

Is Chinese Urbanisation Unique?

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Introduction

The future of cities in China is increasingly important: not just within China, but globally. China has gone from being a poor, largely undeveloped, rural agrarian based economy until 1978 when Deng Xiao Ping initiated his opening up programme, to being the second largest economy in the world measured at market prices and the largest in terms of purchasing power parity. Its urban population has grown from about 200 million in 1980 to about 750 million or 60% in 2020: that is about twice the total population of the USA and 1.5 times the total population of the EU. China has over 100 cities with over a million people. China has an important role in global urbanisation.

But, urban development in China is unlike urban development in the west, and very unlike that in many developing countries. Unlike many western countries which often share a broadly similar economic and political history (free market or mixed economy, social democratic regimes etc), China is very different, both economically and above all, politically. Despite the growth of a large, dynamic market sector, China is still a Communist country in terms of the widespread and leading role of the party. It is officially labelled as Socialism with Chinese characteristics, though some see it as Capitalism with Chinese characteristics

What is not in doubt is the crucial role of the state at both central and local level. This has had massive influences on urbanization, not least in terms of central government policy to dramatically increase the percentage of the population who are urban. In general, this kind of direction simply does not occur in western countries. The scale and pace of urbanization in China in the last 40 years has been so remarkable in scale, speed and extent that it is the largest and probably the most rapid urbanization the world has ever seen.

This raises a question whether the urbanization process in China is so unusual by virtue of its particular political system, local authority land finance system

and the rapidity and scale of its development process that it is a unique case outside conventional generalizations about urban change processes. Or are there major parallels and similarities to urban experience in other countries albeit with big differences, so that we can see China as a special or particular case of more general processes seen elsewhere across the globe? Some argue that China can be put in a similar category to that of Russia and the Eastern European countries which all experienced a long period of state socialism but have subsequently reverted to a market economy, but it is very questionable as much of the economy, and land ownership is still dominantly state controlled, and the party is paramount. There are also important issues about the hukou system, internal migration, the land taxation system and the key role of local government in development. I think that Chinese urbanization may be unique. At best, it cannot simply be incorporated into a more general urban theory without very major caveats.

Urbanisation in China: scale, speed and extent

The scale of urbanisation in China has been unparalleled in both scale and its rapidity. In terms of scale there is nothing to match China although the speed of urbanization of Britain during industrial revolution and the USA in the late nineteenth century was also very rapid and compressed.

One of the major drivers has been rural to urban migration on a massive scale driven by the desire of rural migrants to increase their standard of living. There are perhaps 200 million rural migrants in Chinese cities, many living in cramped conditions in urban villages on the city periphery. Crucially, because of the locality based citizenship restrictions most of them do not possess an urban hukou and they are not eligible for city based education, housing or medical care. All countries undergoing rapid urbanisation experience large scale rural to urban migration but China's hukou system sets it apart from other countries.

The role of the state

It is arguably the political dimensions of Chinese urbanisation which make it so unusual. First, urbanization is happening partly as a result of government policy to move people out of agriculture into cities in an effort to increase productivity and living standards. Second, the state, both central and local, is profoundly important in setting the framework for urban expansion and as a

key player in the process. This is partly because the state is the monopoly owner and supplier of urban land, partly because of the drive of local officials to grow and expand their cities in order to increase their influence and importance and because of the unusual basis of local government funding in China where cities fund their activities in part by the acquisition and conversion of rural land to urban use and sold to developers to generate income. There is a strong, built in, incentive to developing rural land. Most Chinese cities have witnessed massive extensions and expansion, and in most cases these were planned and overseen by the local state even though development companies implement.

Rural land acquisition and urbanisation.

Where China is very different is in the process of rural land acquisition and transformation to urban land uses. This has taken place on a huge scale as rural counties administratively become urban areas and the farm land is re-designated for urban uses. Through this process cities have expanded hugely into surrounding previously rural areas. The farmers are compensated for the loss of their land and livelihoods by new apartments. The administrative area of some cities stretches 30-50 km beyond the city but the built up urban area is much smaller.

The transformation of existing urban areas: redevelopment and gentrification

The form of the housing market in China underwent massive changes in the late 1990's as a result of a move to a predominantly market based system. The old work units (danwei) were privatised or sold and most new housing is now commodity or market housing with some housing provided to compensate households experiencing redevelopment or rural land expropriation

There are superficial similarities to western experience in terms of inner city redevelopment, social upgrading and displacement, but the fundamental difference is that the process is usually state initiated, and takes place rapidly, accompanied by mass displacement and can be on a very large scale. The pre-existing poor, low income property owners are generally relocated to the urban periphery This is how large areas of old inner city housing in Chinese cities, have been cleared and redeveloped. But the social consequences are

very often disruptive as communities are broken up and social networks are destroyed. Inner city land is then sold to be redeveloped for offices or luxury apartments. But many of the households relocated from the inner city often lived in very poor, cramped, housing, sometimes without water or sanitation. For them, relocation has offered large new modern compensation flats albeit on the periphery. The state leads and market follows.

The housing market

Housing prices in Beijing and Shanghai are now broadly comparable to those in cities like London and housing affordability is a massive problem with house prices in second and third tier cities also increasing rapidly. House price booms (and busts) are common in many western countries. But so far China has not had a big housing market collapse. Many commentators dread to think what would happen if and when this occurs. So many people in China are invested so heavily in residential property, much of which is empty, that a serious house price collapse is likely to trigger a major national financial crisis unless the state steps in to prop up housing market through guaranteed prices or mortgages. Gan estimated using novel measures such as electricity bills, that there are currently about 50 million empty apartments in China, most of which have been built or bought speculatively and currently remain empty. There are large peripheral parts of some cities where blocks of apartments or developments have remained empty since construction.

Conclusions

So how can we answer the question of whether Chinese urbanisation is unique? or are there broadly similar overall global processes (suburbanisation, regeneration, redevelopment) and we just need to analyse and discuss how they manifest themselves in China? I do not we can try to incorporate Chinese urbanisation into existing western dominated literature without a very clear understanding of the major differences between Chinese and western or third world experience.

My provisional conclusion is that Chinese urbanisation and processes are so different from both western and other developing country experience that it is difficult to subsume them. We can certainly look at suburbanisation or



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gentrification or social segregation or any other processes and look at parallels and differences but the underlying structural differences in terms of the role of the state and the market, the nature of land ownership, the lack of citizen level input into decisions, and the dominance of the state all point to a very radically different form of urbanisation...urbanisation with Chinese characteristics.