

# Small cities bet big on talent

Low-profile towns vie for professionals, graduates as economic recast spawns an industry upgrade

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Earlier this year, Chen Hongyu, 28, received his doctorate in transportation management from Northwestern University, Illinois, in the United States; but little did he imagine he would pick Guiyang, a relatively low-profile city in Southwestern China, as his career launch pad, steering clear of the world's bustling metropolises that most of his classmates had gravitated to.

Guiyang is the capital of Guizhou province, one of the poorest regions in China — and definitely not what Chen might have aspired to, compared with career-minded Chinese professionals' preferred destinations such as first-tier city and innovation hub Shenzhen.

Guizhou may be poor now but, like many other less-developed provinces, it is rich in novel ideas and policies for attracting talent to its local enterprises, which, in turn, appear intent on transforming its economic fortunes.

Guiyang-based company Truck Alliance, a truck-hailing company in the mold of Didi and Uber, is one such company. A Northwestern PhD professor convinced Chen that Truck Alliance should be his natural first port of call.

"I never expected Guiyang to be the home of such a promising company," Chen says.

Last year, Truck Alliance merged with its arch rival to form Manbang Group, which is now China's largest truck-hailing company.

Like him, thousands of talented Chinese professionals are enthused about the prospect of landing their first job outside of metros and big cities. Beijing, Shanghai, Guangzhou and Shenzhen are no longer the only destinations for young job seekers looking to make it big and strike it rich. That marks a tectonic shift in Chinese professionals' mindset.

Experts attribute the shift to China's deepening economic restructuring. Smaller cities across the country are scrambling for talent that can help upgrade their corporate landscape, particularly high-tech industries, they say. At a simplistic level, it's a trend of demand for talent outstripping supply.

In terms of influx of talent, seven of the top 10 Chinese cities in the first quarter of this year were second-tier ones, according to online recruitment website Zhaopin, which claims it has over 140 million users.

Beijing remained at the top spot, but Chengdu overtook Shanghai and Guangzhou to emerge as the second-most competitive destination for careerists.

Li Qiang, senior career develop-

ment adviser at Zhaopin, says that in the past, imbalances in regional development in China led to concentration of talent in big cities.

"As smaller cities scramble to upgrade their industry, they are in desperate need of talent. Meanwhile, megacities are also concerned about a possible brain drain, that would erode their edge," Li says.

"Scramble" should mean just that. Changsha, the capital of central Hunan province, for instance, offered as much as 30,000 yuan (\$4,570; 3,900 euros; £3,450) to master's and doctoral degree-holders seeking to buy their first home in the city. It is also offering rent and living allowances to graduates for the first two years once they settle down in Changsha.

For its part, Chengdu is revamping its talent policy to give permanent residence to graduates and others with higher educational qualifications. It has also promised seven days of free accommodation for graduates who visit the city to look for jobs. As a special offer, the local government even pledged specialist researchers and entrepreneurs free visits to its panda breeding research base.

Not to be left behind, Wuhan, the capital of Hubei province in Central China, is launching an even more aggressive campaign.

Its pro-talent policies include allowing all former students who graduated within three years and working in the city to apply for its *hukou*, or local household registration, which entitles residents to good education for children, and medical services.

"Cities are vying for talent because people don't frequently change cities and jobs. Slow movers will likely miss a great future if they don't make the most of the current opportunities," says Lian Tao, co-founder of Xiaozhu, a Chinese home-sharing platform.

According to Lian, with technologies such as mobile internet playing an increasing big role in driving economic growth, opportunities abound in 15 new first-tier cities, including Hangzhou, Chengdu, Wuhan and Changsha.

"Internet applications are less driven by technological breakthroughs than by efficient operations. Companies don't necessarily have to be based in megacities to get a chance to succeed. Instead, the key is well-coordinated businesses operating in multiple regions," Lian says.

That is also why the company opened its second regional headquarters in Chengdu in April, where its business is growing at the fastest rate. It is confident of netting top-grade talent to meet its business needs.

But mounting competition among cities for talent is creating a few con-



cerns. Emphasis on quantity rather than the quality of jobseekers may not be the best strategy for economic transformation, experts say.

When Tianjin, a city bordering the national capital, Beijing, announced it would allow graduates under age 40 to obtain *hukou*, more than 300,000 people applied on the first day alone, which caused the local government's mobile app to crash. Tianjin had no choice but to swiftly amend the policy by raising the qualifying mark for applicants.

Experts say more efforts are needed to lay a deep foundation for industry. If smaller cities raise expectations but fail to offer hoped-for jobs and lifestyles to all newcomers, and if they fail to attain sustainable development, the influx of people could quickly become a burden.

"It is impossible for a city to create hundreds of thousands of jobs for newcomers overnight. In the short term, huge spending on subsidies and tax breaks will put pressure on local government finances. A city's

talent policies should demonstrate foresight and prudence," says Lin Bao, a researcher at the Chinese Academy of Social Sciences.

In the long term, if newcomers help cities to achieve breakthroughs in technologies and business, it will create more jobs, drive consumption and boost tax revenues, Lin says. But local governments may have to beef up their public services and products in the first place, and bolster the business environment as well as talent assessment systems.