# Illustrated by the Case of Xi'an: Job Competition Between "Urban Loser" and "Rural Winner" in Second-Tier Cities of China

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*Abstract*—**Accompanied by population saturation and social segregation in first-tier cities, together with living burden increasing in rural areas, today's new generations from both rural and urban areas tend to choose second-tier cities as their future settlements. In this paper, I have examined how one's career condition in Xi'an as a representative of China's second-tier city is affected by three social alternatives including Hukou system, social capital and human capital. The result reveals that compared with the other two social alternatives, in China's second-tier cities, Hukou type turns out to be the strongest explanative term on job targeting, but Hukou type is not helpful with one's career type because of a more developed local social network, however, education level compared to social network plays a more vital rule. Although those "rural winner" still get chances to win the job competition against those "urban losers", once the institutional revolution on Hukou system does not make adequate effects, there will not be significant improvement on the fair competition of labor market. Thus adequate attention on alternatives of Hukou system along with improvements on education equality will play crucial roles in the future development of job competition in China's second-tier cities.**

*Keyword-secon-tier city, Hukou system, human capital, social capital, job competition, China*

## I. SECOND-TIER CITY AND RECENT MIGRATION TREND

Since late 1990s, the development of China's second-tier cities has become a hot topic from the perspective of modern urbanization and social transformation, drawing more and more attention from both government and academic scholars. Actually, the discussion on defining"first-tier city" and"second-tier city" has been raised up since the year 1987. At that time, Chinese government began to establish new economic policies for developing and supporting cities locating along the coast, resulting in economic booms in four cities (Beijing, Shanghai, Guangzhou and Shenzhen). Compared with other areas and cities, these four cities' outstanding social and economical achievements make them become China's four "first-tier cities". Furthermore, second-tier city comparatively means other than these four first-tier cities, those left provincial central cities which have large population and economical scales (Dong Shuang, Song Yuxiang, Yuan Xiaomeng, 2010).

On the other hand, many cases shown from previous studies have illustrated that first-tier cities nowadays are demographically saturated and socially isolated. Also, at the same time, living burden in rural area is quite heavy because of the enlargement on economic gap between rural areas and urban areas (Yaohui Zhao, 1999).

Nowadays, along with the heavy living burden in both first-tier cities and rural areas, the overall development of second-tier cities still keeps its high-speeded pace, positively affecting today's new generation's decision on choosing migration settlements and job targeting. Based on statistical analysis of China's thirty-eight main cities from the year 2000 to 2007, the proportion of population (including both urban residents and migrants) in second-tier cities has increased mostly with the percentage of 32.10% compared with 15.84% and 23.40% in first-tier cities and third-tier cities respectively(MOHURD of China,2000, 2007). From the result, it could be demonstrated that the development of second-tier cities, being the next step of China's urban sprawl, is gradually attracting more and moreChinese migrants, playing a crucial role of carrying the population pressure poured from both first-tier cities and rural areas in China.

## II. HUKOU SYSTEM, SOCIAL CAPITAL AND HUMAN CAPITAL

### A. Hukou System in Second-tier Cities

Hukou system combined with its social consequences has been discussed for quite a long period. Being one of the phenomena of "rural-urban governance: one country, two policies", Chinese people's identification differences related to Hukou system have caused many social issues such as "the three agrarian issues" (Jason Young, 2013), social isolation towards "ant tribes" in first-tier cities (Guo Juan, 2012), urban villages, etc. Going further from these points, not only we can conclude that Hukou system is the cause of these contemporary social problems, but also as one of a person's main institutional backgrounds, can highly affect people's living conditions and migration decisions, no matter whether they have excellent individual capacity and wide-ranged social networks or not.

However, previous studies have mainly focused on institutional block during rural-urban migration process. But since second-tier cities could be seen as the transitionary units between rural areas and urban areas, does such constitutional

block of second-tier cities be similar to urban areas or not? To what extent does Hukou system influence one's career condition in second-tier cities? Does the circumstance be any different during a historical periodin second-tier cities? Later in this paper, I will try to answer some of these questions based on social statistical analysis.

*B. Social Capital versus Human Capital in Second-tier Cities*

Since 1980s, theories on social capital have been introduced to the field of sociology. From Bian's introduction, we can get an understanding of social capital from three aspects,including social network as social relationship, as social structure and as social resource (Bian Yanjie, 2004). Among all these three approaches of definition, "social network" can be treated as the core subject, for it is the bridge among various social dimensions. At the same time, previous researches on both international and internal migrants have shown that social network plays an important role in one's social integration especially if the destination is unfriendly to immigrants (Zhongshan Yue, 2013; Mouw, 2002; Zhao, 2003). In this case, I thenwill examine individual's social capital by focusing on the appliances and practical actions during one's job targeting. Human capital, on the other hand, is another important independent variable representing individual's inner social value that can be applied to produce social profits. Human capital includes such sub-variables as knowle, social, personality attributes, etc.

From studies based on rural migrants' social integration (Zhongshan Yue, 2011), it can be concluded that there are three dimensions of social integration including cultural integration, social economical integration and psychological integration. In terms of social economical integration, education level (high school education or higher) has statistically significant influence on housing property with R-squared value less than 0.001, also, in Yue's research, age and gender as two control variables affect one's income quite significantly with R-square value less than 0.001. However, when comes to the model of career hierarchy, it is shown that non-kin resident ties (from social network respective) and working time (from migration features respective) as two independent variables havestatistically significant effects, both with a R-square value less than 0.01. To sum up, from the perspective of economical integration, age, gender, education level, non-kin residents and working time all place remarkable influences on rural migrants' economical integration performance. In other words, regardless one's age and gender, if a person floating from rural areas to urban areas has a higher education and more non-kin resident ties (may relatesto one's migration duration and working time), he or she may gain more possibilities obtaining a higher hierarchical job and higher income.

Then, what the circumstances will be like when those "rural winners" (well-educated people from rural area)are facing the social reality that they have to compete with those "urban losers" (urban residents who are not well educated)? It can be easily indicated that urban residents generally have wider ranged social networks (non-kin resident tie and kin resident tie) of urban society, however, their relatively poorer education or lazy work could also minus their human capital, thus might negatively influence their job competition with those "winner rurals" as well.

From the rural winners' perspective, except what recent research have revealed that the rural-urban gap within higher educated group has been replaced by more subtle inequality in which rural children congregate in second-tier and even third-tier universities, and education's function as a social mobility ladder is declining (Weng Naiqun, 2009; Huang Yuqin,2012). I will only discuss that under a circumstance that people from rural area already have gained a well performed academic degree and try to settle in second-tier cites. In this case, we can say recent social transformation shows that more and more college or high-educated students from rural area (with rural Hukou) are floating into the job market of second-tier cities. These "rural winners" are with high human capitals, but since their social networks are mostly still developed from rural areas, they may find being put into lower job status compared with those who being raised urbanly in second-tier cities.

However, in today's second-tier cities, do urban social network and institutional system be open to rural winners? Or they are gradually being shut off towards outsiders like what first-tier cities have been doing? AmongHukou system, social capital and human capital, what is the most crucial element for job targeting in second-tier cities? And how they have transformed during a historical period? These issues all together may help us better understand the complexity of interactions between today's Chinese social structure and Chinese cultural tradition, furthermore, it will also make contributions on developing China's future social equality.

## III. DATA AND METHODS

*A. Database*

In this paper, I use data from 2009 Xi'an Job Market and Social Network Survey conducted by the Humanity and Social Science Department of Xi'an Jiaotong University, Shanxi Province, China. Xi'an, the central city of Shanxi province, locates in northern western China. Unlike those four first-tier cities, both social and economical developments of Xi'an are limited by its geographical nature,and comparatively have been ignored by China's central government for quite a long period. However, with the economic gap between urban and rural areas being enlarged, social isolation in first-tier cities getting more severe these years, Xi'an has been defined as a window city of West Development and gradually been better regarded towards the process of nation-wide urbanization. In this case, I consider statistics from Xi'an can be typical.

The sampling method used in 2009 Xi'an Job Market and Social Network Survey is stratified multistage cluster sampling. The population is adults aged between 18 and 65 in Xi'an, including both rural migrants and urban residents. The effective sample size used in this paper is 1101.

*B. Variables*

Based on former introductions about my conceptual structure organizing all consideredindependentvariables towards one's career condition in second-tier cities, in this paper, these independent variables have further been sorted into

three dimensions includingrespondent's basic information, respondent's social capitaland inner human capital.

Firstly, since in China Hukou system plays a crucial role in one's obtaining benefits through the process of migration integration (Zhongshan Yue, Shuzhuo Li, Xiaoyi Jin andMarcus W. Feldman, 2013), I examine Hukou identification as one basic institutional independent variable. However, data from2009 Xi'an Job Market and Social Network Survey indicates people holding a rural Hukou together take up only 13.3% of the population, thus the result from attributive analysis will be highly biased no matter how statistically significant it is. Secondly, in this paper, human capital is determined by years of education ranged from 3 to 19 years, covering education levels from lower than elementary school to

postgraduate degree. Thirdly, social capital is tested by the usage of social network while targeting a job, whether or not people have used the relationship with a non-kinship resident tie to find a job is given 1 and 0 point respectively. Also, I have added respondent's gender and age as two control variables, for these two variables are widely used in social statistical analysis and may provide us with crucial information.

In this research, the dependent variable is job condition, including respondent's monthly income, type of work unit and career position. Within career position, there are three levels of career position analyzed as classified variables,they are management level, professional/skilled leveland bottom non-technical level, being evaluated with 1 point, 2 points and 3 points separately.

TABLE I SAMPLE SIZE, MEAN, PERCENTAGE AND STANDARD DEVIATION OF RESPONDENT'S BASIC INFORMATION, SOCIAL CAPITAL, HUMAN CAPITAL AND CAREER CONDITION

| | Variable | | Sample Size | Mean/ Percentage | S.D. | Description |
|---|---|---|---|---|---|---|
| Basic Information | Hukou Type | | 1011 | 0.133 | 0.34 | Rural=1, Urban=0 |
| | Gender | | 1011 | 0.429 | 0.50 | Male=1,Female=0 |
| | Age | | 899 | 27.24 | 8.38 | Min=18, Max=65 |
| Social Capital | Social network in finding jobs | | 1011 | 0.634 | 0.48 | Have used non-kinship resident social network=1, Have not=0 |
| Human Capital | Years of Education | | 1004 | 12.14 | 2.88 | Min=3, Max=19 |
| Career Condition | Monthly Income of the latest job | | 1011 | 0.144 | 0.35 | More than 2000=1, Less than 2000=0 |
| | Type of Work Unit | | 1001 | 0.638 | 0.48 | Within-system organization=1, Outer-system organization=0 |
| | Career Position | Management level | 211 | 22.48 | | Management level=1, |
| | | Professional/ Skilled level | 485 | 49.34 | | Professional/ Skilled level=2, |
| | | Bottom non-technical level | 277 | 28.18 | | Bottom non-technical level=3 |

## IV. RESULTS FROM BINARY LOGISTIC REGRESSION MODEL

In order to figure out how Hukou type, social capital and human capital affect one's career condition, three binary logic regression models have been established (Seen Table 2). Model 1 is determined to test how my independent variables and control variables affect respondent's monthly income. Model 2 is established to examine how within-system career, representing the type of work unit, is influenced by those independent variables and control variables. In model 3,

however,only bottom non-technical level is evaluated because it can be identified as one extreme side of career condition, opposite to the other two levels (management level and professional level).

From the results of these three models, it can be illustrated that, firstly, years of education as an independent variable and the representative of human capital is under all circumstances statistically significant towards the condition of career. Also, please note that people with higher education level are

statistically significantly more likely to have a non-technical job, this may be because people better educated get more chances of all type of positions in the job market which is opportunity limited. Secondly, Hukou type has the most remarkable influence and the strongest explanation power (with the highest Beta value among all the control variables and independent variables) onpeople's monthly income, the type of work unit andcareer condition, that is to say, people with urban Hukou are more likely to obtain a higher paid job and a within-system job. However, non-technical level career as career position turns out to be insignificantly but positively regressed by Hukou type, meaning that it is not statistically significant that people with urban Hukou are more likely to gain a non-technical level job. Thirdly, in terms of having not used non-kinship resident tie to find jobs, it shows statistically significant effects on all three aspects of career condition, which means compared with people who have used non-kinship resident tie to find job, those who have not used non-kinship resident tie are more likely to have a higher paid, within-system and non-technical level job. However, in this case, the p value of non-technical job is only less than 0.05.

TABLE ‖ Binary Logistic Regression Model, Career Condition Regressed by Respondent's Basic Information, Education Level and Social Network

| Variable | Model 1 Monthly Income | | Model 2 Work Unit Type Within-system | | Model 3 Career Position Non-technical Level | |
|---|---|---|---|---|---|---|
| | b | Betab | Betab | | Beta | |
| Age | 0.94*** | -0.02 | 0.96*** | 0.01 | 1.00 | 0.01 |
| Gender (Male Omitted) | | | | | | |
| Female | 2.03*** | 0.41 | 0.92 | 0.15 | 0.52*** | 0.09 |
| Hukou Type (Rural omitted) | | | | | | |
| Urban | 2.11*** | 0.56 | 0.22*** | 0.05 | 1.40 | 0.31 |
| Years of Education | 1.31*** | 0.05 | 0.93** | 0.03 | 0.81*** | 0.02 |
| Social Network in | | | | | | |
| Finding Jobs (have used omitted) | | | | | | |
| Have not used non-kinship network | | | | | | |
| | 1.71** | 0.40 | 0.14*** | 0.03 | 1.55* | 0.28 |
| Intercept | 0.74*** | 0.119 | 0.62*** | 0.209 | 0.571*** | 0.214 |
| R-square | 0.025 | | 0.144 | | 0.165 | |
| Sample Size | 898 | | 896 | | 878 | |

Source:2009 Xi'an Job Market and Social Network Survey. *p< 0.05; ** p < 0.01; *** p < 0.001(two-tailed tests).

## V. DISCUSSION AND CONCLUSION

Based on the research, the result of the highly significant regression relationship between schooling years and career type (all three p values turn out to be less than 0.01, and within these three values two are less than 0.001) together with results from other independent variables' effects, gives us a detailed indication of today's social reality and future expectation of future development of Xi'an. The result reveals that compared with the other two social alternatives, in China's second-tier cities, Hukou type turns out to be the strongest explanative term on job targeting, but Hukou type is not helpful with one's career type because of a more developed local social network, however, education level compared to social network plays a more vital rule. In other words, although in second-tier cities, people without an urban Hukou but well-educated still get chances to win the job competition with those less educated urban residents. More evidences are supported by the result that

it is highly statistically significant that people who have not used non-kinship resident tie are more likely to obtain a within-system job. In my opinion, this may be because those who have not used non-kinship resident tie are of higher qualified human capital, that is to say, people do not have or use adequate urban social networks but might have well qualified personal capacity have performed better on finding a well guaranteed job. From these points on, I could say that there isstill room left to balance the social inequality accumulated these years from the gap of rural-urban development.

All in all, once the institutional revolution on Hukou system does not make adequate effects, there will not be significant improvement on the fair competition of labor market. Thus adequate attention on alternatives of Hukou system along with improvements on education equality will play crucial roles in the future development of job competition in China's second-tier cities. Furthermore, from a governmental perspective, a proposition should be raised that government and society should pay adequate attention on the revolution of urban-rural Hukou system and the improvements on education equality. By institutionally giving more chances and supports to rural Hukou holders living in second-tier cities, and by providing more education chances in rural areas, guaranteeing children from rural areas could be well-educated and prepared for going out settling in second-tier cities, I believe China's future development will thus become more encouraging.

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