

Preface

For three decades after the founding of the People's Republic of China, the government pursued policies designed to restrict urban growth. As a result, most of the population remained as farmers living in rural villages. When economic reforms initiated in late 1978 kickstarted rapid economic growth, however, this policy of restricting rural to urban migration gradually gave way to a large scale movement of rural workers to the cities and China's urbanization boom was underway. Today, more than three decades later, China has become more of an urban than rural society and that will be even more true one or two decades in the future.

In many respects, this process of Chinese urbanization has followed a more or less "typical pattern" common to countries that have achieved major increases in per capita income. But as several of the chapters in this volume indicate, government policies, for better or for worse, have led to some diversion from the more "typical pattern". China's rate of urbanization, for example, is still somewhat below what one would expect for a country with her per capita income.

The challenge China has faced during rapid urbanization has several dimensions. For many highly urbanized countries, rural to urban migration and the growth of cities took place at a slower pace, largely because the economic growth driving urbanization was also slower. In addition, urbanization took place within well established market systems. In China, by contrast, rapid economic growth and rapid urbanization began when China was still a centrally planned command economy based on the Soviet model. The gradual move toward greater reliance on market forces unleashed growth and growth made large scale rural to urban migration a necessity. Many features of a market economy as a result did not yet exist when this process got underway and some still do not exist to this day. In the beginning of this development, for example, there was no market for

urban land and elaborate substitutes had to be created to free up the land needed for development and for improving the housing conditions of the urban population. Today there is an urban land market but urban governments own most of the land and use land sales as a major source of urban revenue, a practice that is not sustainable in the long term.

One feature of China's urbanization process that has all too much in common with market driven urbanization elsewhere is the increasing environmental problems facing China's cities. The air is polluted and water, particularly in the north, is in short supply. Unlike North America and Western Europe, however, these environmental problems have become serious at a much lower level of per capita income. In effect, China has been forced to deal with these major external diseconomies earlier than was the case elsewhere.

Arguably, the biggest distortion created by the old command system was the household registration system that before 1978 was used to tightly restrict rural to urban migration and since 1978, used to lower the cost of this migration by limiting the urban services available to migrants. This registration system is gradually being eliminated but the services available to migrants remain extremely limited. Migrants have little access to public housing, to urban health care, and only limited access to urban schools for their children. Urban governments, partly because of limited revenue sources, have preferred to use these limited resources to support infrastructure for economic growth and services for the existing registered urban population.

The essays in this book provide in depth analysis of these and many other issues related to China's urbanization. They describe and analyze past urbanization patterns and performance and attempt to understand whether government policies have made that performance more or less efficient. They also suggest issues that need to be dealt with going forward and offer possible solutions. The book is thus designed for both outsiders interested in understanding China's urbanization challenges and Chinese planners searching for solutions to those challenges.

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February 2011