

Urbanization in China: how different?

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Who am I?

- Emeritus professor of urban geography at King's college London.
- I first visited China 30 years ago in 1989 visiting the Pearl river delta when it was still agricultural.
- First trip to Shanghai in 1995 and then all over China, Guilin, Xian, Beijing, Ningbo, Changchun, Shenyang, Chengdu, Urumuchi
- Visiting professorships UESTC, Chengdu (2016-2019) and Renmin university, Beijing (2019-...)

The urbanisation of China: how different?

- We know that China has undergone very rapid urbanisation in the last 40 years.
- I want to raise two questions in this talk – How different is the urbanization process in China from that in western countries?
- To what extent are there any similarities with the processes of urbanisation experienced in the west and other countries?

Structure of presentation

- I will break the presentation into 3 parts. First the scale and speed of urbanization. Second, the causes of urbanisation, third the structure of governance and the process of urbanisation
- The scale and speed of transformation modern China is astonishing. It has gone from one of the poorest countries in the world under Mao to the world's 2nd largest economy in just 40 years since Deng Xiao Ping's modernisation of China in 1978.

Chinese urbanization: Size and speed

- The key feature about Chinese urbanization is its immense size and unbelievable speed.
- It is by far the biggest, and one of the most rapid urbanisation process in global history.
- Massive urban growth in just last 40 years.
- China now has over 100 cities with over one million population. Today 860 million people in urban areas and by 2050 a projected billion people in urban china. Two views of Shanghai.

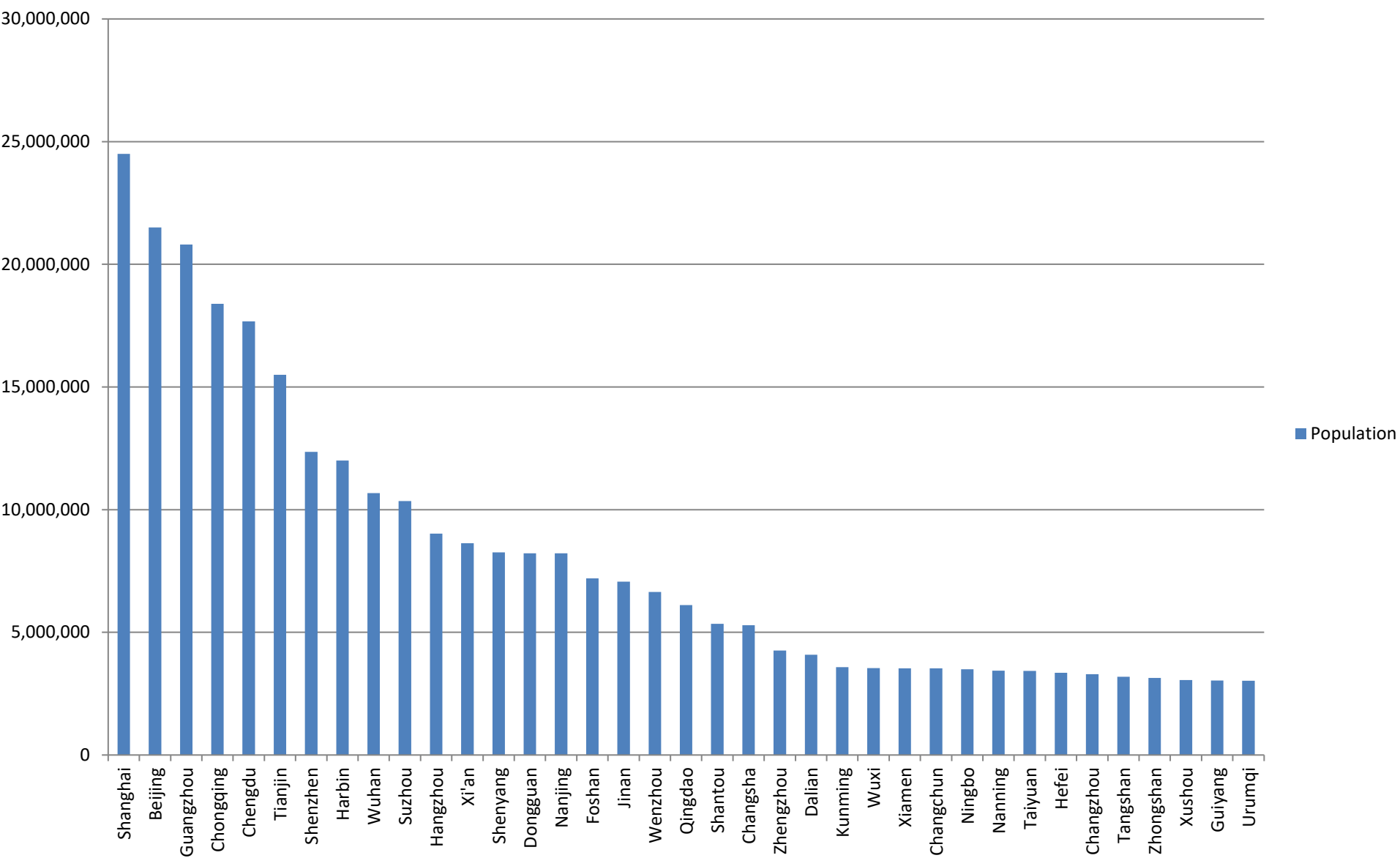




Growing urban population of China

- The urban population of China
- In 1960 100 million, 16% of total population.
- In 1990 300 million, 26% of total population.
- In 2012 700 million, 52% of total population
- In 2020 860 million, 61% of total population.
- The total population of the EU in 2020 was 448 million. The urban population of China is almost twice the total population of the EU.

Chinese cities over 3 million people, 2016, in size rank order



Problems of comparisons

- European and China comparisons are very difficult. Most large European cities (> 1million people) would be a small city in China. Large towns in Europe are small towns in China. Some villages in China can be > 20,000 people.
- The China urbanisation process is on a scale and a speed completely different from that in the West. Massive outwards growth and suburbanisation.
- Western experience is not necessarily a useful guide to China.

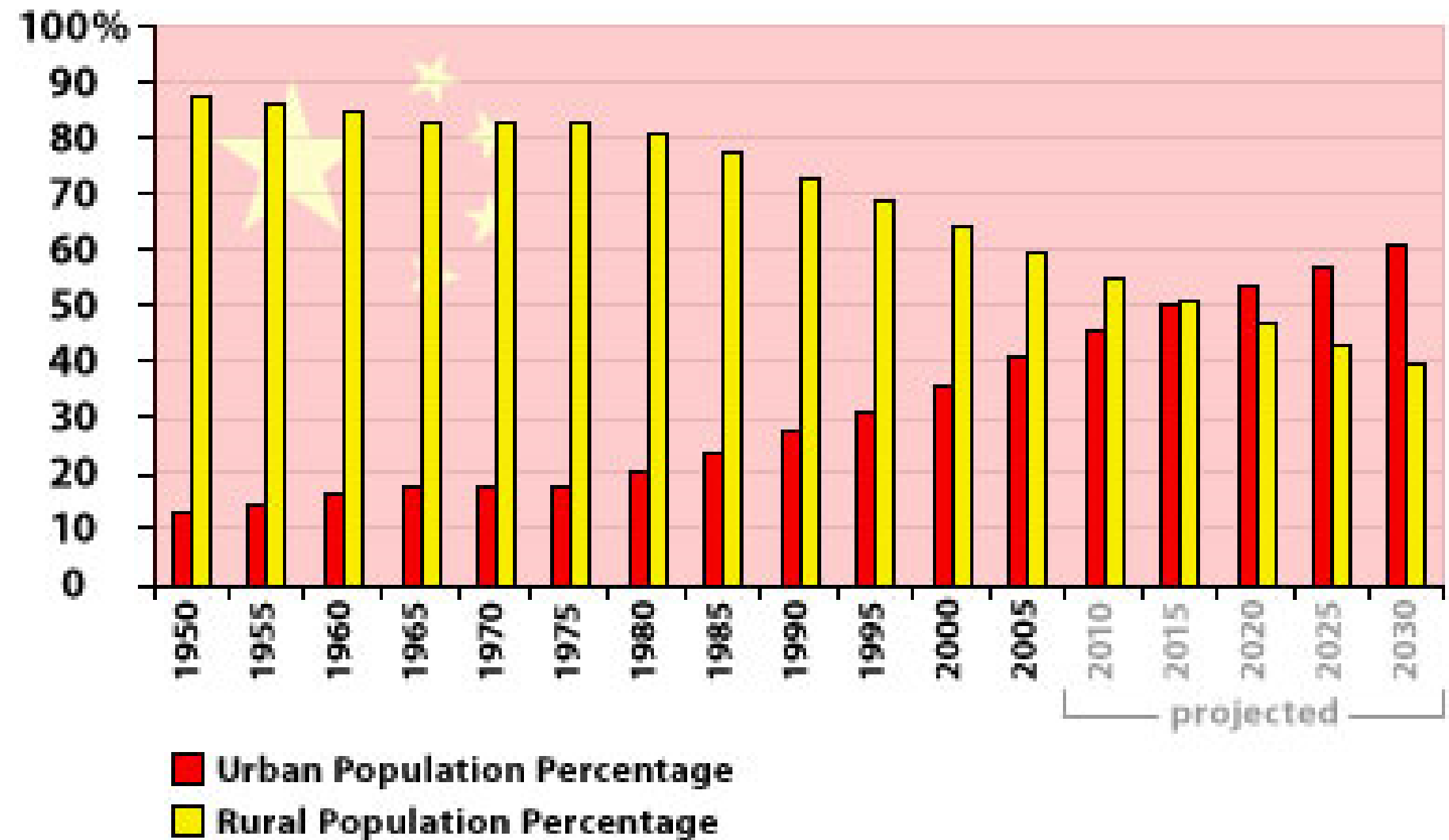
China's urban population growth: a word of caution

- China now has a large number of very large cities.
- Some of the figures have to be taken critically as they refer to the municipal administrative area which can extend massively beyond the city.
- In Chengdu the admin boundary of the city extends out to small towns 40 km outside the city and much of the admin area is rural agricultural. Official population 15m but maybe 10-11m in the built up urban area.
- There is large administrative overbounding in China.
- Chongqing, allegedly 35m people but this is the huge administrative area. The urban population is maybe 18m.

Why has China's urban population grown so much?

1. the opening up and rapid economic growth of China since 1978 (massive industrialisation).
2. the massive rural to urban migration from farms to cities and factories
3. Local government desire to grow for political and financial reasons. Land sales help fund expenditure. This is very important. City size = power/influence.
4. Government policy to shift population from low productivity agriculture to higher productivity urban manufacturing and services

CHINA URBAN/RURAL POPULATION GROWTH 1950-2030



Rural to Urban migration

- One major driver of urban population growth in China - rural to urban migration. Historically important in urban growth. London, Paris and Berlin in the C19th. But in China on huge scale.
- Hundreds of millions of poor rural Chinese have left the land and villages or small towns to move to cities. Armies of migrant workers –the ‘floating population’ seeking work. A big share of the urban population maybe 200m people in total .



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Urban governance and funding 1.

- The governance and funding of Chinese cities is very important. Several key factors.
- All urban land is owned by the state. The state controls the speed and pace of land release.
- Taxation of urban residents and property is not very significant. The big source of urban revenue is land sales by the city (60 or 90 yrs)
- There is a strong incentive for urban areas to expand by incorporating adjacent rural areas.

Urban governance and funding 2.

- Promotion within Chinese government is very much related to economic growth. If you can show that your city is growing rapidly and has a large and growing economy and population senior government officers get promoted or moved to a more senior position. There is a big incentive to expand cities administratively by taking over rural counties and selling land to finance projects. There is an Urban growth machine but different to the west. Led by state

The Urban Development Process 3.

- Urban development (and redevelopment) in China is led by local government. They own the land and decide where development is to take place and where and when to sell land.
- Developers then take over construction and sale of developments. This is very different to the west where development is often led by the private sector. In China developers work within guidelines set by the state and the CPC and some developers are arms of local/central government.

Rehousing farmers in peripheral areas

- In rural areas adjacent to the cities, the land is acquired by the state and farmers who lose and village houses land are compensated with new apartments – sometimes more than one.
- The owners use extra apartments for family members or to rent out to migrant workers. Renting property is now an important source of income for many ex farmers close to cities. The city can then sell land for development.

Redevelopment of inner city areas

- Old inner city neighbourhoods are torn down and replaced by new high rise apartment buildings.
- Socially very disruptive but most were in poor condition. They had running water but shared communal toilets and baths. Very overcrowded.
- The process of redevelopment is driven by the city governments who sell valuable inner city land to developers to generate income and displace residents to peripheral suburban developments.











Inner city redevelopment and huge suburban development

- The inner areas are cleared and redeveloped
- But there is also massive suburban expansion as the cities push out further into countryside.
- Almost all the new development is high rise apartment buildings. few houses. Speculative development and many empty apartments.
- Estimated there are current 90 million empty apartments in China. Over 1/5 of total housing stock. (the pictures that follow are of Ningbo)





01/05/2016



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Overdevelopment and empty buildings

- One of the growing problems of urban China is big overdevelopment and empty buildings.
- Most development is financed by debt. Almost every city has it empty shopping malls, office or high rise housing. Evergrand owes \$300 bn.
- Some commentators think China is facing a big housing crash. Government trying to stop this.
- Some ghost cities and ghost development: the most famous case is Ordos, inner Mongolia.





Reasons:speculative over development

- Difficult to categorise all cases of speculative over development, but:
- Over ambitious local governments keen to develop, and to make their city bigger and more important. Size = political clout in China
- Over ambitious local developers keen to grow profits by building over ambitious schemes
- Banks keen to lend money and less worried about the risks if backed by localgovernment.

Urban clearance and dispossession

- Because of the power of the state, inner city redevelopment can be carried out very rapidly. Residents often given short notice to move.
- Government can also act rapidly on clearance of illegal migrant housing in urban villages on the periphery of the city. The government in Beijing acted rapidly in 2018 to clear housing in settlements outside the city.



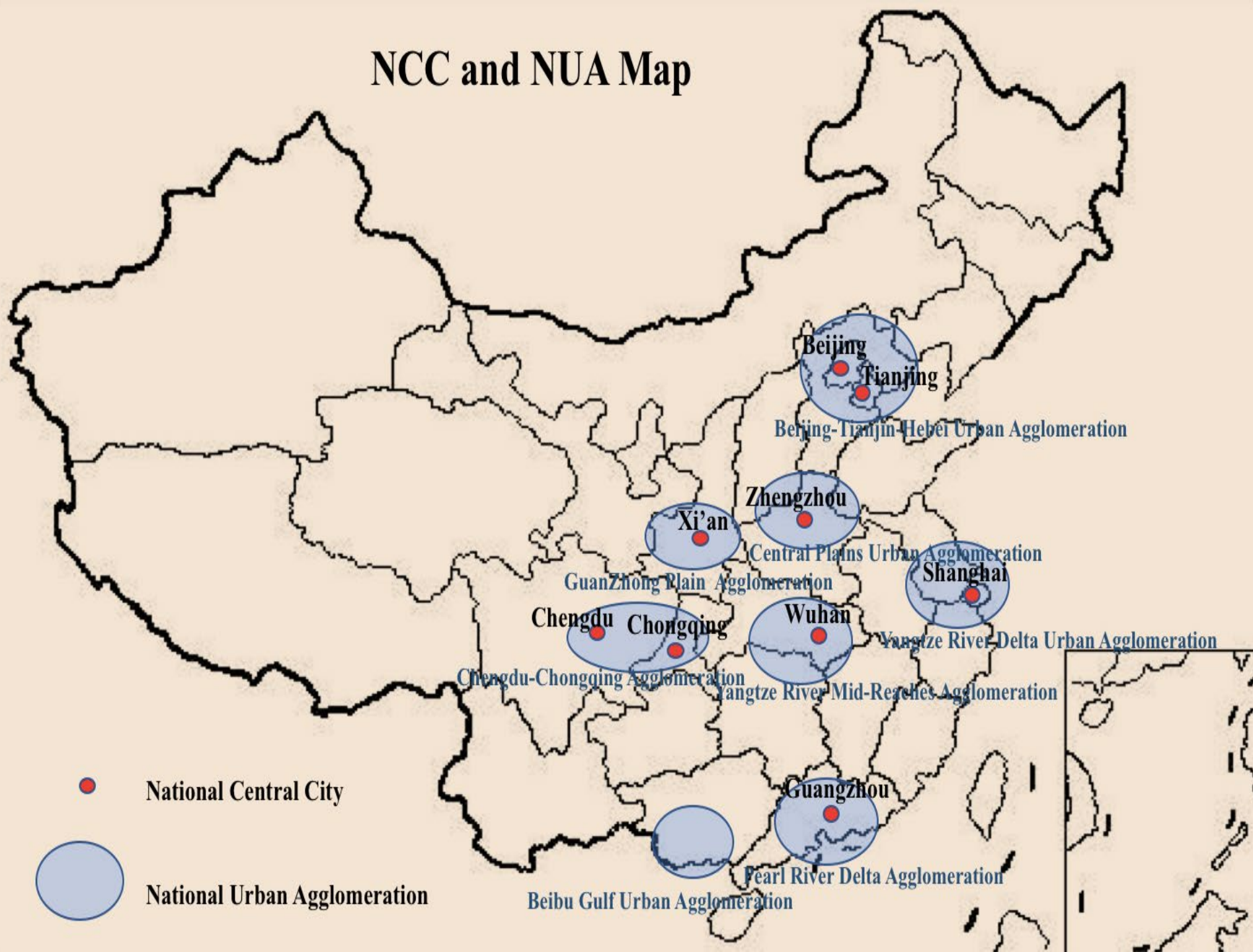
Demolition of unfinished and empty developments

- Many recent cases of demolition of unfinished speculative developments. One big complex in Kunming, Yunnan province demolished in Aug 2021. Unfinished since 2013 after developers ran out of money. New owners got permission to demolish because of construction defects.
- Unfinished developments financed using debt and advance payments from buyers common. Government is trying to tighten up on developers to prevent any wider problems in property sector.

Macro urban planning in China

- Because of the huge size of the country and the urban population, the central government has recently begun to identify major national centres and also urban agglomerations. So far 9 national central cities have been identified to help drive economic growth and a number of large urban agglomerations. These include Beijing-Tianjin-Herbie (Jing Jin Jie), Shanghai-Hangzhou-Suzhou; Guangzhou, Shenzen, Hong Kong and Chengdu-Chongqing

NCC and NUA Map





Conclusions 1.

- China has seen the biggest and one of fastest processes of urban development in the world. The scale is different from that in the west.
- The urban population of China has increased by over 7 times in 60 years. Within another 10 -20 years maybe over 1 billion people in cities. More than double the total population of EU and 3x US. The scale of urbanisation process in China is without parallel.
- Urban development process is led by the state and driven by the land finance led model of development and by the growth led government promotion process.

Conclusions 2. Is China unique?

- Let me return to my first question. Is Chinese urbanisation unique or is similar to processes in western countries?
- I think Chinese urbanisation may be unique. It is bigger and much faster than in the west, and its also driven by different processes including local government finance + leading role of the party.
- There is suburbanisation, urban redevelopment and gentrification in China but they are primarily state led. The western experience is very different. We cannot just apply western theories to China.

Conclusions 3. Are China construction problems unique?

- Questions can be raised about development processes in China, about environmental issues, poor construction standards, pollution, poor apartment design and other problems. But these problems are not necessarily unique to China.
- There were problems of construction quality and bad environmental pollution in the west in the C19th. And recent construction problems in parts of southern Europe. What limited the problems was generally tighter government regulation and higher national construction standards.