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Job placements and job shifts in China: The effects of education, family background and gender. Lijuan Wu. Singapore: World Scientific Publishing, 2014. 148 pp. (hardcover), £51, ISBN: 978-981-4579-24-7.

This book focuses on the impact of the market-oriented economic reform in China on one aspect of the labor market outcomes, individuals' access to different employment sectors, and is based on the author's doctoral dissertation accomplished at University of Maryland.

China began implementing its reform and opening-up policy in 1978. Prior to this, China's economic and social structure exhibited the characteristics of a typical dual economy, the social stratification remained mainly between urban and rural areas thereby. Economic resources were mainly allocated to cities where people enjoyed not only higher level of income, but also better welfare of housing, health care, and children's education. On the contrary, people from rural areas were restricted to strict household registration system and material rationing restrictions. As a result, it was difficult for them to migrate to cities.

China has achieved a rapid economic development since the "reform and opening-up" policy were implemented which has speeded up the restructuring of industries and sectors as well as urban-rural structure. Private economic sectors appeared and developed rapidly, meanwhile the restrictions and cost of labor mobility have removed so that the benefits of market allocation of resources began to appear. Therefore, the research on the employment structure, labor mobility status, and the corresponding factors during reform era has significant theoretical and practical implications.

The aim of this book is to understand how the three major mechanisms of social stratification—education, family background, and gender—have influenced the access to the state/collective sectors, the private sector, and the sector of family farming during market-oriented economic reform era. This study contributes to the debate on how the market transition has been changing the process of social stratification in China. Theoretically, the debate in literature is concentrated on the rising influence of human capital and the declining power of political capital in determining the socioeconomic status of individuals. This research views family background and gender as equally important as human capital in the social stratification. Empirically, most studies focus on income inequality as the outcome of social stratification, but this research pays attention to

job placements and job shift across employment sectors as the outcome variables.

The theoretical background and research hypotheses of this book are based on the theory of labor market segmentation and the market transition debate. The theory of labor market segmentation provides the conceptual tool to understand the structure of employment sectors and its role in the social stratification in China. This theory points out that labor markets are actually divided into distinct segment, namely, the primary sector and the secondary sector. The primary sector is composed of jobs with relatively high wages, good work conditions, chance of career advancement, and employment stability. On the contrary, the secondary sector tends to offer jobs with low wages, poor work conditions, little chance of promotion, and high turnover among workers. In China's context, the employment sectors are the components of the segmented labor market, and the access to different employment sectors means different life opportunities. Due to China's explicit institutional arrangements, the state sector was and still is primary sector, and it is the best choice for job searching in China. On the contrary, sector of family farming belongs to the secondary sector.

The author develops a series of research hypotheses based on theoretical and empirical analysis on the influence of education, family background, and gender on labor market outcomes. Using the longitudinal data obtained from the first wave (1989) and the fourth wave (1997) of China Health and Nutrition Survey (CHNS), based on multinomial logit models and binary logit models, the author runs regressions to test theoretical hypotheses. The empirical results show: First, the access to different employment sectors is not equally distributed among Chinese workers and therefore should be viewed as another dimension of social stratification in China. Second, the educational differences in the chances of working in different employment sectors reflect the process of reproduction of the hierarchical structure. Third, the influence of family background and gender after controlling the effects of education suggests the importance of social capital and gender as mechanism of social stratification even when the market economy is expanding.

The empirical research data sets used in the study cover the period from 1989 to 1997, during which time the rate of return to education in urban China continued to grow, rising from 4.0% in 1988 to 10.2% in 2001.¹ Market reforms strengthened the relationship between personal income and personal productivity. On the other hand, a better-educated labor force had more chances to enter major

¹ J. S. Zhang, Y. H. Zhao, A. Park, & X. Q. Song (2005). Economic returns to schooling in urban China, 1988 to 2001. *Journal of Comparative Economics*, 33(4), 730–752. doi:10.1016/j.jce.2005.05.008

employment sectors, since it has a stronger capacity for mobility.

Since the beginning of the 1990s, the number of workers in foreign-funded units and units with funds from Hong Kong, Macao, and Taiwan increased dramatically, and it is unfortunate that these units were ignored in this book. It would have been better if the analysis of the impact of skills, that are required for jobs in different sectors, and prediction on the trends whereby the average education level continues to increase, had been included. Nevertheless, the interaction of education, family background, and gender is worthy of consideration.

The enrollment expansion of higher education institutions since 1999 has resulted in an increase in proportion of graduates in labor market. In 2015, 7.5 million college graduates entering the labor market make employment a more difficult issue. Studies show that education, family background, and gender are significant factors on job-searching result for college graduates, with highly educated, good family background of male graduates more likely to enter the more desirable sectors with higher starting salary.² In addition, a study from Yue have shown that education, family background, and gender are significant factors on inter-province migration for college graduates as well. Highly educated, better family background, and male students have greater mobility to enter college and get employment.³

China's GDP per capita surpassed \$ 1,000 in 2001, and increased substantially year by year till more than \$ 7,000 in 2014. Along with the rapid economic growth, the Gini coefficient which is an index of income inequality raised over 0.47, with no signs of getting down. In recent years, the gap between sectors, industries, regions, urban and rural, and institutions has not been narrowed, but even widened. Social stratification becomes a more serious problem. Therefore, the analysis of this issue with the application of the theoretical framework and empirical research methods in this book is still significant.

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² Yue, C. J., & Zhang, K. (2014). 高校毕业生求职结果及起薪的影响因素研究: 基于 2013 年全国高校抽样调查数据的实证分析 [The research on job-hunting result and starting salary of college graduates and its influential factors]. 教育研究 [Education Research], (11), 72–83.

³ Yue, C. J. (2014). 高校毕业生跨省流动的性别比较 [Gender and inter-province migration: Evidence from college graduates]. 教育与经济 [Education and Economy], (1), 31–39.