

# Youth Employment in China: Current Status, Policy System, and Optimization Paths

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## Abstract

Employment is the fundamental cornerstone of people's well-being. Amidst global digital transformation and economic recovery, Chinese youth face significant employment challenges. By integrating official statistics and international comparative data, this study analyzes China's youth employment landscape. Findings reveal distinct seasonal frictional unemployment and structural education-job mismatches. While the youth NEET rate remains below the global average, the 'slow employment' phenomenon and precarious labor rights in new employment forms warrant attention. China has established a multi-tiered governance system encompassing legal regulations, economic incentives, and vocational training. To further optimize this system, this study recommends deepening industry-education integration, balancing 'flexibility and security' for young workers, and constructing a public-private collaborative service network. China's evolving policy practices offer both a response to domestic pressures and a valuable reference for global youth employment governance.

**Keywords:** youth employment; new forms of employment; labour policy; employment services; China

## I. Introduction

According to the International Labour Organization (ILO) report *World Employment and Social Outlook 2024*, youth employment in the Asia-Pacific region has generally improved amid the post-pandemic economic recovery, yet regional imbalances remain significant. In particular, the youth unemployment rate has reached a high of 14.5%, rising non-regular employment among youth and a NEET (Not in Education, Employment, or Training) rate as high as 20.4% in East Asia have attracted substantial attention from the international labor community. As the world's second-largest economy and a key player in the Asia-Pacific region, China's youth employment situation is not only vital to its domestic socio-economic stability but also exerts a profound influence on the regional labor market. This study uses macro-level data and policy-document analysis to present a comprehensive profile of youth employment in China, providing evidence for policy optimization and contributing a China perspective to international comparative research.

## II. Current Status of Youth Employment in China

This study analyzes China's youth employment through the lenses of quantity and quality, integrating domestic statistics, international projections, and academic literature.

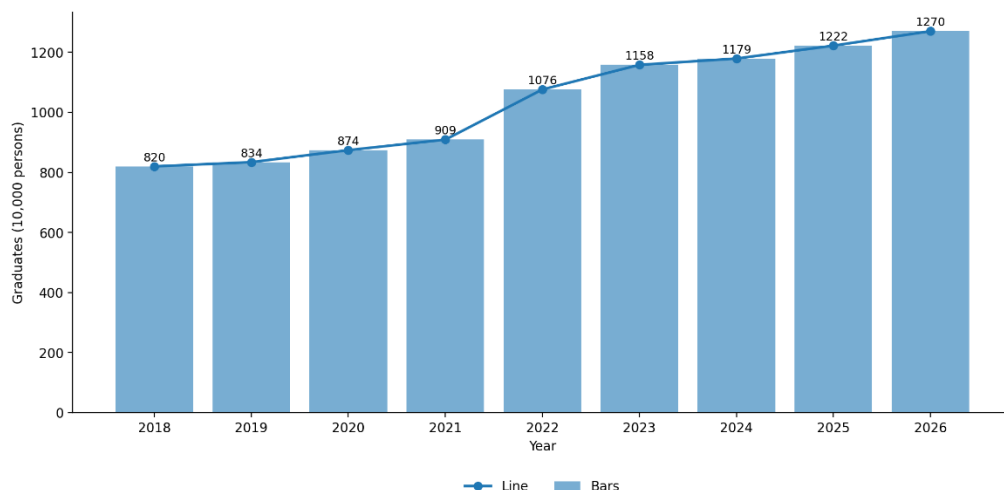
### (I) Youth Employment from a Macro-Statistical Perspective

On the supply side, the youth labor supply is currently in a critical period of high-level

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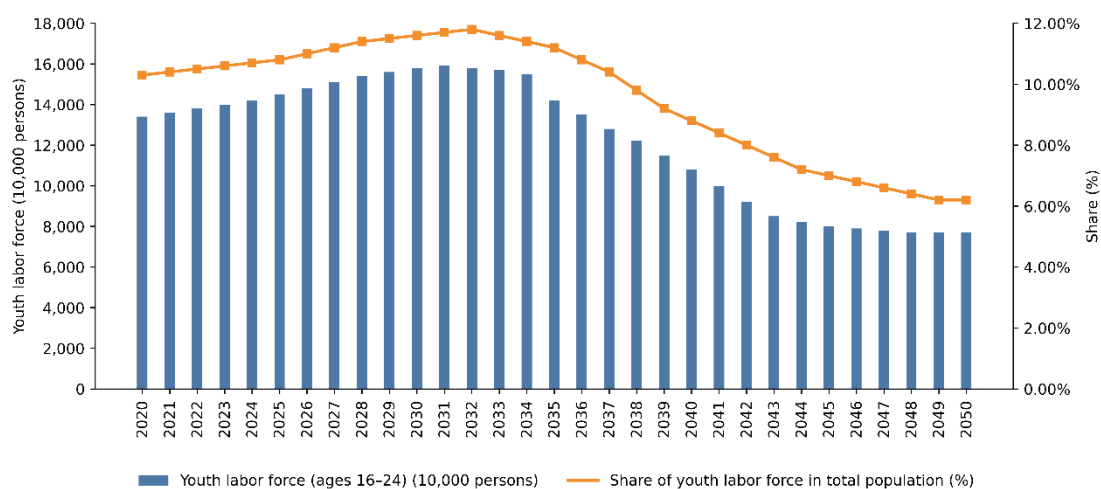
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fluctuation. Graduate numbers have exceeded 10 million annually since 2022 and are projected to peak at 12.7 million in 2026 (see Figure 1) (MOE, 2025). Long-term projections suggest the 16–24 age group will follow a ‘rise then fall’ trajectory, peaking at 159 million (11.49% of the total population) in 2031-2032 before declining to 80 million (6.52%) by 2050 due to demographic transitions (Fan & Zhao, 2024).



**Figure 1.** Number of University Graduates, 2018–2026

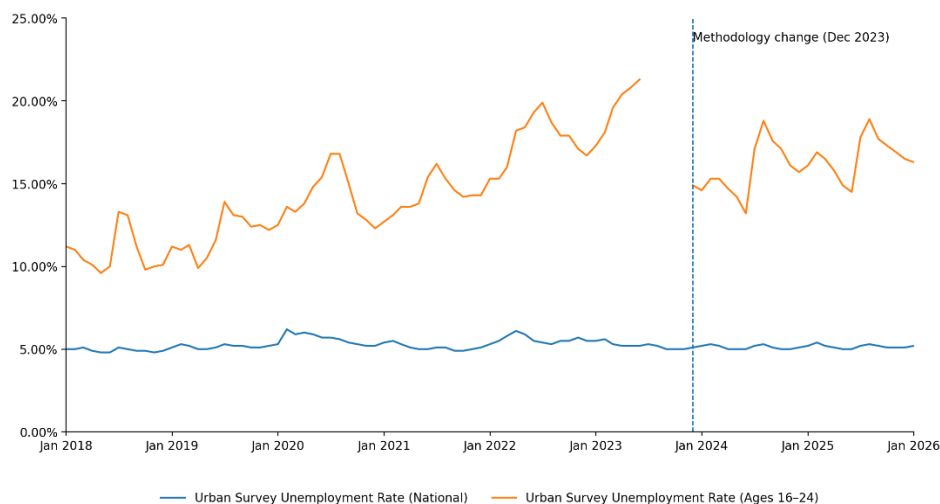
Source: authors’ compilation based on Ministry of Education releases.



**Figure 2.** Projections of Total Youth Labor Force and its Proportion, 2020–2050

Source: Fan & Zhao (2024).

On the demand side, the post-pandemic youth unemployment rate exhibits an ‘inverted U-shape’ tied to the graduation season (July–August), reflecting significant frictional unemployment (see Figure 3). In June 2023, the surveyed rate for ages 16–24 (including students) hit 21.3%. Following a methodological optimization in December 2023 to exclude students, the 2025 rate for this group averaged 16.65%—approximately 3.23 times the overall urban rate (5.15%), highlighting disproportionate pressure on youth.



**Figure 3.** Youth Unemployment Rate (Aged 16–24), 2018–2026

Source: authors’ compilation based on NBS releases.

Educationally, unemployment trends show an ‘increasing attainment’ mismatch (see Table 1). Among the 20–24 age group, the proportion of unemployed individuals with bachelor’s degrees rose from 30.5% in 2018 to 44.0% in 2024. Conversely, unemployment rates for those with only secondary education have declined, reflecting a gap between the career expectations of highly educated youth and available job supply.

**Table 1.** Cross-tabulation of Urban Unemployed Youth (aged 16–24) by Education Level, 2018–2024 (%)

Year	Age	Urban Unemployed Persons	No Schooling	Primary School	Junior Secondary School	Senior Secondary School	College	University	Graduate and Higher Level
2018	16-19	100.0	0.1	2.3	33.2	23.9	36.3	4.1	
	20-24	100.0	0.0	0.8	16.1	11.9	39.7	30.5	1.0
2019	16-19	100.0		1.1	32.1	25.8	34.8	6.3	
	20-24	100.0	0.1	0.7	15.1	10.9	39.7	32.2	1.2
2020	16-19	100.0		2.4	35.8	39.7	13.6	8.4	
	20-24	100.0		1.1	14.7	22.5	34.3	26.3	1.2
2021	16-19	100.0		1.9	32.6	39.8	21.3	4.4	
	20-24	100.0	0.5	0.5	10.8	16.5	34.1	36.3	1.8
2022	16-19	100.0	0.1	1.4	26.0	33.4	20.9	18.2	
	20-24	100.0	0.0	0.7	10.1	12.8	29.6	43.0	3.8
2023	16-19	100.0		0.9	31.2	35.7	19.9	12.3	
	20-24	100.0	0.1	0.5	9.8	13.2	29.5	42.6	4.3
2024	16-19	100.0	0.1	1.6	29.0	43.0	16.9	9.5	
	20-24	100.0	0.0	0.6	7.1	11.6	34.0	44.0	2.7

Source: authors’ compilation based on the China Labour Statistical Yearbook.

## (II) Quality of Youth Employment

China’s youth employment features a dual pattern with divergent protection levels. Formal employment in government, public institutions, and SOEs is declining; Peking University data shows graduates securing formal positions dropped from 40.7% in 2003 to 32.1% in 2021 (see Table 2) (Yue, Feng and Xin, 2023). In contrast, flexible employment has become a vital ‘reservoir’ but carries a ‘social protection deficit’. A 2021 survey of platform workers aged 16–24 (N=688) revealed high occupational risks: 43.5% lacked labor contracts, and coverage for most social insurance (except work injury and medical) remained below 50%. These roles are characterized by

lower income stability and longer working hours compared to other age groups (see Table 3) (Ding & Ji, 2024).

**Table 2.** Destinations of University Graduates (%)

Year	2003	2005	2007	2009	2011	2013	2015	2017	2019	2021
Job secured	40.7	47.2	40.4	34.5	43.3	43.5	33.3	38.8	37.7	32.1
Further study (domestic)	15.1 <sup>a</sup>	16.8	14.1	18.3	13.7	14.0	18.6	20.4	24.9	29.3
Study abroad		2.3	2.7	3.2	2.6	2.8	5.8	5.9	4.1	3.7
Freelance		4.1	3.3	3.3	4.3	2.6	4.7	5.0	4.1	4.5
Entrepreneurship	4.0 <sup>b</sup>	3.6 <sup>b</sup>	3.2	2.4	3.2	2.1	4.6	4.7	2.5	2.4
Other flexible employment			6.6	5.4	5.1	7.0	16.1	9.7	6.8	4.5
Seeking employment	35.8	22.4	22.6	26.4	21.9	23.4	12.8	10.1	12.3	14.0
Not employed, planning further study	1.7 <sup>c</sup>	4.8 <sup>c</sup>	2.9	3.1	2.4	2.0	2.2	3.0	3.9	5.3
Other not employed temporarily			2.4	2.2	2.1	1.8	1.3	1.4	2.3	2.6
Other	2.7	3.0	1.1	1.2	1.5	0.9	0.7	0.9	1.4	1.5
Further study (total)	15.1	19.1	16.8	21.5	16.3	16.8	24.4	26.3	29.0	33.0
Flexible employment (total)	4.0	3.6	13.9	11.1	12.6	11.7	25.4	19.4	13.4	11.4
Placement secured (total)	59.8	69.9	71.1	67.1	72.3	72.0	83.1	84.6	80.1	76.5

**Table 3.** Survey Data on Employment Quality for Platform Workers (N=5,081)

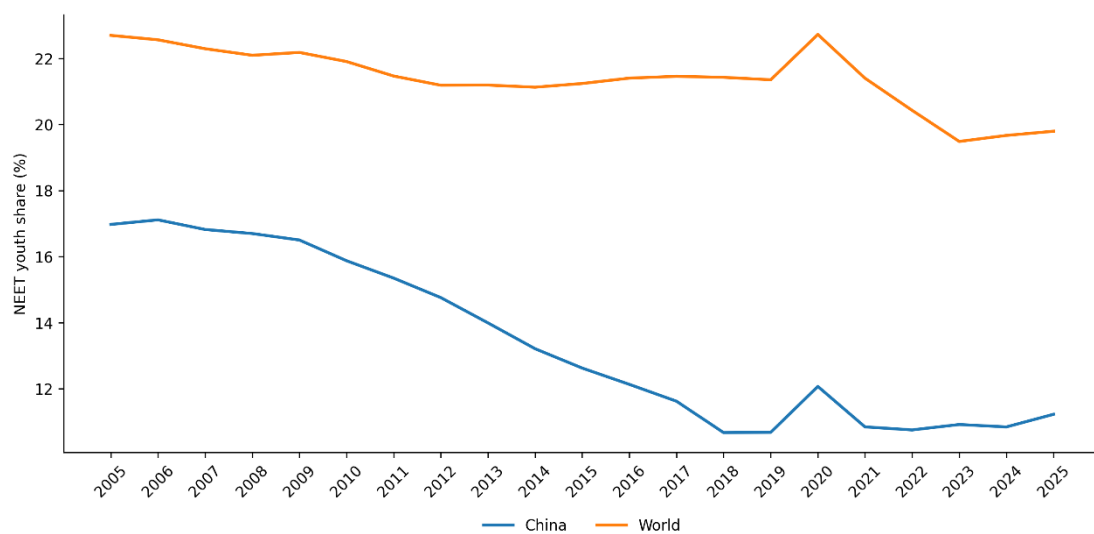
Indicators	16-24	25-45	46-65	Full Sample
Average monthly income	5243.5	6614.2	6028.1	6415.5
Monthly income range (max-min)	3180.8	3982.7	4481.6	3885.2
Average daily working hours	9.4	9.1	9.2	9.1
Average monthly working hours	251.9	239.3	242.8	240.2
Pension insurance	44.2	47.4	60.8	49.1
Medical insurance	64.1	66.4	77	67.3
Unemployment insurance	30.2	31.6	32.7	31.1
Work injury insurance	50.8	54.6	51.4	52.7
Maternity insurance	16.9	21.3	11.5	18.6
Housing provident fund	20.6	25.7	23.3	24.1
Accidental injury insurance	50.3	56.4	46	51.6
Job satisfaction	0.3719	0.4141	0.4366	0.4183

Source: Ding & Ji (2024).

### (III) Recruitment Status and the NEET Phenomenon

In the context of record-high graduate numbers, the Chinese government and universities have strengthened supply-demand matching through specialized actions such as job development and on campus recruitment. Simultaneously, the youth NEET phenomenon has gained academic attention. While China lacks official NEET statistics, ILO modeled estimates for ages 15–24 show the NEET

rate declined from 16.98% in 2005 to 11.23% in 2025 (Figure 4). Despite a pandemic-related rebound in 2020, China's rate remains significantly lower than the global average (over 20%), reflecting high labor and educational participation.



**Figure 4.** Youth NEET rate (% of youth population, modeled ILO estimate): China vs. World, 2005–2025

Source: authors' compilation based on the ILO (ILOEST) Database.

### III. Laws, Regulations, and Policies Related to Youth Employment

China's youth employment security system is centered on the *Labor Law* and *Labor Contract Law*, supported by specialized administrative regulations.

#### (I) Provisions on Labor Contracts

China applies a universal labor law framework to youth employment. Under the *Labor Contract Law*, a labor relationship is established upon the commencement of work, requiring a written contract to secure statutory rights such as wages, social insurance, and dismissal protection. In practice, however, application varies across three forms: (1) Student Internships: work-study programs are not legally classified as employment; thus, no labor contract is required (Ministry of Labor, 1995). (2) Graduate Traineeships (*Jianxi*): these are typically governed by 'Traineeship Agreements' rather than labor contracts, providing living allowances and accident insurance instead of standard wages or formal social security. (3) New Forms of Employment (Platform Work): following the *Guiding Opinions on Safeguarding the Labor Rights and Interests of Workers in New Forms of Employment* (MOHRSS et al., 2021; hereafter "Circular No. 56"), labor contracts are mandated for those meeting formal criteria, while others must sign written agreements clarifying basic rights and obligations to address the precarious nature of digital platform work.

#### (II) Employment Age Regulations

China has a clear regulatory system regarding the minimum employment age. The *Provisions on Prohibiting the Use of Child Labor* (2002) strictly prohibit the recruitment of minors under the age of 16. The *Provisions on Special Protection for Juvenile Workers* (1994) define workers aged 16 to 18 as juvenile workers. The *Labor Law* reiterates these protections to ensure a stronger legal

barrier for adolescents entering the labor market. According to the National Bureau of Statistics, the youth employment age in China refers to the 16–24 age group.

### **(III) Labor Standards, Occupational Safety, and Health**

Regarding labor standards, the *Labor Law* establishes the standard work hour system (not exceeding 8 hours per day and 44 hours per week on average), providing a legal basis for young workers' rights to rest and limits on overtime. In terms of Occupational Safety and Health (OSH), the *Labor Law* mandates that employers maintain rigorous safety systems, while the *Work Safety Law* and the *Law on the Prevention and Control of Occupational Diseases* define specific corporate responsibilities and regulatory mechanisms. Crucially, special protections strictly prohibit assigning juvenile workers (aged 16–18) to strenuous, toxic, hazardous, or underground mining tasks. Furthermore, in response to the high concentration of youth in the platform economy, Circular No. 56 emphasizes intensified labor inspections to address wage arrears and illegal overtime, thereby strengthening occupational protection for young workers in new forms of employment.

### **(IV) Minimum Wage System**

The minimum wage system provides a vital safety net for youth entering the labor market. Guided by the *Labor Law on Minimum Wage*, China adopts a model of 'local formulation, central guidance, and dynamic adjustment' for determining and adjusting wage standards across different regions. Circular No. 56 also requires that the remuneration for those in new forms of employment must not be lower than the local minimum wage standard.

## **IV. Support System for the Transition from Education to Employment**

The Chinese government prioritizes the 'smooth transition' of youth from campus to the labor market, aiming to shorten the vocational transition period and reduce frictional unemployment through a multi-layered, full-cycle support system.

### **(I) Typical Patterns of Transition from Education to Occupation**

In practice, this transition follows four typical patterns: (1) Direct Employment Model: graduates enter the corporate sector via campus or social recruitment, or join the public sector; (2) Policy-linked Transition Model: the government provides "Grassroots Service Projects" (e.g., the 'Three Supports and One Assistance' program) or 'Employment Traineeship Positions' as a buffer and capacity-building period; (3) Delayed Employment and Further Study: some youth opt for postgraduate studies or specialized vocational skill enhancement programs to increase their human capital before entering the market; (4) Transition via New Forms of Employment: an increasing number of youth use digital platforms (self-media, gig economy) as their first career stop.

### **(II) Vocational Education and Career Guidance**

To align talent cultivation with market demand, China has integrated career education throughout higher education. Recent 2022 and 2025 policy guidelines emphasize industry-education integration, notably through the 'Double High Plan' Phase II, which targets the development of 60 high-level vocational colleges and 160 professional clusters. These initiatives mandate strengthened career guidance to solidify 'correct employment values' among students (State Council, 2022, 2025; Ministry of Education & Ministry of Finance, 2025).

### **(III) Apprenticeship System**

Furthermore, the apprenticeship system has been modernized to deepen school-enterprise cooperation. This includes ‘New Enterprise Apprenticeships’ for new hires—following the ‘recruitment as enrollment’ principle with dual-tutor training—and ‘Modern Apprenticeships’ for students. The latter, led by the Ministry of Education, transforms production environments into teaching scenarios across 588 pilot units and 1,000 professional points, effectively shortening students' vocational adaptation periods (MOHRSS, 2024).

### **(IV) Internship and Traineeship Systems**

Finally, the transition is supported by standardized internship and traineeship systems. The 2021 regulations ensure the safety and educational quality of vocational internships (MOE, 2022). For unemployed graduates and youth aged 16–24, the ‘Million Traineeship Plan’ provides a structured pathway where the government offers living allowances to participants and financial rewards to enterprises with high retention rates, facilitating a stable entry into formal employment.

## **V. Youth Job Creation and Employment Support Policies**

Since 2018, China has consistently integrated the ‘Employment First’ strategy into its macro-control framework. The report of the 20th National Congress of the CPC and the proposals for the ‘15th Five-Year Plan’ further emphasized ‘promoting high-quality and full employment’. To achieve this, the Chinese government has constructed a comprehensive policy system ranging from job creation and skill enhancement to precision assistance.

### **(I) Multi-channel Job Creation Policies**

Multi-channel policies prioritize job creation by incentivizing the private sector and expanding public-sector roles. First of all, to reduce labor costs for enterprises, the government provides a suite of financial supports, including social insurance subsidies for SMEs recruiting unemployed graduates, traineeship allowances for host units, and one-time job expansion subsidies for firms ensuring long-term insurance contributions. Furthermore, eligible SMEs can access interest-discounted entrepreneurial loans, while firms hiring long-term unemployed youth benefit from tax credits. Simultaneously, the government bolsters grassroots and public-sector employment by streamlining community-level job information in healthcare and elderly care, and coordinating key service programs like ‘Three Supports and One Assistance’, which offers tuition compensation. Efforts also include expanding recruitment quotas within state-owned enterprises (SOEs) and public institutions to stabilize the labor market. Finally, the government encourages entrepreneurship to drive employment. The policy proposes ‘one-stop’ services including consciousness cultivation, incubation, tax incentives, and financing support (MOHRSS et al., 2025a). And further policy encourages government-invested incubators to lower entry thresholds for graduates and support the construction of ‘National Achievement Transformation Centers for University Student Innovation and Entrepreneurship’ to leverage the ‘multiplier effect’ of entrepreneurship on job creation (MOHRSS et al., 2025b).

### **(II) Vocational Training and Employment Service Policies**

Vocational training and employment services focus on improving the precise matching between employability and market demand. Under the ‘Double Thousand plan’ and ‘Million Youth

Vocational Skill Enhancement Action’, China is scaling up skill enhancement in digital, green, and advanced manufacturing sectors, aiming to train one million graduates in 2025. To bridge the gap between training and placement, ‘Job-seeking Capability Training Camps’ provide modular workshops on resume building and interviewing (MOHRSS et al., 2025b). These efforts are underpinned by a collaborative service network—integrating HRSS departments, educational institutions, local governments, trade unions, and private agencies—and further empowered by digital tools such as the ‘Post-graduation Employment Service’ mini-program for personalized career guidance (MOHRSS et al., 2025c).

### **(III) Employment Promotion Policies for the NEET Group**

China implements a ‘Dynamic Tracking and Precision Assistance’ mechanism specifically for the NEET group. This involves real-name registration through door-to-door screening to establish individual dossiers and the ‘1131’ mechanism, which guarantees each youth a policy briefing, a guidance session, three job leads, and one training opportunity. For vulnerable youth from low-income or zero-employment families, ‘one-on-one’ plans provide 3–5 job leads and access to public welfare positions for bottom-line protection. Furthermore, addressing the ‘slow employment’ phenomenon by providing psychological counseling and career value reshaping to alleviate employment anxiety.

## **VI. Path Selection for Promoting High-quality and Full Youth Employment**

Youth employment issues are ultimately rooted in the pace of economic development and talent cultivation models. Currently, China faces a ‘Triple Dilemma’: aggregate pressure from a record scale of graduates, structural mismatches in professional supply, and quality challenges characterized by rising informal employment and career uncertainty. To achieve high-quality and full employment within the framework of harmonious labor relations, this paper proposes three strategic paths:

First, deepening industry-education integration is essential to align talent cultivation with market demand. Higher education must establish a dynamic linkage mechanism between recruitment plans and employment outcomes, pivoting academic resources toward strategic emerging industries such as Big Data, AI, intelligent manufacturing, and the green economy.

Second, balancing flexibility and security through a ‘flexicurity’ mechanism is vital for new employment forms. This requires a tripartite cost-sharing model—involving labor, management, and government—supported by tax incentives and fiscal subsidies to reduce corporate burdens without compromising social protection. Furthermore, optimizing labor protections and strengthening inspections against age discrimination and illegal overtime are critical to transforming ‘formal employment’ into ‘quality employment’, while leveraging trade unions to safeguard youth rights during contract negotiations.

Third, strengthening public-private synergy will help build a full-cycle youth employment support system. The government must lead by prioritizing youth in national strategies and refining assistance for vulnerable or NEET group. Policies should incentivize enterprises to shift from ‘short-term labor substitution’ to ‘long-term talent cultivation’, while incorporating private HR agencies into the public system through service procurement. Finally, digital models like ‘Youth Employment Stations’ should leverage national platforms to provide ‘one-stop’ policy interpretation and precise job matching.

## Conclusion

Promoting youth employment is not only a major livelihood issue for the Chinese government but also a significant global governance challenge. Facing structural mismatches, quality deficits, and NEET fluctuations, China has established a multi-tiered policy system covering legal regulations, economic incentives, and precision assistance. In an era where labor markets are reshaped by digitalization and AI, China's practices offer an active response to domestic problems and a valuable reference for countries facing similar demographic challenges. Moving forward, by consistently strengthening the education-employment link, balancing market flexibility with security, and refining precision services, China will continue to drive high-quality and full employment for its youth.

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