China’s Urbanization and Urban Planning in the Context of Globalization

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Ladies and Gentlemen, colleagues and friends:
I am honored to be here with you, and present to you a keynote speech on behalf of Mr. Qiu Baoxing, the Vice Minister of the Ministry of Construction of China, as he is at the moment hosting the World Water Congress and Exhibition in Beijing. The topic of the keynote speech is: China’s Urbanization and Urban Planning in the Context of Globalization.

China’s Urban Development in the context of globalization
China is experiencing an accelerating process of urbanization. This process is not only driven by the market and the industrialization process but also, as China has become a member of WTO, inevitably influenced by the globalization process. How to respond to the impact of globalization on development, has become the focal attention of the Central Government, the local governments and the academic society in China.

New features have emerged in China’s urban spatial system due to the impact of globalization.

Firstly, a number of cities have built up their international or regional importance. This has to do with many Multinational Corporations locating their headquarters in these cities such as Beijing, Shanghai, Guangzhou and Qingdao, and thus enhancing their economic dominance in the regions where they locate.

Secondly, densely urbanized regions have been developing in a rapid pace. Along China’s coastal areas, three densely urbanized regions have been formed, they are, the Pearl River Delta, the Yangtze River Delta and the Beijing-Tianjin-Hebei Region. These regions have become the most dynamic and competitive economies that dominate the development orientation of the country.

Thirdly, industries are prospering in small cities and towns. In the light of globalization, many small cities and towns along the coast are directly participating in the worldwide production. They have absorbed a great deal of surplus labors from the countryside and have also brought up the rural economy.

Fourthly, however, the last twenty years have seen a booming growth of export-oriented industries that lead to rapid externalization of the economic structure depending increasingly on export. As a
result, the inland cities of medium-and-small sizes and the old industrial cities formed in the planned economy have lost their advantages and are being marginalized. They have been encountering problems such as low-speed growth, industrial degradation and insufficient employment.

**Recent Rapid Urbanization in China**

At present, China’s urbanization level is generally low but the absolute size of urban population is extremely large. No one can deny that China’s urbanization process itself would be a great contribution to the urbanization and modernization process of the world.

Before the 1980s, rural-urban migration was generally constrained or even suppressed due to political reasons during certain periods. This led to only 0.1-0.2% of average increase in annual urban population by 1980. However, since the adoption of the open-door policy in the early 1980s, China has been experiencing a rapid and continuing urbanization process which has allowed 0.8-1.0% of annual urban population increase.

Besides the open-door policy and the economic reform, China’s rapid urbanization is also due to the following reasons.

- The wide spreading of the transport infrastructure that facilitates easier migration and development of industry.
- More education opportunities in the cities
- The rapid development of information technology and modern media which create new jobs
- Lessons learnt from the developed countries that help China to gain efficiency and avoid making similar mistakes.

**The Characteristics of China’s urbanization**

China’s urbanization is accompanied by the transition from the planned economy towards the market economy. This increases its complexity as well as the difficulties in management.

There exists severe regional imbalance in the urbanization process. The first is the inter-province imbalance in migration. The migration pattern in 2003 shows that internal migration in the western and the central regions only accounts respectively for 10% and 30%, while migration to the eastern coasts reaches a much higher level of 60%. The second is the disparity between the coastal and inland areas as well as between the metropolitan and the remote areas within the provincial boundaries. The third is the uneven development of the urban system. The mega and large cities are developing faster than the medium and small sized cities in terms of their population, economic growth and fixed-asset investment.

Urbanization to China, or perhaps to any other country in the world, is a two-edge sword on resources conservation. In China, the eastern coastal regions are not only the most rapidly developing areas, but also areas with abundant arable land and water resources. How to on the one hand achieve rapid urbanization but on the other hand preserve these resources has become a significant challenge. We do hope that we can successfully resolve the following problems: de-
creasing woodland coverage; degradation of grassland and frequent sandstorm; loss of water, soil and biological species; exhausting water resources, and pollution by pesticides and chemical fertilizers

As the traditional household registration system (namely the Hukou system) and the policies discriminating the urban and the rural have built up a barrier against migration, there exists a so-called dual structure, i.e. a dual social security system of urban and rural, leading to a severe phenomenon of incomplete urbanization. While the urban residents enjoy exclusively better welfare than the farmers in the countryside, the rural household responsibility system in turn provides another type of hometown “social security” for those who migrate into the cities. This facilitated a smooth transition and avoided “expelling” farmers from their own land but also to a certain extent restrained migration. The much better welfare enjoyed by urban Hukou residents rather than the migrants has also resulted in an internal dual structure in the cities as their migrant labors increase. All these have led to the phenomenon of incomplete urbanization, which would in a long run, cause severe social problems in the urban areas.

**The future challenges in urbanization**

Based on the experience of the past two decades and the future tendency, we assume that China’s urbanization level would reach 46%-48% by the year of 2010 and to 55%-58% by the year of 2020. We also believe that China’s future urbanization process would be confronted by even more serious challenges:

The first is the problems of severe resource and environmental constraints. They would be reflected in increasing traffic and emission, rising ecological and environmental cost, exhausting consumption of petroleum, coal and ore. There is also a problem of development encroaching into the farmland. In the past two decades, there has been a loss of more than 7 million hectares of arable land, which accounts for 6% of the total arable land. The Chinese Government is expecting the self-supplying rate of food to be 95%. However, this rate is difficult to maintain in 5-10 years. In addition, 400 cities out of the total 660 cities in China are short of water resources.

The second is the increasing social problems arising from rapid urbanization, including the existing urban poor, the floating population, the insufficient housing and education provision, and the farmers without job skills. Meanwhile, the urban and rural income disparity is also expanding with the traditional social ethics of equity challenged by pro-market viewpoint of value judgment.

The third is the threat to the healthy economic structure and the safety in national economy. The mounting proportion of export-oriented and foreign-capital dependent industries would potentially harm national economy and urban industrial structure when the global economy encounters drastic changes, e.g. the Asian financial crisis in 1997. The excessive government intervention and the intense competition between the cities would also lead to a low level in urban development but a high level in debt burden to local government.

The fourth is the pressures on regional coordination. In order to avoid imbalanced development in
urbanization, China has to sustain a rapid and healthy development in the eastern coastal areas and to accelerate development in the inland and the western regions as well as to rehabilitate the environment of the ecologically fragile regions. This is not an easy task to take.

The fifth is the crisis of urban public security. The 2003 epidemic of SARS in some of the big cities was an initial warning to China’s urban public security system. Potential natural disasters and serious man-made disasters such as terrorist attacks would be a more prominent concern, as population is more concentrated in the urban areas.

The changing status and the role of urban planning

The planning system in China has a history of fifty years. In 1990, China promulgated and implemented the *Urban Planning Act of the People’s Republic of China*. Under the framework of the Act, China has formed an integrated urban and rural planning system by improving the planning laws and regulations, the planning management, the plan-making process, and the corresponding technical norms and codes. This includes the National Urban System Planning, the Provincial Urban System Planning, City Master Planning (86 cities approved by the State Council, others approved by the provincial governments), Urban Cluster (Agglomeration) Planning (new type of planning legislated at the provincial level), Detailed Regulatory Planning, Land Use Permit, Planning Permit and Permission Notes for Site Location, etc. A set of planning norms and codes has also been formulated.

The national authority (which is the Ministry of Construction) and provincial authorities as well as various local authorities including the local planning commissions are responsible for approving plans and implementing planning management and supervision at different administrative levels. There has also been a flourishing growth of the plan making agencies with over 100,000 technical staff, of which the figure was only 20,000 in the early 1980s.

Meanwhile, a mechanism of administrative inspection is being implemented while the State Government and the provincial governments have started to designate full-time inspectors to supervise the urban planning work in the region.

The role of planning has also been emphasized, as the national development strategy was significantly reoriented, towards achieving sustainable development, building a well-off society, adopting scientific view in development, constructing a harmonious society, and developing a new socialist countryside. Urban planning has been given a new life in the new era.

The top-down approval and recording mechanism in the planning system has made it a means of macro control over the local socio-economic development. For example, through the National Urban System Planning and the Provincial Urban System Planning, the macro population and industrial distribution at the national and provincial levels can be controlled and adjusted to guide the reallocation of regional resources and the coordination of the relationship between the cities as well as between the urban and the rural areas. In addition, the macro control role of planning is also reflected in identifying regional infrastructure provision.
The role of planning is also reflected in being a public policy. This includes policy tools on urban land distribution, spatial patterns of jobs and residential distribution, the environmental quality, the urban social services, and urban transport and its supply and service, etc. Appropriate use of these tools is crucial in rationalizing the regional urban structure, coordinating the distribution of major infrastructures, guiding the upgrade of regional industrial structure and promoting the regional competitiveness.

The role of planning for conserving the natural and cultural resources is also important. As I have mentioned, the Chinese Government is advocating for “a scientific view in development” aimed at promoting sustainability of the resource environment and coordinating urban and rural development. This is the first time that the Government’s development intention is highly consistent with the ideal of the planners. The plan making process is now required to emphasize conservation of the key resources such as open space, historical districts and watercourses for healthier and more sustained development. Cities are required to classify different zones, such as “No Development Zones”, “Limited Development Zones” and “Development Zones”, according to different development intensity. They have to set up conservation boundaries such the “Green Lines” for green space system, the “Purple Lines” for cultural resources, the “Blue Lines” for watercourses, and the “Yellow Lines” for infrastructure.

In general, China’s urbanization is experiencing an important development period in the light of globalization. Central and local governments have been paying much attention on the planning tools. Similar to any other country, planning is always expected to adapt and renew itself to new challenges and uncertainties and thus to play a more significant role in the process of social transition and social transformation. I have to admit that, in China, there are still many areas that the mainstream planning has not yet been probing much, for example there is little room for public participation and community building, which we have to pay more attention to in the future. The role of planning at one time may be limited. Nevertheless, we have to strive hard for the construction of a “good society” that Professor John Friedmann has been longing for. This, I believe, should be the real meaning of “construction” in the name of the “Ministry of Construction”.