

# Analysis of the Employment Difficulties of College Students from the Perspective of Public Economics

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## Abstract

**With the increase in the number of college entrance examinations, the number of college graduates is also increasing every year, but the increase in the number of graduates does not bring a rise in the employment rate. Many college students can't find suitable jobs after college, or even can't find jobs; some positions can't find suitable talents, and some positions have a surplus of talents, which all cause talent waste, especially in the case of epidemic, this situation is more serious. The employment problem of college students is gradually being concerned by all walks of life. In this paper, we will analyze the main causes of the difficult employment problem of college students from the perspective of public economics and put forward corresponding solutions and suggestions.**

## Keywords

**Public Economics; Employment Difficulties; College Students.**

## 1. Introduction

According to the analysis of relevant information, public economics theory considers public goods to be non-exclusive and non-competitive. Non-competitiveness means that once a public good is provided, increasing the consumption of one person does not reduce the benefit of any other consumer or increase the social cost, and the marginal cost of using the product for its additional consumers is zero. The non-exclusivity of a public good means that once a public good is provided, it is impossible to exclude anyone from consuming it, and anyone can consume it in equal amounts. As employment opportunities are goods used to satisfy the public needs of society, the author argues that employment opportunities also have public characteristics and are also competitive and non-exclusive. Therefore, this paper will analyze the problem of difficult employment of college students from the perspective of public economics.

## 2. Analysis of the Reasons Why College Students have Difficulty in Finding Employment

### 2.1. Social Level

#### 2.1.1. Economic and Industrial Structure Contradictions

During my undergraduate internship, I had a period of apprenticeship in the employment department of Zhangzhou Human Resources and Social Security Bureau, during which I learned a lot about the employment situation. Among them, the most headache for the employment department is the recruitment situation of the manufacturing industry. At present, China's manufacturing industry is developing rapidly and there is a great demand for labor. However, because the manufacturing industry is at the low end of the value chain, it offers limited salary and cannot attract college students to choose employment. The low industrial value-added overlaid with the low ratio of wage value-added results in higher quality level college graduates being deterred from most manufacturing jobs. The productive service industry, which is at the

high end of the value chain, is crucial to absorbing college students' employment, but its development is lagging behind. [1] This has caused difficulties in the employment of college students, so the author here thinks that the employment thinking and choices of college students should be changed.

### **2.1.2. Technological Advances have Led to the Disappearance of Some Jobs**

With the development of the times, artificial intelligence has penetrated our life in large and small aspects. Into the bank, only one employee in the hall, guide customers in the machine to choose the service they want to complete the work; bank cashier, manual cashier only three or two, self-checkout has become increasingly popular; courier take-away industry also launched a robot delivery meal delivery service. But behind these technological advances, there are fewer and fewer jobs. Although these positions are not necessarily the positions that college students will choose, the saving of labor for these positions will lead to a large amount of labor entering the labor market, which will then increase the employment pressure of college students; the same position, not only to compete with their classmates, but also to compete with other labor, or worse, to compete with artificial intelligence.

### **2.1.3. Inadequate Social Security System**

Nowadays, people's living standards are improving and social security is fully protected by the state, which makes the social workforce pay extra attention to the five insurance and one pension. China's five insurance and one fund make the labor force in the pension, medical, unemployment, work injury and even maternity have been well protected. Especially during the epidemic, the various protection measures taken by the state have provided very strong support to both enterprises and individuals. This is also evident to college graduates, making them pay more attention to the welfare benefits provided by enterprises when they are looking for jobs. However, at this stage, the social security system provided by some enterprises in China is not perfect, and there are even many units that do not pay five insurance and one fund for their employees or pay less. This has become one of the reasons why it is difficult for college students to find employment. Under such criteria, most of the college graduates prefer to take the examination of state-owned enterprises, institutions or civil servants. However, every year, the positions and demands of state institutions and civil servants are limited and the exams are difficult, which makes college graduates may spend a year and more to take the exams, forming a situation of idle labor force.

## **2.2. University Level**

### **2.2.1. Higher Education Over-expansion**

The increased access to higher education has led to more people gaining access to higher education, raising the overall level of education per capita in the country and laying the foundation for the progress and development of society. However, the promotion of higher education has also brought a series of negative effects. The number of college graduates in China is increasing every year, but the number of jobs in the society is limited, which creates an imbalance between supply and demand, and the supply is much smaller than the demand. According to the relevant research data: the number of college students graduating in China every year is very impressive, with 8.74 million in 2020 and expected to exceed 9 million in 2021. [2] Thus, it can be seen that the expansion of higher education has negative externality. Such a situation will not only cause an increase in the employment pressure of college students, but also affect the quality of their education. In my own case, because I feel that what I learned in my undergraduate degree is not enough to stand on the society, and the employment prospect is very confusing, I chose to continue my further education, hoping that this can make my employment opportunities increase, but is this really the reality?

### **2.2.2. University Majors do not Match the Needs of Society**

There is a mismatch between majors and jobs in contemporary college students' employment, and a big part of the reason for such a situation is that colleges and universities pursue popular majors will bring the student source, so most of them will choose such socially popular majors as economy and management, finance, foreign language, computer, etc. when setting majors, but these majors are not constant and popular; so there is no basis for actual social needs and lack of investigation on social demands. In this way, the mismatch between students' majors and jobs is created, and there is a surplus of students in popular majors. The supply of students in popular majors is greater than the demand, and after the market demand is saturated, it is difficult for other graduates to be employed; the supply of graduates in cold majors is less than the demand, and enterprises cannot recruit talents, and the industry has a shortage. The author believes that if colleges and universities continue to act like this when setting up majors in the future, it will cause a surplus of talents, waste of resources and uncoordinated employment in society.

### **2.2.3. Talent Market Channel is not Comprehensive**

The main way for our college graduates to find employment is through the career pathway provided by the school. Colleges and universities offer career counseling courses and job fairs for college students as they enter the graduation season. Career counseling is to analyze the current employment situation and to provide students with employment options. Job fairs are held jointly by universities and companies. The companies will post the jobs they are short of and write down the matching majors, so that the graduates can quickly locate and choose. However, except for the national key universities, the enterprises cooperating with universities are basically small enterprises in the regions where the universities are located, which are not able to provide students with good development space; in addition, these enterprises will have the phenomenon of consistent demand, and there is no way to take care of the whole school's majors. Such a form makes the employment opportunities unfair and hinders the benign development of college students' employment.

## **2.3. Student Level**

### **2.3.1. Limitation of College Students' Employment Concept**

Career search theory suggests that under the condition of insufficient information, job seekers gradually learn about the wage distribution through search activities, and decide whether to continue searching by comparing the marginal cost of job search with the marginal benefit they may obtain. In other words, college graduates have a standard of expected wage in the process of job search, and they will stop searching in the market only when they get the job with the expected salary. Therefore, most workers generally do not directly accept the first job they get in the labor market, but continue to wait and see and search, trying to get more information to find a more ideal job in their mind. [3] In contemporary society, college students have been taught by their teachers and parents that as long as they get into college, they will have good jobs and earn big money, so when they graduate and look for jobs, they will think that they have received higher education, so their salaries cannot be too low and their positions have to be "high" to be decent. However, in terms of the current employment situation, the number of college graduates is increasing, the degree of demand for college graduates decreases step by step, too high salary expectations instead of hindering the progress and success rate of college graduates in their job search.

### **2.3.2. Limitations in the Choice of Place of Employment for College Students**

When we think of employment and development, we will first think of the "North, Guangzhou and Shenzhen" in China, because the economic development of cities in the coastal areas of China is rapid, and there is a big gap in the economic level compared with the less economically

developed cities in the central and western regions. Moreover, in the economically developed cities, the employment opportunities, salary level, working environment, welfare level and appreciation space are more attractive to college students than in the less economically developed cities. Therefore, the employment choice of graduates will be more inclined to economically developed cities, and this trend will not change significantly in a short period of time. [4] The homogeneity of college graduates in their choice of employment place not only exacerbates the pressure of employment, but also leads to the unbalanced and uncoordinated employment in China in terms of locality.

### **2.3.3. It is Difficult for College Students to Start Their Own Business**

Student entrepreneurship has become the focus of attention of the state and education department in recent years, and there are still problems in the current entrepreneurial environment in China. From the discussion of entrepreneurial subsidies, there is a phenomenon that the entrepreneurial subsidy funds for college students' entrepreneurship in various regions are high and low, and the entrepreneurial subsidies in economically developed cities are more comprehensive and sufficient, which also leads to the phenomenon of college students' entrepreneurship piling up in economically developed cities; from the perspective of the entrepreneurial system, college students need to go through layers of approval to start a company, and the procedures are complicated and very cumbersome. [5] Nowadays, the e-commerce industry is well developed, and the low threshold for entry into live to be and micro business has led many workers to choose to enter the e-commerce industry, including many college graduates. However, the degree of security in the e-commerce industry is low, and other industries in the country also need to develop, so e-commerce is not the best choice for college graduates to be employed after all.

## **3. Employment Advice for College Students**

### **3.1. Social Level**

#### **3.1.1. Improving the Country's Economy and Creating More Jobs**

Analyzed from the perspective of public economics, the difficulty in employment of college students is ultimately a reflection of the unbalanced and insufficient economic development of the country. The low level of national economic development leads to more employment opportunities in the primary and secondary industries and less in the tertiary industry. However, college students with higher education should shine in the tertiary industry, so the development of the country's tertiary industry is particularly important. According to the final verification of the National Bureau of Statistics, China's gross domestic product in 2019 was 9865.15 billion yuan, of which the output value of the primary industry was 704.74 billion yuan, accounting for 7.1%; the output value of the secondary industry was 380.671 billion yuan, accounting for 38.6%; and the output value of the tertiary industry was 535.371 billion yuan, accounting for 54.3%. This shows that the current industrial structure of China is "three, two, one" pattern. [6] Such a pattern means the increase of employment opportunities for college students, and the tertiary industry promotes the development of knowledge-intensive industries, which reduces the competition and pressure of college graduates. In the author's opinion, the relevant departments of the society should have close contact and communication with colleges and universities, and update the majors according to the market needs in time, which is conducive to the colleges and universities to cultivate talents suitable for the society, and also assist the employment of college graduates.

### **3.1.2. Improve the Social Security System in All Aspects and Balance the Structure of Employment Supply and Demand Comprehensively**

As mentioned above, college students will pay more attention to whether the social security benefits of enterprises are comprehensive, but there are some enterprises that do not pay or lack of payment, in response to such problems, the state needs to establish a complete social security system. First of all, we should regulate the enterprises and employers to build a basic social security system, which can be adjusted according to the actual situation of the enterprises and units, but not the lack of payment and omission of payment. Secondly, the level of social security of private enterprises and state-owned enterprises, institutions and civil servants should be narrowed. It is because of the high level of social security benefits in state-owned enterprises, civil servants and other positions, making most college graduates' employment choices tend to state-owned enterprises and civil servants, resulting in a shortage of talent in private enterprises and institutions. Therefore, I think it is necessary for the state to balance the level of social security benefits in various industries to provide a fair employment choice environment for college graduates. This will also help college students not to pile up in cities and big economically developed cities, thus sending talents to remote areas and economically underdeveloped areas.

## **3.2. University Level**

### **3.2.1. Combine Social Employment Needs, Control the Proportion of College Enrollment and Professional Settings**

From the perspective of public economics, setting the number of college enrollment and majors in conjunction with the needs of the social labor market is conducive to solving the problem of difficult employment of college students. This not only can save the resources of talent training, but also can provide the right amount of comprehensive talents for the society. Colleges and universities can provide a large and professional labor force for the society, so they should be applied reasonably. Colleges and universities should make two-way contact with the social market. The social market updates the number of talents needed and professional requirements to colleges and universities in real time according to the development of the industry; colleges and universities control the number of enrollment reasonably according to the needs of the social market, set comprehensive majors, guide students to different professional streams, cultivate talents for all walks of life in the country in an all-round way, and cultivate professional talents that are really useful and can be used by the society. When cultivating talents, colleges and universities can also pay attention to students' innovation ability, character quality and responsibility, recommend suitable talents for the social market and provide students with suitable employment direction.

### **3.2.2. Improve College Employment Services and Promote the Soundness of the Talent Market**

At this stage, colleges and universities will provide career guidance services to college graduates and also conduct job fairs in the talent market. However, there is a situation that the employment service guidance and talent market are not sufficient and comprehensive. In response to such problems, the author believes that the government should coordinate and help the linkage between colleges and enterprises, improve employment services and sound talent market. Firstly, the government is needed to make an all-round assessment of the number of enrollment and enrollment majors of colleges and universities, the number of enterprises and enterprise positions, so as to build a bridge between the employment of college and university graduates and the enterprises' need for talents. Secondly, both universities and enterprises should also do a good job of collecting information resources. Universities should not limit their eyes to enterprises near their locations, but should invite enterprises all over the country to sound the market according to the number of talents and specialties on campus; and



enterprises should radiate the enrollment to all over the country as far as they can. Of course, under the limitation of epidemic and distance, such a nationwide work cannot be well implemented, and universities and enterprises can establish an online platform of talent market, so that college graduates can pay attention to the relevant information and then make employment choices.

### **3.3. University Student Level**

#### **3.3.1. Establishing a Correct Career and Employment View of College Students**

Most of the contemporary college students' employment thinking will receive the influence of their parents' generation's concept that only serious study to get into college can find a good job and high income; or that doing technical work and hard work are not on the row ..... but with the progress of the times and the development of the country, such a concept should be changed. The author's city has implemented a new policy in recent years, from junior high school, high school, college three stages to the student talent training and employment diversion. Junior high school students who can't get into high school will open secondary colleges and universities; those who can't get into high school will open higher vocational colleges and universities; in this way, talents will be reasonably channeled to the primary, secondary and tertiary industries. I think such a policy is worth thinking about, the country needs talents in all walks of life. However, the university students have received more education and broadened their horizons, and with the influence of traditional employment concept, they will only tend to the third industry and pile up in big cities. Therefore, college students should be allowed to establish a correct concept of career and employment. College students should face up to the social reality, abandon the backward sense of college students' superiority, put down their stance, set their mindset, clearly position themselves, and face the reality of mass education with a realistic attitude, which is also the psychological basis for further finding the ideal job. [7-10]

#### **3.3.2. Encourage College Students to Start Their Own Business**

The current situation of career choice of college graduates is that a large number of people take public examinations and go abroad, some of them are employed and some of them start their own business. From the perspective of public economics, encouraging college students to start their own business is one of the main and most important ways to solve the employment problem. As mentioned above, there are certain difficulties for college students to start their own business, due to the inconsistency of subsidies for entrepreneurship in various places, and high subsidies for entrepreneurship in economically developed places. Therefore, the author believes that the government should provide the appropriate amount of entrepreneurship subsidy funds according to the content and ease of college students' entrepreneurship. In addition, the government can also combine with enterprises to introduce relevant preferential financing policies and entrepreneurial counseling. On the other hand, colleges and universities need to strongly support students to start their own business and cultivate their innovative and entrepreneurial thinking. At present, many universities have carried out innovation and entrepreneurship bases, and opened some stores or studios on campus for students to apply and establish their own startup companies. Of course, students themselves should pay attention to social dynamics in real time, actively work hard to try innovative entrepreneurial projects and not be afraid of trial and error.

## **4. Conclusion**

The problem of difficult employment for college students is currently a hot topic of discussion in society. During the epidemic, many enterprises in the society collapsed, private enterprises couldn't pay their employees' salaries, and more and more college students chose to take public

examinations and graduate schools under the backing of state-owned enterprises and institutions and civil servants' "paid leave", which made the employment situation of college students more severe. In such a situation, the state, universities and even students themselves should pay great attention to the employment of college students and make specific analysis of specific problems. The state should not only grasp the general policy of problem solving in general, but also look for specific solutions suitable for the development of different stages and regions in depth practice. Colleges and universities should be more active in introducing student employment guidance and sound talent market, cultivating students' independent entrepreneurship, and actively supporting students to return to their hometowns to start their own businesses and bring their expertise to remote areas. Students themselves should consider their own characteristics in all aspects and choose a position that suits them, rather than following the crowd and piling up together. No matter what industry they are in, they should do their job, specialize in their post, and add to the development of the country.

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