
NEWSLETTER

From Universities to Elite Universities: Heterogeneous Returns to Higher Education and the Sorting Mechanism in the Context of Higher Education Expansion in China

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WITH the popularization of higher education, the viewpoint of “academic qualification is useless” begins to rise. There is still a controversial debate that accesses to higher education increases return on income, and what are the mechanisms by which education affects return on income? In fact, there may be strong “heterogeneity” within the sample, that is, differences not only in higher education but also in other factors affecting income between individuals and groups. A survey published in *Educational Research*, using baseline data from the China Family Panel Studies (CFPS) as a database, constructed the following regression mode:

- The logarithm of the income in the year (2010) of the sampling data collection was taken as the dependent variables, and control variables such as gender and age were included. Because the social stratification structure brought by higher education is obviously different before and after the enrollment expansion policy for higher education, the sample group is divided into pre-enrollment and post-enrollment.
- The core intervention variable is the type of higher education, which is divided into non-university education, non-key university education, and key university education. That is to say, the sample group includes high school groups, non-key university groups, and key university groups.
- In order to control the selection bias of the samples, an intervention model was established to estimate the predisposition weight of each sample to select three types of higher education. Based on the weights obtained, the resulting model is constructed, and the improved Mincer income function is used to estimate the impact of higher education on income return.

The results are as following:

- Before the higher education expansion, there was no significant difference in the returns to high education between key universities and non-key universities, but both of them had earnings much higher than those with senior high school education. In other words, the higher education selection in the elite education stage has become the “stepping stone” to enter the higher income group.
- After the enrollment expansion, the marginal income of key universities is significantly higher than that of non-key universities, but the difference in marginal income between the labor force in non-key universities and senior high schools is no longer significant. That is to say, key universities continue to play the role of “screening elite”, while non-key universities have seen the transformation of higher education from elitist education to popular education.

This empirical study finds that higher education influences income returns through opportunity scarcity and achieves social stratification. Before the enrollment expansion policy for higher education, the scarcity mainly existed between universities and high schools, but after the enrollment expansion, the scarcity existed between key universities and other academic qualifications. After the analysis of heterogeneity, this study points out the inevitable structural changes brought about by the popularization of higher education and demonstrates the functions of elite universities in key universities.

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