

<https://www.wsj.com/articles/china-migration-rural-return-xi-economy-11605632518>

# China Urges New Era of Mass Migration— Back to the Countryside

## In antipoverty push, President Xi wants to repopulate rural towns with entrepreneurs and consumers; ‘there was hope in our hometown’

Chinese President Xi Jinping visited the impoverished village of Dawan in 2016. Li Xueren/Xinhua/ZUMA PRESS

By

Nov. 17, 2020 12:04 pm ET

For decades, just about the only way for someone born in Dawan to make money was to follow the winding dirt road down from the mountain village and move to one of China’s big cities.

That is what Wang Liangcui did in the early 1990s, when she was 20. She landed in Shanghai, where she worked in factories, drove a taxi and hawked pancakes. All over China, people just like her [moved to the city from similar hardscrabble hamlets](#), supplying the inexpensive labor that got the nation’s economy sizzling.

Now, thanks to President Xi Jinping’s push to create new opportunities for China’s have-nots, Ms. Wang is back in her hilltop hometown. Last year, she and her family returned and plowed their modest savings into a guesthouse they named “Meet Come Enjoy.”

China’s rural poor have been a tool of Communist Party strategy since Mao Zedong rallied them in his revolution, then herded them into communal farming, with disastrous results. Decades later, Deng Xiaoping sent them to urban construction sites and factories. Mr. Xi is pressing them into service for a third time. To narrow the gulf between China’s urban rich and rural poor, he is trying to populate rural towns with entrepreneurs and consumers.

Mr. Xi has pledged to eradicate extreme poverty this year ahead of the Communist Party’s centenary in 2021, a goal he considers critical to legitimizing his top-down approach to governance. To that end, he has directed a flood of party attention and state money toward places like Ms. Wang’s hometown, which languished while China’s big cities got rich on migrant labor. The president is billing the push as a leveler of inequalities that have become so glaring [they threaten the legitimacy of the party](#).

Mr. Xi, China’s leader since 2012, needs a new formula for economic transformation. He inherited a growth model based on [churning out inexpensive goods that is all but played out](#) as manufacturing costs have risen and other nations [began making things elsewhere](#). He hopes instead to increase domestic spending, which requires fixing the rural economy.

The [strongest leader since Mao and Deng](#), Mr. Xi is holding up a vision of a countryside brimming with economic promise to try to persuade rural-born people that small towns can offer just as much opportunity as major cities.



**Decades after Wang Liangcui left Dawan for Shanghai, she returned home and opened a guesthouse called ‘Meet Come Enjoy.’**

Photo: Yin Yijun/The Wall Street Journal

In Shanghai, Ms. Wang and her husband could never afford to buy an apartment. Her last job was in a food-packaging factory, with a monthly salary of 6,000 yuan, equivalent to about \$990, and free meals.

One day in 2016, China’s president appeared on national TV in a broadcast from her native village, in Anhui province. Mr. Xi sat in a circle of villagers on wooden benches. He asked about pork prices and said the party would ensure no one would be forgotten in his antipoverty drive.

Two years later, the village was certified poverty-free. Backyard wells had been replaced with filtered tap water warmed by solar power. There were new two-story homes and charging stations for electric cars.

Ms. Wang, 49 years old, and her husband were intrigued. “We saw there was hope in our hometown,” she said.

Their son, who had lived his entire life in Shanghai, was ineligible to attend high school there because his parents weren't considered locals. So last year, Ms. Wang and her family returned to Dawan and opened the guesthouse.

More than 20 bed-and-breakfast "homestays" have sprung up in Dawan, where new construction is plentiful. When the Wangs' guesthouse has a slow day, her husband sometimes works at nearby construction sites for up to 150 yuan a day, the equivalent of about \$23.

"China's current philosophy is bring jobs to the people, rather than bring people to the jobs," said Bert Hofman, a professor at Singapore's National University who spent nine years in senior World Bank positions in China.



**Tourism is a major thrust of Mr. Xi's antipoverty drive. More than 20 guesthouses have been built in Dawan.**

Photo: Yin Yijun/The Wall Street Journal

In the late 1970s, when most Chinese lived in rural places, per capita income was around \$200 a year. The party credits Deng for economic and social policies that lifted hundreds of millions out of poverty.

The subsequent four decades of modernization and wealth accumulation occurred overwhelmingly in cities. City residents, who make up about 60% of China's population,

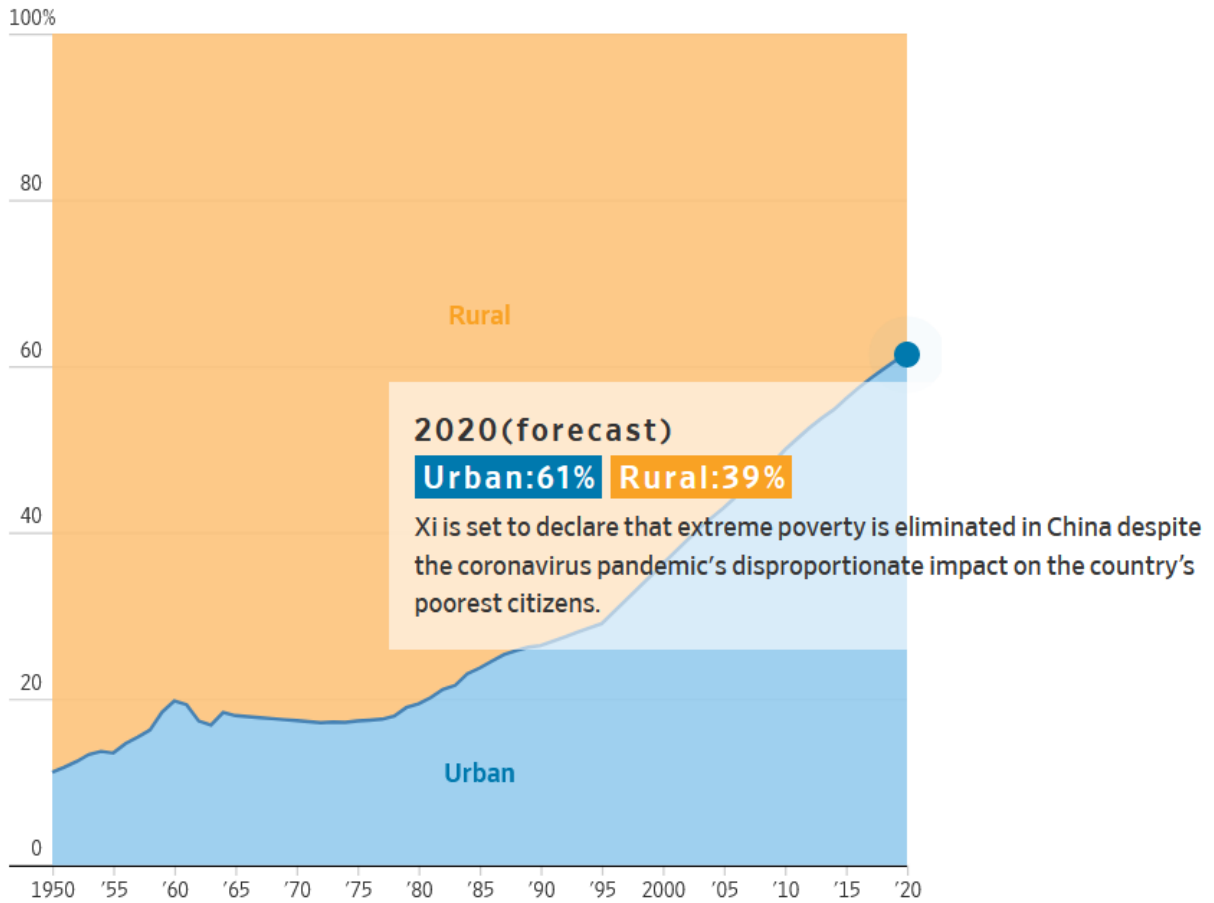
accounted for 93% of its gross domestic product in 2018, according to White Plains, N.Y., research firm High Frequency Economics.

### The Two Chinas

Farmers moving to cities to work helped China's economy soar. But as the cities became increasingly modern, the countryside fell further behind.

China's population by place

**China's population by place**



Sources: China National Bureau of Statistics; United Nations (2020)

1950'55'60'65'70'75'80'85'90'952000'05'10'15'200%20%40%60%80%100%

UrbanRural

Sources: China National Bureau of Statistics; United Nations (2020)

1950

Urban:11% Rural:89%

Mao Zedong begins to put the Communist Party mark on China with policies that ultimately collectivize rural communities and relocate city dwellers to the countryside, plunging the nation into poverty.

1979

Urban:19% Rural:81%

In the first break from central planning, Deng Xiaoping introduces a reform to permit farmers to plant what they want.

1992

Urban:27% Rural:73%

Deng endorses bolder economic reforms. The rural population drops for the first time as people head to the cities to work.

2001

Urban:38% Rural:62%

The party endorses a 10-year rural poverty-alleviation program to address "backward" areas. A "Go West" campaign specifically targets development in the most remote communities.

2011

Urban:51% Rural:49%

China sets a target to "basically eradicate poverty" by 2020 in a program zeroing in on mostly rural areas. The urban population tops the rural one for the first time.

2016

Urban:57% Rural:43%

Xi Jinping seizes on the 2020 poverty-eradication target with specific initiatives on income, food, clothing, education, health and housing for 128,000 villages, followed by a rural-revitalization campaign that encourages development of smaller towns.

2020(forecast)

Urban:61% Rural:39%

Xi is set to declare that extreme poverty is eliminated in China despite the coronavirus pandemic's disproportionate impact on the country's poorest citizens.

Although China's per capita GDP exceeds \$10,000 annually, average disposable income is only about \$4,300, dragged down by the poorest, mostly rural 600 million people who have barely \$1,700 to spend each year, according to the National Bureau of Statistics.

“It’s not even enough to rent a room in a medium Chinese city,” Premier Li Keqiang said in May.

President Xi has acknowledged that the party’s credibility is at stake. “If these people are left behind in the process of modernization and we end up with flourishing cities on one side and rundown villages on the other, then we will have neither lived up to our party’s governing mission, nor the essential requirements of socialism,” he said in a policy address last year.

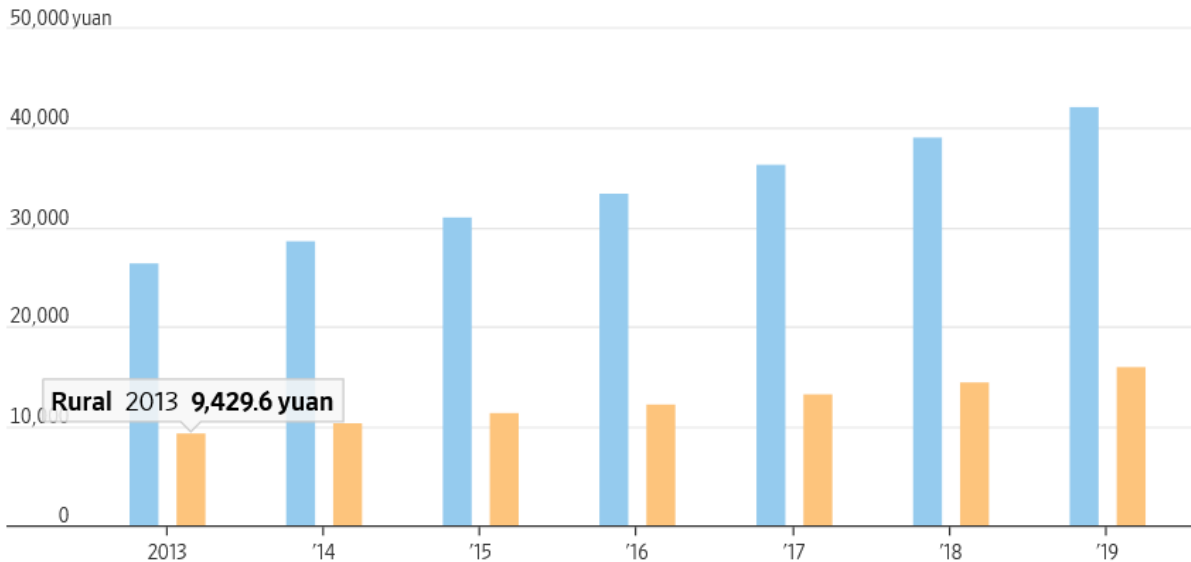
China's wealth has overwhelmingly been generated in cities. Average annual disposable income in China

### Troubled Landscape

China's wealth has overwhelmingly been generated in cities.

#### Average annual disposable income in China

Urban Rural



Note: 10,000 yuan=\$1,514

Source: National Bureau of Statistics of China

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For its antipoverty drive, China’s central government has allocated more than \$80 billion annually for schools, clinics, housing and cash handouts, primarily in the countryside, according to a tally of government figures.

In China, there are many disadvantages to living in rural places. High school is only now becoming common. Medical care is rudimentary. And in a nation where real estate has been the primary way to build wealth, [farmers hold few landownership rights](#).

A core tenet of Communist Party population control is a [household-registration system](#) that binds most Chinese to the place where they were born. Categorizing people as either urban or rural has essentially created two tiers of rights, where a rural person is locked out of many urban entitlements, from schools to pensions.



**The president's antipoverty drive brought paved roads to Dawan.**

Photo: Yin Yijun/The Wall Street Journal

For Liu Bin, who grew up in a village in the Taihang Mountains in Hebei province, acceptance to a Beijing university promised opportunities. He earned an accounting degree and worked in the capital for more than 20 years, in insurance, media and other jobs. But he never felt that he fit in, and the government still considered him a rural person.

In 2017, after the government started redeveloping his hometown and offering grants and loans to returnees, he moved back with his wife and 9-year-old daughter. He rented 33 acres of orchard land and began raising fowl and growing potatoes and herbs for Chinese medicine. He got a \$21,000 government loan, with easy terms.

“The farm is not producing a lot now, and we are working very hard,” he said. “But we are happy.” At times, he has been so short of cash he has settled debts with eggs.

Stanford University professor Scott Rozelle, who has been doing fieldwork in Chinese villages since 1983, said more money alone won’t immediately address vulnerabilities in rural China, such as a subpar education system.

“China became great because Deng Xiaoping made 800 million peasants numerate, literate and disciplined,” he said. “This became an incredible force China used to go from poverty to middle income.” Now that China needs to take the next step to become a high-income economy, he said, “suddenly this rural population potentially becomes a liability in an age of globalization and automation.”



**Chinese property giant Dalian Wanda rebuilt Danzhai in southwestern Guizhou province into a tourism center as part of Beijing’s antipoverty drive.**

Photo: Ou Dongqu/Xinhua/Zuma Press

Like his predecessors, Mr. Xi romanticizes rural China. As a young man, [he spent seven years in Shaanxi province during the Cultural Revolution.](#)



“Years of toiling alongside the villagers allowed him to get to know the countryside and farmers well,” says an official compendium of Mr. Xi’s viewpoints. “He arrived at the village as a slightly lost teenager and left as a 22-year-old man determined to do something for the people.”

If Mr. Xi’s rural revitalization succeeds, it would give China’s economy a major boost. Mr. Xi also [sees modern farming as the ticket to national food security](#).

Pitching poverty relief as a responsibility of the whole nation, the president has leaned on big Chinese companies to create jobs in rural places. Developer Dalian Wanda Group remade a remote village in Guizhou province with hotels and a bullfighting center, while internet merchant [Alibaba Group Holding](#) Ltd. and delivery company [JD.com](#) Inc. pledged to ship goods to and from everywhere to spur rural consumption.

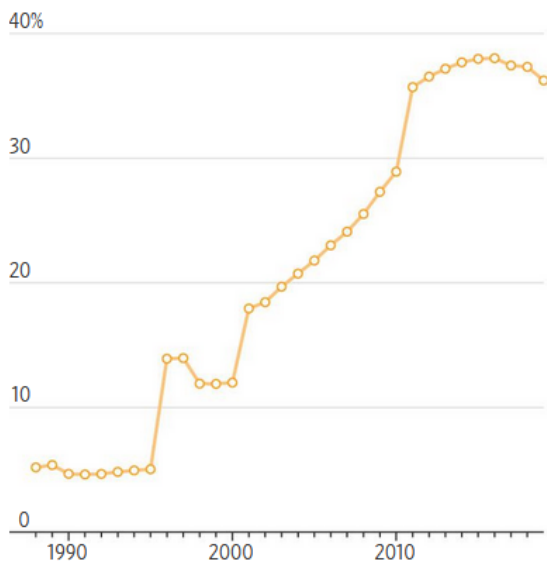
## On the Move

**Migrant workers from China's poor countryside have flooded into urban areas in recent decades. Beijing and Shanghai now have set caps on their populations.**

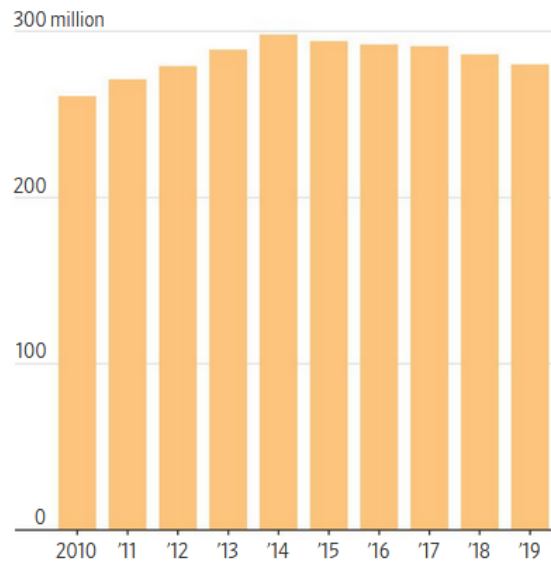
### On the Move

Migrant workers from China’s poor countryside have flooded into urban areas in recent decades. Beijing and Shanghai now have set caps on their populations.

#### Nonlocal population in Beijing



#### Workers who live outside their hometowns



Sources: Wind (non-local); National Bureau of Statistics of China (migrant worker)

Nonlocal population in Beijing

Workers who live outside their hometowns

Sources: Wind (non-local); National Bureau of Statistics of China (migrant worker)

China's biggest cities [have begun to set caps on their populations](#), depicting nonlocals as a threat to stability. Police single out suspected nonlocals for ID checks in subways and regularly cite licensing violations to close migrant schools and businesses. Both Shanghai and Guangzhou saw [net outflows of migrants](#) in 2018.

Much of Mr. Xi's campaign is based on cash infusions and incentives that are politically popular. Some efforts, though, aren't voluntary. Some 10 million families deemed to live in substandard housing have been relocated, their homes and sometimes entire neighborhoods bulldozed, according to Chinese state media.

### **Share Your Thoughts**

*What role do you think China's rural poor can play in boosting the Chinese economy? Join the conversation below.*

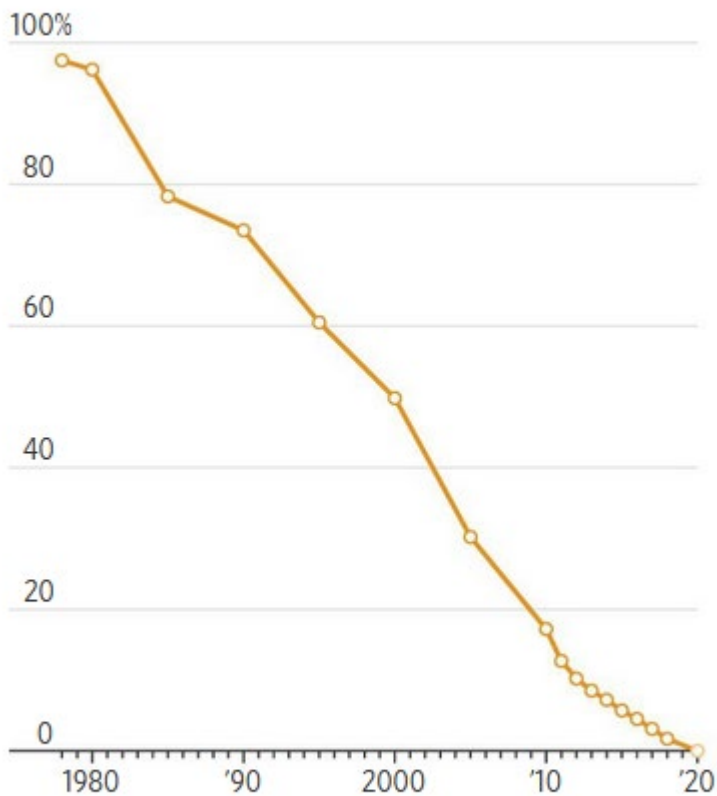
Mr. Xi has used the antipoverty push to reinvigorate the Communist Party presence throughout the countryside, and officials have lumped some controversial activities under the antipoverty rubric. In the face of criticism by human-rights groups and the Trump administration over the [roundup and mistreatment of Tibetans and Uighurs](#), China's government has said education and training of ethnic minorities is part of its poverty-relief efforts.

### **Less Poor**

**The Communist Party considers its biggest achievement the reduction of poverty since the late 1970s. It now claims the rate of extreme poverty is approaching zero.**

**China's poverty rate**

## China's poverty rate



Note: 2020 is a target.

Source: National Bureau of Statistics of China

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As the government pushes to meet Mr. Xi's antipoverty goal, it has identified 5.5 million at the very bottom for the final push, monitoring progress on a big electronic map at the State Council's poverty alleviation office in Beijing. Local cadres track individual households by a matrix of income, education and other standards while also prodding them to boost incomes, such as by telling farmers what to plant.

In January, Jiangsu province, a relatively prosperous region near Shanghai, declared that of its 80 million people, only 17 were still impoverished, and it pledged to lift those 17 out of destitution by year-end.

Mr. Xi's repeated declarations that China will achieve this year's target for eliminating extreme poverty makes it unlikely the government would report any numbers that don't show success,

even though authorities concede the poor have been [hit especially hard by the coronavirus pandemic](#).

Zhang Tao, 25, grew up with his grandparents in Anhui province's Jinzhai county while his parents worked in Suzhou, a city of around six million 300 miles to the east. "If you wanted to live a good life, you had to go out as a migrant worker," he said. "We were all left-behind children here."

At age 16, he followed his parents to Suzhou to try to make it, first as an apprentice factory worker and then as a barber. A barbershop he set up with a friend failed. Last year, he set up another barbershop near his hometown, becoming one of 850,000 people the province has said it hopes to attract back over five years. "I knew sooner or later I had to go home," he said.

Mr. Zhang is worried he made the wrong decision. All his friends are in Suzhou. He feels as though competitors are springing up faster than customers. "It isn't easy to make money at home," he said.

Guan Zheng, another returnee to Anhui, has started a business cultivating flowers. But he is frustrated he can't find the right fertilizer and is disappointed that few locals have the tech savvy to help him market the flowers online.

For Ms. Wang, leaving Dawan as a young woman was a no-brainer. "At home, there wasn't even one cent," she said. "Outside we could earn 200 yuan a month, and at least send some money back for mom and dad to buy some rice."

Things are different now. "Our hometown almost feels like the city, not the poor place like before," said Ms. Wang.

That is partly because Mr. Xi's visit turned Dawan into a tourist attraction.

The circle of chairs where the president sat with villagers has been bolted in place, along with reproductions of peanuts that had been set out for him and the chunk of meat that hung drying on the wall behind him.

One recent afternoon, three buses filled with tourists climbed the hill into town.



**Tourists retrace Mr. Xi's steps to once-impoverished villages such as Dawan, where the setting of his 2016 visit is a popular spot for photos.**

Photo: Yin Yijun/The Wall Street Journal

—Yin Yijun, Jonathan Cheng and Liyan Qi contributed to this article.

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