



# **Towards Sustainable Urbanization: a critical area for development cooperation in Northeast Asia**

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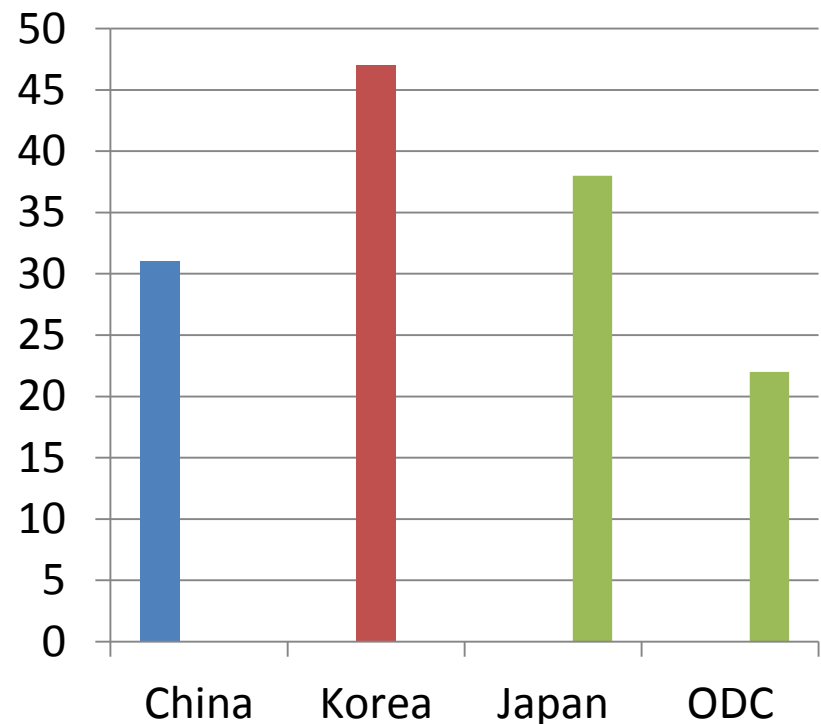
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# 1. China's urbanization: overview

China's urban population rose from less than 20% in 1978 to 52% in 2012. Although this rapid growth is without exception in absolute number, it has been lower than Korea and Japan at comparative stage of development .

Given this new development tendency, and different from the challenges for poverty reduction, **urbanization** merges as the critical area for possible development cooperation in Northeast Asia.

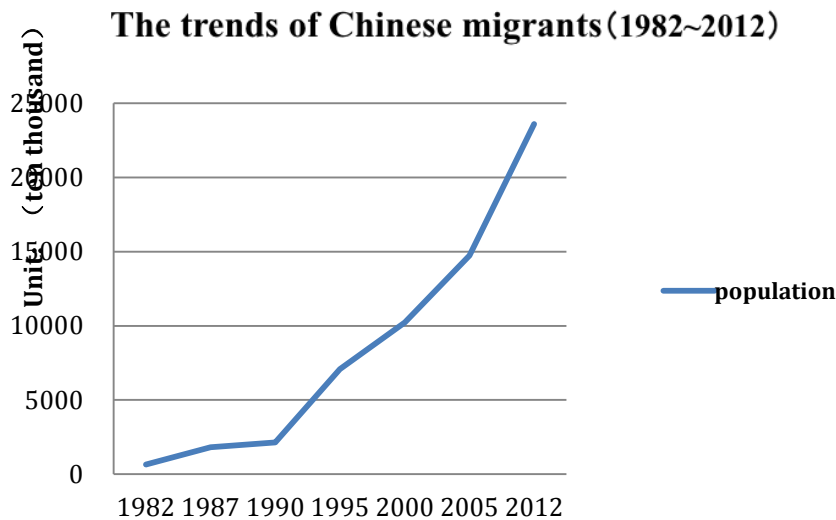
What the challenge China faces and how to develop sustainable urbanization in China?



Increase rate of urban population/  
total population %

## 2. Rural migration: big challenge for sustainable urbanization in China

The biggest challenge for China's urbanization: rural-urban migration  
( Since 1982, over 250 million rural people moved to cities, and mainly to big cities)



Destination	Number of migrant(million)
Shanghai	8.98
Beijing	7.04
Zhejiang	11.82
Guangdong	21.49
Jiangsu	7.37
Fujian	4.31

What challenges this rapid urbanization has brought about?

—— To manage this massive mobility requires innovative approach.

- ✓ Korea and Japan can provide useful experiences while what China's experiencing will also benefit for other rapid urbanizing Asia.

# 3. Urban village in China

The most striking issue in China's urban expansion from social perspective is the "urban village" which represents critical policy challenge for China's rapid urbanization. Rural land around cities, particularly big cities has been gradually transferred into non-agricultural use. In order to minimize compensation for villagers' housing and reallocation and to ease the process of land acquisition, city governments tend to acquire farming land only and leave the land designated for housing – reserved housing site to village. Consequently the villagers in those urbanized suburban locations begin to expand their living space beyond their own housing need to let out. Because villagers are not required to pay a land lease fee for using those parcels, the cost and rent of housing built on such parcels is low (Zhang al et, 2009), thus, with the influx of rural migrants, "villages-in-the city" or "urban villages" are being gradually developed.

- Understanding the life of the people in the urban villages can help to understand what the challenges China faces in its rapid urbanization and help to define what cooperation can be developed in the region context.

City	Number of urban village	Indigenous population (10,000)	Migrant (10,000)	Ratio (migrant/local)
Beijing	189	62	360	6:1
Shanghai	104			5:1
Guangzhou	304	98.25	500	5:1
Shenzhen	241	35.8	215	6:1



## 4. Case study: an urban village in Beijing

### Moral Temple Village

- located in the northwest part of the Haidian District, Beijing
- five natural villages (total 3654 permanent residents with 1600 rural residents and 2054 urban residents) + 4851 migrants





## Welfare status:

- Annual revenue of village collective: more than 100 million RMB (collective-owned businesses: toy factory, medicine company, hotel, property investment etc. )
- Everyone gets compensation even for passed way (6,000RMB for above 40 years old, wage 3,000-4,000 RMB for the no-work; 1,000 pension for the aged)





# Livelihood of the residents in the Village

Type of house	Scale of renting	Income monthly (RMB) *100 RMB=16 USD	Percentage of the residents
Flat building	2-4 rooms	1,800-2,800	30
2-3 floors building	22-37 rooms	15,400-25,900	40
4-5 floors building	40-50 rooms	28,000-35,000	30





**The case of Mr. Wang:** a farmer converted into urban hukou, now working for urban community committee.

Income portfolio:  
(1) Pension: (3,500+1,200)RMB/month  
(2) Rental: 14 rooms \* around 600 RMB/room/month  
A total income of 142,800 RMB per year.

Family expenditure: 21,000 RMB per year.

Net income of 130,000 RMB per year (a middle income group member in the village; urban-based health insurance)





Based on the using right for residential land given by rural community, the rural residents expand their land for renting and the demolishing plan to that urban village by the government stimulates further expansion because the village residents would be compensated.

Our traditional knowledge about agricultural landless farmers that are usually dropped into poverty seemingly does not really take place in the village we studied. On the contrary, rapid urbanization with rural-urban dual land system has created the newly merged urban rich in almost all suburban part of Chinese big cities.



# Livelihood of the migrants in the village

	Age range	Total number	Percentage
Age	18-35	2600	57
	35-50	1400	30.75
	50-60	289	6.34
	Above 60	237	5.2
Occupation	Labor services and repairing	1642	36.02
	Software, information services	709	15.54
	Renting etc	456	10.02
	Restaurants	328	7.2
Living period	Above 5 years	3239	71.64
	1-5 years	853	18.74
	Less than 1 year	439	9.62

	Monthly income (RMB)	Occupation	Housing	Social protection	Origin	Percentage
Top	>7000	Private business, managers in companies	Commercial house	Fully covered by five types insurances and pension (mainly purchased by the migrants)	Zhejiang, Jiangsu and Guangdong etc	10
Middle	4000	Freelance, employed by companies			Hebei, Shandong, Shanxi etc	60
Bottom	2000	Construction, urban sanitation other informal sectors		Only covered partly by occupational injury insurance as well as rural pension and rural health insurance	Sichuan, Henan and other western regions	30





# Living conditions of migrants in urban village



No central supplies of gas, heating (in northern China), and hygiene and fire-safety found in place



Hard to run small business or get self-employed due to relatively high costs of running a small business and high living expenditures (health, education).

Unlike the decisive role of the property in stratification of the residents in the village, stratification among the migrant is largely defined by occupations and social protection. Consequently, rapid urbanization under dual land regime in China created the newly merged rich as well as the newly merged urban poor, whereas, poorer from rural areas actually contribute to this stratification.

The renting and paying housing play central role in this fascinating political economy between rural and urban from rural-urban poverty perspective.





# **4. Implications for Development Cooperation in Northeast Asia Region**

1. China's rapid urbanization under its special rural-urban division context has created newly merged rich and poor. To tackle this newly merged inequality requires a holistic development approach; Japan and Korea have experienced rapid urbanization during the time of 1960s-1980s; the cooperation among three countries will help China as well as other Asian countries to develop their sustainable cities;
2. This cooperation would firstly look at the sustainable urban planning system, particularly in "green growth model"; in this regard, Korea can offer great experiences for China;
3. Secondly, to manage the massive rural migration to cities is a big challenge for China; to develop affordable living space while to avoid excessive urban physical expansion should be the important issue for the cooperation to take into consideration;
4. Japan and Korea have experienced rapid industrialization without creating huge inequality. This experience has added value for China given many similarities during the same stage of development.



**Thank you for your attention!**



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