

Analysis of Counter-urbanization and Human Backflow in Chinese Cities

Yixuan Wu^{1,a,*}

¹*School of Economics, University of Nottingham, Ningbo China, Yinzhou Street, China
a. hmyyw35@nottingham.edu.cn*

**corresponding author*

Abstract: This study researched hukou's effect on education inequality, indirectly exacerbating the human backflow to suburbs and rural areas and resulting in more severe counter-urbanization. In the context of the economic downturn, job shortages are particularly acute in big cities. In the 2020s, increasing human inflow in giant cities and new industrial upgrading limit the jobs. Such a situation causes problems in the making of policies. Existing literature analyzes how education inequality affects people's income but does not combine it with the human flow. This thesis will fill the gap in researching how hukou plays a role in distributing education resources to have an impact on counter-urbanization. Hukou and education inequality cause barriers for migrants to settle down in big cities. The severe employment situation in cities causes human outflow, then exacerbates counter-urbanization. The research results indicate that Hukou will affect the next generation's education distribution and cause the human flow to turn to rural areas and suburbs in the 2020s.

Keywords: hukou, educational inequality, counter-urbanization, backflow of talented people

1. Introduction

Since the 1990s, Chinese higher education began to expand to have a higher average level of education [1]. In 2020, The gross enrollment rate of higher education in China is 54.4%. And this trend is still increasing and gradually coming to master's degrees. However, the background of increasing education level is the worse job market. Employers cannot find fitful workers. Undergraduates from better universities can always find better jobs than those from common colleges [2]. Chinese companies always believe that people who graduated from better universities are smarter and can afford more difficult tasks. In other words, they can create more value for employers. Chinese higher education had a problem in that higher education did not play a role in developing working skills and spends too much time on testing students' academic abilities. It causes two problems. First, undergraduates cannot get their working skills during their studies. Then they will possibly choose a job with higher salaries, instead of fitting their majors in the university. It caused many educational resources to be wasted, instead of showing their value for seeking jobs. Second, it biased the university degree. As employers cannot select a better employee by testing their skills, choosing people from better universities can possibly reduce the workload and be more secure. It had a negative impact on severe job competition in China by exacerbating academic inflation.

Under the pressure of population aging and a high youth unemployment rate, it is important to have correct labor force policies [3]. This research will assist in analyzing the mobility of the population and assist policymakers to consider the situation.

Much research points out that Chinese higher education still has huge gaps between different areas, and it is also shown by their income. Past papers more concentrates on how large cities attract people from waiting developed areas but do not research the human backflow. Research focusing on Southeastern rural areas has shown the basic knowledge of human backflow and counter-urbanization. But it requires a wider perspective to make policies. Because of the geographical differences, it cannot easily summarize the whole situation by a special case. Especially, southeastern rural areas have much more money than those in southwestern areas and they are more possibly to modernize [4].

Because of the fast economic growth in China, counter-urbanization seems to be too far away. It is true that wide land in China offers millions of opportunities. However, new challenges are coming. Population aging and talented labor shortage caused more problems. Chinese demographic dividend is gradually disappearing. It requires new developing points for the nation to keep growing as such a miracle.

First, this research explains the educational inequality in China and explain how the big cities attract young and smart laborers to concentrate in giant cities. Second, it presents a situation in cities. It specifically focuses on the employer's preference, limited capacity and average education level. It shows the average education level is increasing over the years. Higher education expansion exacerbates the rural-urban education gap. hukou becomes more important for better education. Then, it explains how education expansion affects the rural-urban education gap and hukou's performance in the relationship between education level and hukou. Finally, it researches the reason for human backflow to rural areas and how current policies aim to achieve it.

2. Human Flow in Preliminary Industrialization

First, large cities will attract better-educated people due to their excellent higher education resources [5]. Chinese Gaokao system can select excellent students to come into outstanding universities to keep their higher education. Commonly, large cities contain the most famous universities in China. Therefore, millions of youths can be transferred to large cities. Second, more working chances and higher salaries in large cities let job seekers naturally concentrate. Large cities have giant infrastructures and services waiting to maintain and update. Many famous companies also set up branches in main cities. All of these can create countless working chances. People in other relatively poor areas will come to big cities for higher income. Thirdly, complete infrastructure and services in large cities have more attraction for people. The main characteristics of large cities are better medical resources and a more complete transportation system. Some diseases can only be treated in big cities. It causes some people passively to come to big cities to treat their diseases. Fourth, people come to large cities to take higher social status. For a long period, finding a job in the city is a pride to show a person's ability and his beatific future. Those people can also demonstrate advantages in the marriage market. Many people come to cities so that they can earn praise and admiration from their neighbors and relatives. The four reasons mentioned before can appear at the same time. It is not a conflict between migrants who are coming for further study or who are seeking higher social status. In summary, people come to big cities to have better progress. With four reasons, it is possible to consider conversely to find the cause of human backflow to rural areas.

3. Process from Urbanization to Counter-urbanization

In the past decades, Hukou limited population overflow in large cities contributed to geographical development inequality, and effectively protected rural area's development levels in the preliminary industrialization stage.

Hukou causes most migrants to earn less than local people, which caused them are harder to settle down [6]. In the last decades, millions of people left their hometowns and came to large cities, which accelerated the improvement of new cities. They offered millions of jobs for those migrants and their children could be educated in those cities and left the countryside [7]. However, the capacity of large cities has limitations [8]. Since the technology development and industrial upgrading, the thirst for highly skilled personnel has become larger and larger. To fill the gap for those talented people, higher education kept expanding and more people can take higher education. During this period, the demand for cheap labor reaches the maximum. At this stage, large cities began to shift the labor-intensive industries to places that have cheaper labor. Because the improvement of people's degrees increases the average salary, which makes it harder to hire people with a low salary. Meanwhile, the high prices in large cities increase the cost of living, crowding out those workers with low incomes and skills. Low-skilled people have the lower possibility to live in large cities and they need to keep staying in locations that need cheap labor. Or they can also improve their skills to adapt to the environment in new and developed cities. If not, they will come back to their hometown.

With the help of those people who come back to the rural area, those rural areas experienced big changes and achieved basic modernization. For some villages in southeastern areas, they can even have a better income than those in big cities. As said before, better higher education and skilled people gradually concentrated in large cities, and it will attract more people to go to large cities and be educated better. During this stage, the development of large cities grows even faster than before. Technological development makes a steady stream of talent making large cities become metropolitans and cities become bigger and bigger. A huge market will attract foreign enterprises and investments. More jobs have been created, and people's average living standards will be better. Because technological development is so fast that basic undergraduate education cannot reach the demand of advanced technology companies and just offered some basic knowledge for their work. Therefore, more advanced technology companies require better-talented people, instead of some normal undergraduates. It causes the unemployment rate to increase and the average salary for undergraduates grows slower. However, it will not make talented people leave. Complete infrastructure, advanced higher education and convenient transportation gives people a better life than in rural areas. Because the large cities keep developing, even more people were attracted [9].

Under these conditions, housing prices grew rapidly [10] and became unachievable for most common workers. A typical example is Shanghai. According to the data from the National Bureau of Statistics [11], per capita disposable income in Shanghai was 82429 yuan and per capita consumption expenditure was 51295 yuan. However, the average selling price of residential commercial housing in 2021 was 40974 yuan. It is possible to use the formula to calculate how many square meters can a person buy for a house. $(82429-51295) \div 40974 \approx 0.96$. If this guy keeps working from 22 years old and will retire in his 60 years old, he can buy $0.96 \times (60-22) = 36.48$ square meters, which is only enough for one person. One more choice is to find someone to become a couple to mitigate the high price of buying a house. However, the real situation is totally different compared to simple calculations. First, people have to save money to reach the down payment. Then, they need to loan from the bank to buy the house and repaid the interest per month. A more severe situation is that the maximum term to buy a house is limited to 20 years, which means people have less choice to buy a bigger house for themselves.

Meanwhile, excellent higher education in big cities will continue to attract talent and increase the bar to leave in metropolitan areas [12]. Those who have better skills will find jobs and live in big cities. But the capacity for big cities to create jobs cannot reach the speed that talented people come there forever. It causes a situation that more and more educated people will lose their chances to live in big cities. At the same time, the development of rural areas, especially in southeastern areas gradually has its special advantages for educated people. Enough salary, lower living costs, and a slower living pace will attract those talented people who cannot live in big cities to turn to and conversely make the rural areas become more bustling.

On the other hand, higher education does not teach students the way to work. Higher education taught some basic knowledge for some work. However, many students reflect that they do not choose the work that fits their majors. It causes higher education to not fill the gap in their work skills. Most people still choose to begin a new work that can earn higher salaries. It causes friction between education and work. Once employers try to hire people with high skills, the most possible feature they can consider is the university title. Because, if they cannot choose employees by their working skills, they can only consider their ability by their universities. Then, having a good university title becomes one of the most important features when seeking a job.

Moreover, the Expansion of educational inequality will disturb the backflow of talented people and make the situation worse. A possible solution to this is to introduce talents to assist rural areas and create complete facilities, such as preliminary schools to support its development [13]. Because of the fear of excessive urbanization, the government introduced a lot of policies and offers giant financial support to encourage people to develop rural areas. To control the resident population in giant cities, large cities introduced some settlement conditions, such as purchasing properties and certain working years.

4. Suggestion

The university should add more vocational skills practice. It can have many different types. For instance, the university can cooperate with companies to offer vocational training for undergraduate students. Knowledge in books can show their value in working experience, not just preparing for tests. It can have an effective impact on their working skills and offer them a higher possibility of getting a job. Having vocational skills can fill the gaps in practical skills for students and can increase their working abilities to assist them to find better jobs [14]. One main important factor that disturbs undergraduates from finding jobs is their working abilities and working experiences. Practicing their skills and abilities during their learning can effectively improve their weaknesses and make them more sophisticated to finish their tasks.

The government should spend more money than before on developing rural areas. As illustrated before, further economic growth in China requires economic growth in rural areas. Transportation, apartments, and other related facilities build an ideal area for people to settle down. Chinese rural areas occupy 94.2% of all areas. Developing infrastructures in wide rural areas could be a huge expense and create millions of jobs for unemployed people. The beginning of improving infrastructure should be in suburbs near the large cities. With assistance from large cities, devices and raw materials for building can be conveniently concentrated. It can also be closer for people who work in the city but cannot afford the rent. If wide rural areas can be used to create more jobs and improve living standards, it can accommodate more people to migrate and settle down. With enough land and resources, the stress of living and working can be less. One of the best solutions for improving human backflow is to encourage entrepreneurship so that people can create jobs by themselves and find a way to live in large cities. The government can encourage entrepreneurship by adding start-up subsidies and exemption policies.

5. Conclusion

According to the research, the cost of living in large cities has greatly increased. More people and fewer chances cause severe competition for well-treated jobs. It reminds people of more chances to come to develop rural areas. However, its progress is also limited by the infrastructure level. People will not come to develop and live in rural areas unless they can enjoy a similar living standard. People are struggling to go to big cities for better lives. If the government can achieve its hopes, people will be glad to move to rural areas. If villages can have complete transportation systems like cities, cities' impact will deepen into more areas, including a cheaper labor force, more lands and a larger market. The research draws a conclusion that counter-urbanization is an inevitable trend. In the past decades, Hukou limited population overflow in large cities contributed to geographical development equality, and effectively protected rural area's development levels in the preliminary industrialization stage. Therefore, it has two suggestions for the government to make policies. First, it is necessary to develop infrastructure in wide rural areas to improve living standards. Second, improving transportation between cities and towns is even more important, which can strongly attract people to settle down to support economic growth.

This research fills in the gaps in human backflow to rural areas. Since changing immigrant trend has been discussed in the media, there are still few theses to illustrate it. This research gives some evidence for the Hukou revolution, proving that it is possible to adjust population flow by changing the Hukou system. Secondly, it assists people to make decisions when considering working in a large city or living in a rural area.

This research mainly adopts logical analysis to illustrate the development trends of human flow. Further research can focus more on mathematical analysis and quantitative analysis. More accurate data will support the evidence more concisely and can assist more in policymaking.

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