CHINA STATE OF URBAN YOUTH REPORT 2014-2015

EQUITY EMPLOYMENT AND YOUTH DEVELOPMENT IN CHINA OVERVIEW AND SUMMARY OF FINDINGS
FOREWORD

I am pleased to present the first CHINA STATE OF URBAN YOUTH REPORT 2014/2015 focusing on Equity Employment and Youth Development in China. Building from previous UN-Habitat reports, this report provides further evidence of the importance of equity and the growing recognition of its importance to development. A host of countries now recognize equity as a central goal of the development agenda as the United Nations High Level Panel (HLP) on the Post-2015 recommended.

Youth as an important group of change agents represents the most active and dynamic, yet the most volatile and vulnerable segment of the population. The United Nations defines young people ages 15 to 24 as youth which represents 1.2 billion of the world’s human capital and a significant proportion of the global population. Presently, 1.7 billion people - more than a quarter of the world's six billion people - are between the ages of 10 and 24, thereby making this group of change agents the largest ever to be entering adulthood and the largest under-represented segment of the world’s population. Youth in all countries are both a major human resource for development and key agents for social change, economic development and technological innovation. But the potential of youths will remain under-utilized if they are not contributing to, and participating in the decision making processes of society at all levels. This group has the potential of making a huge contribution to society, but their ideas, enthusiasm and commitment are often overlooked by the world's decision makers.

Globally, the situation of young people today is characterized by extreme inequalities deriving from disparities in the ways in which economic, technological, social and cultural resources are distributed due in part to historical as well as institutional and policy differences across regions, countries, localities and population groups. We therefore need to take equity seriously because inequality is costly to economies and societies; it leads to lower growth, lower productivity and throws the economy into a cycle of inefficiency. In addition, inequality is a key source of social tension and a powerful channel for
social conflict and widespread mistrust between different groups. No society can be flourishing and happy if a large proportion of the members are poor and excluded. The report identifies the following dimensions of inequality: Economic, Social with accent on education, Cultural and Political. However, all these dimensions of inequity are highly interconnected, with inequity of opportunities being the common denominator. Among the many dimensions of social equity though, educational equity has always been prioritized by cities and countries deriving from the philosophical premise of providing a “level playing field” for the most disadvantaged including children, youth, and women. Equally widespread unemployment among youth especially fresh university graduates has taken on greater urgency in the development debate. This was amplified in the UN-Habitat State of the Urban Youth reports 2010/2011 and 2012/2013.

Education and the prospects of employment are highly interlinked and this Report poignantly articulates the employment challenge in China. There is a general consensus that education plays a decisive role in youth employment and development, and that education is an inevitable route to the formation of human capital. While education is necessary for human agency formation, it has not been sufficient to arrest rising unemployment and its attendant negative consequences and China is experiencing its share of labour market challenges. The Chinese government has consistently attached considerably great importance to education as well as employment and has over time formulated policies to foster the country’s prosperity through the advancement of science and technology by prioritizing human capital development above all other national undertakings. This is a crucial step in addressing the education, equity and sustainable development challenge in cities and countries and we believe this Report provides academic and policy elements for advancing the debate not just in China but for all countries. I hereby recommend this path-breaking study to all who desire a better future for the youth.

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International Ecological Safety Collaborative Organization (IESCO)

Printer: (IESCO)

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KEY FINDINGS

1. Equity is defined as the quality of being fair, unbiased, and just. In other words, equity involves ensuring that everyone has access to the resources, opportunities, power and responsibility they need to reach their full potentials.

2. The aim of equity-focused policies is not to eliminate all differences so that everyone has the same level of income, health, education, and so on. Rather, the goal is to eliminate the unfair and avoidable circumstances that deprive youth of their rights. Inequalities generally arise when certain population groups are unfairly deprived of basic resources that are available to other groups.

3. China’s Gini coefficient stood at 0.474 in 2012, down from 0.477 in 2011 and from a peak of 0.491 in 2008; ‘Gini coefficient between 0.47-0.49 shows that the gap in income distribution is relatively large.

4. In China, since the 1980s, education inequity has become increasingly prominent in contrast to the growing prosperity of the market economy, and these inequity issues have also attracted widespread attention.

EQUITY AND EDUCATION

5. Educational budget increased more than three times from 1995 to 2007, with 188 billion RMB (US $29.67 billion) to 646 billion RMB (US $101.95 billion), and the total number of higher institutions in China also increased from over 1000 in 1990 to over 2300 in 2008. Equity in education can be also reflected by GC; from the year 1982 to 2006, the average years of education for the population above age 6 from 4.63 to 8.04, almost doubled; GC dropped from 0.48 to 0.24, indicating that in general, China’s education reform has been effective and the sector is developing in a more equitable direction.
6. Disparity in High School whether in urban or rural areas, is very real: children from upper or middle class have relatively easier access to “key” high schools, while the children from lower class are more commonly distributed in ordinary schools.

7. City residents and students from upper or middle class families dominate in key high schools, while students from rural households and lower class families go to non-prioritized high schools.

8. Since the end of the 1990s, China began to expand enrollment in higher education, which largely increased opportunities for youth to receive higher education. The gross enrollment rate of higher education in China has risen from 3% in 1990, to 7% in 1987, surged to 15% in 2001, and leaped to 21% in 2005.

9. Educational inequities exist in higher education system; the gap between key universities and local colleges are widening, which in turn consolidates and even deepens the existing gap between different regions of China.

10. Youth from the wealthy class make their way to key universities, and consequently the existing and imbalance in education resource has become even worse. There is a serious shortage of educational resources in rural areas and small cities; China’s total rural population, which accounts for more than 60% of the total population, only received 23% of educational resource. The percentage of rural students in higher education is one of the most prominent indicators of social class stratification.

11. In recent years, the percentage of newly admitted rural area students to Tsinghua University, Peking University, and Beijing Normal University has dropped by 3% compared to 1998. For example in Peking University, in 1985 fresh students from rural areas accounted for 27.3%, in 1992 22.3%, and 19.6% in 1996, to 16.3% in 1999. Since the 1990s, the proportion of rural students admitted to Tsinghua University and other national key university showed a downward trend, and students in rural areas end up in non-key universities missing the opportunity to receive quality education.
12. There is a direct relationship between the current status of China's educational inequity and lack of investment in education. Expenditure on education in developed countries accounts for about 6.2% of national GDP, the ratio is about 4.0% in the developing countries; compared with the developing countries, China’s education budget in recent years is lagging far behind.

EQUITY AND EMPLOYMENT

13. Employment underpins responsible livelihood. Youth employment, especially for fresh university graduates has been a topic of concern to the whole Chinese society. The increasingly difficult job market situation of fresh college graduates including rising unemployment, and the inequitable access youth employment have become a focus of the nation’s concern. Employment discrimination and inequities encountered by the youth hamper the rational allocation of human capital, undermine fair competition in the job market, and exacerbate the current situation of high unemployment rate.

14. China’s economy that once had remarkable resilience since the onset of the global financial crisis in 2008, has recently shown signs of vulnerability. GDP growth in China decelerated from 9.3% at the end of 2011 to 7.7% in 2012 due to certain external factors. In the first quarter of 2013, it bounced back slightly to 8.5%, partially due to policy response measures taken by the new Chinese government.

15. It is clear to policy makers that the Chinese youth employment situation is a serious one, and the year 2013 was designated ‘the most difficult year to find a job in 64 years’ of history in New China. According to reports, among the first tier cities, employment rate was lower than 30% among fresh graduates in Shanghai and Beijing, and below 50% in Guangdong.

16. In China, most youth live on informal employment relying on low-level technology due to the level of economic development, and the emergence of new production-related information technologies. Young people have far less opportunities of access to the new information technology-based production
compared to their peers in developed countries. Due to differences in levels of economic development and capabilities to manage rapidly changing information technology, it is still difficult for youth to adapt to the quality requirements of the new economy. There is therefore still an ever-expanding capacity gap between Chinese youth and youths in other developed parts of the world.

17. From a narrow perspective, employment equity is limited to the process of seeking employment while in a broad perspective; it exists in both equal opportunities to seeking jobs, as well as in the work environment. Therefore, both the job seeking process and working life experience should be taken into account. Workers should have equal access to job opportunities regardless of gender, age, ethnicity, and other differences, and they should not be discriminated against due to the differences above; and such rights should be protected by the law.

18. Employment inequity manifests in discrimination in the job market. Employment discrimination refers to the recruitment distinction that the government or private organization make that is not merit based or job nature based. This distinction: exclusion, and against restriction against certain types of people or social group violates the fundamental political, economic, social, cultural. Specifically in the case of youth, employment, discrimination, is observed largely, in the course of seeking jobs.

19. There is a very wide range of employment discrimination based on ethnicity, religion, political affiliation, physical disabilities, place of residence, gender, age, health, appearance, height, sexual orientation among others.

20. Employment discrimination is very widely felt, serious, deep-seated and widespread. 85.5% of respondents think there is, 50.8% believe that employment discrimination is very serious or serious, while only 6.6% believe that there is no discrimination. More than 70% of people think they have been discriminated against on their jobs. 30.8 % claim they have been discriminated in terms of payment or welfare; 22.7% in terms of jobs or types of work arrangements; 21.3% of in terms of promotion and job classification; 17.6% of in the job selection process.
1.0 Introduction

The past few decades has witnessed a notable surge in economic growth however, this has been accompanied by an equally frightening level of multiple forms of inequalities, manifested in part by rising income inequality and deepening poverty in many cities across the world. The shared prosperity that accompanied the classical economic growth since the end of the great depression and more concretely from the 1940s came to an end in the early 1970s, when widening income gaps began an unhealthy co-existence with economic growth. Beginning from the 1970s income growth for households in the middle and lower class of income distribution slowed significantly, while those of few in highest class continued to grow very strongly. Defined as we do in this current report, a prosperous city is one that grows with equity and in the process continuously reduces poverty. It does so through a systematic distribution and redistribution of the economic benefits of development using institutions to protect the rights of the poor, minorities and vulnerable groups; enhancing gender equality, and ensuring civic participation by all in the social, political and cultural spheres. In other words, a prosperous city will have at its fundamental objective, the reduction of inequality. Evidently, rising inequality has not been limited to the developing world but equally between developing countries and between developed and developing countries.

A most fundamental reason why equity matters is that inequality circumscribes the capacity of a city’s most important asset- the individual city dweller - by degrading their existential capabilities, notably through inequality of opportunity, the foundation upon which people tend to develop their abilities for “agency”, the power to shape the city. The evolution of a city is closely related to the development of identity and agency of the change agents in the city, a social process that is a generic attribute of opportunities individuals’ made available to people through quality education and skills. For instance a city shaped by manufacturing and high technology systems (read for example Seattle and Shenzhen) will be very different from a city whose institutional roots are in farming (read Iowa or Naivasha) or natural resource prospecting (read Port Harcourt and Luanda). How the city shapes, and is in turn shaped by city dwellers, will depend in large part on whether urban systems provide individuals and households equal opportunities for development and
the ability to exert agency.

Equity can be defined as the quality of being fair, unbiased, and just. In other words, equity involves ensuring that everyone has access to the resources, opportunities, power and responsibility they need to reach their full potentials. However, in the broad and specific Chinese context the terms of equity (Gong Ping) and equality (Ping Deng) are the two concepts that are not sufficiently differentiated in China. The ambiguous interpretation of these two terms can easily result in some unintended misinterpretation and errors in policy formulation and implementation. Therefore, the distinction between these terms is essential.

Equity and Equality\(^1\) are words that are often used interchangeably in many contexts, but when examined critically are very different. Equity is an ethical term that represents fairness, whereas equality is a measure of sameness, for instance, in sports competition context, setting different standards for males and females due to their biological make-up does not represent gender discrimination, rather it points to equity considerations. Some can argue that it is only fair to give each individual the same share of resources; however, sameness is not always fairness if the disadvantaged group at birth remains disadvantaged. Figure 1.0 provides a simple visualization of the difference between the two terms.

![Figure 1.0 Equality vs. Equity](http://sherinefahmy92.wordpress.com/2013/02/06/equality-vs-equity/)

The aim of equity-focused policies is not to eliminate all differences so that everyone has the same level of income, health, education, and so on. Rather, the goal is to eliminate the unfair and avoidable circumstances that deprive youth of their rights. On the other hand, inequalities generally arise when certain population groups are unfairly deprived of basic resources that are available to other groups. While the concept of equity is universal, the causes and consequences of inequity vary across

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\(^1\) Equity vs. Equality, retrieved from http://sherinefahmy92.wordpress.com/2013/02/06/equality-vs-equity/
cultures, countries, and communities. Inequity is deeply rooted in a complex range of political, social, and economic factors. An equity-focused policy making must therefore begin with an analysis of the context in which inequity operates.

1.1. Why is equity important?

As a result of the growing recognition of the importance of equity to development, many countries now recognize equity as a central goal of the development agenda. Thinking about equity can help us decide how to distribute goods and services across society, holding the central government responsible for its influence over how goods and services are distributed in a society, and using this influence to ensure fair treatment for all citizens. Equity has positive effects both on a nation’s development and on the people living in the country. For instance, UNICEF (2012) pointed out that equity has a significant positive impact in reducing monetary poverty. Monetary poverty is very sensitive to distribution changes, and small changes in income distribution can have a large effect on poverty. Given a certain level of income, education, land ownership and so on, an increase in monetary inequality will almost always imply higher levels of both absolute and relative deprivation and vice versa (Maxwell and Hanmer, 1999).

Equally, equity is also essential for sustainable development (shown in Figure 2.0), “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts: 1) the concept of ‘needs’, in particular the essential needs of the world’s poor, to which overriding priority should be given; and 2) the idea of limitations imposed by the state of technology and social organization on the environment’s ability to meet present and future needs.” (Bundtland Report, 1987). The idea also resonates with the concept of Sustainable Development that sits at the core of China’s Dream as proposed by new chairman Xi Jinping.

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Clearly since the power to make policies and establish institutions lie with states, government must make effort to guarantee equity in the society, in order to avoid social unrest and political conflict. Citizens or social groups who perceive inequities towards themselves might be a significant factor behind social unrest. This may lead to crime or even violent conflict, that can negatively affect the investments that can be made; and subsequently this will lead to more waste of resources especially with short-term rents distribution. Normally, Highly polarized societies are unlikely to pursue policies that have long-term benefits for all, since each social group will be reluctant to make long-term commitment, dedicated as they are to secure their own wealth. Along the same line of argument, this instability also reduces government’s ability to react to shocks. The economic costs of external shocks are magnified by the distributional conflicts they trigger, and this diminishes the productivity with which a society’s resources are utilized. This makes equity both a social and economic issue; gender equity will tend to promote greater growth and development (SUYR 2010)

1.3 Equity and the Youth Challenge

An important group of change agents is the youth which represents the most active, dynamic yet the most volatile and vulnerable segment of the population. The United Nations defines young people ages 15 to 24 as youth which represent 1.2 billion of the world’s human capital and a significant proportion of the global population. Today's adolescents and youth are 1.8 billion people - more than a quarter of the world's six billion people, thereby making this group of change agents the largest ever to be entering adulthood and the largest under-represented segment of the world’s population. Young people in all countries are both a major human resource for development and key agent for social change, economic development and technological innovation but these ability of youths cannot be discovered if

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they are not contributing and participating in decision making processes of society at all levels of the society. These young people have the potential of making a huge contribution to society, but their ideas, enthusiasm and commitment are often overlooked by the world's decision makers.

Globally, the situation of young people today is characterized by extreme inequalities deriving from disparities in economic, technological, social and cultural resources, which vary enormously across regions, countries, localities and population groups. It is estimated that youth make up 25 per cent of the global working-age population, but account for 43.7 per cent of the unemployed. These disparities suggest that youth development should be a priority for development.

We therefore need to take equity seriously because inequality is costly to economies and societies; it leads to lower growth, lower productivity and throws the economy into an inefficiency cycle. In a recent study a strong association was established between lower levels of inequality in developing countries and sustained periods of economic growth. Developing countries with high inequality have "succeeded in initiating growth at high rates for a few years" but "longer growth spells are robustly associated with more equality in the income distribution." In other words long run sustainability is closely connected to sustained equality. Moreover, there is even more to inequality beyond the economic consequences. Societies with high outcome inequality tend to have concomitantly high opportunity inequality which in the long run, manifests in poor employment opportunities for a vast section of society. A very important channel for redistributive growth is employment and large swathes of the population particularly youth and middle class have had short shrift of the employment market. This shortcoming of growth without equity strikes at the heart of the notion of human development as the agent of prosperity. Opportunity deprivation robs society of its most valuable asset - its people – that are not engaged in productive activities. In this current report, we place the role of the human asset as core of city prosperity and the systematic underinvestment in skills and education that in part circumscribe social and technological innovations will in the long run jeopardize sustainable development. A number of studies show that inequality is closely associated with poor human capital formation (education, experience, apprenticeship) while lower level of human capital is associated with slower economic growth.

In addition inequality is a main source of social tension and a powerful channel for social conflict and widespread mistrust between different groups in society. According to Adam Smith, “No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable”.

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6 Andrew G. Berg and Jonathan D. Ostry,(2011) a study for the IMF.
2.0. Five Dimensions of Equity

2.1 Economic Equity

The past decade has witnessed a rapid growth of the world economy, rising inflation, and also the breaking of the financial bubbles, however, and with this has come rising inequality. The concept of economic equity refers to fairness in economics, including equal opportunities for business development and access to employment, and promoting economic policies that are pro-poor.

Economic equity is important for a number of reasons: 1) Some societies view equity as a worthy goal in and of itself because of its moral implications and its intimate link with fairness and social justice. 2) Policies that promote equity can help, directly and indirectly, to reduce poverty. When incomes are more evenly distributed, fewer individuals fall below the poverty line. Equity-enhancing policies, particularly such investment in human capital as education, can, in the long run, boost economic growth, which, in turn, has been shown to alleviate poverty. 3) Heightened awareness of the discrimination suffered by certain groups because of their gender, race, or ethnic origin has focused attention on the need to ensure that these groups have adequate access to government services and receive fair treatment in the labor market. 4) Many of today’s Current policies on the will affect the welfare of future generations, and determines the nature and depth of intergenerational equity. For instance, the provision of very generous pension benefits to today's retirees could be at the expense of tomorrow's retirees--an important issue in many transition and industrial countries. 5) Policies that promote equity can boost social cohesion and reduce political conflict. To be effective, most policies require broad political support, which is more likely to be forthcoming when the distribution of income is seen as fair. However, macroeconomic adjustment that entails growth-enhancing structural reforms such as privatization may increase unemployment and worsen inequality in the short run. In such circumstances, well-targeted social safety nets to shelter the consumption levels of the poor are critically important.

8 International Monetary Fund (IMF) (1999). Should Equity be a gold of economic policy?
However, equity issues are especially complex because they are inextricably intertwined with social values, hence they have to be conceptualized within a specific social context. The case of China is quite remarkable, with 50% of the GDP generated in the coastal areas that constitute only 20% of the Chinese territory, and the contribution of those cities’ to GDP is greater than its share of the national population. This report will focus not just on economic equity in China but will consider the totality of the equity question in the very important country.

2.2 Social Equity (with focus on Education Equity)

Social equity has several sub-themes and it could mean very different things to different people. While it has policy aspects to it, it means far more and – there are calls for equity in education and health for example. Social equity is a state of affairs in which all people within a specific society or isolated group have the same status in certain respects; it is attained where institutions and policies ensure that all citizens regardless of race, ethnicity, gender or socio-economic status are guaranteed equal access to health, education, nutrition and adequate housing including decent basic services; and it facilitates equal access to social amenities and public goods that are essential to promote the general and environmental well-being of everyone.

Among the many dimensions of social equity, is educational equity which has always been prioritized by cities and countries. With the inevitable impact of globalization, the issue of excellence and equity in education has received far wider attention internationally. The academic policy is concerned with what equity means and how to achieve it in ways that are inextricably linked to notion of excellence. The educational system when not properly directed perpetuates and reproduces social inequalities. In the poor areas of many cities, primary school enrolment is decreasing and quality is declining. Efforts to improve the education of girls in some countries have resulted in significant increases and progress in female enrollments, but paradoxically male enrollment is declining. The right to education is one that everyone whether adult, child or youth is entitled to. According to the World Declaration on Education for All, “Every person – child, youth and adult – shall be able to benefit from educational opportunities designed to meet their basic learning needs” (EFA, 1991). A basic level of education is necessary for survival and the development of capabilities that would enable a person to live and work in dignity, improve the quality of their lives, make informed decisions and continue the learning process (EFA, 1991). The very foundation of this process is primary education. A primary school education is the foundation upon which other levels of education can be built. If a strong primary school education is lacking, that individual is starting
life off with a shaky foundation. It is generally agreed that everyone should be afforded the opportunity of a primary school education which would enable them build a foundation that allows them to take care of themselves, their families and take control of their futures.

Inequities in educational opportunities appear to fall along socio-economic, geographic and gender lines. More than 113 million children including at least 60 million girls do not have access to primary education. Most of these girls live in Sub-Saharan Africa and South Asia. Only 60 percent of young people attend secondary school around the world. This percentage is further reduced by three-quarters in Sub-Saharan Africa (UNICEF, 2008). Approximately 250 million children from ages 5 – 14 in the developing world cannot go to school because of child labor (Youth and MDGs, 2005). The picture does not improve when we consider adults; about 960 million adults, two-thirds of whom are women, are illiterate (EFA, 1991).

2.3 Political Equity

Political equity means that all people are equal before law and the adjudication or and administration of the law to guarantee that all people have the right to express their opinion regardless of social class. It reinforces people’s natural rights that all human beings are born equal, regardless of social class, race, religion, and so on.

Unlike other democratic countries whose governments are chosen by the people, China runs a communist system, and the Communist Party of China (CPC) has the final say. CPC is not elected through free and competitive elections, so the common concept of legitimacy in democratic countries cannot be applied to China’s context. Guo Baogang pointed out in his book, the fact that CPC manages to keep its hold on power and retain legitimacy over 60 years of leading the country should make social science scholars rethink the legitimacy concept’.

2.4 Cultural Equity

China is a multi-ethnic country, it has 56 ethnic groups all of which boast of very distinctive culture, and inevitably it is constantly confronted with the problems of ethnic and cultural diversity. The presence of competing ethnic and cultural groups generally means that the establishment of a new nationhood requires the cultivation of a new national identity. A new emergent national identity can be achieved either

9 Guo Baogang, China’s Quest for Political Legitimacy: The New Equity-Enhancing Politics (2010).
through an expansion and elevation of an indigenous ethnic/cultural identity being imposed upon other "less" indigenous and usually minority groups, or through the development of a new supra-ethic identity treating various ethnic groups on an equal standing. In either case, it is expected that the emergence of a new national identity is not likely to be natural or spontaneous. The crucial problem faced by China is thus the potential conflict between promoting the culture of the nation and preserving the cultures of the ethnic minorities.. The essential question is how the two can be reconciled rapidly and smoothly to facilitate cultural development.

Equitable cultural policies nurture institutions that promote social integration and celebrate diversity at the same time. It values people’s cultural rights regardless of their background, recognizing the human capital of all segments of society, and strives to actively enhance them by promoting creative expression in the arts and heritage activities. For instance, in China the official language is Mandarin, which is the language used by the dominant ethnic group - Han; meanwhile, all the other 55 ethnical minority groups have their own languages. The government promotes language learning of both Mandarin and mother tongue of ethnical minority groups in schools.

2.5 Inequity of Opportunity

Although conventional wisdom tend to focus on the rising income inequalities, other forms of inequality related to opportunities in life, political participation, consumption and access to resources, among others, have persisted. For example individuals are often subjected to discriminatory treatment on the basis of group identity such as gender, ethnicity or religion, or due to their birthplace or parental background. The pre-determined conditions of an individual early in life constitute a drag on their progress and tend to reduce their chances in life, including the impairment of basic rights and freedoms\textsuperscript{10}. UNHABITAT SURVEY (2010) highlights the significance of parental (mother’s education level), geo-political/ regional, spatial factors, between the rural/ urban communities and wealth factors as determinants of the gulf of access influencing a child’s education.

This report argues for a renewed focus on equitable pursuit of development by first paying attention to the unaddressed issue of inequality of opportunity in relation to the more widely known and equally important reality of inequality of outcome. The latter is usually measured in terms of consumption and income while

\textsuperscript{10} Jones Harry (2009), Equity in Development: Why it is important and how to achieve it? Overseas Development Institute, London.
inequality of opportunity deals access or lack of it to address inequality of outcome. Although potential opportunity is harder to observe and measure than outcome, the distribution of opportunity matters more, in fact, it drives the distribution of outcome. The widening opportunity divide between the wealthiest and the poorest and the increasing difficulty in attaining anticipated income convergence suggests that development policies and interventions should take more seriously the targeting of opportunities for the most vulnerable in the society. The need to provide a “level playing field” for the most disadvantaged including children, youth, and women is now taking on greater urgency in the development debate\textsuperscript{11}. It has become imperative because of the deep figures and fractions that manifest in national and community divides. To sum up, all these dimensions of inequity are highly integrated, and the issue of inequity of opportunities is common to all other four dimensions (see Figure. 3.0).

Figure 3.0 Five dimensions of Equity

\textsuperscript{11} See UNHABITA-SUYR (2010)
3.0. Equity in China

Covering 9.6 million square kilometers, China is the third-largest country in the world. Given its gigantic size, there have always been significant regional variations in geographical conditions, resources endowments, the sectoral distribution of economic activity, and the level of socioeconomic development. As earlier discussed, inequity is rooted in a complex range of political, social, and economic factors, and an equity-focused policy must take into consideration the social context. Applying the ideas of the policy of equity in a country context specific like China involves hard choices. This will primarily be the choices between equity and effectiveness. A recent study by Wang Chong Fu, made an analogy of equity and efficiency as two wheels of the car, which must work together. If we combine these two words, there can be four types of relations tips between them: 1) equity first without efficiency; 2) efficiency first with equity lagging behind; 3) equal emphasis on both equity and efficiency; 4) neither equity nor efficiency.

The first 30 years’ of the establishment of the new China in 1949 marked primarily the first type of relationship between equity and efficiency, and as it relates to the overall poverty in the country. Many people believe that, in terms of national growth, Mao Zedong’s policies greatly compromised efficiency for equity. Since the reform and opening up in 1978, China has changed its policy orientation, shifting the emphasis from equity to efficiency, with greater emphasis on the second type in this 30 years’ cycle. To put it in Deng Xiaoping’s words, let some get rich first. But the consequences have been a double-edged sword. On the one hand, China’s economy has grown rapidly; while on the other, the gap between the rich and the poor, urban and rural, has widened considerably. In the next 30 years, how to deal with the relationship between equity and efficiency will thus inevitably become a top priority for reform. A developmental strategy should not be concerned simply with the maximization of one objective at the expense of the other: it has to consider trade-offs between them. If the central government could break the barriers that affect the realization of equity, then chances of entering the third phase of equity and efficiency development are large. Otherwise, the imbalance between equity and effectiveness will deepen to the extent of severely affecting further development of the country.
3. 1 Equity in Comparative Countries and Regional Perspective

From both academic and policy literature we find evidence that since the 1950s inequality at the global level has been declining while inter-country inequality has been rising\(^{12}\), the latter driven by rising trend in several populous countries including China, United States, India among others. An examination of international inequality using absolute rather than relative measures of inequality reveals a steady increase over the long run, as well as in recent decades.\(^{13}\) Paradoxically this has occurred as global wealth has risen enormously. Evidence derived from recent studies shows a strong connection between inequality and economic growth.

According to recent studies, top tenth of Chinese households command 57 percent of income in 2010 while the country’s Gini coefficient was 0.61, a significant rise compared with the value of 0.43 in 2007, adjusted for regional price differences (Knight, 2013; Li et al, 2013). In the years of rural reform (1978-1985) China’s poverty and inequality decreased; significantly in 1988, the urban and rural Gini was 0.24 and 0.33 respectively while national Gini was 0.38 reflecting the regional as well as rural-urban income disparities.

Scholars found growing income inequality: all three Gini coefficients increased by 3 percentage points over a period of six years between 1995 and 2001.\(^{14}\) These authors’ estimate of the national Gini in 2001 was 0.45. Again NBS statistics for urban China reveals growing income inequality which continued to rise after 2001. The share of the lowest three quintiles fell over an eight year period (2000-2008), while the highest quintile increased sharply.

To quantify equity, we would mainly use Gini Coefficient (GC).\(^{15}\) Gini index measures the extent to which the distribution of income or consumption expenditure among individuals or households within an economy deviates from a perfectly equal distribution. It is a ratio with values between 0 and 1, where the smaller number means greater equity. Deng Xiaoping did not imply that to get rich is glorious. China's statistics chief Ma Jiantang declared by the end of 2012 that there would be an urgent need for reforms to narrow the income gap between the rich and poor, addressing head-on an issue that government officials had avoided for years. Ma

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\(^{13}\) Ibid

\(^{14}\) Ravallion and Chen (2007),

\(^{15}\) Gini Coefficient (GC), a way to measure equity and is derived from the Lorenz Curve, for more information, please refer to http://www.maxi-pedia.com/Gini+coefficient.
confirmed China's Gini coefficient stood at 0.474 in 2012, down from 0.477 in 2011 and from a peak of 0.491 in 2008; however, ‘Gini coefficient between 0.47-0.49 shows that the gap in income distribution is relatively large.’

Many skeptics suggest China’s inequity is actually far greater, yet whatever the true level, the decision to release the data shows that finally the new leadership is paying attention. For instance, the newly-appointed head of China's ruling Communist Party, Xi Jinping, has taken a number of steps to establish an image of openness and plain-speaking to appeal to citizens disenchanted with corruption and stifling bureaucracy, raising public expectation about policies that aim at bringing equity discussion to the forefront of discourse.

Historically, the reform and opening up policy was first carried out alongside the east coast of China, while the western districts and inner land of China have lagged behind ever since. Economic development and allocation of education resources also largely match, leading to further disparity between the different regions of China. Table 1 below shows the GC of different provinces of China (excluding Hong Kong, Macau, and Taiwan). From the table, it is clear that the top

four most inequitably developed provinces/cities are Zhejing, Beijing, Jiangsu, and Shanghai. Among them, Zhejing, Jiangsu, and Shanghai form the Yangtze River Delta; which is a highly developed region in economy, while Beijing is the political center of China that boasts abundant resources. Interestingly, Guangdong, another region in the south of China that became rich first, ranks 16th in GC in China. To some extent, this might reflect the differences in the structure of society and the course of development between these two regions. However, it is good to note that there are notable increases in the income of both rural and urban citizens, (Figure 5.0), and the gap between the rural and urban in terms of income per capita is narrowing (Figure 6.0).

Table 1. GC of different provinces in China, from China Scientific Development Report (China Science Academy, 2010)

<table>
<thead>
<tr>
<th>District</th>
<th>Difference between different jobs</th>
<th>Difference between urban and rural</th>
<th>Regional Disparity</th>
<th>Gini Coefficient</th>
<th>GC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beijing</td>
<td>0.1076</td>
<td>0.4590</td>
<td>0.8337</td>
<td>0.4668</td>
<td>Zhejiang 1</td>
</tr>
<tr>
<td>Tianjin</td>
<td>0.2678</td>
<td>0.2839</td>
<td>0.7728</td>
<td>0.4415</td>
<td>Beijing 2</td>
</tr>
<tr>
<td>Henbei</td>
<td>0.2483</td>
<td>0.3066</td>
<td>0.4769</td>
<td>0.3440</td>
<td>Jiangsu 3</td>
</tr>
<tr>
<td>Shanxi</td>
<td>0.2872</td>
<td>0.2496</td>
<td>0.5133</td>
<td>0.3500</td>
<td>Shanghai 4</td>
</tr>
<tr>
<td>Inner Mongolia</td>
<td>0.3162</td>
<td>0.1892</td>
<td>0.5967</td>
<td>0.3674</td>
<td>Tianjin 5</td>
</tr>
<tr>
<td>Liaoning</td>
<td>0.1621</td>
<td>0.3602</td>
<td>0.6523</td>
<td>0.3915</td>
<td>Shandong 6</td>
</tr>
<tr>
<td>Jilin</td>
<td>0.3002</td>
<td>0.2836</td>
<td>0.5751</td>
<td>0.3863</td>
<td>Liaoning 7</td>
</tr>
<tr>
<td>Heilongjiang</td>
<td>0.1151</td>
<td>0.3753</td>
<td>0.5025</td>
<td>0.3310</td>
<td>Jilin 8</td>
</tr>
<tr>
<td>Shanghai</td>
<td>0.1555</td>
<td>0.3841</td>
<td>0.7952</td>
<td>0.4449</td>
<td>Fujian 9</td>
</tr>
<tr>
<td>Jiangsu</td>
<td>0.2860</td>
<td>0.3800</td>
<td>0.7252</td>
<td>0.4637</td>
<td>Henan 10</td>
</tr>
<tr>
<td>Zhejiang</td>
<td>0.2806</td>
<td>0.4615</td>
<td>0.8145</td>
<td>0.5189</td>
<td>Hubei 11</td>
</tr>
<tr>
<td>Anhui</td>
<td>0.2941</td>
<td>0.3018</td>
<td>0.4714</td>
<td>0.3558</td>
<td>Hunan 12</td>
</tr>
<tr>
<td>Fujian</td>
<td>0.2850</td>
<td>0.2889</td>
<td>0.5704</td>
<td>0.3814</td>
<td>Inner Mongolia 13</td>
</tr>
<tr>
<td>Jiangxi</td>
<td>0.3447</td>
<td>0.2766</td>
<td>0.2949</td>
<td>0.3054</td>
<td>Anhui 14</td>
</tr>
<tr>
<td>Shandong</td>
<td>0.3259</td>
<td>0.2941</td>
<td>0.6377</td>
<td>0.4192</td>
<td>Shanxi 15</td>
</tr>
<tr>
<td>Henan</td>
<td>0.3344</td>
<td>0.2961</td>
<td>0.4981</td>
<td>0.3762</td>
<td>Guangdong 16</td>
</tr>
<tr>
<td>Hubei</td>
<td>0.2849</td>
<td>0.3203</td>
<td>0.5022</td>
<td>0.3692</td>
<td>Hebei 17</td>
</tr>
<tr>
<td>Hunan</td>
<td>0.3541</td>
<td>0.2030</td>
<td>0.5499</td>
<td>0.3690</td>
<td>Shanxi 18</td>
</tr>
<tr>
<td>Guangdong</td>
<td>0.1579</td>
<td>0.1509</td>
<td>0.7278</td>
<td>0.3456</td>
<td>Heilongjiang 19</td>
</tr>
</tbody>
</table>
Guangxi 0.3044 0.1184 0.3549 0.2592  Chongqing 20
Hainan 0.2270 0.2191 0.3478 0.2647  Ningxia 21
Chongqing 0.3197 0.0517 0.5583 0.3099  Jiangxi 22
Sichuan 0.3219 0.2212 0.3307 0.2913  Sichuan 23
Guizhou 0.2931 0.0801 0.1430 0.1721  Xinjiang 24
Yunan 0.2990 0.2337 0.2174 0.2500  Hainan 25
Tibet 0.1258 0.2231 0.1107 0.1532  Guangxi 26
Shaanxi 0.2829 0.2525 0.4934 0.3429  Yunnan 27
Gansu 0.3074 0.1035 0.2011 0.2040  Qinghai 28
Qinghai 0.2289 0.2898 0.2170 0.2452  Gansu 29
Ningxia 0.2785 0.1903 0.4511 0.3066  Guizhou 30
Xinjiang 0.2991 0.2249 0.2748 0.2662  Tibet 31

Figure 5. GC rank of different cities in China, from China Scientific Development Report (China Science Academy, 2010)
Figure 6. Inequity drops in urban and rural areas (GC of disposable income per capita)

Source: National Bureau of Statistics and National Development and Reform Commission, except for urban incomes from 2008 to 2010 which have been estimated by the OECD.

Figure 7. The gap between rural and urban incomes narrows

Source: ChinaDataOnline from National Bureau of Statistics.
4.0 Equity Education and Youth Development in China

The concept of education equity is an extension of political and economic equity; that is equal rights in the realm of education. In the distant past education was seen as right of people born with certain privileges however, equal rights to education is now seen as a fundamental human right, and has become a universal value of modern society. Education equity is composed of two parts: equity of rights and opportunities. The 1984 " Universal Declaration of Human Rights" by the United Nations regards education as a basic human right provision. It states that everyone is
entitled to all the rights and freedoms set forth in this Declaration, irrespective of on race, color, sex, language and religion. According to Confucius ‘in education, there is no distinction between classes of men. The democratic ideas in an open society and freedom of education in the Platonic ideal country, and the pursuit of educational equity has been the same in both the East and the West. In China, debate on education inequity has become increasingly prominent due to the growing prosperity brought in part by the evolving market economy. In time a great deal of researches have been carried to understand, the current situation and the causes of educational inequity. At the same time, policy makers are responding to some of the urgent and obvious challenges to alternate inequity of educational resource distribution and inequity of education access.

In what follows, we will first review the status of education and highlight some major issues of inequity in China; secondly, we discuss the root of these issues.

4.1 The Education System in China

There is a general consensus among all nations that education plays a decisive role in youth development, and that education is an inevitable route to the formation of human capital. Therefore, the Chinese government has always attached considerably great importance to the development of education over time by formulating a national policy to foster the country’s prosperity through the advancement of science and technology and prioritizing educational development above all other national undertakings.

The Ministry of Education is responsible for education in China, and the different types of schools available reflect the country's vast and varied population. The language of instruction is Mandarin; however some schools, use Mongolian, Tibetan and Korean as media of instruction. In cities where there is an international population, there are schools which use both Mandarin and English. Children are required to attend school for at least nine years, subsequently attendance at both primary and middle schools is high. The illiterate population aged above 15 is low, however, there is still considerable regional disparity. As for higher education, China has around 2,000 universities and colleges with over six million students enrolled in higher educational courses. Students can study traditional degree programs such as Bachelor, Masters and Doctoral degrees, as well as non-degree programs. State-funded higher education was phased out in 1985 and since then students compete for scholarships based on academic ability. For a general picture of the coverage of the education system see Table 2 below for a summary.
### Table 3 Summary of Education System in China

<table>
<thead>
<tr>
<th>Type of Education</th>
<th>Educational Level</th>
<th>Length of Schooling</th>
<th>Administrative Authority</th>
<th>Form of Schooling</th>
<th>Type of Diploma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compulsory Education</td>
<td>Primary School</td>
<td>6 years</td>
<td>Local educational authority</td>
<td>Private schools are available</td>
<td>Formal Diploma</td>
</tr>
<tr>
<td></td>
<td>Junior High School</td>
<td>3 years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary Education</td>
<td>General secondary</td>
<td>Senior High School</td>
<td>3 years</td>
<td>Local labor administration and industry-specific enterprises</td>
<td>Technical secondary schools for adults are available</td>
</tr>
<tr>
<td>Vocational secondary</td>
<td>General technical secondary</td>
<td>3 years</td>
<td></td>
<td>Technical education, adult education and private colleges are available</td>
<td></td>
</tr>
<tr>
<td>Vocational school</td>
<td>3 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical school</td>
<td>3 years</td>
<td>Local labor administration and industry-specific enterprises</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>College</td>
<td>2-3 years</td>
<td>Central and provincial educational administrations</td>
<td>Technical education, adult education and private colleges are available</td>
<td></td>
<td></td>
</tr>
<tr>
<td>University</td>
<td>4 years (5 years for medical students and a few other industrial sciences students)</td>
<td></td>
<td>Adult education is available</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post-graduate</td>
<td>3 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 3: Illiterate population aged 15 and over by region (2009).

<table>
<thead>
<tr>
<th>Region</th>
<th>No Schooling</th>
<th>Primary School</th>
<th>Junior Secondary</th>
<th>Senior Secondary</th>
<th>College and Higher</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beijing</td>
<td>3.05%</td>
<td>13.04%</td>
<td>30.29%</td>
<td>22.84%</td>
<td>30.77%</td>
</tr>
<tr>
<td>Tianjin</td>
<td>3.78%</td>
<td>17.47%</td>
<td>37.59%</td>
<td>24.15%</td>
<td>17.01%</td>
</tr>
<tr>
<td>Hebei</td>
<td>5.16%</td>
<td>28.18%</td>
<td>49.65%</td>
<td>11.39%</td>
<td>5.62%</td>
</tr>
<tr>
<td>Shanxi</td>
<td>4.30%</td>
<td>24.59%</td>
<td>47.96%</td>
<td>15.48%</td>
<td>7.66%</td>
</tr>
<tr>
<td>InnerMongolia</td>
<td>7.65%</td>
<td>27.40%</td>
<td>42.06%</td>
<td>14.94%</td>
<td>7.95%</td>
</tr>
<tr>
<td>Liaoning</td>
<td>3.64%</td>
<td>22.94%</td>
<td>47.43%</td>
<td>14.18%</td>
<td>11.82%</td>
</tr>
<tr>
<td>Jilin</td>
<td>4.20%</td>
<td>25.90%</td>
<td>45.57%</td>
<td>16.10%</td>
<td>8.22%</td>
</tr>
<tr>
<td>Heilongjiang</td>
<td>4.77%</td>
<td>24.82%</td>
<td>48.49%</td>
<td>15.37%</td>
<td>6.55%</td>
</tr>
<tr>
<td>Shanghai</td>
<td>4.07%</td>
<td>13.29%</td>
<td>33.79%</td>
<td>25.20%</td>
<td>23.66%</td>
</tr>
<tr>
<td>Jiangsu</td>
<td>6.95%</td>
<td>27.64%</td>
<td>42.40%</td>
<td>15.25%</td>
<td>7.76%</td>
</tr>
<tr>
<td>Zhejiang</td>
<td>8.04%</td>
<td>32.44%</td>
<td>36.20%</td>
<td>13.27%</td>
<td>10.04%</td>
</tr>
<tr>
<td>Anhui</td>
<td>12.20%</td>
<td>30.61%</td>
<td>42.12%</td>
<td>10.40%</td>
<td>4.66%</td>
</tr>
<tr>
<td>Fujian</td>
<td>8.28%</td>
<td>33.88%</td>
<td>33.98%</td>
<td>14.07%</td>
<td>9.80%</td>
</tr>
<tr>
<td>Jiangxi</td>
<td>5.14%</td>
<td>33.11%</td>
<td>38.25%</td>
<td>16.64%</td>
<td>6.86%</td>
</tr>
<tr>
<td>Shandong</td>
<td>7.52%</td>
<td>27.58%</td>
<td>45.67%</td>
<td>13.22%</td>
<td>6.01%</td>
</tr>
<tr>
<td>Henan</td>
<td>6.79%</td>
<td>25.44%</td>
<td>49.24%</td>
<td>13.37%</td>
<td>5.16%</td>
</tr>
<tr>
<td>Hubei</td>
<td>7.85%</td>
<td>27.67%</td>
<td>40.51%</td>
<td>16.34%</td>
<td>7.63%</td>
</tr>
<tr>
<td>Hunan</td>
<td>5.44%</td>
<td>30.61%</td>
<td>43.01%</td>
<td>14.80%</td>
<td>6.14%</td>
</tr>
<tr>
<td>Guangdong</td>
<td>3.68%</td>
<td>27.66%</td>
<td>43.39%</td>
<td>18.40%</td>
<td>6.87%</td>
</tr>
<tr>
<td>Guangxi</td>
<td>5.32%</td>
<td>34.60%</td>
<td>45.13%</td>
<td>10.85%</td>
<td>4.10%</td>
</tr>
<tr>
<td>Hainan</td>
<td>7.28%</td>
<td>26.53%</td>
<td>45.78%</td>
<td>13.54%</td>
<td>6.88%</td>
</tr>
<tr>
<td>Chongqing</td>
<td>6.99%</td>
<td>39.30%</td>
<td>36.30%</td>
<td>11.92%</td>
<td>5.49%</td>
</tr>
<tr>
<td>Sichuan</td>
<td>9.18%</td>
<td>39.63%</td>
<td>35.05%</td>
<td>10.52%</td>
<td>5.62%</td>
</tr>
<tr>
<td>Guizhou</td>
<td>11.93%</td>
<td>42.83%</td>
<td>34.94%</td>
<td>6.97%</td>
<td>3.31%</td>
</tr>
<tr>
<td>Yunnan</td>
<td>12.90%</td>
<td>45.42%</td>
<td>31.49%</td>
<td>7.13%</td>
<td>3.06%</td>
</tr>
<tr>
<td>Tibet</td>
<td>37.26%</td>
<td>44.29%</td>
<td>12.84%</td>
<td>3.87%</td>
<td>1.68%</td>
</tr>
<tr>
<td>Shaanxi</td>
<td>7.20%</td>
<td>28.11%</td>
<td>40.98%</td>
<td>14.62%</td>
<td>9.10%</td>
</tr>
<tr>
<td>Gansu</td>
<td>15.00%</td>
<td>34.98%</td>
<td>33.38%</td>
<td>11.85%</td>
<td>4.79%</td>
</tr>
<tr>
<td>Qinghai</td>
<td>13.86%</td>
<td>41.09%</td>
<td>26.00%</td>
<td>10.24%</td>
<td>8.84%</td>
</tr>
<tr>
<td>Ningxia</td>
<td>9.36%</td>
<td>30.65%</td>
<td>38.50%</td>
<td>13.12%</td>
<td>8.36%</td>
</tr>
<tr>
<td>Xinjiang</td>
<td>3.89%</td>
<td>33.68%</td>
<td>41.16%</td>
<td>11.76%</td>
<td>9.51%</td>
</tr>
</tbody>
</table>

Source: China Statistical Yearbook, 2010

Funding for education is provided mainly by local governments, with the
central and provincial governments contributing as well. Although education is compulsory, basic education is funded by local governments through tuition fees and tax. The country has made rapid progress in the area of education during the last 10 years, creating opportunities and an enabling environment for youth development. Educational budget increased more than three times from 1995 to 2007, with 188 billion RMB (US $29.67 billion) to 646 billion RMB (US $ 101.95 billion), and the total number of higher institutions in China has also increased from merely over 1000 in 1990 to over 2300 in 2008 (Figure 8). Equity in education can be also reflected by GC, from the year 1982 to 2006, the average years of education for population group above age 6 years rose from 4.63 to 8.04, almost doubled; and GC has dropped from 0.48 to 0.24, indicating that in general, China’s education reform has taken effect and is now developing in a more equitable direction.

Figure 8 Expansion of Higher Education Institution in China

Table 3. 1982—2006 Average years of education and Gini Coefficient of Education for population aged above 6 in China

4.2 Education Inequities in China

Research shows that disparity and stratification in High Schools education

whether in the urban or rural areas, are very real. Children from upper or middle class have relatively easier access to key high schools, while the children from lower class are more commonly distributed in ordinary schools. According to the survey results of a study conducted in 2003 among students in 40 high schools from 10 cities in China, the intense academic competition has led to the convergence of children from comparable family backgrounds in schools with similar levels of quality. City residents and students from the upper or middle class families dominate key high schools, while students from rural households and lower class families go to non-prioritized high schools. About a quarter of the students from cities’ key high schools got in through the selection process, i.e., “school selection heat”, instead of direct entry. The percentage of students who paid ‘school selection fee’ in middle schools is even higher than that of high schools’. School selection fee, also known as education sponsorship fee, is donation from children who wish to attend “key schools” but living in different school districts. In China, children usually just go to schools within the ‘school district’ (close to where they live), however, if they wish go to schools of better educational resource, e.g., key schools, they need to pay certain amount of money ranging from five thousands to even above 100 thousands. Since the mid-1990s when the school selection phenomenon emerged, the idea of high sponsorship fees and privileged students also emerged and the consequences of these phenomena have provoked much discussion. In addition to school selection fees, the ratio of an acquaintance / relationship entering high school in some areas rose to around 10%, thereby breaking the school district standard regulation. The focus/key school system has become a mechanism to replicate perpetrate of the gap between social classes. Competition for key school enrollment opportunity, to a certain extent, has become a contest of economic capital and social capital.

4.3 Disparity in Higher Education

Since the end of 1990s, China has begun to expand enrollment scale in higher education, which largely increased opportunities for youth to receive higher education. The gross enrollment rate of higher education in China has risen from 3% in 1990, to 7% in 1987, surged to 15% in 2001, and leaped to 21% in 2005. In the study of educational equity, the focus of attention is on whether expanding educational opportunities can improve the fairness of education, narrow down the urban-rural gap, and how the increase in education resource are allocated and distributed among different sectors. Clearly educational inequities exist in higher education system, the gap between key universities and local colleges are widening, which in turn consolidates and even deepens the existing gap between different regions of China.
At the time when China adopted its open door policy in 1978, there were only around 400 institutions of higher learning in the country, with a gross enrollment rate of only 1.56%. After only 30 years of development, Chinese tertiary education has been completely transformed. The “paradigm shift” away from an exclusive system to elite and toward mass access is significant not just for China but for the entire global tertiary education sector. Today, the Chinese tertiary education environment consists of regular (public) higher education, adult higher education, Minban (private-like) higher education, independent (private-like) colleges and universities, and self-study programs provided by distance education universities. The ‘regular higher education system’ refers to the 1079 four-year’s institutions and 1184 three year vocational or technical institutions under the oversight of the Ministry of Education (MOE) or local and provincial governments. The storied “211 project” (112 universities) and “985 program” universities (39 universities) fall within the 1079 regular four-year institutions. The students in these specific institutions have the opportunities to get bachelor degrees and subsequently have access to master's and Ph.D. degree programs. For post-graduate education, the academies of science and of social science are also included in this sector since both have graduate schools. Project 211 is a project of National Key Universities and colleges initiated in 1995 by the Ministry of Education of China, with the intent of raising the research standards of high-level universities and cultivating strategies for socio-economic development. China has more than 1,700 standard institutions of higher education today, among them, 110 (6.5%) are project 211 institutions, which take on the responsibility of training four fifths of doctoral students, two thirds of graduate students, half of students from abroad, and one third of undergraduates. They offer 85% of the state's key subjects, hold 96% of the state's key laboratories, and utilize 70% of scientific research funding. Figure 3.5 shows the number of project 211 universities by region, and Beijing has 26, followed by Jiangsu with 11, and Shanghai with 9.

Figure 3.1 Number of Project 211 Universities by region

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19 Project 211, for more information, please refer to http://en.wikipedia.org/wiki/Project_211
Youth from wealthy class make their way to key universities, and consequently the existing scarcity and imbalance in education resource has become even worse. There is a serious shortage of educational resource in rural areas and small cities, according to research data, China’s total rural population, which accounts for more 60% of the total population, only received 23% of educational resource. The percentage of rural students in higher education is one of the most prominent indicators of social class stratification. Since the 1990s, the proportion of rural area students declined in freshmen enrollment to key universities. In recent years, the percentage of newly admitted rural area students to Tsinghua University, Peking University, and Beijing Normal University has dropped by 3% than 1998. Take Peking University as an example, in 1985 the newly admitted students from rural area accounted for 27.3%, in 1992 22.3%, and 19.6% in 1996, to 16.3% in 1999. Since the 1990s, the proportion of rural students newly admitted to Tsinghua University and other national key university showed a downward trend, and students in rural areas mainly concentrated in non-key universities. Opportunities for rural students to receive quality education are therefore dwindling.

4.4 Causes of Education Inequities in China

4.4.1 Regional Development Disparity

Since the reform and opening up in 1978, China's economic policy had favored the eastern coastal areas, which has inevitably led to a huge gap of investment in education. Due to the low level of economic development in the western region,
its investment in education is naturally low. Coupled with the regions, poor natural environment, and harsh living conditions, the west of China sits in a disadvantageous position in attracting the requisite human talent. Notably, China's educational investment is predominantly sourced from the local government and because the west is poor, inevitably it cannot compare with the east in terms of financial investment to school and supply of teachers, subsequently with other factors that determine the quality of education, the value of education that these students receive differs, and the quality of students nurtured in these two environments differ as well. As noted earlier while equity does not mean the same, an ideal equitable education policy should aim at narrowing the gap between the disadvantaged and privileged as illustrated in Figure 10.

Figure 10 Equitable distribution of educational resource

4.4.2 Lack of Investment

There is a direct relationship between the current status of China's educational inequity and lack of investment in education. Expenditure on education in developed countries accounts for about 6.2% of national GDP, while the ratio is about 4.0% in the developing countries. Compared with the efforts of other developing countries, China’s education budget in recent years is lagging far behind. In recent years, some regions have even recorded a downward trend in educational investment. From 2002 to 2008, the national budgetary expenditure on education has decreased when compared to the rate of the regular financial revenue growth in four years. In 2009, the provinces (including cities and districts on the same administrative level) budgetary expenditure on education average had a negative growth rate of 0.63 percent. In 2010, the provinces (including cities and districts within the same administrative level) revenue grew considerably higher. While the “trillion club” continued to expand, 29 provinces’ (including cities and districts within the same administrative level) the proportion of budgetary expenditure on educational expenditure ratio last year decreased by varying degrees. Inadequate investment in
education directly affects the development of education. For instance, from 2009, Shandong Province started the “Safe school buildings”, Project namely primary and secondary school seismic reinforcement or reconstruction of buildings to eliminate safety hazards. But in the last three years, Qingdao, Yantai, Weifang and other 26 counties had not contributed a penny to school safety engineering project, resulting in projects delays or long-term lay-off of workers.

Figure 12. Increase in educational investment
5.0 Equity Employment and Youth Development in China

Employment underpins responsible livelihood. Youth employment, especially for fresh university graduates has been a topic of concern to the whole Chinese society, but the difficulties and inequities in the employment are social realities of the 21st Century. With the increasingly difficult situation of fresh college graduates rising unemployment, and the inequitable access to youth employment have become a focus of the nation’s concern. Employment discrimination and inequities encountered by the youth hamper the rational allocation of human capital, undermine fair competition in the job market, and exacerbate the current situation of high unemployment rate. Inequities in employment are challenging the sense of fairness and social justice, and have somehow threatened the concept of a harmonious society. In the following, we will review China’s job market and employment situation in general and then list out the key issues around the phenomenon of employment inequity. Also, we will analyze the deep-seated historical reasons behind them. The aim is to seek policy and practical pathways to the current socio-economic transition period in China’s history.

5.1 Global employment trends in relation to the Chinese cities under study

5.1.1 Uncertainty and Unemployment

After the 2008 financial crisis, youth unemployment rates soared in almost all developed economies. The International Labour Organization (ILO)’s reports show that in general, the global youth unemployment rate had risen by 11.5% since the financial crisis, and this figure will continue to rise over the next five years. A massive youth unemployment crisis swept the globe, and rates of unemployment in G7 countries remain high: 7.1% in Japan, 38.5% in Italy; for youth under 25 years old, the percentage even reached 56.5% and 60.1% in Spain and Greece. The data consistently reveals the positive correlation between low economic growth and high unemployment rate.
According to ILO’s 2013 report on Global Employment Trends\textsuperscript{20}, China’s economy that once had remarkable resilience since the onset of global financial crisis in 2008, showed signs of vulnerability to the global environment in recent years as well. From Figure 13, GDP growth in China decelerated from 9.3\% at the end of 2011 to 7.7\% in 2012 due to the certain external factors. In the first quarter of 2013, it bounced back slightly to 8.5\%, partially due to policy response measures taken by the new Chinese government. However, whether the slight upturn of GDP growth in China can continue its momentum is still questionable, and this uncertainty, has been shown to have a negative impact on the labour market.

Researchers at the Federal Reserve Bank of San Francisco found that increased uncertainty has a direct, positive relationship with unemployment\textsuperscript{21}. In addition to reduced private sector investment which lowers demand for new workers, the main mechanism through which uncertainty affects unemployment is through reduced vacancies and job matching. As the hiring of an employee represents a long-term commitment and entails a cost to the firm, heightened uncertainty reduces firms’ willingness to hire as it reduces visibility into future demand for their goods or services. As a result, firms post fewer vacancies, leading to a decline in the job finding rate and an increase in unemployment. This, in turn, has a negative impact on household incomes, which reduces aggregate demand. Taken into a full picture, this creates a vicious cycle between uncertainty and unemployment rate.

5.1.2 Economic Reconstruction and Employment

It is clear to policy makers that the Chinese youth employment situation is serious one, and the year 2013 was recently designated ‘the most difficult year to find a job in 64 years’ of history in New China’, and it shows in the data. According to reports, among the first tier cities, employment rate was lower than 30% among fresh graduates in Shanghai and Beijing, and below 50% in Guangdong.

There are a few reasons why further economic reform and the dynamics of China’s transition place extra pressure on the labour market. First, in the transition process state-owned institutions that once monopolized all sectors have had to face market competition and exert greater control over human resources expenses, a fact that inevitably affected their operations and engendered intense competition. Secondly, internationalization is a double-sided sword which is now revealing its negative side. Internationalization was once an important source of China’s economic growth, industrialization, urbanization, and employment increase but this has changed now. However, multinational companies always look for the cheapest source of labour to shift the low-end production burden, and China used to be the cheapest destination. Thus, jobs from traditional low-end production burden, and China is no longer the cheapest destination. Thus, jobs from traditional low-end advantageous sectors are becoming increasingly insufficient. And lastly, globalization has led to faster changes of technologies and new techniques of production, to which youth are difficult to adapt due to quality limitations. Information technology is the technology of globalization, which has not only created new patterns of production and employment, but also reformed traditional production models. In China, most youth live a life on informal employment relying on low-level technology due to the level of economic development, and the popularity of new production-related information technologies. Young people have far less opportunities of access to the new information technology-based production compared to their peers in developed countries. Due to differences in levels of economic development and capabilities to manage rapidly changing information technology, it is still difficult for youth in developing countries to adapt to the quality requirements of the new economy. There therefore is still an ever-expanding gap between Chinese youth and other developed parts of the world that would require continuous transfer of technologies and knowledge to bridge this gap.

A former Chinese Prime Minister stressed the relationship between employment and economic growth as well as the need for creating new jobs through continuous growth and economic development. Macroeconomic policy-making in
the transitional state of China must find the right balance between economic growth and labor market development. In order to meet the employment needs and create more jobs, there is a need to deregulate and remove market constraints, giving private sector more space for development. The economic reform which has been going on since 1978, as well rely more on market mechanisms, and allow small and micro business to grow, and encourage multi-ownership economy.

5.2 Importance of Employment Equity

It is difficult to define employment equity. Chinese scholars generally have two approaches to the definition of employment equity, mainly from either narrow or broad perspectives. From a narrow perspective, employment equity is limited to the process of seeking employment. From a broad perspective, employment equity exists in both equal opportunities to seeking job, and also in the process of actual working. Hence, from a general perspective of employment equity, both the job seeking process and working life experience should be taken into account. Workers should have equal access to job opportunities regardless of gender, age, ethnicity, and other differences, and they should not be discriminated against due to the differences above; and such rights should be protected by the law.

The difficult economy and unemployment situation pose challenges to policy makers, while the issues of inequity in employment complicate the situation. Employment equity is a reflection of societal equity in general, and also embodies the basic level of the social-economic context. Employment equity includes equity in employment opportunities, in rules of fair competition for jobs, and in employment procedures. Among them, rules of fair competition lays the foundation, equitable employment opportunities are the main body, and equity in employment procedure is the key that guarantees all others to be fulfilled. Employment inequity manifests in discrimination in the job market. Employment discrimination refers to the recruitment distinction that the government or private organization make that is not merit based or job nature based. This distinction, exclusion, and restriction made towards certain types of people or social group deeply harms the fundamental rights of citizens in the political, economic, social, cultural, or any other field of public life. Specifically in the case of youth employment discrimination, the majority happens in the course of seeking job opportunities. For instance, two fresh university students

22 Definition of employment equity, source: http://wiki.mbalib.com/wiki/%E5%B9%B3%E7%A D%89%E5%B0%B1%E4%B8%9A%E6%9D%83
go for job interview, they have exactly the same level of merits and skills, regarding the job requirement, however, in course of selection, the institution focuses solely on extraneous factors such as their gender, Hukou, health, and family background; in the main two applicants are treated differently even before they enter the interview room. Of course, each institution would have some inclusion or exclusion criterion in selecting the best fit, and to decide whether the recruitment requirements can be treated as employment inequity, the key is to see if they fit the ‘objective need of the job’. First, the differentiation criterion made by the company must be based on a legitimate purpose. Second, the means of achieving the purpose should be appropriate and necessary. Third, there should be a link between ends and means. Finally, from the perspective of social value, the economic reasons of the employers’ cannot justify any inequities in their recruitment process, rather, it should be based on societal needs as a whole.

5.3 Perceived Youth Employment Inequity in China

5.3.2 Severity of the problem

Employment inequity concerns relate in part to citizens’ basic human rights and social justice issues. The Institute of Constitutional Research Center at China University of Political Science conducted a questionnaire survey on the issue of employment equity in 2011²⁴, the survey covered the following cities: Beijing, Guangzhou, Nanjing, Wuhan, Shenyang, Xi’an, Chengdu, Zhengzhou, Yinchuan, and Qingdao. In total, 3,500 questionnaires were distributed, it retrieved 3454 valid copies. The survey found that employment discrimination is quite common and very serious. First, there is a very wide range of employment discrimination. The survey showed that employment discrimination exists based on ethnicity, religion, political affiliation, physical disabilities, place of residence, gender, age, health, appearance, height, sexual orientation and so on. Second, employment discrimination is very widely felt, serious, deep-seated and widespread. When asked “do you think employment discrimination exists in your current working field”, 85.5% of respondents think there is, 50.8% believe that employment discrimination is very serious or serious, while only 6.6% believe that there is no discrimination. More than 70% of people think that they have been discriminated against on their jobs. When asked “in which areas have you been discriminated” (multiple choices), 30.8 % of people said they have been discriminated in terms of payment or welfare; 22.7% in terms of jobs or types of work arrangements; 21.3% of people think in

terms of promotion and job classification; 17.6% of people think in the job selection process. When asked about the extent of discrimination, 54.9% of people answered various degrees of discrimination, 15.6% suffered serious discrimination. A total of 71.1% of people suffered various forms of discrimination in employment and work. Finally, all these sorts of employment discrimination are quite open and direct, and the survey showed that employment discrimination is quite open and direct. When asked “whether applicants would be told about being rejected because of illness”, 51.3% of employers said they will directly inform the applicants about the reasons.

![How do you perceive employment equity in China?](http://www.cnrencai.com/zongjie/diaocha/10888.html)

### 5.3.3 Hukou (Household Registration) Discrimination

The Hukou system (“hukou” literally means household registration) was introduced in 1958 and became the Chinese government’s tool to control rural-urban migration. According to the hukou system, all families were tied to a particular place and divided into non-agricultural (urban) or agricultural (rural) categories, and each person was assigned either rural or urban status with little hope of changing this registration. In some regions, the local government or companies set the access threshold higher for non-local Hukou holders, allowing only a small number of fresh graduates from elite universities to have the local Hukou, and only the locals can apply for some of the jobs.

At the end of year 2013, a Guangxi disabled youth who could not apply for a job in Guangdong because of the residency restrictions, filed a lawsuit in court, claiming his equal employment rights had been violated. On January 6, 2014, the success of the case filed in the Court of Yuexiu District, Guangzhou,
Guangdong become the first opposition to the household registration in employment discrimination case\(^{25}\). This case exposed the Chinese filing of tough laws against discrimination in employment regulations. China’s implementation of the "Employment Promotion Law" in 2008 did not explicitly attack domicile employment discrimination, just a general reference saying that employees should not be discriminated because of different ethnic, racial, gender, and religious belief. Until last May, documents relating to the issue of employment of college graduates in the State Council issued the first explicit reference to job recruitment requirements on sex, residence, education and other discriminatory provisions in violation of state regulations. These policy documents for the Chinese civil employment discrimination against the huko provides more conclusive basis.

5.3.4. Gender Discrimination

Currently the proportion of girls has reached 44% at colleges and universities, but their employment opportunities are still far lower than boys. A survey conducted in March 2005 showed that only 5.5% of female students graduated from universities believe that the job searching process went well, and up to 32.75% of them admit that there is gender discrimination. In early 2007, a university survey focused on employment for women showed that 70% of women believe that gender inequity exists in the job search process, even 60% of the boys admitted the existence of gender discrimination in employment. A well-known recruitment websites (Network of excellence) launched a survey in 2012 – women in the workplace survival pressure investigation. The survey showed that 60% of women believe that gender discrimination exists in the job market, and nearly 70% of women said that they often feel depressed or low mood due to the pressure.

5.3.5. Education Level Discrimination

Discrimination towards fresh graduates from different levels of universities is very “Chinese”, and it is reflected in terms of favoring students from 211 or 985 project universities over graduates from non-key universities. "211 Project" universities account for only 6% of the total number of colleges and universities nationwide, the number of graduates from these universities accounts for less than 10% of college graduates nationwide, which in 2013 is up to 6.99 million. In the areas of employment, top … universities tend to be the preferred choice by employers although there is no sufficient evidence that the non-211 college graduates

cannot do what 211 graduates can do.

5.3.6. Specific economic, culture, and societal issues

Some employers list out some harsh conditions of recruitment that are irrelevant to the job requirement, such as certain virus carriers should not apply, and specific requirements about appearance and height. For instance, in previous years in civil servant recruitment in some areas, HIV and other diseases, hepatitis B virus carriers are not included in the employment conditions.

5.4.1. Specific economic, culture, and societal conditions in transition period

China is in economic transition period, a special period of social transformation, various elements of modern society mentalities intertwined with traditional culture, systems and concepts, some of the regulations in the ‘planning economy’ period have not changed to fit today’s need, for instance, the household registration system (Hukou) continues to play an important role in social life. Some cultures and ideas formed thousands of years ago are still deeply rooted in people's subconscious. For example, there is wide indifference to gender discrimination and routine; prejudice against women irrespective of professional competence.

5.4.2. Interest Driven Local protectionism is at work.
Part 5: Policies and Institutions

5.0 Urban Policies and Interests: A Historical Perspective

The city is the inevitable outcome of human development and social evolution. It is a convergent place or settlement with a certain size of population, a core supporting platform for modern society, economic development, productive forces and the birthplace of the convergence zone and communication center of advanced civilizations, which provides a "civilized way of life" for the general public in space environment. Since the mid-1960s, public participation has become an important force of urban planning and further development.

5.1 Urban and Equality Agenda

Information technology has accelerated the process of economic globalization. The city has increasingly become an important subject of social life and economic activity. First, urbanization is a process of large-scale migration and centralization;

However, in the process of urbanization, how well the society ensure fairness and equality? First, we should establish a rational land compensation mechanism. Secondly, build a sound social security system of landless peasants. Third, establish innovative mechanisms for employment.

5.2 Social Policies and Institutions in China

After China’s opening up and reform in 1979, the country’s social policies have undergone significant transformations, playing an important role in safeguarding basic wellbeings of residents and promoting social and economic development. From the perspective of social policy evolution, it can be divided into the following phases: First, exploration phase of social security policies (1985-1992), Second, comprehensive reform phase of social security policies (1992-2002), Third, coordinated development phase of social security policies (since 2002)

In the first two stages, China's social security system improved significantly, but there are still some problems such as misuse of urban basic old-age insurance funds. In view of this, the state introduced a number of social security policies to promote coordinated development of urban and rural social security system and the
establishment of urban and rural social security system. It should further promote the reform of the urban social security system, continuous improvement of social safety nets and speed up the construction of rural social security system. It is necessary to further promote coordinated development of urban and rural social security policy, and promote continuous improvement of urban and rural social security system. Firstly, speed up making social policies for rural residents and set up coordinated social safety nets for urban and rural areas. Secondly, increase the coverage of urban social safety policies and incorporates the majority of the workforce into the system. Thirdly, reform the social safety policies of government agencies. Fourth, nail down the public aspect of social security policy and strengthen government responsibility for social security system.

6.0 3rd Plenary Session of 18th CPC Central Committee and social equity

A month and a half ago, the highly anticipated 3rd Plenary Session of 18th CPC Central Committee issued the communique and the point that receives most media and public attention is that market will play a decisive role in the economy. This is the first ever mentioning of such expressions in official documents of the Party, meaning that price is determined by market, resources will be allocated in an equal manner. In this context, all the players in the market mechanism will be treated equally and they will compete in an equal environment. Optimists predicate that with such determination, the economy will keep growing and China will successfully step over the middle class trap and become a developed country around 2020.

It is obvious that the Chinese leadership has keenly realized the seriousness of the problem. It is well observed that China’s economic growth is essentially driven by investment. As Figures 1-2 show, investment has been a substantial part of China’s GDP in since 2000—it amounts to over 69% of the total GDP in 2010! But a more damaging consequence of such an investment-dominant economic structure is the distortion in distribution. Thus, accompanied with the fast growth, we see a steady increase in the “mass social incidents”—the CCP jargon referring to demonstrations and riots: from 10,000 in 1993 to over 87,000 in 2008, and mushroomed to 180,000 in 2010.

Figure 1: China’s Investment, Trade Volume and GDP (2000-2010) (Million RMB)
Figure 2: China’s Investment, Trade Volume and GDP (2010) (Million RMB)

All these lead to the utmost challenge to the CCP leadership in the years to come. That is, the increasing demand and activities for political participation among the Chinese citizens. Ironically, the more successful the CCP is in promoting economic development, the stronger the demand for political participation, for the process of modernization, consequent of economic development, has fundamentally changed our way of life.

6.1 Public Participation

Max Weber famously argues that, the “basis of every system of authority and correspondingly of every kind of willingness to obey, is a belief, a belief by virtue of which persons exercising authority are lent prestige”, indicating the two key components underpinned political legitimacy is the belief in the rulers’ moral right to issue commands and the public’s corresponding responsiveness to obey such orders. Essentially, the stronger the belief of people’s accepting the rule, the greater legitimacy that the rulers enjoy. Participation originates from democracy and it is considered as a uni-dimensional phenomenon while Elections have been traditionally considered as the only way of political participation. Revolution is the most widely and exhaustive form of participation. The Chinese Communist Party (CCP) managed to mobilize all social forces to build a united front and took over power from the Kuomingtang (KMT) government. In 1949, the political legitimacy of CCP peaked. However, political movements after the foundation of the People’s Republic, especially the ten-year Cultural Revolution significantly undermined political legitimacy of its rule. The opening up and reform in 1979, initiated by Deng Xiaoping, redirected the ruling party’s attention from political movements to economic development. Yet, its huge economic success leads to a “legitimacy dilemma”: the better the CCP does in economics, the more political participation people would demand, which is not compatible with the current policy system.

Public participation has been a relatively new concept for Chinese. Such context that government officials are held accountable by votes is missing in China. The first and foremost barrier for public participation practices in the Chinese context is public awareness. Secondly, political risk is an unspoken but significant barrier. Cultural factor is another obstacle.

Despite these obstacles in the implementation of public participation activities in China, it is worthwhile the effort as there are limited channels for the public to
voice their suggestions or concerns. Participatory governance has really become a critical concept in today’s world. The rising demand for political participation will create momentum for championing agencies to carry on. However, we need to be pragmatic and should have pragmatic expectations over the result, design it in a feasible and implementable manner, and fit it into the Chinese context, making it acceptable by government, public and other stakeholders. In this way, public participation would be an effective tool for the ruling party to strengthen political legitimacy and will play a significant role in the nation’s moving towards a more political pluralistic society.

6.2 Chinese Urban Youth—the Future Middle-Class

On Dec 31st, 2013, President Xi Jinping made his very first new year speech. He said: “In 2013, we designed a general plan for deepening reform and outlined a grand blueprint for future development. In 2013, we will make concrete steps. The ultimate goal of our reform is to increase the wealth of the nation, promote social equity and improve the lives of our people. Reform is our dedicated career goal and we all need to make great efforts”. Additionally, President Xi emphasized the revival of the great Chinese nation, which has now become his brand of “China Dream”, including at least “a wealthy nation, an equal society and better life for all”. In this sense, Chinese urban youth is the most significant practitioner for the China Dream, at least the social equity dream.