

CHINA 中国 TODAY

# URBAN CHINA

XUEFEI REN





**URBAN CHINA**

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**China Today series**

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# URBAN CHINA ---

Xuefei Ren

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For the migrant workers in China





# Contents

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|                           |      |
|---------------------------|------|
| <i>Figures and Tables</i> | viii |
| <i>Map</i>                | ix   |
| <i>Chronology</i>         | x    |
| <i>Preface</i>            | xiii |
| 1 China Urbanized         | 1    |
| 2 Governance              | 32   |
| 3 Landscape               | 86   |
| 4 Migration               | 116  |
| 5 Inequality              | 145  |
| 6 Cultural Economy        | 170  |
| <i>Conclusion</i>         | 191  |
| <i>Notes</i>              | 197  |
| <i>Bibliography</i>       | 203  |
| <i>Index</i>              | 215  |

## Figures and Tables

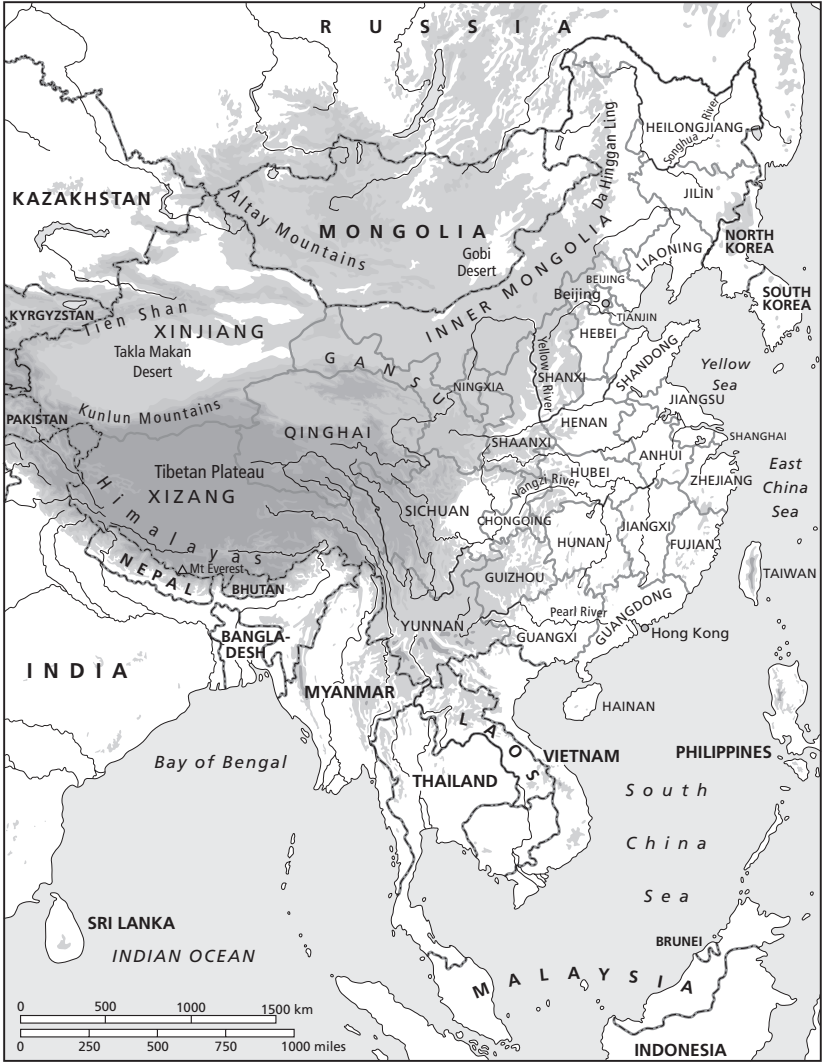
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### Figures

|  |    |
|--|----|
| 1.1 Urban population shares in the national population, 1949–2010      | 10 |
| 1.2 Map of major urban regions   | 13 |
| 1.3 Map of Special Economic Zones and other cities with special status | 29 |
| 2.1 China's formal administrative hierarchy                            | 38 |
| 2.2 Housing prices in Beijing, 2001–2010                               | 68 |
| 2.3 Map of the Pearl River Delta                                       | 78 |

### Tables

|  |     |
|--|-----|
| 1.1 China's GDP growth rates, 1978–2010  | 2   |
| 1.2 Shares of GDP and annual growth rates for primary, secondary, and tertiary industries, 1978–2010 | 3   |
| 1.3 Number of cities in different size categories, 1995–2009   | 11  |
| 1.4 15 Largest cities in 1981 and 2010: a comparison   | 12  |
| 1.5 Changes in the number of Chinese cities, 1981–2009   | 16  |
| 2.1 20 Largest Chinese companies in 2011   | 48  |
| 4.1 Housing types and availability for migrants in cities  | 120 |



# Chronology

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|               |   |
|---------------|---|
| 1894–95       | First Sino–Japanese War   |
| 1911          | Fall of the Qing dynasty  |
| 1912          | Republic of China established under Sun Yat-sen   |
| 1927          | Split between Nationalists (KMT) and Communists (CCP); civil war begins                               |
| 1934–5        | CCP under Mao Zedong evades KMT in Long March   |
| December 1937 | Nanjing Massacre  |
| 1937–45       | Second Sino–Japanese War  |
| 1945–9        | Civil war between KMT and CCP resumes   |
| October 1949  | KMT retreats to Taiwan; Mao founds People’s Republic of China (PRC)                                   |
| 1950–3        | Korean War  |
| 1953–7        | First Five-Year Plan; PRC adopts Soviet-style economic planning                                       |
| 1954          | First Constitution of the PRC and first meeting of the National People’s Congress                     |
| 1956–7        | Hundred Flowers Movement, a brief period of open political debate                                     |
| 1957          | Anti-Rightist Movement  |
| 1958–60       | Great Leap Forward, an effort to transform China through rapid industrialization and collectivization |

- 
- March 1959 Tibetan Uprising in Lhasa; Dalai Lama flees to India
- 1959–61 Three Hard Years, widespread famine with tens of millions of deaths
- 1960 Sino–Soviet split
- 1962 Sino–Indian War
- October 1964 First PRC atomic bomb detonation
- 1966–76 Great Proletarian Cultural Revolution; Mao reasserts power
- February 1972 President Richard Nixon visits China; “Shanghai Communiqué” pledges to normalize US–China relations
- September 1976 Death of Mao Zedong
- October 1976 Ultra-Leftist Gang of Four arrested and sentenced
- December 1978 Deng Xiaoping assumes power; launches Four Modernizations and economic reforms
- 1978 One-Child family-planning policy introduced
- 1979 US and China establish formal diplomatic ties; Deng Xiaoping visits Washington
- 1979 PRC invades Vietnam
- 1982 Census reports PRC population at more than 1 billion
- December 1984 Margaret Thatcher co-signs Sino-British Joint Declaration agreeing to return Hong Kong to China in 1997
- 1989 Tiananmen Square protests culminate in June 4 military crackdown
- 1992 Deng Xiaoping’s Southern Inspection Tour re-energizes economic reforms
- 1993–2002 Jiang Zemin is president of PRC, continues economic growth agenda

- November 2001 WTO accepts China as member
- August 2002 World Summit on Sustainable Development held in Johannesburg; PRC ratifies 1997 Kyoto Protocol to the United Nations Framework Convention on Climate Change
- 2003–present Hu Jintao is president of PRC
- 2002–3 SARS outbreak concentrated in PRC and Hong Kong
- 2006 PRC supplants US as largest CO<sub>2</sub> emitter
- August 2008 Summer Olympic Games in Beijing
- 2010 Shanghai World Exposition
- 2011 50 percent of the national population live in urban areas
- 2012 Xi Jinping is president of PRC

## Preface

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China was historically an agrarian society with the majority of its population engaged in farming and living in rural areas, and this configuration continued until the last quarter of the twentieth century. When the People's Republic of China (PRC) was established in 1949, only 10 percent of the national population lived in cities and, at the dawn of the market reform in 1978, the figure was still less than 20 percent. However, the country has aggressively urbanized since, adding more than 400 new cities and hundreds of millions of urban residents over the last three decades. In 2010, according to the National Bureau of Statistics, about 50 percent of the national population lived in urban areas, 129 Chinese cities had over 1 million residents, and another 110 cities had a population of between half a million and a million. These shifting demographic trends are certainly striking, but the urgency to study Chinese urbanization comes from a different source, that is, the deeper transformation of Chinese society, as manifested in the changing governing institutions, the redistribution of wealth, and the remaking of citizen rights. This book sets out to understand how China has urbanized over a short period of time and what an urbanized China means for its citizens and for the rest of the world.

Before the market reform, China was a two-class society with its population divided into the urban and rural sectors. This configuration was made possible by the enforcement of the *hukou* system, which basically locked each Chinese citizen into a single locality and restricted population movement. In the socialist years, the rural sector was

organized around People's Communes, and the urban sector was governed through work units. The rural population was squeezed and exploited to support various industrialization and modernization projects, and the urban population was provided welfare benefits by the state through work units and was better protected from major calamities, such as the Great Famine (1958–61) which caused at least 15 million deaths, mostly in the countryside. This two-class society began to change in the 1980s, as the countryside went through rapid industrialization, and, over the last two decades, the former socialist governing institutions in both the rural and urban sectors have fallen apart or been transformed. The People's Communes were abandoned, work units faded away with reforms of state-owned enterprises, and the *hukou* system has also been reformed in order to allow people to move around and to stimulate the economy. Moreover, major decision-making power has shifted from central ministries to territorial authorities at different scales, especially at the city level. City governments have become powerful players in promoting economic growth and engineering social change.

Urbanization in China has also changed the distribution of wealth and benefits and produced new patterns of inequality. The emergence of the first generation of Chinese billionaires and Fortune 500 companies is accompanied by the swelling ranks of people under the Minimum Living Standard Program – the working poor, the laid-off and unemployed, and impoverished peasants. The 2010 census also recorded 221 million migrants, and most of them have followed the rural-to-urban route. While working and living in the city, rural migrants do not have the same entitlements as their urban counterparts, and this disparity is especially felt by the second-generation migrants who grew up in cities, have no experience in farming, and see themselves as urbanites. In recent years, the sharp inequality has triggered widespread protests, with peasants contesting their land being taken away, middle-class homeowners protesting encroachments on their rights, and workers



mobilizing for better wages and treatment. Thus, the new Chinese city has become a strategic site where citizen rights are being reformulated.

A critical analysis of China's urban transition can also bring insights to a number of broader issues, such as the Chinese economy, globalization, and urban theory. First of all, studying China's cities can help us better understand the origin of the Chinese economic miracle. China's economic ascent and its urbanization are closely intertwined, and to understand the economic miracle, one needs to recognize the critical role played by its cities in these processes. Chinese cities, especially the large ones, are the engines driving economic growth in the market-reform era. This is not an arbitrary circumstance, but rather the result of particular policy choices made by the country's top leadership. In the 1990s, the central government began to position large cities at the frontier of economic development by selectively allocating resources and favorable policies to these localities, often at the expense of smaller places and the countryside. The urban bias in policymaking has reshaped the growth trajectory of the Chinese economy since the early 1990s – from rural-centered to urban-centered – and resulted in uneven patterns of development.

China's urban transition also offers a vantage point for understanding the interconnectivity of the global economy. China's urbanization did not happen in a vacuum, but was accompanied by close interaction with the larger world economy. From the sleek skyscrapers in Shanghai to the state-of-the-art Olympics facilities in Beijing and iPhone factories in Shenzhen and Zhengzhou, Chinese cities are remade by transnational flows of capital, information, and expertise. The transformation of the urban economy, communities, and landscape tells a larger story of globalization.

The unprecedented urban growth in China also presents an intriguing case with which to reflect on urban theory developed in the context of Western urbanization. Different from London, New York, Chicago,

or Detroit, Chinese cities, and also many other cities in the global South, did not experience high Fordism and the post-Fordist transition, which constitute the basis for major theorizations on urban governance in the West. Although contemporary Chinese cities exhibit similar tendencies of entrepreneurialism and neoliberalization, the causes often have to be sought in developments other than deindustrialization and urban decay, which are not happening or at least have not happened yet in China. A thorough understanding of China's urban transition can open exciting paths for developing new urban theory and vocabularies.

The field of urban China studies has flourished with an extraordinary scholarly output from several disciplines. The main subjects of debate in the field include land and housing reforms, central–local relations, entrepreneurial governance, transformation in the built environment, and rising inequalities. The predominant analytical framework is the institutional approach, which seeks to understand China's urban transition from the perspective of market and state institutions, and the interactions between the two. After more than two decades of research endeavors, we now have a very good picture of the social-spatial restructuring of Chinese cities.

While major progress has been made, there are still a number of glaring gaps to be addressed with continued research. First of all, we still do not know much about the socio-spatial transformation happening in medium and small-sized cities. Most studies so far have focused on the largest cities, such as Beijing, Shanghai, Guangzhou, Chongqing, and Shenzhen. Although there are a moderate number of studies on a handful of second-tier cities, such as Shenyang, Dalian, Xi'an, Kunming, and Wuhan, little is known about the rest of the 600-plus Chinese cities. Readers may find an over-representation of large cities in the case studies in this book, which reflects the current development of the field. During my literature research in both Chinese and English publications, I found that a vast majority of the scholarship

focuses on about 10 to 15 of China's largest cities. Whenever possible, I included examples from smaller cities, towns, and villages to show regional diversities and variations. The bias toward the largest cities is not unique to urban China studies, but can be observed in the whole field of global urban studies. So much has been written about the top-tier global cities such as New York, London, Paris, Chicago, and Los Angeles, but relatively little is known about smaller places that are off the radar of urban researchers. In China, small and medium-sized cities are growing even faster than large cities and they provide new frontiers for future research.

Moreover, although certain topics have been thoroughly examined, such as land and housing reforms, other topics have been largely left out, such as gender and the city, ethnic relations in the city, cultural industries, media and the city, the urban food system, and the particularly pressing issue of urban environmental policies and climate change. As these topics get more research attention, we will gain a much fuller picture of the Chinese city.

Lastly, although urban China studies has made significant progress in documenting empirical developments, the field has not made equal progress in reflecting what the Chinese urban experience tells us about existing urban theory, and what role Chinese urbanization plays in the larger system of global capitalism. In the field's current state of development, scholars often borrow theoretical tools and concepts from the West, and compare similarities and differences between the Chinese city and the Western city. This is a first step for advancing comparative urban studies, but the necessary next step is to reflect critically on what Chinese urbanization entails and what it can tell us about the larger world-historical juncture at which we are living. As the frontier of urbanization has unmistakably shifted to Asia, we need new theoretical tools and vocabularies to study this urban process, instead of working the other way around – that is, using urbanization in Asia to prove, reject, or revise Western urban theory.

The motivation for writing this book comes from my own experience of teaching about urban China. For use in my courses, I could not find a single sole-authored book that could give a comprehensive treatment of the Chinese urban condition and engage both specialists and non-specialists. So far, the majority of the scholarly output on Chinese cities has been in the format of specialized journal articles, together with a few research monographs and edited volumes. Most of these publications engage exclusively with specialists and require substantial knowledge on the part of readers in order to follow the debates and exchanges. Moreover, as often pointed out, many publications on Chinese cities are overly empirical, and they become outdated only two to three years after publication. With these shortcomings in mind, this book aims to provide a comprehensive yet critical analysis of Chinese urbanization in an accessible manner.

Drawing upon both the secondary literature and some of my own work, this book examines the past trajectories, present conditions, and future prospects of Chinese cities by investigating five interrelated topics – governance, landscape, migration, inequality, and the cultural economy. Chapter 1 introduces the debate on the rise of China, urban demographic shifts, and the historical evolution of China's urban system. Chapter 2 examines the changing governing structures and institutions, such as the Communist Party, *danwei*, *hukou*, community organizations, governments at different levels, and non-state actors. It also discusses in depth land and housing reforms, infrastructure financing, and the governance of mega-urban regions. This chapter lays a foundation for better understanding other topics in the book and, after chapter 2, readers can skip to any other chapters of interest. Chapter 3 examines landscape changes, discussing a variety of settlement types found both at the center and on the periphery of cities. Chapter 4 examines migration, with particular attention paid to the formation of ViCs (Villages-in-the-City, or migrant enclaves), the factory labor regime, labor protests, and state responses. Chapter 5 examines new

patterns of social and spatial inequality and highlights the role of urban renewal in producing wealth and poverty. Chapter 6 introduces the cultural industries, with examples of consumption, nightlife, and art districts. It shows how the urban cultural economy brings both freedom and disempowerment, and how cultural industries have given rise to new forms of state control and intervention. The central theme running through all chapters of the book is the changing citizenship entailed in the urban process, and the various examples demonstrate how the Chinese city has become a strategic ground for reassembling citizen rights.

As the academic life has become more mobile than ever before, I have found myself researching and writing this book in different parts of the world. The first half of the book was written in the spring semester of 2010 at Michigan State University and the following summer in Paris. The second half of the book was written when I was a fellow at the Woodrow Wilson International Center for Scholars in Washington, DC, from September 2011 to May 2012, while simultaneously working on another book project comparing urban governance and citizen rights in China and India. Reading about Indian cities has certainly given me many new perspectives on the Chinese urban condition. One major observation I want to share with the readers of this book is that India, and probably other developing countries as well, have learned many wrong lessons from China, such as setting up Special Economic Zones, advocating massive investments in infrastructure, hosting mega-events, and pushing urban renewal by displacing the poor. Indian cities face many problems and challenges, to be sure, such as housing shortages, poor infrastructure, and high levels of poverty. But following the Chinese model cannot solve these problems. As the Chinese experience shows, massive investment in infrastructure has put local governments in deep debt, and the shining new infrastructure projects often become profit-making machines for private-public partnerships. Hosting mega-events such as the Beijing Olympics

has not brought many benefits to the people living in post-event cities, and the Shanghai style of urban renewal has displaced millions of the poor and turned inner-city neighborhoods into exclusive colonies for transnational elites. One of my goals in writing this book is to demonstrate the consequences of Chinese-style urban development and provide a cautionary tale for other cities aspiring to remake themselves into Shanghai. Contrary to the notion of “fast policy transfers,” the urban development strategies used in China, as this book shows, have to be unlearned.

I would like to thank the reviewers and my editors at Polity Press for their useful comments and suggestions. My copy-editors Rachel Kamins in Washington, DC, and Helen Gray for Polity Press made all the difference to the text. Shenjing He, Guo Chen, Peilei Fan, Jiang Xu, Yasushi Matsumoto, and Anthony Orum read the whole manuscript and provided useful feedback. My students in the undergraduate seminar “China and Globalization” – from 11 majors across the campus – gave me many ideas on how to make the book accessible to non-specialists. I would like to thank Michigan State University for providing generous research support, and the Woodrow Wilson Center for providing a comfortable yet stimulating environment that made concentrated research and writing not only possible, but also enjoyable.

## THE RISE OF CHINA

In 1978, when Deng Xiaoping, the chief architect of China's market reform, returned to leadership after the Cultural Revolution, China was still a backwater – a developing society with a large rural population, an outdated manufacturing sector, and dilapidated housing stock and infrastructure in urban areas. After three decades of market reform, China surpassed France in 2005 and Germany in 2007 to become the third largest economy in the world. And merely three years later, in 2010, China finally overtook the economic powerhouse of Japan, and became the second largest economy next to the United States. From 1978 to 2010, China's GDP grew at 9.99 percent per year on average, which was the highest continuous growth rate among the world's nations (tables 1.1 and 1.2). Its per capita GDP in 2010 was 29,992 RMB (about 4,837 USD), 79 times higher than in 1978 (about 61 USD) when the reform began.<sup>1</sup> Although the benefits of the market reform are unevenly distributed, the continued economic growth has nevertheless lifted hundreds of millions of Chinese out of poverty, and China has finally joined the league of middle-income countries.

China's economic rise has presented an interesting puzzle for social scientists, and scholars have been debating why the country has grown so fast in a relatively short period of time. Two different, but complementary, perspectives can be observed in the debate on China's rise. The first views China's extraordinary growth as part of the worldwide trend of neoliberalization that began in the late 1970s. It relates China's

Table 1.1: China's GDP growth rates, 1978–2010

|      | <i>GDP GROWTH RATES</i><br>(IN %) | <i>PER CAPITA GDP</i><br>(IN RMB) |
|------|-----------------------------------|-----------------------------------|
| 1978 | 11.7                              | 381                               |
| 1979 | 7.6                               | 419                               |
| 1980 | 7.8                               | 463                               |
| 1981 | 5.2                               | 492                               |
| 1982 | 9.1                               | 528                               |
| 1983 | 10.9                              | 583                               |
| 1984 | 15.2                              | 695                               |
| 1985 | 13.5                              | 858                               |
| 1986 | 8.8                               | 963                               |
| 1987 | 11.6                              | 1,112                             |
| 1988 | 11.3                              | 1,366                             |
| 1989 | 4.1                               | 1,519                             |
| 1990 | 3.8                               | 1,644                             |
| 1991 | 9.2                               | 1,893                             |
| 1992 | 14.2                              | 2,311                             |
| 1993 | 14.0                              | 2,998                             |
| 1994 | 13.1                              | 4,044                             |
| 1995 | 10.9                              | 5,046                             |
| 1996 | 10                                | 5,846                             |
| 1997 | 9.3                               | 6,420                             |
| 1998 | 7.8                               | 6,796                             |
| 1999 | 7.6                               | 7,159                             |
| 2000 | 8.4                               | 7,858                             |
| 2001 | 8.3                               | 8,622                             |
| 2002 | 9.1                               | 9,398                             |
| 2003 | 10.0                              | 10,542                            |
| 2004 | 10.1                              | 12,336                            |
| 2005 | 11.3                              | 14,185                            |
| 2006 | 12.7                              | 16,500                            |
| 2007 | 14.2                              | 20,169                            |
| 2008 | 9.6                               | 23,708                            |
| 2009 | 9.2                               | 25,608                            |
| 2010 | 10.3                              | 29,992                            |

Source: *China Statistical Yearbook 2011*, [www.stats.gov.cn](http://www.stats.gov.cn)