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China Job Crisis Pushes Young City Workers to Rural Areas

- Rural revitalization one of Xi Jinping's key policy goals
- Countryside provides respite as one in five youth unemployed

By Bloomberg News

(Bloomberg) -- Gong Chengqiang used to make 200,000 yuan (\$28,000) a year in Hangzhou in a tech company before it shuttered during Covid. He now grows strawberries in rural Zhejiang province, and is expecting to lose at least the same amount after 40% of his harvest was destroyed by disease.

The 30-year-old decided to move to the countryside after an attempt at finance blogging failed, and he developed an interest in fruit. Fellow bloggers pledged angel investment for Gong, who aspires to change the taste, quality and price of 20 different types of fruit. Gong is committed to seeing the idea through, but struggles with feelings of isolation, especially as his parents are disappointed with his decision.

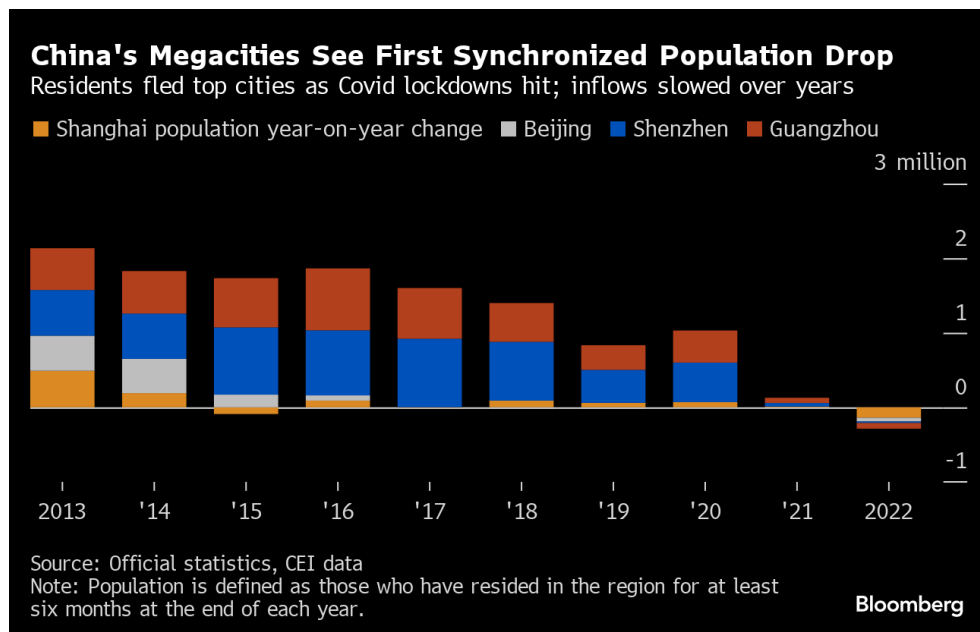
"My dad's family worked as farmers their entire lives," said Gong. "Their one wish is for their children to have a different life and wonder why they put me through school for so many years if I just go back to farming."



Gong Chengqiang

For decades, people like Gong's parents moved to take up jobs in China's cities, turbocharging the country's rapid

rise. But as the world's second-largest economy slows, young people are bearing the brunt of an unemployment crisis that's leaving one of five of them jobless. Families who invested in college educations for their children with the promise of a middle-class life now see their hopes dimming. Beijing, Shanghai, Guangzhou and Shenzhen all recorded their first population dips on record in 2022.



"Back when I graduated in 2014, even an average student such as myself, without experience, could get multiple offers and find work at a good company," said Gong. "It's something that was given to me by the times, and unimaginable now."

Rural China is now one place that is providing respite for young people. President Xi Jinping, who has for years exhorted young people to help "revitalize the countryside," stepped up such calls in recent months, and Guangdong province unveiled a pilot plan in May to enroll 300,000 graduates in its rural regions by 2025. Offers include two-year civil service placements, agricultural internships and incubators programs to help grow business ideas.



Yongfeng town in Guangdong province in August, where young college graduates have found work with the local government.

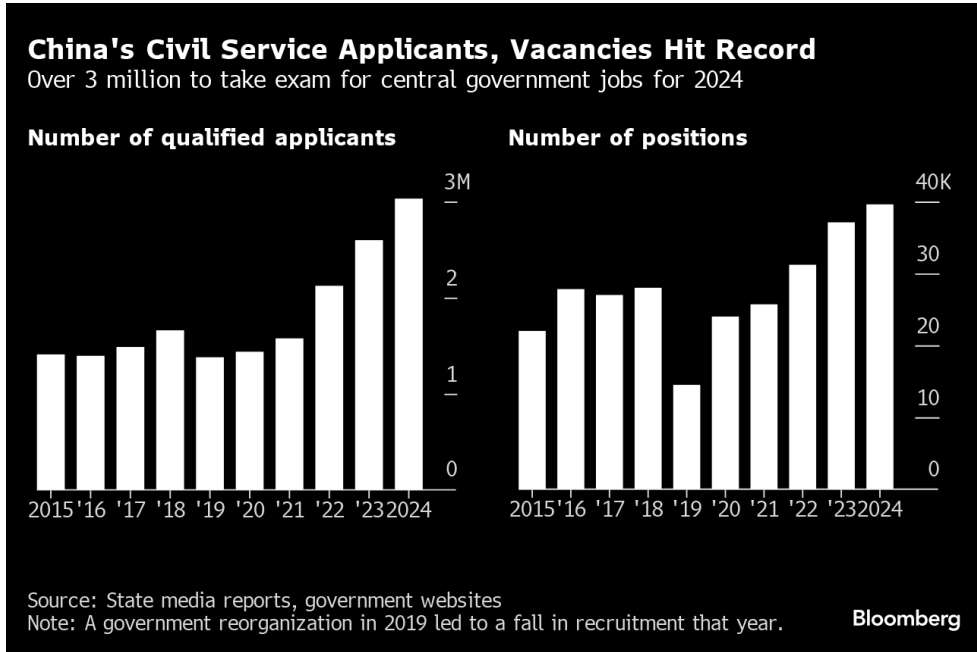
“We understand that a young person is the biggest investment of a family, even bigger than property,” said Du Peng, vice president of Renmin University in Beijing and an adviser to the Ministry of Civil Affairs at a seminar earlier this year. “It takes 20 years or more to raise a young person, so their employment directly impacts the whole family. That’s why the government pays a lot of attention to youth employment.”

But it’s unlikely that focusing on rural jobs will improve the plight of China’s youth given the scale of the economic challenge. Bloomberg Economics sees GDP growth halving to 4% a year in the decade after the Covid pandemic compared with 8% in the decade before. Collapsing home values are making households uncertain about their future, and waning confidence has brought foreign direct investment down to a historical low.

Funneling graduates away from cities where technological innovations are developed risks further undermining growth, while slowing urbanization would reduce demand for new homes, a major contributor to the economy.

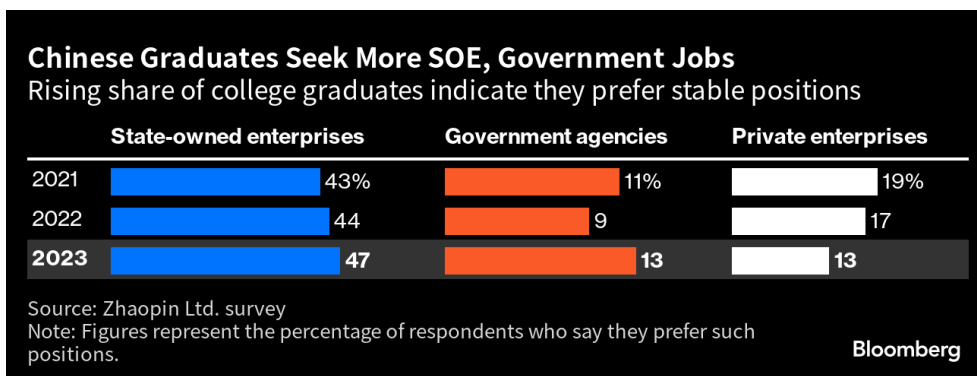
Some see Xi’s rural campaign as more of a political move to mitigate the possibility of youth resentment exploding into the open again, after last year’s rare street protests against Covid lockdowns. Moving young people away from urban centers could diffuse that risk, said Jenny Chan, an associate professor of sociology at the Hong Kong Polytechnic University, but doesn’t fundamentally address the economic issue.

“It is just postponing the youth unemployment crisis, however, because structurally you are not trying to improve the economic momentum,” she said, adding that the government can achieve more by opening up its economy and promoting the private sector. “The government is just trying to buy time.”



The idea of returning to the countryside is often associated with the social experiment of the 1960s when Mao Zedong sent millions of city youths to villages. Xi has recounted his seven years as a “sent-down youth” in northern China with pride, writing in a 2002 essay that “by the time I left at the age of 22, I had a clear life goal and was filled with confidence.” State media heavily promote his experience, and Xi has in recent years called on young people to serve the grassroots and “eat bitterness,” a common Chinese phrase meaning to endure hardship.

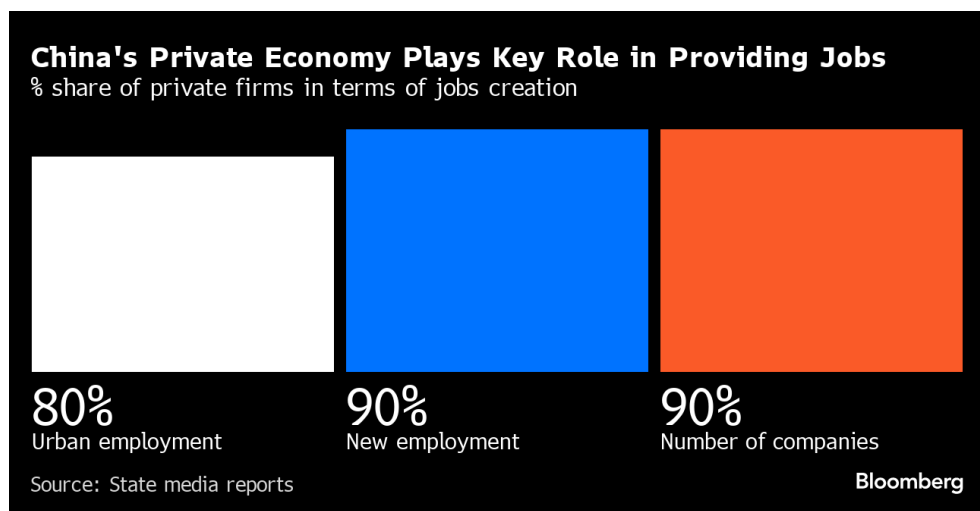
Today’s young people are not approaching their rural sojourns with Xi’s youthful optimism. Many feel they have little choice but to accept jobs that don’t match their skills. Sectors such as technology and education that once absorbed many graduates are suffering more than others due to policy swings, meaning more are turning to state jobs.



Chen Bing, a 24-year-old psychology graduate, works as a volunteer counselor at a rural school after she struggled to find a suitable full-time job. While the program means additional points for civil service and graduate exams, she receives a stipend of just 2,300 yuan a month. Though Chen is interested in the work, she feels constant anxiety about what comes next.

"Whenever I get anxious and sad about my next step, I would tell myself: let's lie flat a bit and just focus on the work now," said Chen, referring to a youth social movement to opt out of the rat race.

Ya-Wen Lei, a sociology professor at Harvard University, said that "it is questionable whether young people can acquire valuable labor market skills from temporary government jobs."



One of the initiatives in Guangdong positions rural jobs not as stop-gaps, but as lucrative commercial opportunities in their own right. Launched in 2022, the "Village CEO" program offers positions such as a month-long training course in rural entrepreneurship.



Zhang Boai

Zhang Boai, 20, joined the program while still at university. He's secured over 100,000 yuan in government subsidies and now leads a 40-member team developing a new type of soil treatment product to increase fruit farmers' yields.

"Previously, the government encouraged farmers to go to cities and buy housing there, sacrificing the development of the countryside," he said. "Now, farmers should reap some benefits."

Ultimately, living in the countryside is a trade-off for many young Chinese – rural jobs pay much less but also provide stability and often other benefits such as free lodging and food. The slower pace is a bonus for some.



Wang Zhihao

Wang Zhihao, 24, says he feels much happier working at a rural Guangdong town government's finance office than living in the city, when he spent all his 2,000 yuan salary from an accounting internship on food and rent, and commuted an hour each way to work.

"In Guangzhou, many things seem out of reach," said Wang. "The housing prices and daily expenditures made me feel like I can't breathe."

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