

Why Is China Promoting Urbanization?: From regional development to urbanization

OKAMOTO, Nobuhiro

Professor, Department of International Relations, Daito Bunka University

Summary

In this paper, I confirm the process of China's regional development strategies having shifted from being targeted on regions to being targeted on cities, and I argue that China's urbanization strategy is the most effective method for resolving the economic challenges which China has.

The initiatives aimed at the rectification of the regional disparities which expanded in the 1990s began with Jiang Zemin's 1999 call for the Great Western Development Strategy. With the Great Western Development Strategy commencing in a big way via central government support from the 2000s, the revitalization of the Northeast in 2002 and the Rise of the Central Region in 2004 were raised by the Hu Jintao administration, and regional development strategies were implemented for real from 2003 and 2006, respectively.

Entering the second half of the 2000s, there was a transition from "*mian*" [surface] (area) regional development strategies to "*dian*" [point] (city and city-cluster) regional development strategies. In 2005 Pudong in Shanghai was designated the first "National Pilot Zone for Overall Reform", and the Tianjin Binhai area was approved as the first New Area in 13 years after Pudong in Shanghai. At the same time, development policies with city and city-cluster targets were being formulated even in regional development strategies at the provincial level.

The greatest tipping point from "*mian*" [surface] to "*dian*" [point] was the Twelfth Five-Year Program (2011-2015). "*Dian*" [points] were specified within the "*mian*" [surfaces] by the "Two Horizontal and Three Vertical Lines" [Urbanization Strategy] of the Twelfth Five-Year Program, and became a direction of carrying out urbanization taking the points as poles for growth.

The structural challenges for China's economy are that it depends on external demand and its domestic demand also is skewed toward investment, and that it is a "slapdash" economy centered on the waste of resources and expansion of inputs. For external demand, along with being governed by the state of the global economy, the skew toward investment is eating into future demand. For sustained development they will have to develop consumption-driven service industries.

In addition the reform of China's socialist system is also an issue. In particular migrant workers have poured in via the urban development of the coastal regions, but the position of peasants in cities is low. If there had been no migrant workers then export of China's low-price high-quality manufactured goods wouldn't have been possible. The trump card for resolving the Three Rural Issues of agricultural productivity, rural development, and the raising of the peasants' standard of living, is the integrating of city and country.

China's urbanization holds the possibility for resolving these economic challenges of China's. In fact, on checking with the data, urbanization has a positive correlation with such things as per capita productivity, the level of consumption, the share of service industries, and the living standard for peasants. Moreover, the reduction also of the volume of emissions of pollutants, by economizing on energy consumption, is possible.

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