

A Brief Discussion of New-Type Urbanization Theory for China

Wang Rongjing

School of Political Science and Public Administration
Southwest University
No.2 Tiansheng Road, BeiBei District, Chongqing,China.

Wang Bin

School of Political Science and Public Administration
Southwest University
No.2 Tiansheng Road, BeiBei District, Chongqing,China.

Abstract

The adoption of new-type urbanization strategy is an important decision for the on-going integrated and coordinated urban and rural development in China, and it is a must for the modernization of China as well. The realization of new-type urbanization will have great significance to China's economic and social development. This paper will discuss this new-type urbanization theory for China from perspectives including concept of new-type urbanization, meanings of its realization and key issues to be solved.

Keywords: new-type urbanization; concept; significance; issues

Introduction

It is an important strategic-level response of China towards the economic and social transformations in the new historic periods to implement new-type urbanization. For this strategy is still novel, there are no uniform understandings about its concept, contents, path and priorities. How to properly understand new-type urbanization, its meanings, its effects and paths of its realization is an important topic for the academia as well as the practitioners. The paper will discuss this topic from aspects including its concept, rules, meanings and priorities.

1. Concept and Rules for New-type Urbanization

New-type urbanization theory is proposed on the basis of China's basic realities, the practices summarized in China's urbanization, experiences and lessons from urbanization efforts at home and abroad and requirements from China's further development. It inherits the best of traditional urbanization mode, eliminates its weaknesses, and develops theory and practices.

Though no uniform definition for new-type urbanization exists, the academia and the various regions hold similar understandings about it. Usually new-type urbanization refers to the urbanization mode that follows the scientific development theory and observes the basic urbanization rules to adopt a human-centric approach that pursues balanced urban-and-rural development, harmonious society, environment friendliness, intensive development and reasonable scale and structure for comprehensively better urbanization quality and level. Comparing with traditional urbanization approach, the new-type urbanization focuses more on coordinated rural-and-urban development, intensive development, social aspects in urbanization, local factors of urbanization, urbanization coordination and better quality and contents of urbanization.

New-type urbanization is the natural response towards China's economic and social transformations and therefore has rich contents and keeps evolving. But however it is defined and it must follow the rules as below:

(1) New-type urbanization shall be guided by the scientific development theory. When China steps into a new stage and environment for its development, it is also imperative for its urbanization to change its mode. In new-type urbanization, it is necessary to well handle the various relations and conflicts emerging in urbanization and guide urbanizing practices with the fundamental norms, requirements and methodologies of the scientific development theory;

(2) New-type urbanization shall observe basic rules of urbanization. Urbanization is common in human's social and economic development and has its intrinsic development rules. According to the urbanization history in various countries, there might be different paths depending on specific country or region, but the common rules still govern all urbanization practices.

(3) New-type urbanization shall start from reality. When implementing new-type urbanization, the various regions need to consider their local factors and actual development level, and find the path towards new-type urbanization that reflects their own characteristics and development requirements and best addresses the key issues and conflicts in their social and economic development.

(4) It needs to learn from the lessons and the experiences from the urbanization practices at home and abroad when implementing new-type urbanization, to avoid repeating past urbanization failures that were ever made by overseas countries, and to generate scientific and reasonable urbanization policies on the basis of their successes.

2. Effects and Meanings of New-type Urbanization

New-type urbanization is the results of rethinking of traditional urbanization paths, the logic choice under the guidance of the scientific development theory, the solution required by China's economic and social transformations and the inevitable path towards a modernized China. By implementing new-type urbanization, the comprehensive effects and diverse objectives of urbanization will be handled with priority, the series of pain points in China's economic and social development will be successfully overcome by properly dealing with the various relations and issues emerging in urbanization, and in result, the economy and the society can develop in a comprehensive, coordinated and sustainable manner.

2.1. Expand Domestic Demand and Stimulate Economic Growth with New-type Urbanization

Viewing the economic growth since 1979, it can be seen that the take-off of China's economy is more fueled by export and FDI where domestic investments and demands are insufficient. The state strategy that focuses on exportation actually stimulates the economic growth and social changes, but also causes the economy to heavily on export and investments, rather than strong domestic demands. With the changes of world economy, particularly the slow-down in recent years, overseas demands become relatively weaker, while China is already the largest exporter in the world, leaving little room for further high-speed export growth. Under such circumstances, it is impractical for China to sustain economic growth solely with exports and investments, and the conflict between weak domestic demands and excess production capacity emerges to become the key issue in China's economy to be solved.

How to expand domestic demands and enrich the endogenous powerhouses for economic growth is the key for sustaining rapid economic and social development in the future. Urbanization as the largest potential source for domestic demands may create massive demands to support economic growth and reduce the reliance on exports and investments. In such sense, at current stage urbanization has become the most important growth point for the economy and will play supporting and leading roles in China's future economic development strategy. The implementation of new-type urbanization will drive investments and consumption and unleash China's largest domestic demand potential.

(1) The implementation of new-type urbanization is able to effectively drive demands for investments. Urbanization expands demands for investments by increasing the investments into infrastructure like housing, roads, communication, water, power, gas, heat and environment protection and public facilities like education, healthcare, culture, entertainment and community services and by driving the growth of related sectors. Moreover, with the aggregation of population and larger size of urban areas, new social demands will be generated to boost the development of various service careers. Relevant statistics reveal that urbanization can drive the development of 47 categories and 117 sub-categories of sectors.

(2) The implementation of new-type urbanization can accelerate the growth of demands for consumables. Urbanization can create large number of working opportunities to increase the revenue of urban and rural residents and hence their ability to consume for two reasons. Firstly, surplus rural labor will be migrated into urban area to take jobs in secondary and tertiary industries for income higher than what they can earn from agriculture. The migration of surplus rural labor also makes it possible to realize agriculture with scale economy that further improves the average income of rural labor.

Meanwhile, larger urban population and expansion of production and consumption will also increase the income of original urban residents, and their higher income will naturally stimulate their consumption potential. Secondly, the migration of rural populations into the urban area will lead to not only larger urban consumer base, but also higher consumption level and volume. After becoming urban dwellers, the migrated rural populations will have to give up their half self-sufficiency life style and increase consumption for livelihood, and the change of their consumption attitudes will also benefit consumption.

In short, urbanization offers massive social demand potential and hence can become the powerhouse for augmenting domestic demand and stimulate economic growth. The implementation of new-type urbanization strategy will keep the vitality of China's economy for minimum extra 20 years and provides a path leading to sustainable and healthy economic growth.

2.2. Bolster Urban and Rural Coordination and Co-growth with New-type Urbanization

In view of China's realities, the urban-rural dualism and the problems with agriculture, rural area and peasants are long established and have become the biggest barrier against China's modernization and the key hurdle for coordinated urban-rural development. Traditional urbanization theory puts focus on the development of urban area alone and consequently exacerbates urban-rural differences. To fundamentally end the urban-rural dualism, the new-type urbanization approach that pursues coordinated urban and rural development must be adopted to dismantle the systematic barriers against such coordination and to build new urban-rural relations.

(1)End urban-rural dualism with new-type urbanization. New-type urbanization pursues the coordination of urban-rural relations and the creation of equal systems and environments for both rural and urban areas. The history in China and in foreign countries shows that the pro-urban development strategy will aggravate the urban-rural dualism and undermine sustainable economic growth and harmonious social development, or even cause economy's stagnation and social instabilities. Such dualism can only be truly ended with the new-type urbanization that pursues coordinated urban-rural development, where in result agriculture can really be assisted by industry and rural area can really be supported by urban area.

(2)Stimulate flow of essential factors between urban and rural areas with new-type urbanization. New-type urbanization stresses both market orientation and government guidance, so that urban and rural resources can be reasonably leveraged and production factors like funds, labor, information, technology and talents can flow freely. Consequently the urban and rural economic activities will become more reasonable to form logical urban-rural economy architecture that benefits the effective interactions between and coordinated development of urban and rural areas.

(3)Equalize basic public service provision in urban and rural areas with new-type urbanization. New-type urbanization will overcome the barriers between urban and rural areas that are against free flow of investments and equalization of public services, extend urban infrastructure and public services into rural areas, and eventually modernize rural areas with urban civilization.

2.3. Change Development Mode and Restructure Economy with New-type Urbanization

New-type urbanization is an integral part of economic and social transformations and an important path for changing economic development mode. Different from traditional urbanization in which extensive development is common, new-type urbanization demands the change of patterns for building and developing urban areas and continuous improvement of quality and contents of urbanization while expanding the size of urban areas. Therefore, new-type urbanization stresses more intensive development in which resources can be efficiently allocated and intensively utilized, resources like land, water and energy can be better used and the resource consumption and environment costs can be reduced during urbanization and economic growth, so as to save resources and preserve environment. To achieve this, urbanization must be implemented in parallel with optimization and adjustment of industry structure, as well as the development of modern agriculture, industry and service sector, to produce synergy effects. Without the guidance and support from new-type urbanization, modern industry and agriculture will lack necessary conditions and marketplace, and the driving forces behind industry structure adjustment and optimization will be inadequate. New-type urbanization provides important stimulus to transformation and restructuring of economy.

(1) Implementation of new-type urbanization will stimulate the development of new-type industrialization. The rules of urbanization dictate that industrialization and urbanization would be complementary, the further the new-type urbanization is realized, and the further new-type industrialization will develop. On one hand, the advantages resulted from new-type urbanization, such as intensive and efficient development, reasonable economic structure, complete facilities and full functionalities will support the development of new-type industrialization. On the other hand, the new-type urbanization as characterized with intensive development will require that urban economy grow on basis of intensive utilization of resources and environment preservation. For this purpose, industry must grow in an intensive, efficient and environment-friendly manner, which forces industry to transform, optimize and upgrade.

(2) The implementation of new-type urbanization will stimulate agriculture modernization. Firstly the new-type urbanization requires to accelerate the process of converting peasants into urban residents so that they can be freed from dependence on farmlands and then farmlands can be centralized for economy of scale and agriculture industrialization and farming ways can be improved to pave basis for modern agriculture. Secondly, the new-type urbanization will generate and set free all kinds of social demands, diversify revenue sources by adding agriculture with living, ecological, tourism and cultural functions and ultimately, develop a modernized and highly efficient agriculture integrated with secondary and tertiary industries.

2.4. Overcome Growth Bottlenecks and Realize Coordinated Development with New-type Urbanization

Incorporating new-type urbanization as a strategic priority into economic and social development is the result of its contents and effects, as well as the requirement from China's development practices. Firstly new-type urbanization touches all aspects of China's social and economic development, and the prevailing hotspots and difficulties in today's China, such as the problems with rural area/agriculture/peasants, the problem with land acquisition and relocation, the conversion of peasants into urban residents, the housing price, the congestion in urban areas and the inadequate supply of public services are all directly or indirectly linked to the quality of urbanization. Secondly new-type urbanization requires the change of development philosophy and economic and social transformation, so various relations emerging in social and economic development, including urban-rural relations, industry-agriculture relations, industrialization-urbanization relations and the relations between economic growth, urban development and resources and environment, can be adjusted to overcome the conflicts and problems that can hardly be solved by traditional urbanization approach.

Implementation of new-type urbanization can produce strong and comprehensive effects. Given the realities in China and China's development mission, new-type urbanization is the key to solve the series of conflicts encountered in China's development. Firstly, only new-type urbanization that pursues integrated urban-rural development can effectively overcome key development issues like wide urban-rural differences, problems with rural area/agriculture/peasants and urban-rural dualism. Secondly, it is a fact that China has small amount of resources per capita, tensions between increasing population and decreasing available land, serious food safety concerns and heavy agriculture development tasks, and to fundamentally solve the conflicts between industrialization, urbanization, arable land availability and agricultural production, the only feasible approach is to adopt new-type urbanization that pursues intensive development. Thirdly, the economy needs to be restructured for better growth. The optimization and upgrading of industry structure and the growth of modern service sector needs the vehicles and marketplace provided by new-type urbanization, and the transformation of economic growth and the improvement of economic growth quality also needs the stimulus from new-type urbanization.

3. Key Issues to Be Solved in New-type Urbanization

Implementation of new-type urbanization is a complex system engineering that will involve many aspects of economic and social development. As there are no matured experiences to build upon and the environment, stage of development and key conflicts and problems to be solved vary with regions, the priorities of new-type urbanization will accordingly vary. Moreover, the quality of urbanization must be treated with high priority. Currently the following issues must be solved initially:

3.1. Coordinated Urban-rural Reform

Implementation of new-type urbanization requires system and mechanism innovations. As urbanization is the result of economic and social development, its realization and status is deeply influenced by policy and system factors.

Under different policy and system arrangements, its path and its realization/status will change significantly, so system and policy environment are important factors that determine the modes of urbanization. To implement new-type urbanization, it is necessary to further reform for integrated urban-rural development and to remove barriers against healthy urbanization.

Though China has done considerable efforts in reforming many areas that affect healthy urbanization, it still requires further reforms in urban-rural residence registration, land administration, social welfare, public finance and government governance, so that these supportive policies can be made completely and consistently.

(1) Continue reforms to residence registration by building residence registration system uniform to both urban and rural residents and easing the migration of rural populations into urban areas. The differential treatments to agricultural and non-agricultural residents will be abolished progressively, and instead, the residents will be registered and administered according to their location of residence only, with medium and large cities further loosening requirements for acquisition of permanent residence. To avoid disruptions to social administration and ensure the consistency of social welfare provided to various regions, new resident registration system shall be established in bottom-up way, i.e. from city to province and then to the state level.

(2) Continue reforms to employment and social welfare system and build an employment and social welfare system integrated for urban and rural areas. The differences in treatments about healthcare, pension, re-employment, children's education and housing between migrated populations and permanent urban residents shall be removed so that such two types of residents can access equal social security services. To resolve the conflicts arising from obviously differential treatments to urban and rural social welfare, a set of approaches that can consistently and smoothly narrow and eventually remove the differential treatments shall be developed. A complete rural social welfare system needs to be built as soon as possible to continuously expand its coverage and improve its insurance, so that the differences from the urban system can be reduced, and when time is right, be eliminated.

(3) Continue reforms to land administration and build land market integrated for urban and rural areas. The mechanism that can properly protect land rights of peasants shall be established to legally protect land rights of peasants. For any acquisition of rural land for non-agricultural purpose, either for commercial operations or for public interest, the concerned land shall be sold publicly at market price. The market for trading collectively-owned rural land shall be built, so that the peasants may trade land through various forms, including transferring or leasing their right-of-use, or using their right-of-use as equity, provided that the trading complies with land planning and usage control policies. Administration over rural land reserved for or used by collectively-owned buildings shall be tightened to improve intensive development of land in small towns/townships and rural communities. The policy for balancing urban and rural land usage shall be implemented in accordance with relevant state regulations, by protecting farmland and strictly enforcing land usage planning and reclamation planning.

(4) Continue reforms to public finance system and build a public service provision framework covering both urban and rural areas. The public finance system needs to be reformed by ending its preferential position towards upper-level government and urban areas, and the imbalance in financial budgets between urban and rural areas as well as towns/townships at different levels needs to be stopped by following the principle that budget shall be at par with duties. With public finance expenditures integrated for urban and rural areas and complete rural public finance system, rural infrastructure including transportation, water, power and communication and rural basic public services including education, healthcare and social security will be improved. In addition, rural public services will be provisioned at increasing quality level, so that peasants can eventually access basic public products and services similar to those for urban residents.

3.2. Coordinated Urban-rural Development

The wide gap between urban and rural areas has become the biggest hurdle that hinders healthy urbanization in China, and decreased rural development speed and urban-rural dualism are also persistent and chronic problems to China. The experience from various foreign countries shows that if urban and rural areas are developing in coordinated way is the key to success or not of urbanization and economic/social development. To implement new-type urbanization, the urban areas shall increase their support to and lead rural development, to narrow the gap between urban and rural development, particularly the provision of public services, realizing the coordinated development of urban and rural areas.

As it is a fact that the rural area, agriculture and peasants are intrinsically disadvantaged, coordinated urban-rural development relies on related system arrangements and strong guidance from government policies to support the co-growth of agriculture and rural areas.

(1) To break the urban-rural dualism, new-type urban-rural relations shall be established through system reforms and policy supports that can end the segregated development between urban and rural areas and build a system that makes them develop in a mutually supportive, complementary and interactive way.

(2) The development of urban and rural areas must be planned and laid out in integrated manner to stimulate the effective interaction between them. To implement new-type urbanization, urban and rural areas shall be planned and built as an organic and integral entirety, and their development shall be considered and coordinated from the angle of regional overall development. In this way, urbanization will become a process in which urban and rural areas absorb development factors from each other, merge with each other and develop together.

(3) Rural public finance budget shall be increased, particularly for investments into rural public product and service provision, so that urban infrastructure and public service framework can extend into rural areas. The development of urban and rural areas shall be conducted under the canopy of an overall planning that considers integrated arrangements for urban-rural public product provision, infrastructure including roads, communication, power and environment preservation, and public services including education, culture, healthcare and social security to improve the effective availability public products in rural areas.

3.3. Urban Society Integration

Given the massive migrant and peasant worker populations living in China's urban areas, it is an important and real issue for China to integrate society during urbanization. Though the agricultural and non-agricultural populations differentiated by residence registration system is a phenomenon unique to China, problems associated with newly-formed urban resident groups comprised of peasant emigrant populations are common in the urbanization of all foreign countries. There are lessons to learn from, such as those in India and Latin America, and successes to clone, such as those in leading industrialized countries like England and Germany as well as emerging industrialized countries like South Korea. The failures and successes in those countries evidence that if the emigrant peasant population can't be successfully integrated into urban society, massive urban poverty-stricken groups and slums will be created, leading to dualism within urban areas, deepening social conflicts and causing serious social problems. In addition, a nationwide and extensively-benefiting social security system that can successfully convert emigrant populations into urban residents is the generic experience from all foreign countries that have successfully transformed from rural society into modern urban society and the indispensable requirement for healthy urbanization in China.

In implementation of new-type urbanization, the economic growth and social development shall be balanced to accelerate social integration and help the society to develop in harmonious way.

(1) The ownership of urban and rural residents in urbanization shall be respected, and various problems and conflicts emerging during urbanization, such as protection of land rights of peasants, employment of landless peasants, relocation of urban residents, urban poverty and conversion of peasant workers into urban residents, shall be resolved with human-centric and pro-livelihood approach to ensure the legal rights belonging to urban and rural residents.

(2) The pace for converting peasant workers into urban residents shall be accelerated to stimulate the integration of urban population groups and avoid urban dualism. Emigrant urban resident populations shall be treated the same as permanent urban residents, and the real problems that they are facing, such as employment, housing, healthcare and education of their children shall be solved with concrete measures. It is also encouraged to actively explore the possibilities of making available to them social welfare services concerning healthcare, pension, education and housing and equal to those for permanent urban residents, so that emigrant and permanent urban populations can access equal basic public services and social welfare.

3.4. Modernization of Urban Areas

To implement new-type urbanization, urban areas shall be further modernized. Currently half of China's population is living in urban areas, and number and sizes of cities/towns/townships have increased greatly together with improvement in their appearances, but their infrastructures and public service systems are weak in availability and handling capabilities, causing poor service quality.

The increasingly serious urban transport congestions, frequent urban waterloggings and social services that are short in supply, high in price and poor in quality, e.g., education, healthcare, culture, sports and pension, which all indicate that urbanization in China is of poor quality, lack of functions and low in modernization level. China has already become an urbanized country, so it needs to improve the functions, public service availability and handling capacities of cities/towns/townships, and in the meantime, social demands also transform from more quantity-wise in the past to both quantity- and quality-wise, so the services provided by cities/towns/townships shall be improved to meet the requirements from their residents for life of higher quality.

Urban infrastructure and social service facilities are the basics to ensure urban lives and the basis for a highly-efficient urban system. To implement new-type urbanization, the service availability and throughput of public service facilities must be improved.

(1) Improve urban infrastructure, increase urban infrastructure investments and adopt stricter construction standards, to continuously increase availability and throughput of urban public facilities. These efforts shall focus on building and improving urban infrastructure like transport, water, power, gas, heat, environment preservation and communication, particularly disaster prevention and reduction facilities, to make urban areas more safe places. Urban garbage and sewage processing facilities also need to be improved to increase their throughput and reduce environment pollution.

(2) Improve quality and level of social public services. Social service facilities and ability building needs to be further developed to build a more complete public service network covering education, technology, healthcare, culture, sports, with special attention to improvement of community public service facilities at grassroots.

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