{Gender} + b_4\ \text{Gender} \times \text{Family Background} + b_5\ \text{Gender} \times \text{OCP} + b_6\ \text{Subject Dummy} + u$$

In the regression, as with Chapter 4, family background is the vector of variables which includes three indicators: graduates' family income, family Hukou statuses (or graduates' pre-university Hukou statuses) and parental CCP membership. OCP is the vector of variables which measure graduates' performance in the university. Subject dummy, measured by graduates' major disciplines in university, is divided into Science/Engineering and Humanities/Social Sciences subjects. Gender's interaction effects with family background and OCP on the first job salary are described as 'gender×Family Background' and 'gender×OCP' respectively.

B_3, b_4 and b_5 estimate three possible types of gender discrimination in the labour market: the pure discrimination against females, discrimination against female graduates' family background, and female graduates' human capital gained in higher education institutions (HEIs) or credentials (see Blinder, 1973 and bibliography cited in that paper).The descriptive data (including overall, female and male) is shown in Table 5.1 as below. Table 5.2 shows the results of different model specifications based on Regression 5.1.

Table 5.1 Descriptive statistics

	Overall	Females	Males
Hukou	0.481	0.489	0.473
ParentalCCP	0.465	0.447	0.483
Family Income	52.45	50.61	54.17
Marks	75.07	74.51	75.59
Interdisciplinaries	3.82	3.59	4.04
ComTest	72.29	72.24	72.34
Intern	0.334	0.302	0.363
FLanguage	0.196	0.198	0.195
Party	0.266	0.273	0.259
Cadre	0.253	0.257	0.249
Subject	0.502	0.519	0.486

(N=2,319, Female= 1,119, Male= 1,200)

Table 5.2 OLS Results of Returns to Graduates' Family Background, OCP and Gender& Interactions

	Mode1 1		**Model 2**		**Model 3**		**Model 4**	
	B	**SD**	**B**	**SD**	**B**	**SD**	**B**	**SD**
Constant	-.475**	.023	-2.332**	.155	-2.974**	.16	-2.673**	.220
Family Background								
LogInc	.59**	.013	.241**	.013			.260**	.020
Hukou	-.001	.005	.005	.004			.010	.006
ParentalCCP	-.002	.005	.006	.004			.004	.006
OCP								
Academic achievements								
LogMarks			-.043	.057	.026	.061	.106	.082
Interdisciplinaries			.000	.001	-9.51E-5	.001	-.001	.001
Political/Ideological attainments								
Party			.065**	.005	.073**	.005	.056**	.007
Cadre			.071**	.005	.082**	.005	.071**	.007
Professional/ Practical attainments								
Flanguage			.078**	.006	.096**	.006	.093**	.008
LogCT			1.321**	.065	1.808**	.063	1.337**	.094
Intern			.037**	.005	.052**	.005	.036**	.007
Gender& Interactions (Male=1)								
Gender	-.03**	.005	-.023**	.004	-.020**	.004	.657*	.310

GenderLogInc							-.031	.027
GenderHukou							-.009	.008
GenderParentalCCP							.002	.008
GenderLogmarks							-.278*	.115
Gender× Interdisciplinaries							.001	.001
GenderParty							.017	.01
GenderCadre							.002	.01
GenderFLanguage							-.027*	.011
GenderLogCT							-.057	.13
GenderIntern							.005	.009
Subject (Science& Engineering=0)	-.002	.005	-.003	.004	-.006	.004	-.003	.004

To give a further examination of possible difference in the returns to male and female graduates' family background and OCP, Table 5.3 and Table 5.4 report the results of OLS regression on male and female graduates' family background and OCP.

Table 5.3 Returns to Male Graduates' Family Background and OCP

	Model 1		Model 2		Model 3	
	B	**SD**	**B**	**SD**	**B**	**SD**
Constant	-.464**	.032	-2.016**	.231	-2.603**	.240
Family Background						
LogInc	.565**	.019	.228**	.019		
Hukou	.003	.008	.001	.006		
ParentalCCP	-.006	.008	.006	.006		
OCP						
Academic achievements						
LogMarks			-.172*	.084	-.081	.090
Interdisciplinaries			.000	.001	.001	.001
Political/Ideological attainments						
Party			.073**	.007	.083**	.008
Cadre			.073**	.007	.087**	.008
Professional/Practical attainments						
Intern			.040**	.007	.052**	.007
FLanguage			.066**	.008	.087**	.009
LogCT			1.279**	.096	1.704**	.094
Subject Dummy						
Subject (Science& Engineering=0)	-.002	.008	-.002	.006	-.005	.006

(N=1,200)

Table 5.4 Returns to Female Graduates' Family Background and OCP

	Model 1		Model 2		Model 3	
	B	**SD**	**B**	**SD**	**B**	**SD**
Constant	-.525**	.034	-2.672**	.204	-3.348**	.214
Family Background						
LogInc	.619**	.020	.260**	.018		
Hukou	-.005	.008	.010	.005		
ParentalCCP	.003	.008	.004	.005		
OCP						
Academic achievements						
LogMarks			.106	.077	.137	.083
Interdisciplinaries			-.001	.001	.000	.001
Political/Ideological attainments						
Party			.056**	.007	.061**	.007
Cadre			.071**	.007	.078**	.007
Professional/Practical attainments						
Intern			.036**	.006	.053**	.007
FLanguage			.093**	.008	.106**	.008
LogCT			1.337**	.088	1.900**	.085
Subject Dummy						
Subject (Science& Engineering=0)	-.002	.008	-.003	.005	-.006	.006

(N=1,119, Level of Significance of Table 5.2-5.4: ** 1%, * 5%)

5.2 Gender gap in graduates' first job salaries

Before interpreting the effects of gender on first job salaries, we must be quite cautious and compare the descriptive statistics between male and female graduates. From Table 5.1, we find females and males do not have very significant difference in their family background, OCP and first job salaries. The number of female and male graduates in our sample does not vary much either. This is consistent with the fact that with the fast development of the Chinese economy and the rapid expansion of

higher education (HE), in recent years, females did not necessarily suffer too many disadvantages in attending HEIs, and do not have worse performance during their studies in the university (e.g., Lavely et al, 1990; Tong and Su, 2006), especially in non-elite HEIs[103]. Tsui and Rich (2002) further find that due to the 'one child policy' in China, the family investments on girls' education may not be necessarily less than on boys, unlike in the past when families had more than one child and usually boys occupied more family educational expenditures than their sisters. In short, female students accepted by HEIs (especially non-elite HEIs) are not more exceptional (or selective) than their male peers.

An overview of the above results also show that adding gender and its interactive variables does not significantly alter the relationship between graduates' family background, OCP and their first job salaries demonstrated in the previous chapter. Family financial capability still has positive effects on graduates' first job salaries, while family Hukou status and parental CCP affiliation's effects on graduates' first job salaries remain insignificant. Similarly, graduates' academic performance in the university has insignificant and negligible effects on their first job salaries, but their practical skills and political/ideological attainments in the university are positively and significantly linked to their first job salaries. These results are same for the male and female subgroups.

[103] Although Wang et al (2013) argue that female may still have fewer opportunities to enter key HEIs (perhaps including the '211 project' or '985 project' universities), it is reasonable to argue that the gender difference in college entrance has been largely reduced as the recent rapid expansion of Chinese HE mainly happened in non-elite HEIs.

5.2.1 Pure discrimination against female graduates?

From the results of Models 1-3 in Table 5.2, we do not find evidence that being a female significantly reduces first job salaries. Differences in model specification seem do not alter the results very much. In contrast, the results suggest that after controlling graduates' family background, OCP and major disciplines, female graduates earn more than their male peers. However, the difference is not very sharp though it is statistically significant. For example, after controlling graduates' OCP, male graduates only earn 2% less than their female peers. Considering the average monthly first job salary is slightly over RMB 3,000 for this sample, the 2% gender wage difference is less than RMB 100 per month. This could afford approximately three McDonald meals in Fujian Province when the fieldwork was conducted, which was not a big sum. Therefore, the gender gap in graduates' first job salaries is not substantial, which indicates that the pure wage discrimination against women may not exist in the Chinese graduate labour market.

This result looks to contradict the existing results and traditional wisdom suggesting that in China '…to some extent pure discrimination against women (i.e. women receiving a lower wage than similarly-educated men) exists in most places' (Li and Zhang, 2010, p43). This result also contradicts the widely held belief in China that offering high-paid positions to female graduates can be risky to employers, since the productivity of females is more likely to be disturbed by physical reasons, and

employers need to pay more on special welfare for female employees.

The results that female graduates from universities do not earn lower first job salaries than male peers could be partially explained by the role of Chinese HE, as well as the socialist ideology in China. HE can increase the female productivity, and hence female graduates can reduce their wage gap with male graduates by competing for some high paid jobs which were originally considered to be 'male dominated'. Researchers show that in China, though females with lower level education may still have fewer opportunities to get well-paid job offers than males with same education, female graduates with degrees from HEIs are sometimes more likely to take professional positions than their male peers (e.g., Shu and Bian, 2002), which could be well-paid. Some other studies (e.g. Loury, 1997; Bishop et al, 2005; Li and Zhang, 2010) also demonstrate that the returns to education/skills for females including female undergraduate degree-holders are higher than for their male peers, and may increase faster. Therefore in China female graduates may not earn lower first job salaries than their male peers.

In China, quite few university graduates (no matter females or males) seek employment in labour intensive, bad condition, informal/unregistered work units where discrimination against females is more likely to happen. In contrast, the vast majority of female graduates obtained their first employment in formal work units with reasonable/standard working conditions, which usually have stronger financial

capacity and higher social prestige. These employers do not need to worry too much about the possible additional costs (e.g., child-birth subsidy) to recruit female graduates. Therefore, these employers do not have strong incentives to give fewer high-paid job offers to female applicants, or to pay discriminative wages to female graduates as compensation for the possible additional costs of hiring them. Additionally, in comparison with those labour intensive, bad condition, informal/unregistered work units, these employers with stronger financial capacity and higher social prestige are more likely to obey the relevant regulations and not set gender discriminative wages[104]. Furthermore, even though the possibility of gender discrimination in wage payment may still exist, the university female graduates also have strong capabilities to protect their rights by using their knowledge of laws and regulations obtained through university education (Liu, 2005; Sun, 2010). This is another reason to believe that Chinese HE effectively reduces or even eliminates the gap between male and female graduates' first job salaries.

A less noticed angle to explain the diminished gender gap in graduates' first job salaries in China is that HE significantly increased the labour mobility of graduates, especially the female graduates. Fresh female graduates from Chinese HEIs are usually in their early 20s and unmarried (see the chapters of introduction and fieldwork). Hence they have quite strong mobility to seek high-paid jobs, without much possible disturbance of marriage, family and child rearing. This echoes to the

[104] This is possibly because for these employers, costs of disobeying gender equality regulations could be high (e.g., ruin their established reputation).

explanations of Fan (2003) and Christiansen (2007), who demonstrate that in the Chinese labour market, young unmarried educated women (usually in the age range of 18-25 and with high school diplomas or university degrees) have rather strong mobility. It has been widely understood that higher mobility can increase wages since higher mobility can increase the applicants' job searching abilities, and also the leverage in salary negotiations with the employers.

Also, on the side of employers, since the mobility of labour (especially the female fresh graduates) is high, employers can also reduce their concerns with the possible long-term higher costs of hiring female employees, as they expect that fresh female employees with university degrees are not likely to stay in their first jobs for long and to incur much extra cost for the employers[105]. For example, a female fresh graduate may only work for a few years or months for the first employer, and then move to another work unit before getting married and giving birth to a baby. Then the first employer does not need to undertake the cost of her paid-maternity leave. Therefore, employers may not have a strong incentive to pay female fresh graduates lower first job salaries or offer them fewer high-paid positions for compensation of their possible additional cost in the long term. Compared with the widely-known fact that females earn significantly less than male peers in Chinese low-end labour market, results in this thesis suggest that HE contributes to the reduction of the gender wage gap in China, and hence attending universities could be an effective

[105] In the past such as the planned era, changing jobs could be quite difficult and employers often needed to afford a lot of extra costs on female employees, such as maternity and child care related expenses.

way for females to earn more equal wages. This could become an incentive for females to attend HE and for families to invest more on their daughters' education.

Besides the effects of HE, the protection from socialist ideology, as an important component of informal institution, also serves as a reason why the gender wage gap is not significant in the first employment of fresh graduates. Since the foundation of P.R. China and the CCP took power in 1949, the 'equality between males and females' (*nan nu ping deng*) has become an important component of the ideology in the society. Various slogans from the CCP propaganda, such as 'females hold up half the sky' (*fu nu ding qi ban bian tian*) and 'females, control the throat of life' (*fu nu, zhua zhu ming yun de yan hou*), which greatly enhanced socialist ideology of gender equality, were demonstrated to have significant impacts on improving females' dependence and motivation to participate in the labour force rather than mainly serve as 'homemakers' (e.g., Bauer et al, 1992; Honig, 2000; Matthews and Nee, 2000; Fan, 2003; Yuping Zhang et al, 2008)[106]. This is likely to reduce the gender wage gap, as it has been widely demonstrated a wider female participation in the labour force usually has a significant positive impact on the female/male wage ratio (e.g., Zabalza, 1983; Whyte, 2000; Honig, 2000; Fernandez, 2007). Furthermore, the socialist ideology '…requires that both men and women work for equal pay' (Zuo and Bian, 2001, p1124), and demonstrates that females can do as well as males

[106] A large amount of studies document the increasing women's labour force participation during the socialist period of many societies (e.g., Bauer et al, 1992; Riley, 1996; Brainerd, 2000; Fan, 2003). In China, it is widely noted that the urban women's labour participation rate has also increased significantly since 1949

(Honig, 2000)[107]. Therefore, female graduates, who are often believed as 'well-educated high quality labour'[108] and thus not necessarily inferior to than males, may not earn less in their first jobs than their male peers.

In accordance with the strong socialist ideology of gender equality, the formal institutions in China also makes significant contributions to reduce the gender wage gaps, including the possible first job salary differences by gender. This is another plausible explanation as to why there is an insignificant first job salary difference between female and male fresh graduates. Some laws and regulations are enacted in order to fight against the gender wage discrimination (e.g., the newly enacted Labour Contract Law in 2008, and the Female Employee Protect Regulations). According to some of these regulations, the government may need to undertake a part of employers' (possible) additional costs of hiring female employees (e.g., the state may compensate employers' additional costs of offering a half-day off to female employees). Therefore, employers may have less concern about offering high-paid jobs to female applicants and they are more likely to offer non-discriminative wages to female employees, including female employees on their first jobs. The gender equality regulations are also strongly enforced by the state via wide presence of state-owned work units (Bauer et al, 1992). In practice, the state-owned sectors even often create some strategies of hiring and/or remuneration which are more

[107] As shown by Honig (2000), in order to effectively create the ideology that females can do well as males, the CCP adopts its strong power in domestic propaganda and make a few 'iron girls' (robust women capable of performing jobs more commonly done by men, see Honig, 2000, p19) popularly known all over China.
[108] See Asian Times online article, China's great wall of job discrimination, written by Zhong (20 June 2007), http://www.atimes.com/atimes/China_Business/IF20Cb01.html, accessed on 11th June, 2011

favourable to female applicants or employees than males in order to demonstrate they are following the socialist ideology and regulations of gender equality, and earn more social prestige. Such preferential policies on females may earn high scores of corporative social responsibilities for these employers. That also helps to explain why female graduates may not necessarily earn lower first job salaries than male graduates.

5.2.2 Discrimination against female family background and educational credentials?

According to the results of Model 4 in Table 5.2, the insignificant coefficients of interaction terms (Gender×Family background variables) suggest that in their first employment, there is not a significant difference between female and male graduates in benefiting (or suffering) from their family background. Also, the insignificant coefficients of the interaction terms of graduates' gender and OCP (Gender×OCP variables) suggest that the labour market does not quite favour male graduates' educational credentials. In contrast, the negative sign and statistical significance of the coefficient of the variable 'GenderFLanguage' imply that the returns to foreign language abilities (including both English and second foreign language) may be higher for female graduates than male graduates. Monetary returns to a male fresh graduate's foreign language skills are 2.7% lower than that to a female graduate's ability in foreign languages. A further comparison between results in Table 5.3 and Table 5.4 show that if all family background and OCP variables were controlled, being able to use a foreign language other than English will increase a male

graduate's first job salary by 6.6% and will increase a female graduate's first job salary by around 9.3% (these figures rise to 8.7% and 10.6% for male and female cohort respectively if family background variables not controlled).

Therefore, the popular belief that female students' educational credentials are less favoured by the labour market is not consistent with the above results. The results also contradict to the widely held Chinese belief that women gain less than men through investment in and efforts at improving educational performance. Results in this chapter are consistent with a few existing studies demonstrate that in China and a few other developing countries, HE can better improve women's labour market outcomes than men's. For example, Tong and Su (2010) also reach a similar result that in China, strong foreign language ability can benefit female graduates more than male graduates in job searching outcomes, though they understand the reasons for this unconventional finding deserve further investigation. Since female graduates' OCP was not significantly discriminated in the first employment, they could spend more time and money on improving their performance in universities.

A reasonable explanation for the unconventional finding is that in comparison with their male peers, female fresh graduates are much more likely to take up jobs that require strong foreign language abilities[109]. For example, it is possible that the labour

[109] It is possible that these jobs may favour female applicants more than males because jobs with strict foreign language requirements, such as translation-related jobs and/or cross-cultural jobs, usually require more patience and attention to detail. Since females are usually more patient and nuanced than males, female applicants are more likely to be offered these jobs.

market favours female graduates' foreign language abilities largely because female graduates are much more likely to take first jobs which have strong a connection to international business/affairs. Nevertheless this does not cast doubt on the existing studies that female graduates are not necessarily more appreciated by certain types of employers such as foreign firms (e.g., Li and Zhang, 2010).

5.3 Chapter summary

To briefly sum up our analysis of gender's effects on graduates' first job salaries, we noticed that adding gender and its interactions do not change the relationship between graduates' family background, OCP and their first job salaries. This chapter demonstrated that after controlling for the family background and OCP, pure wage discrimination against females is quite insignificant, and discrimination against women's family background and OCP does not exist either. In contrast, returns to foreign language ability could be higher for female graduates. This is contradictory to the Chinese popular belief that females usually suffer discriminations by receiving lower labour market returns to their educational credentials than returns to men's educational credentials. These findings are also beyond the predictions of the existing theories which argue that in some countries such as China, the under-developed labour market may not be effective and competitive enough to punish employers with a strong male preference, and hence gender wage gap could be sharp.

Reviewing the already-demonstrated facts that in China, girls without HEIs degrees often earn lower salaries than their male peers, it is reasonable to argue that Chinese HE helps to reduce and restrict the wage gap between female and male graduates in the marketized transition. Therefore, the investment in increasing female's access to HE is likely to improve their labour market outcomes and reduce the possible discrimination against females in the wage determination. Also, since female graduates' attainments at university are not discriminated against by the labour market, females could make more efforts to improve their OCP in order to gain better labour market outcomes. This provides some incentives for female students and their families to invest more in improving female's participation and performance in HE. The analysis lent some supports to the 'market as equalizer' paradigm.

In addition, comparing with some other developing countries, it is plausible to say that the socialist ideology and formal regulations in Chinese society helps to reduce the gender wage gap, especially in university graduates' first job salaries. Therefore, though we understand the legacies of socialism and planned system often handicaps the development and reform of the Chinese labour market, it is inadequate to radically abandon those legacies without careful evaluations of their advantages and disadvantages (Whyte, 2010)[110]. The analysis is consistent with the 'state as

[110] For example, this thesis suggests that the prohibition of in-college marriage is helpful in reducing the wage discrimination on gender at the stage of first job salaries. However, some activists propose the educational authority to radically abolish the restrictions of in-college marriage. See arguments such as 'Undergraduate Students= Undergraduate Monks?' *(Ben ke sheng=Ben ke seng?)*

equalizer' paradigm.

However, we must also be cautious about these unconventional findings. They do not cast doubt on the human capital theory or the signaling theory, nor do they challenge the results of other studies on the gender wage gap in the Chinese labour market with data from married or mix-aged groups. We can notice that the female fresh graduates in China do not suffer the full work-family responsibility double burdens, because at the stage of hunting their first jobs, they are young and unmarried according to the HE regulations. In contrast, married or middle aged women may need to pay more attention to their heavy family responsibilities and sacrifice some salaries. Similarly, though our results show that no sharp gender wage gap exists among fresh graduates in their first jobs, it does not mean females have opportunities equal to their male peers in the future careers. The labour market may still discriminate against females in the long term, as predicted by some researchers (e.g., Baruodi and Iqbaria, 1994; Igbaria and Chidambaram, 1997). In China, as shown by some other studies, having started their initial jobs, female employees may still have fewer opportunities to be promoted or to increase their salaries, and they are often required to retire earlier than male employees (e.g., Li and Gustufsson, 2008). It is beyond the scope of this thesis to conduct another longitudinal study to demonstrate the possible gender wage gap in China in the long term.

In addition, only quantitative data is not enough to make comprehensive

interpretation and summary judgments of the relationship between graduates' family background, OCP, gender and their first job salaries. Nor can effective implications be provided to the on-going reforms of Chinese HE and the labour market only based on quantitative data. It is necessary to know some more information which is not revealed by the quantitative data so that the relationship between graduates' family background, OCP, gender and their first job salaries could be better interpreted and explained. Therefore, in the next chapter, I will incorporate the qualitative information which was obtained from interviews and secondary document analysis during my fieldwork. The qualitative data will enable us to uncover some more details about the 'university-employment transition' in China, and reveal some further clues to explain some unconventional findings and provide more adequate practical implications.

Chapter 6 How University Graduates' on-campus Performance and Gender Affect their First Job Salaries: Some Stories behind Statistics

The previous two chapters used quantitative evidence obtained from the university administrative records to examine the relationship between university graduates' family background, on-campus performance (OCP), gender and their first job salaries. From the analysis of the quantitative data, it is able to see that as predicted by existing theories, graduates' family incomes, their professional/practical aspects of OCP (such as foreign language abilities), and their political/ideological attainments have a significant positive impact on their first job salaries. However, quite beyond the prediction of the previous literature and the conventional wisdom about China, graduates' family Hukou statuses (or pre-college Hukou statuses), parental CCP membership and their academic aspects of OCP have little impact on their first job salaries. Also, readers may feel rather surprised to see the labour market does not discriminate against female fresh graduates at all. Being a female does not reduce a graduate's first job salaries, and the market even appreciates female's foreign language capacities more than male's. Some preliminary explanations to account for these statistical results were also provided in the previous chapters.

However, as argued in Chapter 5, a reliance on statistics (or quantitative data) alone

cannot effectively provide us with detailed knowledge of the university-work transition in China. Nor can it provide us with a clear picture of the interacting factors that may affect Chinese university graduates' first job salaries. This chapter therefore draws on the analysis of the qualitative evidence, which may help to further understand the findings from the quantitative evidence, and provide more detailed explanations for the statistical results obtained in the previous chapter. The qualitative evidence mainly comes from interviews conducted in my fieldwork. Information from some secondary documents is also adopted as qualitative evidence. In the next section I will introduce the qualitative evidence.

6.1 Overview of the qualitative evidence

6.1.1 The interviews

During my fieldwork I interviewed some students who graduated from MM University and GG University. All of them had left university in the year 2009 (and entered in 2005). All of them have already started or at least obtained their first jobs. The start dates of their first jobs vary. Some of them have already changed their jobs. This somewhat demonstrates the high mobility of university graduates.

Interviews with these graduates happened in various locations, such as tea houses near the university, offices in their work units and fast food shops near their work units. Generally, they were asked a series of questions about their university life, their first job-hunting process, and their perception of first job search including the

negotiation of their first job salaries. Based on the interview schedule and their responses, a few prompt questions were sometimes added. To the contrary of most interviews about the Chinese labour market done by other scholars, many of these interviewees were quite cooperative and looked rather eager to talk. Probably my study experience and the small souvenir attracted them very much.

Some staff from MM University and GG University participated in my interviews as well. The staff are in different ages, levels and roles. Interviews with each of these 12 staff members took places in their offices. They were asked to talk about their roles in assisting the students to find suitable jobs, and their concerns about students' job searching process. They were also asked for their opinions on the general institutional environment related to the university-work transition. In comparison of graduates, the university staff members were less enthusiastic to talk[111]. Therefore I had to ask more prompt questions. Some of them mentioned to me that it could be helpful to have interviews with some employers, indicating that there were sources of information available about university-work transition in China that they could not or are reluctant to provide.

Following their suggestions, I tried my best to interview employers or human resource representatives. They are in different ages and experiences. Each employer or human resource officer was interviewed separately at different times and places.

[111] The reason for this is unknown. Perhaps this is partially because they are more sensitive to talk to outsiders.

In the interviews, they were asked a series of semi-structured questions related to the process of recruiting fresh graduates, and how to decide their salaries. Some prompt questions were also added according to their answers to the semi-structured questions. They were also asked to provide their perceptions of and opinions on the current institutional settings of the labour market (e.g., lack of institutional connection with universities in comparison with the past). I found some of them were quite hurry in the interviews, perhaps because they were too busy with their businesses, or they are less interested in academic related issues.

6.1.2 Secondary documents

The possible subjectivity of the interviews persuaded me to try to obtain some relevant information from the secondary documents so that I could compare and triangulate information sources[112]. The most of secondary documents came from the Development& Reform Office of the university, where a lot of university internal administrative documents were archived for reference, as that office has an important role in offering proposals for university internal management reforms[113]. The minutes of administrative meetings of final year students provided me with valuable information of how the university planned to offer essential administration and guidance to final year students in their job searches. Summaries of career office's work are also mentioned in the minutes. Some special and unexpected cases, such as a few violent conflicts between graduates and human resource officers from

[112] These documents should be rather objective, as they are mainly expected to be read by university insiders.
[113] It is said that this office has been merged with another office in the university a few years after the fieldwork. However the author has no more information about that.

their proposed work units, are also noted[114]. Handbooks and pamphlets from student unions of both universities provide some tips to assist fresh graduates in their job searches. Such tips mainly include the interview skills and the general 'do's and don'ts' in producing application materials.

The career offices in both MM University and GG University also provide some secondary documents. Both offices have free handbooks of labour market regulations which instruct their graduates on how to look for jobs in a legal way, and how to protect their rights properly. They also printed the internal rules to administrate, or in their words, 'to guide' graduates' job searching behaviors. A careful examination of such rules suggests that these internal rules aim to protect the prestige of the university. For example, one of the rules requires students to clearly remember the university's prestige when searching for jobs. And it is prohibited for students doing anything improper in their job applications[115]. Another pamphlet which outlines the functions and services of the career office under the Graduate Employment Guidance System (a general name of a few inter-related policies of the university-work transition after the abolishment of the state-assignment system) was also available from the career office. This pamphlet has information which suggests that the university career officer needs to treat the employment of university

[114] For example, two MM University final year students violently fought with the human resource officers when attending job interviews. The detailed reasons are not known to me. Such news may create negative impact on the university, and hence strict regulations were initiated to prevent similar things happen again. Such things may be hardly heard in some other countries.

[115] There is no definition of 'improper behaviors'. However actions such as fighting with employers should be considered as improper behaviors because they are negative for university' prestige. The original language of such documents is Chinese.

graduates as an important task. Also, the career officers are required to offer special assistance to graduates from less-advantaged families and to those graduates under student loans. In addition, in representation of the university, career officers undertake the task to protect the rights of graduates when they are searching for employment, such as offering legal aids to graduates when necessary. The information from the secondary documents could be helpful when evaluating how much help students can obtain from the career office.

6.2 The Connection between Graduates' OCP and First job Salaries

Based on the qualitative evidence, this section will examine how graduates' OCP affects (or does not affect) their first job salaries. In comparison with the results which stay in line with the conventional wisdom and existing literature, this sections pays more attention to the unconventional finding that graduates' academic grades and attendance on interdisciplinary options have little impact on their first job salaries. The author does not necessarily agree with all the quotations in this and other sections of the thesis. Quotations are interviewees' opinions.

6.2.1 Why graduates' academic performance does not affect their first job salaries?

Beyond the expectation of many researchers, besides the quantitative administrative records, the qualitative evidence from interviews also suggest that neither graduates nor employers pay much attention to the academic grades or attendance

interdisciplinary courses when deciding or negotiating the first job salaries. From the interviews we can find some possible reasons for this finding.

6.2.1.1 The disconnection between curriculum and job tasks

A very simple and straightforward reason is that, there is an incompatibility between the curriculum and the needs of employers, and hence the grades of current curriculum cannot reflect the graduates' job related knowledge. As illustrated by an employer of a profit-oriented work unit:

> *I do not think it is necessary to pay attention to their marks (*when making recruitment or salary decisions*). I know what courses are taught in the university and how they are taught. I think the knowledge taught in the university classroom based on textbooks has a distance with the needs of jobs in my company. My company sells televisions to high-end customers, so I do not care how many marks a person earned in (his/her) engineering or controlling subjects, but I only focus on whether that person can produce or design a high-quality TV control panel. I can tell you in responsible that there is no relation at all between earning high marks in engineering or controlling subjects and developing a high-quality control panel.*

A graduate who obtained his first job in a bank also stated:

> *Once you have started a job you will find what you learnt from textbooks is totally different from your job tasks. I learnt economics when I was at university and it looked quite close to jobs in a bank, right? But in practice it is totally not. If I used the economic theories learnt from textbooks in my job, I would definitely be fired within 3 months since that can only make my work look very stupid. Furthermore in university lots of effort is spent on those ideological subjects, such as Chairman Mao's Thoughts. I do not think any employer will pay attention to your grades in such courses either, as in my eyes, and I am also sure in employers' eyes, knowledge of how Mao defeated Chiang Kai Shek can never, ever bring any advantage to your job. So I do not think academic marks can have any impact on my salaries.*

An experienced human resource officer further added that due to the flaws of the curriculum, marks of the university curriculum only show the ability to memorize knowledge. Good academic grades can sometimes disadvantage fresh graduates when looking for jobs:

I understand the business school textbooks say academic grades can reflect a person's smartness or dedication to work, right? No, never in China. At least in my experience, marks are mainly related to 'Shu Dai Zi' (bookworms). *That means, if a fresh graduate has nothing attractive (*e.g., foreign language capacities or interpersonal skills*) except a good mark, then he is very likely to be a typical 'Shu Dai Zi' - both my colleagues and I think 'Shu Dai Zi' will never get good starting salaries, at least in my current or past work units. In many cases, graduates with less good grades can get better-paid offers since they are not likely to be treated as 'Shu Dai Zi'.*

Explanations here are generally consistent with the arguments in Chapter 4. It is able to find that the perceived disconnection between the university curriculum and the job tasks or requirements makes both the graduates and employers pay little attention to graduates' academic scores at university. Sometimes, if a fresh graduate cannot demonstrate enough practical knowledge and skills to the employers, his/her good academic grades may bring him/her higher probability of being treated as a 'bookworm'- which would lead to lower first job salaries, instead of better job market outcomes as predicted by human capital and signaling theorists. That somewhat explains why there is a negative relation between academic grades and first job salaries shown in Chapter 4 and Chapter 5 (though the relationship is not statistically significant).

Therefore, due to the perceived disconnection between the university curriculum and job tasks, graduates' academic scores in the higher education institutions (HEIs) are not widely accepted to be trustworthy in revealing their human capital stocks. In other words, graduates' productivities in their first jobs have a very weak relationship with their academic performance in HEIs. In addition, good academic scores cannot screen out 'talented potential employees' since high marks may be

often linked to ‘bookworms’, so they are not widely-accepted signals of graduates’ productivities, as in some other countries such as Japan (e.g., Kariya and Rosenbaum, 1988). Therefore we find their academic grades have little impact on their first job salaries. The qualitative evidence supports the argument in the thesis that some widely adopted human capital indicators or signals of productivity may not be suitable to the Chinese context, where the higher education (HE) and the labour market are still far from developed[116]. There are also other reasons as to why graduates with good academic grades do not necessarily get good first job salaries.

6.2.1.2 Institutional barriers

In a labour market, an effective signal of productivity or indicator of human capital has a prerequisite: being available and reliable to employers. However, according to the interviews and information from secondary documents, the current institutional settings of university-work transition after the abolishment of the central-planned job allocation system has created some barriers to gain access to graduates’ transcripts, and hence to their academic grades and attendance of interdisciplinary courses. For this reason performance in courses are not able to have a significant impact on their first job salaries. A graduate from GG University told me in an interview:

Interviewee: *I wanted to provide a transcript to my current and first employer when I applied for this job, (because) I felt my wide attendance of courses out of my majors will show I am an ‘interdisciplinary guy’, which is highly welcomed by the employer according to its recruitment prospectus. However, I was not able to have an authentic transcript.*

[116] Curriculums in a developed HE are usually more effective to enhance students’ capacities of using knowledge into practice rather than force-fill the past or existing knowledge or some ideologies into students minds. Also, a developed HE system often has more comprehensive curriculums which are adequately connected with the requirements of the labour market.

Interviewer: Why not?
Interviewee: *I could print one transcript from the university intranet, but I am sure that will not be accepted (by the employer), as the recruitment prospectus clearly said all materials must be authentic or original. Then I went to the provost office for the official stamp. In my university, after you print the grades from intranet, you need to bring the printed grades to the provost office in the afternoon of Mondays. The staff there will verify the grades in the coming 2 weeks, and then in order to make their transcripts unable to be forged, they* (the provost staff) *will print the authenticated grades on a very special anti-forge paper, and then the staff will put the transcripts in a special sealed envelope. That takes another 2 weeks. That means waiting at least 4 weeks- if I wait for 4 weeks, then this vacancy will be taken by another applicant.* (paused a second and continued) *Even worse the service is not free… (Noticing) one transcript can be used for one job application only, and then you need more than one transcript since you cannot say you just make one job application right? Then it will be too much for me before earning my first job salaries*[117]*. So finally I have to give up the idea of providing transcripts. Luckily I was still offered this job.*

An Italian employer who has his own business in Fujian Province expressed his opinions on graduates' academic grades and its role in determining employee's first job salaries:

Interviewee: *For me, it is OK to have a look at their academic grades and what courses they have attended at university if they are fresh graduates. However I just glance at the transcripts to see if there is anything interesting. I know, in China, if I did not say to provide an authentic copy or notarized copy, it is so easy for those 'clever' students to forge 'excellent' transcripts. I feel puzzled that their universities seldom punished such actions even after I report to the universities that some students tried to cheat*[118]*.*
Interviewer: I see. Did you contact the university provost offices directly for authentic transcripts, as many employers did in Italy?
Interviewee*: I tried, but the provost offices only told me, 'unfortunately we are not able to give you an authentic copy unless permitted by our leader'*[119]*. I did not know why they say so, maybe just a polite excuse to refuse me. Once a university in Fujian even said they can do so only after verifying my identity, such as whether I am really the boss of my company*[120]*. Of course I will not*

[117] Though not entirely sure about the exact figure, it is able to understand for fresh graduates before earning first job salaries, this could be an extra expenditure that they may not want to spend.
[118] I have to admit there is no information about whether forging transcripts is considered as 'improper behaviors' as outline by MM University and GG University career offices. It is too sensitive to ask the career officers to explain.
[119] It is a commonly used excuse of refusing some requests in China. By saying 'needs a permission from leaders' can be polite, and shows the staff is in line with responsibilities, and also leaves some flexibilities for further actions, if permitted.
[120] It is indeed the common practice that the university only reveals graduates' transcripts to non-university members with verified adequate purposes and with authorization from one of the university senior leaders. It is somewhat reasonable because in a society where social trust is generally lacked, if a graduate can easily forge a transcript, then a non-university member can also easily forge a business certificate in order to get the private information of graduates.

bother to do so..... that only increases my recruitment cost, such as paying for phone calls, transportation and notarization of my business certificate, etc. I was quite annoyed about such issues- in that system, you can only verify others after yourself are verified. But that university further explained that following the abolishment of the centrally planned job allocation system, this is the normal practice. But why does not the current system encourage the cooperation between employers and HEIs?

From the above interviews, it is not hard to see even though sometimes graduates or employers feel they would like to know more information about job candidates' academic performance, some institutional barriers, such as the bureaucracy in university international administration, and a lack of employer-HEIs institutional connections (widely existing in many developed societies such as Japan, See Kariya, 1998) prevent employers from accessing the trustable transcripts. This finding is consistent with Bishop (1989), who argues educational institutions seldom respond to transcript requests from employers. Hence, the academic grades and attendance of minor options have little impact on graduates' first job salaries. Or in other words, the perquisite of academic grades becoming signals of graduates' productivity- being available and reliable to employers, do not often exist in the Chinese graduate labour market. That is another reason why we do not believe the academic grades alone is a suitable indicator to reflect human capital accumulation in Chinese HEIs. Instead, as will be discussed in the next sub-section, the professional or practical dimensions of OCP, such as foreign language capacities and computer skills, are more emphasized in the determination of graduates' first job salaries.

6.2.2 How does the professional/practical dimension of OCP affect graduates' first job salaries?

The interview scripts suggest that the professional/practical aspects of OCP, including graduates' foreign language capacities, computer skills and internship experiences, have positive and large impacts on their first job salaries. This is largely consistent with the results obtained from the analysis of the quantitative data. From the interviews, we also find some possible explanations of this result.

6.2.2.1 Professional/practical skills: suitable and trustable signals of employability

In comparison with the academic performance, graduates' professional/practical dimensions of OCP are more valued by employers. These professional/practical skills are often perceived to be good and trustable signals of fresh graduates' intelligence and human capital accumulated in the university. As shown in the following interviews, this is mainly because of these professional/practical skills are often easily available to first employers. Also, they are closely linked to fresh graduates' trainability and potential productivity after being recruited. Hence these professional/practical skills will bring extra returns to these graduates. This finding is consistent with existing results in both China and many other countries (e.g., McManus et al, 1983). The human resource officer who believes that graduates with high academic grades are often considered as bookworms told me:

When I make recruitment and salary related decisions on behalf of the big boss, if you say the fresh graduates are from the same university, I will emphasize their foreign language and computer skills. I think foreign language is the most important subject that students should learn in China because it is so widely used in the daily business. Furthermore, I think whether a

student can learn foreign language well symbolizes (his/her) learning capacity, and dedication to learning and working. Of course in the same logic, the ability to use computers is also important and can reflect a person's smartness in the modern era…… A person who can use foreign language well will automatically get RMB 7,000 extra for the initial two years. We do not have clear policy on NCT scores, but if we find a successful applicant with good computer skills, we will pay him/her extra up to RMB 3,000 for the first year.

A career office staff in GG University, who has served in his position for 22 years, also told me:

I think most of the employers, though not necessarily all of them, have encountered difficulties in identifying fresh graduates' intelligence and attitudes to work in the application process…Let us think about the situation of an employer or a human resource officer then. He/she may have received dozens of applications from fresh graduates for just a few vacancies and he/she needs to decide who to be selected and who should be offered high salaries. Then what can he/she do? Every application reads 'why I am so enthusiastic about the proposed job', and every CV and personal statement demonstrates the applicant is clever and hard-working. So that asymmetrical information appears. Then the employer needs to have some reliable and clear evidence- foreign language and NCT scores are two of the best things for employers to use to identify whether the applicant is really clever and hard-working in order to decide who should be hired and who should be paid more. Probably that is why most job advertisements clearly require these scores be added (in the application package).

The information collected from above interviews can also be supported by the Italian boss who appeared in the previous section. Besides believing foreign language and computer skills can reveal graduates' potential productivities, his comments also suggested that graduates' foreign language and computer skills are easily observed from reliable sources (e.g., the National Test Centre, and the face to face interviews). Hence he would pay higher first job salaries to graduates with good foreign language and computer skills even his company does not do business in the IT industry.

6.2.2.2 Professional/practical skills bring 'face' ('*Mianzi*') to employers

In the interviews, I found that employers believe hiring employees with good foreign language abilities and computer skills will significantly improve their 'face'

(‘*Mianzi*’), and therefore they prefer to pay higher first job salaries to graduates who have better foreign language capacities and computer skills, if they are from the same or same level university. This is seldom examined in the existing literature of university-work transition.

The word ‘face’, directly translated from the Chinese word ‘Mianzi’, has very subtle meanings in the Chinese context. According to the common understanding in China, the word ‘Mianzi’ usually refers to the personal (sometimes also applies to organizations) prestige when making interpersonal connections, the psychological well-being of gaining the personal (or organizational) prestige, and the good feeling of being respected. Bian (1997) further describes that a person will feel an emotional loss if his/her ‘Mianzi’ was ruined or lost in interpersonal contacts. The following interview with an employer who owns a consultancy firm gives us some more clues of how the professional/practical skills of his employees can give him ‘Mianzi’, and as a reciprocal reward he paid them good salaries:

Each time, when I introduce my working team to a potential customer, I always point out who is a superstar in computer skills, and who can speak good English and other foreign languages. I gain quite a lot of Mianzi when the customer says ‘wow, such an excellent and professional team’. More importantly, to have such a team for consultancy can also bring a lot of Mianzi to the potential customers- and then they are more likely to purchase our consultancy services. Therefore, for the Mianzi earned for me and for my customers by my employees who can speak perfect foreign languages and who can use computers well, I’d like to pay them more in return. And of course I’d like to pay higher first job salaries to attract fresh graduates with such capacities who are likely to gain Mianzi for me and my customers. I clearly say in the recruitment prospectus: a person who can use another language besides English will earn RMB 800/month higher than a person who can only speak English (and Chinese). *…though foreign languages are not always in use in my company.*

A senior recruitment officer of a public non-administrative and non-profit work unit

(*Shi Ye Dan Wei*) also revealed similar information in the interview[121]:

Interviewee: *For us, as a not-for-profit administrative unit (Shi Ye Dan Wei), having employees with good foreign language capacities and computer skills, especially if they have relevant test certificates, will be helpful to improve the prestige of our work unit, and the leaders will have Mianzi, actually employees or subordinates may also feel they have a lot of Mianzi. You know, each year we need to write an annual report, in which an important section is the professional qualifications of the employees. Foreign language capacities and computer skills are (*two of*) the most important indicators. You know, for a Shi Ye Dan Wei, leaders' Mianzi and the organizational prestige are the topmost- we do not care about too many other things, they are either related to business or belong to the government. So we prefer to have more employees with good foreign language capacities and computer skills.*
Interviewer: Thanks for the information. How do you connect the foreign language capacities and computer skills to recruitment and salaries?
Interviewee: *Aha, we are Shi Ye Dan Wei, so we are not able to have the completely flexible wage system that companies have. But we have a range of first job wages, for fresh university graduates* (she stopped and referred to her wage record sheet)*, the range for 2009 is between RMB2,330 and RMB 2,780 per month* (other welfare not included)*. If we find graduates with good computer skills, or who can use another foreign language besides English, we can use the maximum salary WITHIN the range to attract them. The guy sitting in the room next to my office, being recruited in 2009, was paid the maximum entry salaries because he knows French besides English. The girl from the same university, entered in the same year, just got the lowest salary in the range because she demonstrated neither good foreign language capacities nor computer skills.*

From the above interviews, we are able to see that having employees with good capabilities in foreign languages and computer can bring 'Mianzi' to the employers, and sometimes also to employers' customers. Though 'Mianzi' is a rather subtle psychological well-being, it looks like employers believe it is worth to get 'Mianzi' by paying higher salaries to hire employees with strong computer skills and foreign language capacities, which, for graduates, are often reflected in the professional/practical dimension of OCP, such as NCT scores. Therefore, graduates

[121] In China, this kind of work units, are usually owned, funded and run by the state. They do not have administrative functions as the government, and they are not for profits either. They are called 'Shi Ye Dan Wei' in Chinese since they are neither administrative organizations nor profit-oriented business. Schools in China are typical 'Shi Ye Dan Wei'.

with higher NCT scores, and those who have better foreign language abilities, are more likely to be offered higher first job salaries. Future research may pay more attention to the effects of 'Mianzi' in the employment and wage determination, especially in the Chinese society where interpersonal connections are believed to have strong and direct impacts on the labour market outcomes (e.g., Bian, 1997; Knight and Yueh, 2002; Yueh, 2009).

6.2.2.3 Psychological factors: the link between professional/practical skills and confidence in job searching

A less observed reason of why fresh graduates with stronger practical skills usually get higher first job salaries in China is that their practical skills can often increase their confidence in the labour market, especially in the process of negotiating salaries. In the past, researchers have paid relatively less attention to the link between professional/practical skills and graduates' confidence. However, the following interviews reveal how the confidence brought by good professional/practical skills can increase graduates' first job salaries. A graduate from GG University with internship experience who can speak both English and German told me:

Interviewee: *The wage negotiation was not easy, but for me, it was OK. I had internship experience, and I know German well… So when my first employer offered me a salary- actually it was not that bad, I insisted that I deserved more than it was initially offered because I had internship experience and I can speak German. And I was confident that even if my request was refused I would not lose the offer-the confidence, well, it is not from nothing.*
Interviewer: Interesting. Could you please explain this in more detail?
Interviewee: *You know, the confidence must be solid, it does not come from heaven right? You must have some advantages so that you are confident to do something. For me, I know my language skills and my internship experiences will be appreciated* (in the labour market)-*though not necessarily by the first employer. But I just demonstrated to the first employer that I am*

confident with my capabilities, I can find a well-paid job elsewhere even if he did not offer me a good salary.
Interviewer: Quite interesting? And then?
Interviewee: *In fact, wage negotiation, or maybe any negotiation, is a balance between the two sides. If you are confident and strong, then the other side will be less confident and weak, if they do not know my bottom line. They made a comprise to add RMB 400 on my monthly starting salary. I felt it was acceptable then.*

A career office staff in MM University also told me:

Generally speaking, graduates with strong professional skills, as you mentioned, with internship experiences or good foreign language capabilities, are highly appreciated in the labour market. The graduates know this point quite well- they are clever and well-educated graduates and they have a lot of knowledge. Therefore, graduates with better professional skills are usually more confident that they can get better paid job offers. Such confidence is usually helpful in negotiations of first job salaries, as employers may believe that 'the more confident person usually has more advantages to make them confident'- if there is asymmetrical information. Such confidence can leave an image to the employer that if the salary is not attractive enough, then the employer will lose one hard-to-find elite. Well, this is a psychological issue, and I do not know how to interpret this in your academic way. In general that belief is correct, as a graduate without enough advantages will usually not be confident enough- they may pretend they are confident, but I am sure clever employers or experienced human resource officers will easily see through their pretence.

From the above interviews, we can see that stronger professional/practical skills may bring more confidences to fresh graduates, and they can exploit such confidences to gain extra advantages when negotiating their first job salaries with their employers. Due to the existence of asymmetrical information of graduates' real employability or productivity, when employers have difficulties in evaluating the real employability of the fresh graduates, they may pay more to graduates who are more confident in the recruitment process or the salary negotiation process, because such confidence is widely believed to be positively related to graduates' real productivity. In other words, due to the existence of asymmetrical information, the confidence revealed by requesting a higher first job salary in the wage negotiation can become a signal of

graduates' unobserved abilities, which may indeed bring higher first job salaries to graduates. This may add to the literature of signaling in the Chinese labour market, especially in the university-work transition, where asymmetrical information could be higher than in other career stages[122].

6.2.2.4 Professional/practical skills are widely used in university graduates' jobs

Based on the experience in some other less developed countries, it is doubted whether the practical skills discussed in this thesis, such as foreign language capacities, will be widely used in the jobs in non-English speaking countries such as China[123]. They argue that foreign languages abilities and computer skills can be revealed by test scores and they can be considered as indicators of human capital, but in practice they are seldom used in the daily business of non-English speaking countries, or countries where labour intensive industries widely exist. Hence they conclude that foreign language capacities and computer skills may not be related to graduates' salaries. However the interviews provide little support for such arguments, even in China where the labour productivity is still low and foreign languages are seldom used in domestic business. A senior officer in the career office of MM University told me:

I think foreign language abilities and computer skills are rather important in determining graduates salaries. Nowadays, think about that over 70% of China's GDP growth is contributed by foreign trade[124], how can you imagine a Danwei (work unit) *that does not use any foreign*

[122] It is widely believed that employers have more knowledge about employees' previous job experience than their performance in universities or schools.
[123] For example, see the online debate about the role of English tests in job searching in China, accessed on 26th Feb 2013, http://www.gxnews.com.cn/specialzip/403/002.html
[124] This figure is supported by various official statistics.

language in its business? Maybe it is not used everyday, but they definitely use it. You see, as long as a Danwei does not exclude foreigners from accessing its business, they need to use attractive salaries to attract people who can use foreign languages.

A graduate who is working in the government also explained:

Nowadays it is impossible for the employers not paying attractive salaries to graduates with strong abilities in foreign language and computer. Everywhere, they are so important in the business. (The interviewee made a self-correction after noticing the use of an absolute term) *Well, yes, in some Danwei or job positions you do not need to use foreign languages and computers at all, such as in the street corner shops, or if you are a road cleaner or chef in a Chinese canteen, but do you think any university graduate in China will apply for these kinds of jobs?*

The interviews remind us that in China, because of a significant segmentation of its labour market by the criterion of educational qualifications, the professional/practical dimension of graduates OCP, especially their knowledge of foreign languages and computer, are directly linked to their productivities in their jobs. In other words, in China, comparing with the jobs which are usually filled by less educated labour, the jobs which receive applications from university graduates usually require a lot more knowledge of foreign languages and higher computer skills. Therefore, graduates' foreign language capacities and computer skills, which are reflected by their OCP (e.g., NCT scores), have a direct and positive impact on their first job salaries. The segmentation of the Chinese labour market has been examined by the existing literature (e.g. Knight and Song, 2008), which will not be further discussed in the thesis.

6.2.3 Graduates' political/ideological attainments in university and first job salaries

It is widely believed that in China, where the CCP holds the political power and has

a wide presence in the society, a graduate who joined the CCP and/or served as student cadres at university will have some advantages when looking for jobs. Such advantages may manifest as monetary returns in the labour market. The interview results are largely consistent with the statistical findings which suggest graduates with cadre experience or CCP membership in the university earn higher first job salaries. The following interviews further provide some evidence to existing arguments of that a 'continuing value of political status in the semi-marketized transitional economy' (Appleton et al, 2008, abstract page) may still exist in China. Furthermore, similar to a few previous studies (e.g., Bian et al, 2001), the interviews also suggest cadre experience or CCP memberships can somewhat demonstrate graduates' employability and productivity (e.g., loyalty, obedience and interpersonal skills). The interviews reveal that the internal stratification in student organizations may have more complicated effects on graduates' employment and first job salaries, which is a possible interesting topic for future research in the field of university-work transition. For instance, a senior career officer in GG University told me:

Though the state-allocation (system) was abolished, I still noticed that employers appreciated CCP members more than non-CCP members. I have provided help to hundreds of graduates in my university, and I noticed those who joined the CCP in the university often encountered fewer difficulties in finding satisfactory jobs. Some feedback from the employers shows that employers feel that graduates who have joined the CCP are more reliable-in other words, they have better team-work capacity, have higher loyalty, stronger obedience and more discipline. Similarly, those who have been selected or elected as cadres in student organizations are welcomed by employers. I heard hundreds of cases whereby employers would use high starting salary to attract graduates with cadre experience. And some managerial jobs-in China these jobs pay higher salaries than standard jobs, and always have clear requirements on cadre experiences. In my opinion, there are further divisions among cadres...For example, Chairman of Student Union,

of course, can bring more monetary returns, while vice-chairman brings fewer returns, and so on. But it is too complicated to measure or quantify how much each level/rank brings. And in China the student organization administration is complicated as well.

An employer told me in the interview:

Some people may feel CCP membership is only important in the state- owned sector, but that is not the case. I am a private employer but I understand, and I am sure many other private employers understand, in China, if you want to expand your business, you can hardly lose the support from the government or the CCP. They are too powerful (to be ignored). Then if you have employees with CCP membership, you will find it is easier to contact the government. It is obvious: employees with CCP membership know more about the administration, or 'inside rules' of the CCP or government. And they can help me when I need to seek support from the CCP or government. Therefore I would rather pay higher salaries to attract graduates with CCP memberships.

A human resource officer said on behalf of the boss:

In my 7 years of experiences in recruitment and performance evaluation, I found that graduates with CCP membership or cadre experiences in student organizations are much more suitable to the internal management in the company. I think they are much more obedient, and they know more about how to work in a team. They are very clever in making interpersonal connections, which are necessary for our business. So my boss agrees me to pay them up to 10% extra on top of the starting salaries as rewards to attract CCP members. For student cadres, (referred to an internal document)*, how much extra they gain depends on their levels. Chairman of the university student union can gain 10%.*

The above sections examined the relationship between different dimensions of graduates' OCP and their first job salaries by the qualitative evidence collected from interviews. In general, the results are consistent with the findings in the Chapter 4. Some plausible explanations to our quantitative findings, which are seldom examined by existing theories, are also revealed by the vivid interview scripts. Following this section, the next section turns to discuss whether graduates' OCP are valued by the labour market according to gender, and whether the labour market discriminates against female graduates.

6.3 Gender wage gaps among fresh graduates

This section uses qualitative data to examine whether and how the Chinese labour market discriminates against female fresh graduates and/or their educational credentials, as well as their family background. A brief overview of the interview scripts shows that the interviewees, including graduates, university administrative staff and employer do not believe that being female will reduce a fresh graduate's first job salary. This result contradicts to the existing literature (e.g., Guang and Kong, 2010) and the popular belief about the labour market and wage determination in China. The interview results even provide some evidence to the argument that at the well-educated level (usually college degree or above), the traditional male-advantaged wage structure was shifted to a more equal structure (Loury, 1997; Shu and Bian, 2002). Similar to Tsui and Rich (2002), I also argue that owing to the one-child policy and hence the more equalized educational expenditure on sons and daughters, as well as the recent fast expansion of HE (especially the local-level universities), female university graduates are not as 'exceptional' as in the past. Instead females nowadays enjoy a rather equal opportunity as their male peers to enter universities (Zhou, 2006). The following part of an interview with a senior administrative officer in MM University can draw a picture of the gender gap in Chinese HE and first job salaries:

Interviewee: *In the past 10 years or so, the traditional gendered wage structure has gradually shifted to a more equal wage structure, at least for those who have received higher education. Haha, you may have heard that 'females hold up half the sky', right?* (Realizing that it is a socialist slogan that every Chinese knows, the interviewee continued in a more professional style)

You can see, more and more female graduates have taken those traditional male-dominant high-paid positions-even in their first jobs. I think that in the most fields, with higher education, female graduates have same or sometimes better performance than their male peers.
Interviewer: In this case, do you feel that female graduates are more selective or exceptional if they get the same or similar paid jobs with their male peers?
Interviewee: *No, not at all. At least from the cases in my university, females do not need to demonstrate more advantages in order to get the same first job salaries. In fact, according to a most recent report submitted to me by a subordinate, females and male students have similar performance in the university*[125].
Interviewer: May I ask whether it is more difficult for females to join the university?
Interviewee: *Not really- although you may feel so, or the media left you with such an image. You know in China the Gaokao is quite fair to every candidate regardless of gender. And as far as I know, in recent years, the proportion of females in HEIs, or even in high schools, was equal, or even slightly higher than males*[126]*. Being a girl does not reduce the chances to join the university and have good salary. In fact, there is an interesting cycle- when girls and their parents notice that female graduates can earn good salaries, they are more eager to attend HEIs, or invest more in girls to increase their chances to enter the university. Those educated girls' attractive salaries in the labour market will attract more girls to attend universities.*

6.3.1 Insignificant gender wage gap among fresh graduates: the possible reasons

What are the possible reasons of the rather equal gender wage structure for fresh university graduates? Based on the qualitative evidence, the following sub-sections will provide four possible explanations for the phenomenon that female fresh graduates do not necessarily earn significantly lower first job salaries than their male peers.

6.3.1.1 The effects of university degree

Graduates, university career officers and employers all believe the university degree is important for females to earn wages that are equal to those of their male peers. Similar to a few other researchers' findings, university degrees can effectively prevent females from entering the secondary labour market where gender

[125] This is consistent with the administrative records as shown in the quantitative analysis chapter.
[126] Again this fact matches the official statistics of Ministry of Education in recent years.

discrimination are more likely to happen. Also, comparing with the lower-end labour market situation (Henderson et al, 2000; Gaetano, 2010), the university degree often provides female graduates with good knowledge to protect their rights in the labour market, including the right to equal pay as their male peers. The following interviews provide more vivid explanations. For example, a female graduate told us:

In fact, I think the most important factor that lets me have wage equal to that of a male peer is my university degree. First I think that with this degree, I can avoid the places (work units) *that are most likely to discriminate against females, such as the low-end manufacturing firms. Second, since I graduated from a university, both employers and I understand that if the starting salary is not attractive, I can easily find an employer who offers a higher starting salary and sign the contract with him/her as my first boss. With the university degree, no one dares to treat me as a 'da gong mei'* (female domestic migrant worker) *and discriminate against me by offering me lower salaries.*

A human resource officer of a medium-sized real estate company explained in a professional style:

The degrees of university graduates clearly demonstrate to the employers about their knowledge- including the knowledge of negotiation for better first job salaries and the knowledge of protecting their rights in an effective way. We know this quite well, so that we will not try to discriminate against females by paying them lower first job salaries. This is too risky (for employers)- the clever female graduates will not be as stupid or timid as 'da gong mei'. To make it clear, if a female graduate found out that her first job salary was unfair when compared with that of her male peers, she would make a lot of troubles against the employers- unlike a troubleless 'da gong mei'. So every time when my company makes decisions about recruitment or salaries, we are quite cautious and never set lower salaries because of gender.

6.3.1.2 The changing attitudes

Interviewees also reveal that in recent years, female graduates' attitudes towards career, life, marriage and family have been gradually changing. Such changes are more and more accepted in China. At the same time the social attitudes towards females have been changing as well. As shown by a few other scholars (e.g., Hai, 2006), these changed attitudes bring more tolerance of females (especially

well-educated females) who devote themselves into their professional career and reduce their marriage and family burdens. Therefore employers may not need to consider as much as in the past about the possible additional cost or productivity-loss when setting first job salaries for female fresh graduates. That is another reason for the insignificant gender wage gap among fresh graduates. The interviews do not provide evidence to the perceived gender wage gap in China due to the Confucian culture (Fan, 2003; Minghuan Li, 2004). A female graduate from GG University, who is now working in her first job in the media, told me:

Nowadays, female graduates' attitudes have changed a lot. In the past, most female graduates, to my knowledge, just wished to have stable jobs and then started to think about their 'Ling Yi Ban' (the other half, refers to boyfriend). *Afterwards they paid less attention to their careers and put more efforts on their families-including both the small family* (with the husband and children) *and also the large families* (refers to the wife and husbands' parents). *They usually married in their mid 20s-usually 2 or 3 years after their graduation from the university. However, it is different now. It is rather common for a female with a university degree to keep single until her late 20s or early 30s in order to concentrate on her professional career. I will not think about marriage until 28* (she was 24 when the interview was conducted), *so that I have at least 4 years to concentrate on my job. Of course I will not marry a man who does not want to share the family responsibilities. My boss is happy with this, and I am sure my concentration on the professional career rather than on family was an advantage when I applied for this job and negotiating for salaries.*

Another fresh graduate who works in the government also said:

In the past, probably females needed to be disturbed a lot by family issues such as child-care. But nowadays the situation has changed. First, I notice females, especially female university graduates, are much more independent than before. In the past we say 'gan de hao bu ru jia de hao' (good working is less useful than good marriage), *but now female graduates rely more on their own career rather than on their husbands. Second, I notice female graduates place more emphasis on their careers or jobs than on their marriages or families, which is quite different from the past, or from the traditional culture. I am approaching 25 now and I think I will stay single until I have obtained satisfactory career achievements. Now, comparing with the past, single females suffer much less pressure from the society-e.g., some unpleasant comments. As far as I know, none of my female classmates have married.*

A senior career officer in GG University expressed:

Nowadays the society is more and more tolerant to females' independence and their concentration on careers. I mean the cultural acceptance. For example, in the past if a female was still single after 25 or 26, she would be believed by her surrounding people as a 'strange person' or 'old maid' (refers to women hard to be stayed with). *And her parents would be quite anxious about her marriage and would try their best to find her a husband as soon as possible regardless of her own opinions. But now it is very common to see females, especially well-educated females, to stay unmarried until their early 30s and give birth in their mid 30s. They will no longer be considered as 'old maids'. And even after their marriage, nowadays it is more and more culturally acceptable for husbands to undertake a lot of housework as well- not like in the past when this was the full duty of the wife. They can concentrate on their jobs without the family burdens. Of course it is impossible for employers not to notice such changes. And then it is reasonable for them to pay female graduates equal to those of male graduates since they do not need to worry that their female graduates will be disturbed by the families and incur a loss of productivity.*

Some employers' comments echoed the above interviews. They argue that being different from the expectation of the Chinese traditional culture, well-educated females nowadays have good concentration on their careers. Their practical experience shows that many well-educated females choose to marry and have babies at rather late stages, and hence their productivities in the first a few years will not be affected by family and childcare duties. Therefore it is not rational for employers to insist on the male preference and pay lower first job salaries to female graduates.

The above interviews suggest that nowadays in China, it is increasingly common and culturally accepted for females, especially female university graduates to choose to marry and have babies at a later stage than in the previous decades (see Table 6.1 and Table 6.2). For example, in 2005, near 56% of female undergraduate degree holders had late marriages, and this figure increased to over 58% in 2010. In contrast, only around 26% of female middle school diploma holders had late marriages in 2005 and

2010. Employers also noticed such changes, and gradually realized that late marriage will prevent female graduates' work from being disturbed by family issues. So they do not have strong incentives to pay discriminatory first job salaries to female graduates. This is consistent with the existing studies which find that well-educated women tend to marry later and undertake fewer family responsibilities in order to maximize their career achievements.

Table 6.1 Percentage of Female marry between 24 and 35 in 2005 and 2010[127] (By educational level)

2005	Marriage age / Education level	24-26	27-29	30-35	Sum (24-35)
	Primary school and below	10.55%	2.44%	1.49%	14.5%
	Middle School (including junior and senior level)	20.65%	4.27%	1.45%	26.4%
	Undergraduate and equivalent	41.88%	10.10%	3.02%	55.0%
	Postgraduate and above	52.09%	18.77%	5.38%	76.2%
2010	Marriage age / Education level	24-26	27-29	30-35	Sum (24-35)
	Primary school and below	11.77%	3.50%	2.07%	17.3%
	Middle School (including junior and senior level)	19.67%	4.95%	2.01%	26.6%
	Undergraduate and equivalent	41.11%	13.19%	3.80%	58.1%
	Postgraduate and above	46.25%	28.43%	7.71%	82.4%

(Data source: 2005 data from the 1% population survey; 2010 data from the 6th General Population Survey; National Bureau of Statistics, population survey data, various years, the detailed methods are not available)

Table 6.2 Percentage of Marriage between 24 and 34 (Females)

2001	2004	2007	2010
33.76%	35.29%	37.35%	38.72%

(Data Source: The Sixth General Population Survey, by the National Bureau of Statistics, all the

[127] Late marriage for females in China is usually considered as marriage between around 24 and around 34 years old. Late marriage is highly encouraged and appreciated by the government because it contributes to the birth control policy. However, female marriage later than 35 is usually considered as exceptional cases such as 'old maiden' rather than late marriage. It is not encouraged by the government either as that could bring negative results to the females and their families (e.g., high risks of late baby-birth).

years are marriage registration year. http://www.stats.gov.cn/tjsj/pcsj/rkpc/6rp/indexce.htm)

6.3.1.3 Shifted work requirements

Another less discussed reason that can explain why female fresh graduates do not suffer discrimination in their first job salaries is that in China, the requirements of work have been changed a lot with the process of modernization and industrial upgrading. Time use researchers also find that the gender difference in time allocation has been shifted due to the technical progress (e.g., Gershuny, 2000; Kan and Gershuny, 2010). Nowadays female fresh graduates can satisfy the work requirements as easily as their male peers and thus may not have lower productivities than males as in the past. Therefore, female graduates may not suffer discriminatory first job salaries. A female graduate from MM University explained:

Nowadays more and more jobs are conducted via computers and telephones, not like in the past when people use their glimmers in the field or hammers in factories. If the work is with computers and telephones, then men will not have a physical advantage as in the past working with glimmers and hammers. Even if nowadays we university graduates have jobs in factories, we do not work as the frontline blue-collars. We will become operators or administrators in the office. So I do not think employers will pay females lower starting salaries than males- it is absolutely unreasonable.

The manager of an electronic equipment company told me in the interview:

Interviewee: *I never set lower salaries for female graduates than their male colleagues. In fact sometimes I pay higher first job salaries to female fresh graduates. Well, the university graduates are hired to work in the office or the control section, such as production operators or financial officers. In these jobs they work via computers, control panels and telephones, so that there is no difference whether it is a boy or a girl who takes the job.* (The interviewee made self-correction immediately) *Maybe there are some differences- female graduates are usually more nuanced, careful and patient than their male peers. This is important for these jobs, and that is why I sometimes pay female graduates more.*
Interviewer: It is very interesting. Could you please explain the situation of the frontline workers? For example, how do you make decisions to pay or hire them?

Interviewee: *Yes. But there is no university graduate working in my university as a frontline blue-collar, are you still interested in it? I will bet few university graduates work as a blue-collar in China. Maybe for blue-collar jobs males have more advantages because of their strength.* (The interviewee ended talk in a cheerful way) *I hope I can have university graduates in the production lines of my company, but I am not that rich to hire any!*

Even male graduates suggested that they seldom get higher first job salaries or more advantages in the labour market than female graduates. In the interviews, some male graduates told me that in China, office jobs are usually higher paid than frontline jobs, and female graduates are more likely to obtain office jobs since females' nuanced working style can be more suitable for office jobs. Therefore female graduates may not necessarily get lower first job salaries than their male peers. Some respondents also reported that in jobs where heavy work is not essential, female graduates could be paid more because of their attractive appearance, since most employers are male.

The interviews show that the job requirements, at least for university graduates, have been altered due to the development of modern technology. Thus female graduates can undertake the same workload and can have the same or sometimes even better performance than their male peers, who are believed to have physical advantages. Therefore, rational employers will not discriminate against female fresh graduates and pay them lower first job salaries. This also somewhat supports that HE helps to reduce the gender wage gaps. However it is important to notice that we do not have evidence to examine whether in bad condition and informal/unregistered work units (often belonged to the secondary labour market) females are still paid equally to their

male colleagues. As demonstrated in the previous chapters and the past literature, few Chinese university graduates work in the secondary labour market. This thesis will not further discuss the segmentation of the Chinese labour market.

6.3.1.4 Institutional factors

Institutions can be divided into formal institutions such as laws and official regulations, and informal institutions such as social norms and ideology (e.g., North, 1990). From the interviews, we find both formal and informal institutions in China may somewhat explain why female graduates do not necessarily earn lower first job salaries than their male peers. The interviews provide some evidence which support the argument that state can act as an equalizer to reduce gender wage gaps, especially when the government has strong and direct impact on the labour market (e.g., Bauer et al, 1992; Grapard, 1997; Brainerd, 2000; Honig, 2000; Zuo and Bian, 2001). For example, a cadre of the Career Office in MM University commented about the laws and regulations which protect females from gender discrimination when looking for jobs:

In China we have a series of laws and regulations which protect or partially protect females from being discriminate against by employers. For example, the newly initiated Labour Contract Law clearly prohibits any gender wage discrimination. Although you may hear that the enforcement of that law is not strong enough, we need to acknowledge (in the work units) for which university graduates may apply, the enforcement of that law is acceptable. I do not know why, but maybe these work units are better than the unregistered ones. Or probably in China a university graduate is more valuable than a 'da gong mei' so she gets better protection against discrimination in practice…… You may also hear that nowadays, for females holding undergraduate degrees, it is the government to undertake (some of) *their extra packages-not the employers as in the past... Perhaps this is because the government is not rich enough to cover the packages for all females so it has to choose a proportion by educational qualification.*

A female graduate explained in the interview:

I feel the law can somewhat bring equal salaries between male and female graduates. As long as you know there is a law to protect you (as a female graduate), *if you encountered discriminatory salaries, you can use the law to get you the fairness. I think most employers will not discriminate in setting the salaries of male and female graduates, because this is too obvious evidence of discrimination. Employers also know that if a university graduate complains to the authority of gender discrimination in wages, the authority will put some emphasis on it and do something according to the laws- much better than the bureaucracy when a 'da gong mei' making a similar complain. I got the same salary as male peers in both my first job and my current job.*

All employers in the interviews claimed that they obey the laws and regulations and thus never paid lower first job salaries to fresh graduates. From their words, it looks as though the laws and regulations are effective in preventing the emergence of a significant gender wage gap among fresh graduates. However we must admit it is not possible to verify their claims through an official channel, such as checking their labour-dispute records in the authority.

When mentioning the social norm and ideological effects on female graduates' first job salaries, the cadre of Career Office in MM University also told me:

Actually since the foundation of the PRC, the slogan of 'nan nu ping deng*'* (equality between males and females) *and* '*fu nu ding qi ban bian tian*' (females hold up half the sky) *gradually become deeply rooted in people's mind. I cannot say in all people's minds, but I am sure for those who are well-educated, and employers who hire well-educated elites, that is the case. So employers seldom pay lower first job salaries to female fresh graduates. If they do so, among the well-educated circle, the employers may face strong pressure from the mainstream ideology. You know the ideological pressure in China is always related to social prestige and 'Mianzi'. Having a lower social prestige due to ideological pressure caused by unequal pay to females and males is not a good strategy for a rational employer.*

A human resource officer also commented on the possible negative consequences for the employer if paying lower first job salaries to female fresh graduates:

Besides the possible legal troubles, we will lose a lot. If we paid a lower salary to a female graduate, and then if she told this to her classmates, friends, etc, we would have a lot of pressures. You know among those well-educated people, the idea of 'equality between males and females' is usually so deeply entrenched in their minds. Such pressure, we maybe not able to see, but it really exists in practice. That would be bad for our prestige and would cause economic losses. Also we would have lower chances to recruit good elites in the future, if a record of 'discrimination' was heard.

From the interviews as above, it is not hard to see that the institutions, including both formal institutions such as laws and regulations, as well as informal institutions such as social norms and ideology, help to explain why there is no significant gender wage gap among fresh graduates. This echoes to results of other scholars who find that in China, and also in some other former USSR countries, strong laws against gender discrimination in the labour market and strong ideological pressures can increase the independence of females and have positive impacts on the female/male wage ratio (e.g., Paternostro and Sahn, 1998; Honig, 2000). These interviews also provide some evidence to support that attending HE can provide females with more opportunities to earn equal salaries as their male peers.

6.3.2 Returns to graduates' family background and OCP by gender

In Chapter 5 we notice that the returns to graduates' family background and OCP do not vary significantly between males and females. In contrast, echoing the results of Tong and Su (2010), the returns to female graduates' foreign language capacities are greater than that of males.

The interviewees did not talk very much about the returns to graduates' family

background and OCP by gender, even though I asked some prompt questions about this topic. A possible reason is that this topic is rather abstruse to the interviewees so that not too many of them have paid sufficient attention to it. Nevertheless some interviewees expressed their opinions on this topic. A graduate from MM University told me:

I had attended more than 10 negotiations on salaries when I was looking for my first job in 2009. We negotiated salaries based upon my abilities, such as my computer skills… and cadre experience, but none of the employers or human resource officers assess whether such abilities belongs to a girl or a boy. So I do not think being a girl will result in a different judgment about my abilities demonstrated by my performance in the university. And it has nothing to do with salaries either.

This is also supported by the senior recruitment officer of the public non-administrative and non-profit work unit (*Shi Ye Dan Wei*) and the senior administrative officer in MM University who appeared in the previous section. Both of them believed that in general, returns to performance and family background has very limited connection with gender. Nevertheless, since females are more nuanced and patient, they are more likely to work in the jobs which require frequent use of foreign languages (such as entry level translation positions and international sections of the employer). Therefore good capabilities in foreign languages may bring higher returns to females than males.

The interview scripts are consistent with the quantitative results obtained in the previous chapter. There is a rather insignificant interactive effect between gender and OCP on fresh graduates' first job salaries. This finding supports Li and Zhang's

(2010) argument about that female graduates' human capital was not discriminated against by employers. We also see there is some evidence supporting the argument that the returns to female graduates' foreign language capacities are higher than that of male graduates, as female graduates are more likely to find first employment in jobs where foreign language abilities are quite closely related to their productivity. It is beyond the scope of the thesis to analyse why females are more likely to be accepted by those jobs. There is no evidence of the interactive effects between graduates' family background and gender on their first job salaries either. The next chapter will use qualitative evidence to examine whether and how graduates' family background affects their first job salaries.

6.4 Chapter Summary

In this chapter, I used the qualitative data obtained via my fieldwork, to examine the connections between Chinese university fresh graduates' gender, OCP and their first job salaries after their graduation. Vivid interview scripts quoted in this chapter help to elucidate the process of university-work transition in China. Existing literature was also adopted into the analysis of the qualitative data.

In general, the findings obtained from the qualitative evidence are consistent with the statistical results obtained in the previous chapter. For example, graduates' professional/practical aspects of OCP and their political/ideological attainments at university have positive and significant impacts on their first job salaries stays in line

with the findings in the previous chapters. Similarly, some unconventional findings obtained in the previous chapters are also further supported by the qualitative evidence in this chapter. As explained by different interviewees, HE becomes a factor to reduce the gender wage gap. Interviews in this chapter also provided further vivid evidence to demonstrate some possible explanations for the statistical results in the previous chapter.

The qualitative evidence also revealed relationships and dynamics which are not detected by the statistical analysis. For example, according to some employers, graduates with good academic scores may be more likely to be considered as 'bookworms', so that they do not get advantages in finding first jobs with high salaries. There is insufficient evidence about the interactive effects between graduates' gender and their OCP on graduates' first job salaries. Probably it is because this topic is rather abstruse to the interviewees who are not experts in the specific topic. Nevertheless the interview scripts reveal some episodes which suggest that the returns to female graduates' foreign language capacities may be higher than male graduates' foreign language capacities.

The qualitative findings enable the thesis to engage with the work of other scholars on the Chinese graduate labour market and more general literature of university-work transition. For example, the discussion about disconnection between graduates' academic performance and their first job salaries touches two important

theories in the field of university-work transition: the signaling theory and institutional network theory. The finding that '*Mianzi*' can strengthen the link between graduates' practical/professional attainments and their first job salaries reminds the readers about some specific features of the Chinese graduate labour market. In the next chapter this thesis will use qualitative evidence to examine the direct and indirect relationship between graduates' family background and their first job salaries.

Chapter 7 The Connections between Graduates' Family Background and their First Job Salaries: A qualitative analysis

In Chapter 6, we examined the relationship between university graduates' on-campus performance (OCP), gender and their first job salaries by using the qualitative data. However the connections between graduates' family background and their first job salaries, as well as the possible mechanisms behind such connections remain untouched by the qualitative evidence.

This chapter examines the relationship between graduates' family background and their first job salaries with the qualitative data collected from interviews and secondary documents. I will firstly look at the direct effects of graduates' family background on their first job salaries, and then further examine the possible indirect effects of graduates' family background on first job salaries via its effects on graduates' OCP.

7.1 The direct relationship between graduates' family background and their first job salaries

7.1.1 Why Family Hukou status has limited direct impact on graduates' first job salaries

Some interviewees do not believe graduates' family Hukou statuses (pre-university Hukou statuses) are significantly and directly associated with their first job salaries. This is quite different from the conventional wisdom and the findings of existing

studies, which believe Hukou should have direct and significant impacts on the job market outcomes of job seekers including well-educated elites (e.g., Guang and Kong, 2010). Interviews with graduates, administrative staff and employers reveal some reasons for this unconventional finding.

7.1.1.1 The intermediate effects of higher education

Many graduates appreciate that with the chances to attend higher education institutions (HEIs), they avoid the possibility of being discriminated against due to their rural origin. A graduate from MM University who came from a rural family told me:

I am glad that with the opportunity to join the university, I will no longer suffer the disadvantages due to my rural origin. I obtained an urban Hukou once I joined the university, and it will be kept until 1 year after my graduation. But I found a job soon after I graduated so my urban Hukou status was automatically confirmed[128]*. Many of my classmates had the same fortune. I mean they came with rural Hukou and gained urban Hukou because they joined the university. They are also happy that they will not suffer disadvantages brought by rural Hukou.*

Another graduate from MM University with rural family Hukou expressed:

Interviewee: *I cannot say Hukou is not important in China. But for me, it is no problem now. After I entered the university I automatically got an urban Hukou. When searching for jobs, a few employers asked about my Hukou status in either application forms or interviews*[129]*. But I simply answered 'urban' (to this question). They will not be able to identify my family Hukou status and they will not care about it either. They are recruiting me, not my parents.*
Interviewer: Interesting. So the urban Hukou gained by attending the university reduced or eliminated your possible disadvantages in comparison to your urban peers?
Interviewee: *Yes you can say so. It is not only because of Hukou, but also the education and lifestyle provided by the university. With 4 years higher education and life in a city, I am no longer the 'tu'* (in Chinese, means rural-styled and un-modern) *girl as in the first few months*

[128] In fact, there are some procedures to follow in confirming the urban Hukou gained from attending university (e.g., go to the local police and pay the administrative fee). But in comparison with the difficulty and complexity for a less-educated 'nong min gong' (domestic rural migrant workers), these procedures are much simpler. Perhaps that is why in the eyes of the graduate it is done 'automatically'.
[129] Perhaps the application forms or interview questions are for everyone (not only university graduates). Rational employers will not ask questions about the Hukou statuses of university graduates since they also know university graduates should have urban Hukou statuses in the city where the university is located.

when I entered the university. (She showed me a photo on her Iphone[130]) *You can see it was taken in the month before my graduation, I wear proper smart clothes with high-heels and shining sun-glasses, and you will not identify I came from the rural region, right? Then the employers will not be able to identify my origin either, even if they discriminate against rural graduates.*

Her opinions were somewhat supported by the human resource officer who believes good academic grades can result in 'bookworms' (this HR officer appeared in the previous chapter as well):

For me I will not set lower salaries to graduates who have come from rural families. There is no difference between graduates from rural or urban families as long as they demonstrate the same ability to me, then why would I pay some of them less and some of them more? Second it is also not easy for me to distinguish between them: all university graduates have urban Hukou status, and with years in the city, those who have come from rural regions have also got used to an urban lifestyle and are not different from those who came from urban families. (The interviewee continued in a humorous style) *I would not be able to tell who is from the rural area and who is from the urban area unless I go to the Civil Affairs Office or the local police.* (The interviewee suddenly became serious) *But for those without a university degree, I will definitely ask them to provide information of their Hukou statuses. I may mainly put the rural applicants in less urban-styled jobs, to be honest, mainly high-workload dirty jobs which few urban dwellers would like to do, such as cleaning buildings. (Compared with the more urban-styled jobs), these jobs usually offer lower salaries-in my company, and also in most other companies.*

The above interviews concur with the statistical results. Chinese HEIs will provide urban Hukou statuses to their graduates, and graduates can learn how to adopt an urban lifestyle with the knowledge provided by the university and the experience of living in the city (where the university is located). Therefore, graduates from rural families may not have significant disadvantages when compared with their peers from urban families. Also, on the side of employers, they care little about graduates' personal Hukou statuses since they know all university graduates have urban Hukou and it is hard and unnecessary for them to find out about their family Hukou statuses.

[130] In China, possessing sophisticated modern technical appliance can be considered as a sign of moving towards urban-styled life (e.g. Murphy, 2002).

That is also a reason why the family Hukou status has no significant impact on graduates' first job salaries. Nevertheless we cannot argue Hukou is not important in the Chinese labour market, since there are also some clues which suggest that without a university degree, employees from rural regions are still more likely to be put in jobs which offer low salaries. This again demonstrates that the university education is a factor to explain the insignificant first job salary gap between graduates from rural and urban regions.

7.1.1.2 Urbanization process and labour mobility

It is widely argued that in China the urbanization process can reduce settlement and employment restrictions in urban areas. Also, the increased labour mobility is believed to have positive impacts on reducing the employment restrictions due to citizenship or settlement rights, such as employment permits in some former USSR countries. The following interview extracts provide evidence to support the above arguments, and demonstrate the fast urbanization process and increased labour mobility in China after 2003 also explain why the family Hukou's status has no significant impact on graduates' first job salaries.

The Italian boss who appeared in the previous chapter stated:

China is changing very fast, maybe too fast to follow. So in my opinion, it is really not worth considering the Hukou statuses when setting salaries for fresh graduates. For example, you see, (pointing out of the window of the office*), the place across the river was a small village 2 years ago, but now you can see it has become a modern satellite-town and I have a branch there as well. Then why would I bother to distinguish between urban and rural graduates in the face of such fast urbanization? I think I had better pay the rural graduates attractive salaries, since their hometowns may become the next possible places in which my branches will be located-and*

then they may be happy to exploit their familiarity with the local circumstances.

The human resource officer of the medium-sized real estate company who appeared in the previous section also told me:

Well we are experts in construction and we are eyewitnesses to the fantastic speed of urbanization in China. Many rural regions were turned into satellite-towns in just a couple of years or even shorter. So nowadays it is really hard to identify where is rural, and where is urban. I mean, in both geographical and psychological perspectives. Even many rural regions will become urban regions soon. Then why would we care about graduates' family Hukou statuses when setting their salaries?

A career officer in GG University explained:

You know the Hukou system was established to restrict the labour mobility in that era (refers to the Mao's era of planned economy). *But now, there is much stronger labour mobility-between regions, between rural and urban, etc. So actually the concept of Hukou is getting more and more ambiguous. So employers probably are paying less and less attention to* (family) *Hukou statuses when considering the recruitment or salaries, especially in the high-end labour market.*

7.1.1.3 Changing policies towards rural Hukou and rural regions

As revealed in the previous interview and the existing literature (e.g., Chan, 1994; Chan and Zhang, 1999; Fan, 2003), the Hukou system was established to restrict the rural-urban labour mobility during the planned era, in which urban employees were provided with some extra benefits and civil welfare by their work units or the government. However, with the growth of the market forces in the Chinese economy, the extra benefits have diminished or even disappeared. In addition, the Chinese government starts to undertake some additional costs borne by employers when they hired employees with rural Hukou statuses. Therefore employers do not need to bear all the additional costs of hiring graduates with rural background (e.g., urban accommodation, medical subsidies, etc). Furthermore, some rural-preferential developmental policies (for example, the 'Build a Socialist New Countryside

Campaign') and state investments in rural development even provide strong incentives to employers to recruit well-educated employees with rural background. Consequently, employers do not tend to pay lower salaries to graduates from rural families. As recounted by the career officer in GG University:

Nowadays, I mean after 2003 when Hu and Wen took over the leadership of CCP and started a series of preferential policies on the 'San nong' (in Chinese, refers to agriculture, villages, and peasants), *the government started to undertake the additional costs for employers to hire people with rural Hukou. I think it is for the local government to decide how much additional costs will be borne by the government according to its financial capacity-since I have not seen a specific policy saying a clear amount… Therefore the employer will not pay lower salaries to fresh graduates with rural family Hukou statuses, even if they can detect the exact information on the graduates' family Hukou statuses.*

A manager of a digital equipment company explained:

I do not set salaries for fresh graduates based upon their family Hukou-whether rural or urban. In fact we sometimes prefer to have a number of people with rural backgrounds after a series of policies were established to enhance the development of rural regions, such as the 'Build a Socialist New Countryside Campaign'. This is because if we have some graduates with rural background, then their familiarity with rural regions can benefit my company's business in the rural regions. It is wise to expand my business in the rural regions with the preferential policies of rural development.

The three factors revealed in the above interviews, and the explanations in Chapter 4 give readers some clues about why graduates' family Hukou statuses have little direct impact on their first job salaries, which may differ from readers' intuition if they know about the strong connections between Hukou and labour market outcomes in China. Nevertheless, findings in this thesis do not cast doubt on the more general literature of Hukou in China, since we do not have any evidence to attest whether Hukou still plays an important role in graduates' labour market outcomes in the long term (e.g., promotions, job changes, etc.). In the next sub-section we will look at

another finding which is beyond many readers' intuition and the conventional wisdom in China. That is parental CCP membership does not have a significant direct impact on graduates' first job salaries.

7.1.2 The reasons for the insignificant connection between parents' CCP memberships and graduates' first job salaries

In China, due to a variety of reasons, there is a widespread belief that parental CCP membership can significantly contribute to their children's employment prospects. As shown by Yang et al (2010), many ordinary Chinese people believe parents with CCP membership may use their political advantages to gain economic returns for their offspring. Although it is beyond the scope of the thesis to examine the reasons of why this belief is popular in China and even some other parts of the world, and the economic advantages' relation to this popular belief, scholars find that '…political capital does still translate into monetary benefits in the People's Republic of China' (Dickson and Rublee, 2000, p104). However, this widely-held belief is not supported by the findings in the thesis. The following interviews reveal some reasons why parents' CCP memberships have negligible effects on graduates' first job salaries.

A graduate from MM University explained:

I do not think my parents can help me to increase my first job salary even though they are both CCP members. They know CCP members are usually under very strong surveillance from various channels, such as competitors, supervisors, public media, and also the powerful Internal Section. Helping me to find a high-paid job or asking the employer to pay me more is too obviously against CCP regulations and can be easily detected. For example, a competitor may wait for the chance to defeat my parents and takeover their membership (as shown in Chapter 1

and Chapter 4, in China the competition for CCP membership is fierce due to the limited quota). *So they will not take the risk, and I will not beg them to do so either.*

Another graduate from MM University also explained:

If my father was detected helping me to gain a higher first job salary or to find me a high-paid first job after my graduation, the cost would be very high. My father may lose his CCP membership for sure, and it would probably result in further punishments. That is really not worthwhile. A safer way to exploit my father's CCP affiliation in my employment is to ask him to establish some Guanxi (in Chinese, usually means interpersonal social network) *for my future career development, such as promotions. This is because such a method is less noticeable.*

The senior recruitment officer of the Shi Ye Dan Wei, who appeared in the previous chapter, also told me:

We do not set graduates' salaries according to their parental CCP membership. And their parents seldom bother us about their children's first job salaries. If they did we would feel quite annoyed, and probably report them to the CCP Internal Section, or to the public media. (Then) their reputation and CCP memberships would be ruined. That would also be bad for their children's development here.

From the above interviews, we can find that because of the strong surveillance exercised on CCP members, graduates' parental CCP affiliations may not have significant positive effects on their first job salaries. This finding is contrary to many readers' intuition and to the conventional wisdom in China. Instead, in the eyes of some interviewees, being consistent with some existing studies (e.g., Walder, 1995; Bian, et al, 2001), the impact of parental CCP memberships could be more significant in the later stages of (children's) career development, such as promotions. This is consistent with the institutional theories, which demonstrate that when both the risk of being caught and the punishment for violating institutional rules are high, it is less likely for participants will violate rules, and vice versa. Some interviews also provide evidence to support that parental CCP membership may not amount to enough political power to gain extra advantages on children's first job salaries (e.g.,

Li and Zhang, 2010), since there may be a internal stratification of CCP members. However, both the internal stratification among CCP members and the long-term career development of graduates are beyond the scope of the thesis.

7.1.3 Family incomes and graduates' first job salaries: the direct connections

Based on evidence from different parts of the world, there is a large amount of literature which debates whether and how family incomes and children's salaries are connected (Behrman and Taubman, 1987; Altonji and Dunn, 1991). Analysis of the quantitative data and the interview scripts suggest that in China, family incomes are significantly and positively associated with graduates' first job salaries. This result is consistent with the existing literature on the Chinese labour market (Yue and Liu, 2006), as well as the conventional wisdom in China. Yet some factors which contribute to the connections between family incomes and graduates' first job salaries in the Chinese context may have been relatively less emphasized in past studies. An overview of the interview scripts suggests that job-searching costs and psychological factors could be important reasons why family incomes have significant and positive impacts on graduates' first job salaries.

7.1.3.1 Job-searching costs for fresh graduates

Owing to the intense competition in the labour market, as explained in the past literature, it is understandable that job applicants need to shoulder some costs in order to successfully obtain jobs with attractive salaries (e.g., Barron and Mellow,

1979; Farber, 1983). A graduate from MM University clearly told me about what and how much students usually spent during the process of applying for their first jobs, especially for those offering high salaries:

The job search costs can be rather high. For me, as a girl, usually some nice and professional clothes for interviews are essential, which in general cost around (RMB) 3,000-4,000. Then some necessary cosmetics cost approximately RMB 1,000. Of course you need to have a mobile, as it is quite likely you will get some job interviews through it. That is another RMB 1,000 or so. You may also need to prepare for travel and accommodation costs if you attend job fairs and interviews outside the city, usually at least RMB 1,000. These are all basic expenditures. Then that is already RMB 6,000-7,000... If you want to have more opportunities outside the City or want to get more information via the internet, then probably you need to have a PC and travel a lot. Then the costs (could be) *even higher. Luckily my family can afford such expenditures, and I do not need to worry about it. But many of my classmates who come from poorer families have to suffer a lot and have fewer opportunities in the job market.*

Explanations from a graduate from MM University echo the above interview:

In estimation, for a girl to look for her first job, it costs at least RMB 6,000 for dressing, cosmetics, travel and so on. For a guy, as in my boyfriend's case, cost less, about RMB 5,000 is enough, as boys can usually spend less on clothes and cosmetics (for job interviews). *I do not have rich parents, and it was really difficult to find enough money to sustain the job searching. I had to give up a few interviews outside the city, though I know if I had passed those interviews I would have been offered very good salaries. One of my classmates spent over RMB 20,000 to obtain his first job (offer), which is an attractive one. But it is fair, considering he spent so much and his family could support him.*

Though seldom noticed or verified, another cost can sometimes occur in searching for first jobs. As explained by a graduate from GG University:

You know nowadays besides your own ability, it is also helpful if your family can create some networks for you to get some good job offers. In China it is always not free to create networks, your family needs to spend money on treating-dinners, gifts and 'Red Packs' (translated from Chinese, which refers to cash as a gift). *These things are not considered as 'bribes'. I heard that one of my roommates gained her first job offer with a quite high salary because her father, who is a successful business man, gave good Red Packs to the leader of her Dan Wei* (work unit).

The above interviews reveal that in China, it is rather costly for fresh graduates to find good first jobs with attractive salaries. Therefore, graduates from richer families

are more likely to obtain good first job salaries as they have stronger financial capacities to sustain their job searching, and also can afford more costs when necessary (e.g., travel and accommodation to other cities if there are good job opportunities). In contrast, graduates who do not come from rich families are less likely to obtain good first job offers and they even have to sacrifice some good opportunities due to financial restrictions. The next sub-section will analyse the psychological factors which contribute to the link between family incomes and graduates' first job salaries.

7.1.3.2 Psychological factors

The following interviews suggest that students from poorer families, especially those in receipt of student loans or bursaries from the state or the university, are usually more eager to start to 'earn money' as soon as possible after graduation, while paying less attention to the job qualities (including salaries, positions, locations) than their peers from wealthier families. This is consistent with existing research such as Furlong and Cartmel (2005). The interviews also provide evidence that students from less rich families often want to demonstrate their financial independence by obtaining and starting their first jobs in the shortest possible time. In contrast, graduates from richer families are usually more patient in looking for their first jobs, and also pay more attention to the job qualities (salaries, job reputation, etc). That is another reason why graduates from richer families usually get higher first job salaries.

A female graduate from GG University, who has a rich father, told me:

When looking for my first job, I was quite cautious and patient. I was not hurrying to sign a contract as many of my classmates were. I did not need to do so, as my parents told me they could cover my expenses for job searching, and they do not need my salary to fund the family. Instead they wanted me to find a good job to make people jealous and then earn 'Mianzi' for them[131]*. I also had a very high expectation for my starting salary, because I thought that would earn 'Mianzi' for both my parents and me. I rejected three offers before I signed my first job contract, which offered the highest salaries among the four offers.*

A male graduate from MM University told me in the interview:

I have to admit my family situation is not good. My mother was 'Xiagang' (unofficially laid-off)*, and the family fully relied on my father's salary as a low-level clerk. It was still maintainable for my tuition and food, but it was not possible for me to spend hundreds or thousands to search for jobs as my classmates* (did)*. When I was in my final year, I was thinking almost everyday about finding a job as soon as possible so that I would not need to use my family's money any longer. Instead I could earn some money and subsidize my family. So once I obtained my first job offer, I accepted it without any further thoughts. I signed the contract even without reading it thoroughly. If I put more time and effort to look for jobs I could get better ones but I would not wait.*

Another graduate from GG University also explained:

In fact my family was under strong financial pressure to pay my tuition and maintenance. Therefore I was under strong psychological pressure, from my family, from relatives and from friends, who believed that I should get a job as soon as possible and stop 'asking for money from my poor parents'. You would never know that such pressure can make people crazy, especially when every time you rang your family, your parents and relatives ask you 'why do you still not have job?'. So I was quite eager to demonstrate my financial independence by signing a job contract regardless of the amount of the salary. My first job paid me little. But soon after I got the job, the pressure from family, relatives and friends stopped. I felt that it was worth taking the job, and I told them 'see, I am now earning a living on my own'.

Graduates with lower family incomes and hence received student loans or bursaries from the university or the state may suffer even more psychological pressure, because the university or the government, as their sponsors, also create some pressure on them. As told by a graduate from MM University:

[131] As shown in Chapter 6, the Chinese word 'Mianzi', refers to the subtle good feeling of being respected because of obtaining something valuable, e.g., a child with good salary may bring his/her parents 'Mianzi'.

My family was not rich and I was lucky to be offered a student loan to support my studies. However at the job-searching stage it turned out to be a negative thing. Not only did I experience strong pressure from my family who wanted me to find a job as soon as possible, but also the university… required me to find a job as soon as possible. The funding office in the university told me that if I did not sign a job contract or postgraduate study offer (before a deadline), and I remembered that the deadline was a few months before I graduated, then I would have troubles in paying back the loans as well... Therefore I was very anxious and under quite strong psychological pressure. So I had to sign a contract which offered a very low salary, and rejected a job interview which would have been held after the 'deadline', even though I knew that was the final round interview and the salary would be quite good if I passed.

Another graduate from MM University also complained that financial support from the state created strong psychological pressure for student loan recipients to accept unattractive first job offers in haste and without thorough consideration on salaries, the 'in debt to generosity' expression is interesting:

You know, in China, if you have received financial support from a sponsor… you are in debt to their generosity. Then culturally, and psychologically, you are supposed to do what they expect. The university expected me to find a job as soon as possible, very likely to increase its 'employment rate of graduates'[132]*- without considering the quality of the jobs. Then well, I was supposed to accept the job offer which was firstly delivered to me. Usually the offers that come first are not the ones with highest salaries. So I missed some chances to get higher paid jobs. In fact if I did not do so the university would not be happy and I was afraid there could have been troubles for me as well. I am sure it is an institutional problem. You see, under the current so called Graduate Employment Guidance System, which was used to replace the state-allocation system, what did the government or the university do? They only know how to push us in order to increase the employment rate, while seldom doing anything to reduce our job searching costs.*

Even the university administrative staff admits that due to the flaws in the Graduate Employment Guidance System (GEGS) and student funding policies (including students' loans), the university is not able to provide special assistance to students from less rich families- as expected by the GEGS. The GEGS, which consists of a

[132] In China, the 'employment rate of graduates' is directly linked to the prestige of each university, and is often an indicator being considered when ranking the universities. It is also one of the most important tasks for the university.

number of policies related to graduate employment, aims to maximize the graduate employment and reduce the disparities in employment quality due to graduates' family background. For example, the GEGS requires the government to establish various platforms for graduate employment, and requires the university to offer special assistance to graduates from less-advantaged families and those with student loans when they are seeking employment.

However, in my interviews, the university career officers complained that the GEGS gives them too few resources (e.g., staff stint, budget and facilities) to offer special assistance to students with less rich parents. They further complained that the GEGS requires them to maximize the graduate employment rate and treat it as the topmost important task, so that they have to achieve this goal regardless of the graduates' employment qualities (including salaries). Therefore, university career officers have to push graduates with student loans to sign job contracts in the shortest period, even knowing this could reduce their chances to earn high first job salaries. Some university career officers admitted that they sometimes created an impression to students from less rich families that if the first offer was not accepted, then it could be quite difficult to find a better one. In their opinion, graduates from richer families are less likely to be disturbed by such impression, and they are less obedient than students with loans, possibly because they do not feel 'in debt to the university or the state' as explained in the above interview script. This could make graduates with less rich parents have fewer opportunities to earn good first job salaries, which

contradicts the objectives of GEGS. As directly quoted from the interview with a university career staff member:

I can understand what they (those in receipt of financial supports) *will think when they are requested to sign a contract as soon as possible. Since they do not know what will happen to them if they fail to do so, actually we university staff seldom know exactly either, they usually respect our support and authority, and obey us. I understand they may have to give up some other better chances, but well, the university employment rate is so important, to the university, to the administrators of the university, and even to the local government and educational authority. Then the graduates may have to make sacrifices...It looks that the Graduate Employment Guidance System actually does not help the students enough, but brings negative results.*

The above interviews suggest that graduates from lower-income families usually have strong psychological pressure to find jobs in the shortest time without too much consideration of the job qualities such as salaries. Such psychological pressure can be created by the family, relatives, friends or the graduates themselves who want to demonstrate their financial independence and their ability to subsidize their families. Also, the university sometimes creates psychological pressure for the recipients of student loans or bursaries, which is another reason why graduates with lower family incomes are usually less patient in the job search. This could be a disadvantage for graduates with lower family incomes when competing for high-paid first jobs. Further research into the GEGS and its impact on university-work transition is deserved in future and would be interesting.

7.2 The indirect connection between graduates' family background and first job salaries via on-campus performance

Family background may not only directly relate with graduates' first job salaries, but also is widely perceived to have an impact on graduates' OCP (e.g., Robotham and Julian, 2006). Therefore this section investigates whether and how family background may have indirect effects on graduates' first job salaries through its possible impact on OCP.

7.2.1 The indirect connection between family financial capacity and graduates' first job salaries

Some interviewees have rather different or even controversial opinions on whether and how family financial capacity affects graduates' first job salaries through its effects on graduates' OCP. On the one hand, some interviewees realized that it is not free to study in a HEI. Not only the tuition, but also the essential expenditure on studies, such as purchasing textbooks and accessing computer facilities, are not easily afforded by families without good incomes. Therefore, graduates from families with lower incomes may perform worse in the university than their peers from richer families, as shown by the following talks with two interviewees:

'*…the study costs at university are high…I mean other things to support my studies. The reference books, the exercises books or model test papers, are quite expensive. But if you do not buy them you may not feel confident to attend your tests. I was not able to buy too many of them and that could be the reason why I did not have a very excellent transcript at university. For other things, like computers or CD players, I could not afford them when I was studying…Even though I got up at 6 A.M. in the morning to queue for the computer room, I was not guaranteed*

the use of a computer for 2 hours…Language courses (for second foreign language) *can cost you thousands of RMB if you seek private training and I did not find affordable opportunities to learn Spanish.*'

'*When I was a cadre in my class, I had to buy a mobile phone and each month top up more than RMB 200 for administrative issues. I also needed to travel within the city to help my teachers, and cannot count how much I spent on taxis…I know a classmate who wanted to join the party. His father was a rich business man, and he invited the leader of the party branch in our department for a free tour... Next year he was accepted by the party.* (But) *I do not think this can be considered as bribe.*'

However, on the other hand, some respondents explained that having a rich family does not necessarily predict a student has better OCP. They claimed that students' attainments in the university are largely merit-based and hence not easily affected by family incomes. For example, student cadres are usually selected by peer students[133]. Sometimes the strong family financial capacity may even become a negative factor for the student to have good OCP. They claim that students from rich families may have weaker incentives to work hard in the university because they can rely more on their families when seeking employment. This argument is also somewhat supported by some common practices which require the administrative staff to pay special attention to the progress of students from relatively richer families, and urge them not to rely too much on their families.

7.2.2 The indirect connection between parental CCP membership and graduates' first job salaries

As an important indicator of family political/ideological capital (e.g., Qianhan Lin, 2012), parental CCP membership is also sometimes believed to have effects on

[133] According to my fieldwork, this is largely the truth, except in the first term of the freshman year when students were not familiar with each other, cadres could be nominated by administrative tutors.

graduates' performance in the university, and hence have some indirect impacts on graduates' first job salaries.

The fieldwork suggests that the association between parent CCP membership and graduates' OCP may not be as strong as some other researchers and the public estimate, and hence the indirect effects on graduates' first job salaries may not be quite significant. For example, the criteria to join the CCP for graduates and their parents could be quite different. For the generation of their parents, the main criterion to join the CCP was the social classes identity ('*Chengfen*'), which was largely divided into 'reactionary' and 'revolutionary' (see Qianhan Lin, 2012). In that generation, intellectuals, rich business owners and technicians were classified into the 'reactionary' class, and the 'revolutionary' class mainly consisted of blue collar workers. For graduates who entered HEIs after 2000s, they need to demonstrate good academic and professional performance in order to join the CCP during their studies in the HEIs. Therefore, their parents' CCP membership may not have a very strong impact on their own opportunity to join the CCP in the university. This finding could add to the literature on the intergenerational mobility of political capital in China (e.g., Yang et al, 2010). According to some interview results, it is also possible to argue that parental CCP membership itself is not enough to improve graduates' OCP after higher education reforms in China. But it is beyond the thesis to explore the relationship between parental CCP stratification and children's labour market outcomes.

7.2.3 Family Hukou status and its indirect connection with graduates' first job salaries

The relationship between family Hukou status and graduates' accomplishments in HEIs remains less discussed by existing literature. However the qualitative evidence collected from the fieldwork, including some interviews and university internal documents, suggests that family Hukou status seldom has significant impact on graduates' OCP. Therefore, indirect impact of family Hukou status on graduates' first job salaries can be considered as weak.

Nevertheless, a few interviews and internal documents suggest that in the first few months, university students with rural families suffer more problems than their peers from urban regions in adapting to university life, and hence may have fewer attainments in HEIs. For example, for some students who come from rural families, joining the university is their first opportunity to enter a city. Therefore, compared with their peers from urban areas, they have more difficulties in communication and participating in extracurricular activities[134]. However, after the first few months, usually in less than one year, students from rural regions can adapt to the urban-styled life, and hence no longer experience more difficulties in achieving good OCP than their peers from urban areas. Thus it is unlikely that their rural family Hukou can have a strong indirect impact on their first job salaries through OCP. This finding echoes the existing literature which suggests that higher education can not

[134] In consideration of such difficulties, admin staff often put special efforts to help students who came from rural areas to adapt urban lifestyle in various means.

only provide students with more opportunities to improve their living quality, but can also bring students with knowledge and ability to live in a more civilized lifestyle with a higher quality of life (e.g., Jin, 2012).

In short, compared with the qualitative evidence regarding the direct relationship between graduates' family background and their first job salaries, my fieldwork collected less information about the indirect impact of graduates' family background on their first job salaries through family background's influence on their OCP. It is perhaps because the topic is a bit abstruse to interviewees. It may also be a sensitive topic for some interviewees, as graduates may not want to admit they use family background to improve their achievements at university if they really did so. Considering that this topic is related to political/ideological issues, respondents were even more reluctant to talk much on this topic. Also, compared with the direct link between graduates' family background and their first job salaries, respondents' opinions on the indirect relations were much more controversial. This thesis suggests that the indirect connection between graduates' family background and their first job salaries via the possible intermediate effects of their attainments in HEIs could be an interesting question which deserves more attention from scholars and practitioners.

7.3 Chapter Summary

In this chapter, both direct and indirect effects of graduates' family background on their first job salaries were examined by the qualitative data. The results

demonstrated that graduates' family income is likely to have strong and positive direct impacts on their first job salaries, as searching for first jobs in China could be rather expensive. Also, this is possibly due to graduates from poorer families are eager to find their first jobs in the shortest possible time while sacrificing on salaries. The requirement of repaying student loans immediately after graduation, and the pressure from the GEGS further reduce the opportunities for graduates without rich parents to obtain high-paid first jobs. A further investigation of the student loan system and the GEGS in China could provide some political implications of the on-going reforms of these two systems, which both have important objectives to reduce social inequality by offering special assistance to university students from less rich families. The indirect relationship between graduates' family incomes and their first job salaries via the possible intermediate effects of graduates' OCP, however, is rather controversial. Though students from richer families are able to afford higher expenses related to their OCP, the high family incomes may cause them to rely more on their families than on their own efforts to improve their performance in the university.

Graduates' family Hukou status is not observed to directly affect graduates' first job salaries. Interviews suggest that it may be due to the fast urbanization, the newly rural prioritized policies and the high mobility of graduate labour. Parental CCP membership is not directly linked to graduates' first job salaries either. The fieldwork provides limited qualitative evidence of the indirect connections between graduates'

family Hukou status, their parental CCP membership and their first job salaries. It is quite possible because this is an abstruse topic to which not too many people paid enough attention. Since it could be a bit personal, perhaps not too many people want to talk at length about it. Further studies on the indirect relationship between graduates' family background and their first job salaries could be interesting and are likely to enrich the knowledge of intergenerational mobility of income and political capital, especially in the rapid transitioning China.

Chapter 8 Conclusion

The relationship between higher education (HE) and labour market outcomes attracts wide attention from scholars, practitioners and common citizens. The presumed existence of such a relationship is often questioned or challenged in China, where public anger exists due to a presumption that HE fails to increase the labour market returns to human capital factors and reduce the returns to family background and gender in the graduate labour market. However, the special features of Chinese HE and the Chinese labour market, such as the co-existence of the marketized factors and residues of the planned economy, as well as the restrictions on labour mobility, make the relationship between Chinese HE and the graduate labour market outcomes less touched by the existing theories.

Therefore, this thesis investigates one dimension of the university-work transition in China: the relationship between graduates' family background, OCP, gender and their first job salaries. This is an important question which affects millions of fresh university graduates' from Chinese higher education institutions (HEIs), especially after the state-allocation system was terminated, and university graduates were no longer considered as high-level elites (the so called 'proud sons/daughters of the heaven' before termination of the state-allocation system) in the increasingly competitive labour market. This is also important to the government because each year, millions of fresh university graduates join the labour force, which creates a strong pressure on the employment. For the industry, this large size of well-educated

labour force is a valuable human resource, and thus how to maximize the human resource by providing them with reasonable first job salaries is also a question which deserves more attention.

As noted in Chapter 1 and Chapter 2, the past literature in the university-work transition largely focused on how different levels of educational qualifications (such as college degree VS middle school diploma; or elite institutions VS non-elite institutions) affect graduate labour market outcomes. Also, the micro (individual) level information of first job salaries is often lacking in existing literature. Therefore, what (and how) determines the first job salaries of graduates from same (or same level) HEIs remains an open area for further discussion. With detailed data at individual level, the thesis joins this research area by answering the following questions:

(1) Are students' (graduates') family background and on-campus performance (OCP) significantly connected with their first job salaries after graduation, as predicted by existing theories?

(2) Does the labour market discriminate against female graduates and their family background and OCP by providing them lower first job salaries and/or returns?

(3) What are the possible explanations behind the answers to the above questions, and are they similar to or different from existing mechanisms demonstrated in many

other regions outside China? What implications can we generate?

In this thesis, in-depth qualitative information and original quantitative data sets have provided answers to the above questions and permitted a better understanding of the process of determining graduates' first job salaries in China. This enables the thesis to join the existing literature on labour market outcomes and income distribution through a small entry point. Analysis of whether and how university graduates' first job salaries are connected with their family background generates more thoughts on social stratification in contemporary China after a rapid HE expansion and radical reforms on its labour market, especially the graduate labour market.

The research also enables us to have more updated and comprehensive definitions of family background and OCP, which may better correspond to the Chinese context than definitions in previous studies. Though based on evidence from China, this thesis may also generate useful implications for other countries, especially developing countries. The thesis also touches on the following important theoretical and practical aspects of university-work transition, sociology of education and labour market reforms in both China and many other parts of the world.

8.1 Human capital indicators and signals of potential productivity

Quite beyond existing theories and the public expectation, this thesis finds that university graduates' academic performance in HEIs has little effect on their first job

salaries. Both qualitative and quantitative results suggest that high academic grades in university may actually bring some negative effects to graduates when looking for their first jobs. This is contradictory to classic signaling theory, which suggests high academic grades could be considered as signals of graduates' IQ and dedication to work. This also contradicts the classic human capital theory, which argues that students' efforts to improve their academic performance (e.g., to obtain higher marks in academic exams in HEIs) can increase their human capital stock, and hence bring them higher first job salaries.

The results in this thesis suggest that in the university-work transition in contemporary China, graduates' academic performance may be neither a suitable indicator of their human capital accumulated in HEIs nor a trustable signal of their potential productivity. This is partially because it is not reliably available to employers, as employers may not have easy access to graduates' authentic academic performance following the abolishment of the state-allocation system. This is also due to the widely known force-filling pedagogy and curriculum in Chinese HEIs, as under such pedagogy and curriculum, graduates with higher grades are more likely to be 'bookworms' rather than suitable potential employees. Reforms on curriculum and pedagogy could thus be helpful to enhance the positive connection between graduates' academic performance and their first job salaries. Otherwise students may have weaker incentives to improve their academic performance, and hence the

educational quality could drop after the rapid expansion of Chinese HE[135]. The educational authority may also consider reinstating the institutional connections between employers and HEIs so that employers have better knowledge of graduates' academic performance when setting graduates' first job salaries. Then graduates' academic performance may become effective human capital indicators and signals of productivity. This would also make it possible to increase the meritocracy in the determination of graduates' first job salaries and ease the public anger on the perceived low meritocracy in the graduate labour market.

Comparing with academic performance, graduates' practical/professional attainments during their studies in HEIs are demonstrated as better human capital indicators and signals of potential productivity. Both quantitative and qualitative evidence suggest that graduates with stronger foreign language and computer skills are paid higher in their first jobs because these become signals of their productivities, and make them have better performance in their first jobs. These practical/professional attainments are observable by employers as well. For graduates, the confidence generated by good practical/professional attainments at university becomes an advantage in wage negotiations, because such confidence may also become a signal for other unobserved abilities in the eyes of employers. Another interesting finding is that employers may tend to hire fresh graduates with better

[135] Various scholars and the public have already expressed their anxiety about the possible reduction of academic quality of Chinese HE after the rapid expansion. The possible deterioration of HE quality and the increasing number of university graduates may have some further effects on the Chinese graduate labour market in the future.

practical/professional achievements by paying them higher salaries because employees' practical/professional attainments increase their psychological wellbeing. In comparison with the extremely low return to graduates' professional/practical skills during the planned era, significant returns to such skills somewhat demonstrate that deepening marketized transition may bring more privileges to employees who possess more market-recognized human capital.

Graduates' political/ideological accomplishments at university could also become human capital indicators and signals of potential productivity. The thesis has demonstrated that cadre experience and personal CCP membership remain socialism-adaptive human capital indicators (e.g., having employees with CCP membership may improve employers' communication with the government). At the same time, considering the meritocratic selection criteria of CCP members and student cadres, graduates' political/ideological attainments can also be signals of some other unobserved abilities which may be useful on employment and valued by employers. For example, it is usually necessary for a graduate to have strong teamwork ability to join the CCP or become a student cadre in university, so that taking student cadre positions may become a signal to screen out graduates with good teamwork skills.

The thesis provides no evidence to support the market transition theory which argues that marketized transition will eliminate the foundation of returns to personal and

family political/ideological capital. In contrast, the significant returns to graduates' CCP membership and cadre experience (even after over 30 years' transition towards a marketized economy) suggest that the value of political/ideological status continues in (semi) marketized transitional societies (Appleton et al, 2008). Therefore, political/ideological attainments should be considered as important human capital indicators and signals of productivity in the Chinese labour market. This is an improvement of human capital theory and signaling theory in Chinese context, and perhaps in the more general context of marketized transition.

8.2 Intergenerational income flows

The significant relationship between family incomes and graduates' first job salaries somewhat demonstrates that in China intergenerational income flows still exist after the rapid expansion of its HE and the radical reforms on its labour market. As intergenerational income flow is often considered as an important indicator of intergenerational income equality (e.g., Guo and Min, 2008), it can be inferred that intergenerational income inequality may be a problem even for the Chinese high-end labour market where job seekers have at least obtained university degrees.

Therefore, we do not find evidence to support the traditional Chinese belief that having university degrees will eliminate the inequality in labour market opportunities due to disparities in family financial capacity. Some qualitative evidence even suggest that the current student loan scheme and Graduate

Employment Guidance System, which are established to provide financial aids to students from less wealthy families and improve their opportunities in the graduate labour market, may actually work against graduates with lower family incomes and reduce their opportunities to get high-paid first jobs. Perhaps further reforms on the student loan scheme and Graduate Employment Guidance System should be considered. However, the quantitative data indicates that if a graduate demonstrated good performance at university, his/her family incomes' impacts on his/her first job salary could be reduced. This suggests that HE provides opportunities for Chinese young graduates to reduce inequalities in their labour market opportunities due to family background via their own talents and efforts.

8.3 Gender wage gaps and rural-urban wage gaps

Neither the quantitative evidence nor the qualitative results in this thesis suggests graduates' family Hukou statuses (pre-university Hukou statuses) have significant effects on their first job salaries. The disparity in OCP between graduates from rural and urban regions is also tiny and insignificant, which demonstrates that graduates' family Hukou statuses have limited indirect effects on their first job salaries via its possible impacts on graduates' attainments in HEIs. Comparing with the widely known rural-urban wage gaps in Chinese lower-end labour markets, it is possible to argue that attending HE can somewhat reduce the wage disparities due to different Hukou statuses. For example, graduates can use their four years experience in HEIs to adapt to urban lifestyles. This argument can be enhanced by the policy which

grants urban Hukou statuses to students who come from rural families. The recent rapid expansion of Chinese HE may also significantly increase the opportunity for rural students to join universities, especially to attend non-elite HEIs. The current rural-preferential policies could also partially reduce the possible wage gaps in Chinese graduate labour market caused by Hukou statuses.

This thesis suggests that being consistent with the traditional Chinese wisdom, attending universities remains an effective approach for rural young people to gain more equal labour market opportunities with young people from urban regions. This could create more incentives for rural families to support their children to pursue HE. In addition, the government may consider continuing provide more opportunities for rural young people to attend HEIs through various means (e.g., by increasing state investment on pre-college education in rural areas) in order to reduce the public anger about the widely-perceived rural-urban wage disparities. This thesis also provides evidence that permission of higher mobility in the labour market, especially in the high-end labour market, is also likely to reduce the rural-urban wage gaps. Therefore, we support the on-going reform on the Hukou system to reduce the link between Hukou statuses and rights of urban settlement, as this reform will enable students with rural family Hukou statuses to access urban lifestyles even before they enter universities. This is likely to further reduce the possible wage gaps between graduates from rural and urban regions, or perhaps even in lower-end labour markets in China.

It is beyond the readers' expectation that female graduates do not earn lower first job salaries than their male peers after controlling their family background and attainments at university. Empirical results in the thesis show that female graduates may even earn higher first job salaries than their male peers, though the difference is tiny. So the pure discrimination against female graduates is not demonstrated by this thesis. We do not find evidence that female graduates' family background and OCP are discriminated against either. In comparison with the widely noticed gender wage gaps in lower-end Chinese labour markets, this thesis may supply some evidence that HE helps reduce the gender wage gaps and provide females with more opportunities to fight for equal labour market outcomes. This is partially because the recent HE expansion in China significantly improved females' opportunities to join HEIs. This could also be explained by female graduates' high mobility in the labour market, good knowledge/skills gained from HEIs (including the ability to protect themselves against discrimination), un-exist family-work dual burdens since they must remain unmarried until graduation, and also a university degree can generally guarantee a reasonable standard job where female's physical weakness does not bring significant lower job performance. Institutional and socialist ideological protection also helps reduce the discrimination against female graduates in setting their first job salaries.

Since being a female does not reduce the chances to earn high first job salaries after university graduation, and female's family background and OCP are not

discriminated, families and the state may have stronger incentives to invest more in increasing HE opportunities for females, and also in improving females' attainments after they enter HEIs. In response to some proposed reforms, this thesis tends to be more prudential and less radical. For example, it is necessary to consider its positive effects in improving female's opportunity to join HEIs and reducing gender wage gaps before radically abolishing the 'one-child policy'[136]. Similarly, being contradictory to proposals provided by human rights activists, we must be more cautious to allow more freedom of in-college marriage, as restrictions of pre-graduation marriage improve female graduates' chances to earn equal salaries with their male peers by minimizing the family-work dual burdens on females. This thesis also challenges a Chinese traditional wisdom that family expenditures on daughters' studies in university are not worthwhile (because it is traditionally believed that such expenses are unlikely to bring good career prospects including high monetary returns to their daughters).

8.4 'State as equalizer' and 'Market as equalizer'

The insignificant relationship between graduates' pre-university Hukou statuses, gender and their first job salaries, as well as the interpretation of this result based on the Chinese context enable this thesis to join the debate about 'State as equalizer' and 'Market as equalizer'. On one side, scholars who believe that the state can act as

[136] Some Chinese provinces are planning to permit the birth of second child regardless of parents' ability to afford their children's education. However, as shown in the era before enforcing 'one-child policy', parents may tend to spend more money on the education of their son(s) than daughter(s) if they cannot afford the educational expenses of all their children. This is quite possible to reduce females' opportunity to attend HE and hence enlarge the gender wage gap even in the graduate labour market.

an equalizer to reduce the gender wage gap and/or rural-urban gap argue that the government can strongly and effectively enforce formal institutions (such as gender-equality laws) and informal institutions (such as rural-urban equality ideologies or cultures) to restrict gender wage gaps and/or rural-urban wage disparities. On the other side, some scholars argue that it is the market rather than the state that can eliminate or reduce gender wage gaps. They believe that the market mechanisms can create a lot of proper employment opportunities for females and/or rural dwellers, and also enhance the incentives for females and/or rural residents to pursuit more and better education. Higher female participation in the labour force and formal education (especially HE) enables more females to enter the traditional male-dominant high paid jobs, and the market mechanism can also punish employers with strong male preference or urban preference. Technological progress may also significantly alter the traditional male-prioritized division of work duties and time use in work/families.

This thesis suggests a more synthesized argument that in the university-work transition in China, both the state and the market act as equalizers in reducing disparities in graduates' first job salaries between genders and between different pre-university Hukou statuses. For example, in China, the government enforced various interventions to protect female graduates and graduates came from rural regions from being discriminated. Also, the market mechanism reduced the gender wage gap and rural-urban wage gap in the university-work transition. Employers in

the Chinese graduate labour market often realize that after formal HE and with the progress in technology, the disparities in potential productivity between male and female graduates are not very obvious, so they tend to pay equal first job salaries to male and female fresh graduates. Similarly, since formal HE can reduce the difference in productivity between graduates from rural and urban families, they are much more likely to obtain equal first job salaries. In fact, these two arguments are compatible with each other and cannot be isolated, as both the state and market mechanisms can affect gender's role in wage determination and/or the rural-urban wage gap in almost every society.

8.5 Areas for future research

Having explained the findings and contributions of the thesis, it is necessary to notice that this thesis is not perfect and cannot answer all questions related to university-work transition, which leaves areas for future studies in different dimensions and disciplines.

The sample in the thesis was selected from two universities in Fujian Province, which locates in the Southeast of China. Though the medium level of economic development and HE resources (according to the national standard) mean that these two universities have stronger representativeness of Chinese HE than many other HEIs, we need to notice that perhaps the findings in other parts of China may not be exactly same as in the case of Fujian. For example, due to the widely known

tremendous regional disparities in economic and educational development, we may consider conducting similar case studies in the middle or western part of China in the future. Also, it could be interesting to conduct such research based on evidences from universities located in super-large international metropolises such as Beijing and Shanghai, which may entitle extra privileges that none of other Chinese cities currently has.

We also need to notice that these two universities are non-elite HEIs, which mainly intake applicants from the same province. Their graduates mainly seek their first employment in the city or province where the universities are located. It is unable to guarantee that findings generated from these two non-elite universities can be reproduced in elite institutions, which accept applicants all over China (and perhaps have a significant proportion of international students). And their graduates seek first jobs across China or even in other countries. Graduates from elite HEIs also have a significant higher proportion rate of choosing to continue full time study either in China or overseas. Though the overall female/male ratio and rural/urban ratio in Chinese HE is more or less equal, perhaps males and urban applicants still have more opportunities to be admitted by elite HEIs. These may make the determination of first job salaries of graduates' from elite HEIs rather different from non-elite HEIs. It would be interesting for us to investigate whether and how family background, OCP and gender affect the first job salaries of graduates who earned their HE qualifications from elite universities. And a comparison between the findings based

on samples from elite and non-elite HEIs is likely to generate more thoughts on university-work transition in China, and enrich both country specific and general literature of sociology of education. In fact this thesis builds a foundation for future research with a larger sample of university graduates. More comparative studies of university-work transition between China and other countries will also be valuable.

This thesis also raises some policy-oriented questions in the context of reforms to increase meritocracy in the graduate labour market in China. For example, noticing that graduates' family incomes are positively and significantly connected with their first job salaries, what should the government do in order to reduce such connections and make the determination of graduates' first job salaries more merit-based? How should the student loan system be reformed so that the pressure of repaying loans may not become a barrier for graduates with lower family incomes to obtain high-paid first jobs? How should the connection between graduates' academic attainments in HEIs and their first job salaries be enhanced, so that students may have stronger incentives to invest more time and efforts in academic studies, and hence maintain the academic quality of HE after a rapid expansion? These questions deserve sufficient attention from the Chinese government, especially the educational authority.

First job is a rather unique stage of university graduates' professional careers. Therefore, the findings based on first jobs after graduation may not be easily

extended to other stages of careers. For example, some interviewees reveal that though parental CCP membership has limited impact on children's first job salaries, it may be strongly connected to children's promotions in the later careers. Female graduates may still have fewer opportunities for promotion or salary increase than male peers once they have married and/or started families, since they still have to undertake family and career double burdens. The rapid development and changes of the Chinese society, as well as the high mobility of university graduates in the labour market call for more longitudinal studies on the labour market outcomes of university degree holders. For example, it would be interesting to compare female university graduates' time use strategies at different stages of career development (e.g., 1, 3 and 5 years after their graduation), and examine how the different time use strategies affect the possible gender wage gap. I am sure that comparing the possible different systems of wage determination for first jobs and for later career stages can be an interesting area for future research.

Appendix 1 Student Information Form[137]

<table>
<tr><td colspan="6">Personal Information of the Student</td></tr>
<tr><td colspan="2">Name</td><td colspan="2">Birth date (yy/mm/dd)</td><td>Previous name</td><td rowspan="3">Photo area</td></tr>
<tr><td>Gender</td><td colspan="2">Ji Guan (Birth place)</td><td colspan="2">Ethnicity</td></tr>
<tr><td colspan="5">Citizenship ID number (foreigner students and Hong Kong, Macau and Taiwan students usually fill in their border control ID number)[138]
(For foreign and oversea Chinese students, they usually also fill in their citizenship or country of residence)</td></tr>
<tr><td colspan="2">Political status</td><td colspan="2">Health information summary (sometimes a photocopy of health-test report is attached)</td><td colspan="2">Criminal and discipline records</td></tr>
<tr><td colspan="2">Date of registration</td><td colspan="2">School or department of registration</td><td colspan="2">Major/Class</td></tr>
<tr><td colspan="6">Valid personal contacts (Mobile, Email, etc)</td></tr>
<tr><td colspan="6">Brief Information of Student Family</td></tr>
<tr><td rowspan="6">Information
of direct family members</td><td colspan="2">Name</td><td>Relationship</td><td colspan="2">Political Status</td></tr>
<tr><td colspan="2"></td><td></td><td colspan="2"></td></tr>
<tr><td colspan="2"></td><td></td><td colspan="2"></td></tr>
<tr><td colspan="2"></td><td></td><td colspan="2"></td></tr>
<tr><td colspan="2"></td><td></td><td colspan="2"></td></tr>
<tr><td colspan="2"></td><td></td><td colspan="2"></td></tr>
<tr><td colspan="6">Current family correspondence address and telephone number</td></tr>
<tr><td>Family income situation</td><td colspan="2">Annual family total income [139]</td><td colspan="3">Obtained sponsorship for the academic year (usually the names of sponsors and the amount are listed. Sometimes relevant documents are attached)</td></tr>
<tr><td colspan="3">Signature of student and date</td><td colspan="3">Signature of registrar and date</td></tr>
</table>

[137] The form is in Chinese only and translated into English by the author of thesis. The title of the form may have been briefed in translation according to the contents if the original title is too long. The size and format of the translation form can be different from the original form, because Chinese and English occupy different spaces on the paper. Also, in consideration of the use of information and confidentiality, only contents useful or directly related to the thesis are selected into the form here. Parts of the original documents which are not related or used by the thesis are not revealed here. These also apply to the other forms in the Appendices. An important purpose of this form is to get some information for the university making decisions of student financing (e.g., bursaries), perhaps that is why a student's health information and obtained sponsorships are required, as in China these are related to whether he/she is eligible for some financial supports. Some other information (e.g., origin of students) from students' Dang-an (usually not permitted to access) will also be adopted to make such decisions.

[138] China runs different information management systems for citizens from Hong Kong SAR, Macau SAR, Taiwan and oversea Chinese. Also in Chinese HEIs, students from non-mainland regions have different eligibility to apply for loans/bursaries (e.g., foreign students are usually not eligible to participate in the state student loan system).

[139] One administrative staff informally said that in urban Fujian, if the family annual income is lower than 30,000, a student is not likely to afford his/her tuition and maintenance without financial aids. Then the student may be eligible to apply for the student loan and some other bursaries, which require the student to provide a certificate of family income from the Civil Affair Office.

Instructions to fill the form

1This is an important form of students. Students must fill the form clearly at registration. It is forbidden to provide untrue information.

2 The form will be kept by the university properly.

3 The information provided by the form will be used by the university for internal management on students. Therefore the university reserves the right to verify the information in the form.

4 In the ‘health information’ section, the student needs to tell whether having disabilities and infectious diseases. A photocopy of health-test form should be attached to this form.

5 ‘Direct family members’ means the direct relatives of the student.

6 A colour photo should be attached in the photo area.

7 In case of any other problem, it is permitted to add separate sheets to provide further information or explanations.

Appendix 2 Student University Records[140]

<table>
<tr><td colspan="5">Basic Information of Student</td></tr>
<tr><td colspan="2">Name</td><td>Birth date (yy/mm/dd)</td><td>Previous name</td><td rowspan="3">Photo area</td></tr>
<tr><td>Gender</td><td colspan="2">Ji Guan (Birth Place)</td><td>Ethnicity</td></tr>
<tr><td colspan="4">Citizenship ID number (foreigner students and Hong Kong, Macau and Taiwan students usually fill in their border control ID number)</td></tr>
<tr><td colspan="5">Country of residence. (for oversea students only)</td></tr>
<tr><td>Date of registration</td><td colspan="2">School or department of registration</td><td colspan="2">Major/Class</td></tr>
<tr><td colspan="5">Student’s Study and Activity Performance</td></tr>
<tr><td>Major Studies (Overall scores of curriculum, a transcript is usually attached)</td><td colspan="4">Selection of courses provide by other majors (name and time of courses)</td></tr>
<tr><td colspan="5">Title of graduation thesis (design)[141]</td></tr>
<tr><td>Evaluation of graduation thesis (design)</td><td colspan="4"></td></tr>
<tr><td colspan="3">NET score and date of attendance （usually a test report is attached）</td><td colspan="2">NCT score and date of attendance (usually a test report is attached)</td></tr>
<tr><td colspan="5">Capacity on foreign language(s)</td></tr>
</table>

[140] An important purpose of this form is to document a student’s performance in the university. Only part of the original form was translated and included here, as the other parts may not be directly related to the thesis. The original language is Chinese.

[141] Usually for students registering in natural sciences/engineering subjects, they provide graduation designs, as equivalent to graduation theses submitted by students from humanity/social sciences subjects. A ‘graduation design’ in Chinese HE can be understood as a paper-based or material-based research output.

Student cadre information (organization, position and period)	
Awards and punishements	
When and by whom recommend joining the CCP[142]	
Internship attendance (period and organization of internship. An evaluation of internship from the organization can also be attached)	
Evaluation on morality, by tutor or class monitor	Signature of tutor or class monitor： yyyy/mm /dd
Evaluation by CCP branch (only for CCP members or probationary members)	Signature of Head of CCP branch： yyyy/mm /dd
Evaluation from School or dept.[143]	Official Stamp of School or Department yyyy/mm /dd

[142] To apply for the CCP membership, usually at least one referee (‘*Ru Dang Jie Shao Ren*’) is required. The referee should provide supportive comments on the applicant to satisfy the CCP admission committee. The referee should be a current CCP member.

[143] In Chinese HEIs, such evaluations by tutors, departments or CCP branches are usually considered as ‘bureaucratic banal’ as the vast majority of these evaluations read ‘the student loves the motherland, supports the CCP and socialism…will be an elite for socialist development in the future’. In some cases, leaders of school or department even do not know the student at all when they are required to fill the evaluation blank and stamp on behalf of the school of department.

Instructions

1 The form is an important document of student administration. It must be filled with authentic information by black pen. The university will keep the form properly.

2 All items of the form are compulsory. In case of unknown information, please explain the reasons in separate sheets. If not applicable, please write ‘not applicable’.

3 A colour photo should be attached in the photo area.

4 For the item of ‘Capacity on foreign language(s)’, please indicate the language and level acquired. If a certificate is obtained, a photocopy of certificate should be attached.

5 For any other information, please attach separate sheets to explain.

Appendix 3 Employment Agreement of University Graduates[144]

<table>
<tr><td colspan="4">The Employer</td></tr>
<tr><td colspan="3">Name and address of Employer</td><td>Reference Code of Employer[145]</td></tr>
<tr><td colspan="2">Name of the Director or Representative of Employer</td><td colspan="2">Tel. Number of the Director or Representative of Employer</td></tr>
<tr><td colspan="4">Detailed Transfer Status of Dang-an (Please tick)[146]</td></tr>
<tr><td colspan="4">The Graduate</td></tr>
<tr><td colspan="2">Name (previous names may also be filled if applicable)</td><td colspan="2">Date of Birth</td></tr>
<tr><td>Gender</td><td>Ji Guan (Birth Place)</td><td colspan="2">Ethnicity</td></tr>
<tr><td colspan="4">Citizenship ID number (if work in China, foreign and Hong Kong, Macau and Taiwan students usually write their passport number or border control ID number here)[147]</td></tr>
<tr><td>Date of registration</td><td>Date of graduation</td><td colspan="2">Major (sometimes name of school or department is filled here)</td></tr>
<tr><td>Political status</td><td colspan="2">Health (A health test report is sometimes attached)</td><td>Contacts (Tel and Email)</td></tr>
<tr><td colspan="4">The University</td></tr>
<tr><td colspan="2">Endorsement/Comments from School or Dept[148].
Stamp
yyyy/mm/dd</td><td colspan="2">Endorsement/Comments from the career office[149]
Stamp
yyyy/mm/dd</td></tr>
<tr><td colspan="2">Name of Univ.</td><td colspan="2">Address of Univ.</td></tr>
<tr><td colspan="2">ZIP Code</td><td>Contact person</td><td>Tel.</td></tr>
</table>

(To be continued on the next page)

[144] According to regulations, the university is required to keep a copy of this agreement for graduates recording purpose. The original language is Chinese. Again only parts of the original agreement were translated, and the parts not directly related to the thesis were not included here.

[145] It is possible that this reference code is recorded only for computer-based information storage system. On paper, it is nothing more than a code with a few letters and/or numbers.

[146] Dang-an is a unique official administrative records of Chinese citizens. It includes the information of citizens' political and ideological statuses, as well as criminal records. Only the government or authority is allowed to access citizens' Dang-an, though they are kept by the employer or educational organization to where the citizen is attached.

[147] Numbers of foreign passports, Hong Kong SAR, Macau SAR IDs and Mainland travel permit for Taiwan residents (*tai bao zheng*) are usually different from mainland Chinese citizenship ID numbers. Foreign citizens (including overseas Chinese, as China prohibits dual-nationality) and citizens of Hong Kong SAR and Macau SAR usually need to obtain special permission to work in mainland China. Perhaps if they want to work in mainland China, they may need to fill other forms as well.

[148] Such comments from School or department or the career office usually say whether they agree the graduate to work for the employer. In my fieldwork, all comments read 'agree'. One of administrative staff in GG University explained that the school or department or the career office would say 'not agree' only when they know the employer has strong connections with anti-socialism or anti-CCP organizations.

[149] Such endorsements are sometimes considered as 'political/ideological checks' (*Zheng Shen*). It is to check whether the graduate has criminal records or done anything anti-CCP or anti-revolution (similar to loyalty/ideological checks). It is very often to have 'political evaluation' on citizens in China. This looks bureaucratic but it is important for a graduate to join the army or get job in the public service sector.

The employer and the graduate reach the following agreement by negotiation, according to relevant policies set by the state and province (only contents directly related to the thesis are included here):

The employer agrees to employ the graduate

The graduate agrees to work for the employer

Upon negotiation, the register/start date of the graduate is YYYY MM DD

During the employment, the monthly salary for the employee is_____ RMB (this must not below the minimum wage set by the local government).

During the employment, the employer pays the social insurance for the employee, other welfare, and also provides essential working conditions and facilities which satisfy the health& safety requirements.

The employer has the right to arrange health test for the graduate when necessary. Otherwise refer to the results of graduation health test arranged by the university.

The job advertisement and job application materials are attached to this agreement

If the job advertisement or the job application materials are significantly inaccurate, the agreement can be terminated by the other side without responsibility

The agreement terminates in case of any of the following situation:
1 The employer becomes bankruptcy
2 The graduate was selected into the PLA, or other state-arranged projects.
3 The applicant failed to graduate before job start
4 The graduate broke the Criminal Law
5 Other cases set by the law or official regulations

Both sides must comfort this agreement once it becomes valid. One side can request for reimbursement if the other side broke the agreement.

This agreement can be changed according to further negotiations between both sides. Such changes should be in written.

In case of the conflicts in fulfilling this agreement, both sides can try to solve the conflicts by negotiation, or by the intervention from the authority, or make law cases through the Court directly.

The employer, the graduate, the career office of the university, and the local authority of labour keeps one copy of this agreement.

A copy of this agreement should be delivered to the local authority by the employer within 10 days after signature. A copy of this document should be delivered to the university career office by the graduate within 10 days after signature.

This agreement is validated from the date when both side signed/stamped it. This agreement terminates when further contract is signed.

Side A (Stamp)	Side B (Signature)
yyyy/mm/dd	yyyy/mm/dd

Appendix 4 SUMMARY OF INTERVIEW TOPIC GUIDES

These Topic Guides of Interviews (for graduates, university administrative staff, and employers/human resource representatives) are to provide a general outline of the interview to the interviewer and to make sure the interview does not digress. Questions outlined in the Topic Guides are to remind the interviewer about the core information to be obtained through the interviews, and these questions may not be asked in the exact same way as their written format.

IMPORTANT NOTICE:

1 All interviews conducted for this DPhil research were permitted by Social Sciences& Humanities Inter-Divisional Research Ethics Committee, University of Oxford.

2 The researcher received essential instructions in conducting interviews in China from supervisors before field research.

3 The interview permits uncertainty and flexibility in order to improve the adaptability and feasibility of the interview.

4 The interviewer is ready for unexpected findings, changes and self-corrections.

5 The interviewer pays attention to the possible interviewer-respondent interaction and its complexity. The interviewer tries the best to keep the disturbance of such interaction to minimum.

6 Questions outlined in these Topic Guides subject to changes according to the consideration of context, politeness and expression.

7 These Topic Guides were written in and translated from a Chinese version by the author. The interviewees are allowed to select their preferred language between Chinese mandarin and English to conduct the interviews.

Appendix 5 TOPIC GUIDE OF INTERVIEW (with Graduates)

Interviewer: Suyu LIU

OBJECTIVES OF INTERVIEW

1 To have more comprehensive and insightful knowledge of the university-work transition in China, and also attest the quantitative data from university administrative resource.

2 To explore and explain some mechanisms linking graduates' family background, on-campus performance (OCP) and their first job salaries.

3 To identify whether and how the Chinese labour market discriminates against female graduates and their familybackground and OCP.

4 To understand university graduates' ideas and perceptions on the determination of their first job salaries.

5 To examine that in graduates' point of view, whether and/or how much the current institutional settings (such as university career services) help to enhance the meritocracy in the university-work transition in China.

INTRODUCTION

Nature of the research; the researcher/interviewer; confidentiality; ethical issues; congratulations on their successful job hunting

QUESTIONS OF CURRENT CIRCUMSTANCES

Interviewee's age,

Interviewees' first employer and salary (these three issues are not sensitive in China as they are in other countries)

Studied major/department

Hometown

These steps aims to ease the possible nervous feelings of interviewees and smooth the interview process, and interviewer has obtained the information before the interview through university administrative records. In the interviews, the interviewer was quite alert to any information that significantly contradicts to the university administrative records. However the significant contradictory information never appeared, which somewhat demonstrated the reliability of the quantitative data.

SECTION OF VERIFICATION QUESTIONS

Before entering the college, your family address is……

Attend interdisciplinary studies: Yes/No; Why/why not

Second foreign language: Yes/No; Why/why not
English/computer skills: What level/how do you achieve? More details
Joined CCP in the university: Yes/No; Why/why not
Internship experience? Yes/No; Why/why not; more details
Was a cadre in a student organization (e.g., student union): Yes/No; more details
Date/month of first job offer
Date/month of first employment stared

This section of questions mainly aims to verify the accuracy of the quantitative data from the university administrative records. Also, it is helpful to give a general picture to the interviewee about what the remaining parts of the interview will focus on. Sometimes, the interviewees start to talk about the connections between some of their OCP and job hunting after answering these questions. That further enhances the coherency of the interviews.

SECTION OF JOB-HUNTING QUESTIONS

When did you start to look for your first job?
How long did it take you to get the first job offer?
How much did it cost you to get the first job offer? What did you spend on?
How many jobs/positions did you apply for? Why so many/so few?
Through what channels you get the job information?
Did you ask the department or school for help?
Did you consult the university career office for help?
Did you compare with your peers/classmates? What do others usually do in job-hunting?
Some interesting memories? Something that left you a deep impression on you?

Through questions in this section, I hope to enhance the understanding of the university-work transition in China. For example, via investigating the expenses of job hunting and information collection, I hope to identify some possible links between family background and job search behaviors, e.g., job search duration and information channels. In addition, I am quite keen to detect whether something unusual was concealed by the administrative data. These interview findings provide some evidences to support the analysis and explanations of the quantitative results. These questions also provide some context before asking questions listed in the next section. These also give me some hints on the results of next section of interview questions.

SECTION OF QUESTIONS ON PERCEPTION

How do you like you first job offer? Do you feel the first job salary is good? Reasons?
How was your job-hunting experience? Do you feel it difficult?
In your opinion, what are the advantages and disadvantages of your job-hunting? I am quite interested.
How do you demonstrate your advantages to employers and/or hide your disadvantages? (Tell me something about how you get this salary).
Do you feel employers biased/unbiased? For example, on the Hukou statuses?

As a female graduate, do you feel there are more disadvantages in the job-hunting? Do you feel employers discriminate you or prefer males?
Do you feel the school or department supports you in finding the first job and/or increasing your first job salary? Why/why not?
Do you feel the university career office is supportive in finding good jobs? Why or why not?
How about your classmates? What first jobs/salaries do they have?[150]
Overall how do you comment on the employment?
Some interesting memories/you remember deeply?

Through questions in this section, I hope to explore how the graduates think about their job searching process, and how they feel about the meritocracy in the determination of their first job salaries. I would like to know in the eyes of graduates, what attract their first employers to hire them and decide the salary. With the background information in the beginning of the interview, as well as the context provided by questions in previous sections, the interviewee is expected to be able to express their opinions on family background and OCP in the determination of their first job salaries. Prompt questions such as whether employers discriminates rural family Hukou holders are prepared if the interviewee significantly digressed. I also prepared a question to ask interviewee's interesting memories of job search in order to detect some possible unusual findings which were less discussed in the existing literature or public media. Following the hints from the previous section, I pay attention to why they do not seek help from the university (career office, school or department).

SUMMARY

Open-ended questions (e.g., What do you think the university can do in order to help graduates to get better jobs or salaries? Depends on the answers in the above sections.); Comments/advice to the research; Anything else like to talk; Whether wish to be followed up (e.g., check the interview scripts); Compliments and souvenir

[150] This question is rather common and not un-friendly in China. It is quite usual for students or colleagues to ask such personal issues among each other. Salaries and jobs are not sensitive topics as they are in the western world. The common replies to this question confirm that graduates usually know a lot of their classmates, especially on the job searching issues.

Appendix 6 TOPIC GUIDE OF INTERVIEW (with University Administrative Staff)

Interviewer: Suyu Liu

OBJECTIVES

1 To have more comprehensive and insightful knowledge of the university-work transition in China.

2 To uncover some mechanisms linking graduates' family background, on-campus performance (OCP) and their first job salaries through university administrative staff's experience on guiding graduates' employment[151].

3 To identify whether and how the Chinese labour market discriminates against female fresh graduates and their family background and OCP.

4 To understand university administrative staff member's perception of the determination of graduates' first job salaries and the labour market meritocracy.

5 To examine that in university administrative staff's eyes, whether/how much the current institutional settings and recent efforts help to enhance the meritocracy in the university-work transition in China.

6 To compare the possible similarity and difference between the university staff member and recent graduates' perceptions on the above issues.

INTRODUCTION AND STARTING QUESTIONS

Nature of the research; the researcher/interviewer; confidentiality; ethics

1 How long have you taken this position?
2 Before this position, what did you do?[152]
3 In your opinion, how is the situation of graduate employment in your university?
4 I am sure you have served/guided a lot of graduates, what have you learned from this experience[153]?

[151] According to the regulations, those administrative staff has an important duty to provide 'guidance' to graduates on the education-employment transition. This guidance usually includes the labour market laws, situation, and some basic skills to adapt in the working environment.
[152] Due to the rigid personnel system in Chinese HE, it is expected most of them were in the same or similar office before their current position.
[153] This is a general question which is likely to prepare some context for the questions listed in the next section. Answers to this question enable me to readjust how to present the following questions accordingly when necessary.

This section aims to smooth the interview by providing a relaxing start, and also to remind the interviewee about the core issue of the interview. Not all of the questions were asked in the real interviews. The questions asked depend on the age, position and schedule of the interviewee.

QUESTIONS OF CAREER SERVICES

1 Each year, usually when do the final year students come to you for help in job searching? When is the peak period?
2 How many final year students do you serve each year? How about your colleagues?
3 Did many graduates come to you or your office/department often/repeatedly for advice/help in job searching? How many?
4 What are the top 3 concerns of the graduates in job searching when you help them? Reasons?
5 What are the top 3 concerns of you when helping graduates? Why?
6 Personal opinions on the career service?

This section of questions aims to help understand the basic information of a career service staff's work (or a university administrative staff who has responsibility on graduates' employment). Some information was obtained through reading the university internal documents before the interview, so that this section of questions will not go into depth unless the interviewee wished to say more.

Comparing with graduates, the university staff are much more reluctant to say a lot. This is perhaps because of their age and hence they are more mature than students. Or they are more sensitive to talk about university related issues to an outsider. This could be a point that deserves further attention for researchers who are going to do fieldwork in China.

QUESTIONS OF UNIVERSITY-WORK TRANSITION

1 In your opinion, what kinds of graduates are most attractive to employers? For example, which kinds of graduates are most likely to be hired or paid higher salaries? What kinds of applicants do the employers not like?
2 What efforts do you usually do in order to make the job seekers more 'attractive' in the labour market? For example, to avoid their disadvantages and demonstrate their strengths
3 I understand you may need the support from the university or authority to better-help the graduates. Could you describe what kind of support you may need in order to improve your/your office's work/contributions to graduate employment of your university?
4 Some common practices in addition to regulations?

This section of interview questions is to explore that in the eyes of university career staff, what characteristics of applicants are appreciated by the first job employers, and what can reflect these characteristics. The interviewer pays special attention to factors related to graduates' on-campus performance and family background. This enables a comparison between university administrative staff's opinions and recent graduates' opinions on these issues. Some prompt

questions may also be asked according to the answers. Career service staff also mentioned that they have insufficient resource to effectively help the graduates to demonstrate their advantages and avoid disadvantages in the labour market.

SUMMARY

Open-ended questions; Comments/advice to the research; Anything else like to talk; Whether wish to be followed up (e.g., check the interview scripts); Compliments and souvenir

This step aims to end up the interview in a coherent and friendly manner. Also I hope to some interviewees may reveal more information in the more relax context, as they realize these questions may indicate the interview is ending up. Comparing with the passion of graduates, the university staff are less enthusiastic to be followed up. Sometimes it is the interviewee terminated the interview by various excuses, which somewhat indicates their motivation in interviews may not be as strong as the graduates. Some interviewee suggested that I should to try to contact some employers or their human resource officers for further information of recruiting fresh graduates, as employers may have more to say or have larger freedom to say.

Appendix 7 TOPIC GUIDE OF INTERVIEW (with Employers/Human Resource representatives)

Interviewer: Suyu LIU

OBJECTIVES OF INTERVIEW

1 To have more comprehensive and insightful knowledge of the university-work transition in China.

2 To collect more evidence to explore and explain some mechanisms linking graduates' family background, on-campus performance (OCP) and their first job salaries.

3 To identify whether and why (why not) female fresh graduates and their family background and OCP are less appreciated by employers.

4 To have more comprehensive knowledge of the determination of graduates' first job salaries and the employers' perception on the wage determination.

5 To understand the employers' perception of the current institutional settings of education-employment transition.

INTRODUCTION

A brief explanation of the research in plain language; the researcher/interviewer; confidentiality; ethical issues

It is expected comparing with recent graduates and university staff, employers or their human resource officers are less patient as time is more important to their business. So I tried my best to keep the introduction as short as possible.

QUESTIONS OF CURRENT CIRCUMSTANCES

1 Basic information of the work unit:

the registration date; number of employees (esp. the number/proportion of female employees); annual quota of new recruitment; main business area; general business information

2 Basic information of the interviewee:

how long he/she has served in this work unit; years of job/business experience; how many jobs/business he/she participated; compliments on his/her successful job/business

This step aims to ease the nervous feelings of interviewees and smooth the interview process. The ratio of male/female employees enables me to better present my question about setting first job salaries to female graduates. This step also helps me to have better knowledge of the

employer and/or the interviewee, especially when there is not sufficient material about them available via other sources.

QUESTIONS ON THE RECRUITMENT AND SALARY

1 Semi-structured questions:

Basic recruitment procedures and requirements (Sometimes the interviewee gives a few paper-based information of recruitment to the interviewer)
Which kinds/types of job applicants are preferred? Why? More details?
If hiring fresh graduates, what kinds/types of them do you favour? Why?
If hiring fresh graduates from the same or similar universities, what characteristics you make emphasize? Why? More details?
Do you prefer female fresh graduates or males?
How do you usually attract the fresh graduates you favoured? Do you offer them good salaries in order to attract them?
Can you briefly describe the salary decision mechanisms? (e.g., strict pre-set wage; semi-flexible wage determination; fully-flexible wage determination)
How do you comment on the institutional settings of the education-employment transition? (e.g., you have no institutional network with the university)

2 Some prompt questions (only when necessary):

How do you evaluate a fresh graduate's academic grades and course attendance in the university when making recruitment decisions?
Will you think about a fresh graduate's family Hukou status when deciding his/her salary? More details?
How do you consider a fresh graduate's ideological/political attainments (e.g., student cadre post) when making recruitment decisions?
How do you consider a fresh graduate's practical/professional skills (e.g., foreign language abilities) when making recruitment decisions?
Some common practices in hiring fresh graduates?

This is the main body of the interview. Through this section, the interviewer hopes to have some insightful knowledge of how employers making employment and salary-related decisions in the graduate labour market. Also, the interviewer tries to obtain more evidence to provide more in-depth explanation to the findings of the statistical analysis. The interviewer is also alert to detect any possible information that may not be revealed by the quantitative data. Prompt questions are also prepared to get more detailed information of how family background and OCP are (not) assessed when making employment and salary related decisions.

SUMMARY

Open-ended questions (e.g., do you have any suggestion to reform the current institutional

settings to improve your recruitment so that you can select suitable applicants easily? Depends on the answers in the above sections.); Comments/advice to the research; Anything else like to talk; Whether wish to be followed up (e.g., check the interview scripts); Compliments and souvenir.

The interviewees usually do not wish to be followed up, probably due to they are not entirely confident about their business or career. For example, due to the competition in doing business in China, an interviewee's firm may close down a short period after the interview, and hence they are not likely to be followed up after the interview. This is an issue that deserves sufficient attention for scholars who are going to conduct interviews in China.

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