CONNECTING CITIES: CHINA

A RESEARCH PUBLICATION FOR THE
9TH WORLD CONGRESS OF METROPOLIS

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The 9th World Congress of Metropolis, to be held in Sydney in October 2008, is a great opportunity to generate research into the future direction of cities. With this in mind, the organisers of the congress have developed a number of research publications that explore new concepts related to cities as well as the emerging cities of India and China.

In organising the Congress, we found that there was a network of researchers and commentators about cities across the globe who had very interesting issues to raise. While many of these will be presenting papers at the Congress, we also thought it would be useful to develop a series of publications that raise these issues in a provocative manner. The first of these books will be about networks—the concept of cities interacting across the globe. The second examines the spreading urban regions around many cities followed by publications that look in detail at the cities of China and India.

Contemporary world urbanisation, particularly the rise of Chinese and Indian cities, means both opportunities and challenges for Australian cities. These publications put Sydney and other Australian cities in scenarios with global counterpart cities to benchmark their urban performance. The provocative topics are aimed to trigger fruitful debate in government, private sector and the general public regarding how to create better strategies for the future of Australian cities.

We would like to thank all contributors, sponsors and research coordinators. Without their work, these publications could not have been possible. The influence of their contributions will be far reaching.

Chris Johnson
Director, Metropolis Congress 2008
An overview of the transition from rural China to urban China, the expectation of China's urbanisation and the challenges ahead
The particular choice at 8pm on 8 August 2008 to inaugurate the Beijing Olympic Games is far more than just a time and date that coincides with the lucky number of ‘8’ in Chinese culture. It is an occasion meant to declare a national dream—the rise of China as a modern state. Two years later, the World Expo will be held in Shanghai. In the first decade of the 21st Century, China holds the two most important world events in its two most prosperous cities. This is a government–driven initiative with popular support. Indeed, it is a common international practice to brand a nation’s rise through holding benchmark events in its leading cites. China is rising through its urbanisation. Beijing and Shanghai are China’s urban name cards. Behind them are a dozen of mega–cities and numerous medium and small sized cities. Existing cities are expanding and new cities are emerging. Figure 1 compares China’s urban growth with that of the world in the 100 years from 1950 to 2050. It is clear that in the fifty years between 1980 and 2030, China is the centre of world urbanisation. This half century is China’s urban age and China is right at the midpoint of it.

China’s awesome urban growth is unprecedented in human history and is unlikely to be paralleled by any other nation in the future, given China’s magnitude of land and population. What is even more stunning is the fact that China was very much a rural country just two decades ago.

Figure 1
Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat
RURAL MAO AND URBAN DENG

The People’s Republic of China’s government came to power in 1949, an era generally regarded as ‘New China’ in official Chinese discourse. However the authenticity of ‘New China’ can be argued to have been delivered only after 1980 as the current wave of China’s modernisation process has occurred since then rather than 1949. Mao Zedong ruled China between 1949 and 1976 when he dramatically altered China’s development from the preceding Nationalist government of 1927–1949. The Nationalists inherited a China ridden with poverty and division, out of 16 years of civil war and foreign invasion after the last emperor was overthrown in 1911.

The Nationalists attempted to build a capitalist economy and modern state apparatus but Mao dismantled this approach and for a Socialist ideology. Mao’s rule was essentially based on Stalinist centralism in economy, politics and social life. Stalinist development in the first decade of Communist China from 1949 to 1959 did deliver significant economic progress and achievement. This was due in part to the fresh Communist rule that was able to mobilise resources towards a designated national goal of development, and due in part to the aid and support from the Soviet ‘Big Brother.’ However, China became stagnant and chaotic in Mao’s later years of the Great Leap Forward Movement (1958–1960) and the Cultural Revolution (1966–1976).

Mao’s China believed in the existence of a Socialist economy beside the Capitalist economy. The mindset was to develop a Socialist economy to compete with the Capitalist economy to showcase the so-called ‘socialist superiority’. Mao’s China was anti-market and enshrined the functionality of the visible hand of government planning instead of the invisible hand of market forces. For three decades after the Communist victory, China’s planned economy system was based on two pivots. One was the dualist society with clear division between urban China and rural China through the strict Hukou (household registration) system; the other was to

‘NEW CHINA’ SHOULD BE DEFINED AS POST-1980 URBAN CHINA

turn cities into Stalinist manufacturing centres. The Hukou system restricted free migration between rural and urban areas and confined peasants to their farming lands. The pre–designed function of cities as manufacturing and government centres prevented functional, geographical and population growth.

Mao’s rule was essentially centralist and isolationist, which determined that Mao’s China was rural China—no free commodity exchange, no free population mobility, no free foreign trade. One of the results was that when Western cities grew in the golden age of the post–War decades, China’s city growth stalled. Shanghai, the Far East’s financial centre of the 1930s—dubbed as the oriental Paris—was known for the quality of it’s manufactured goods such as a watches, sewing machines and bicycles during the 1950–1980s. This was representative of China’s urban development paradigm until Mao Zedong died in 1976.

Mao’s successor, Deng Xiaoping, was firm on his vision of an urban China. Pro–market Deng Xiaopeng won the post–Mao Communist power struggle in the few years after Mao’s death and began to fulfil his ambition to turn an isolated and poor rural China into an open and strong urban one. Deng’s ambition commenced from the 1980s and was continued by the two consecutive successors chosen by him. Deng and his successors made it—in this sense, New China should be the post–1980 China, that is, Deng’s Urban China.
The other line of the ‘indurbanisation’ process was the development of numerous township enterprises. The idea was to convert the rural population into an urban or town population without them leaving their homelands. It was encouraged to set up manufacturing plants where whatever local resources were available. The peasants chose to locate their plants in the nearest towns or villages where transport infrastructure existed—generally they were not too far away from the coastal cities which the township enterprises relied on for importing investment and technology and exporting products. The rise of township enterprises triggered two effects: peasants became workers; township areas expanded and grew into cities.

The 1989 Tian’anmen Square protests and government reactions stalled China’s rapid development for three years. In the spring of 1992, Deng launched a new wave of his urban development campaign during his tour of south China. It swiftly overwhelmed the nation—Deng was determined to fulfil his aspiration for an ‘indurbanised’ China in the last years of his life. In the Communist Party Congress held in late 1992, Deng’s ideology of building a socialist market economy was enshrined as the Communist Party’s guidelines and adopted in the constitution in the next years National People’s Congress. Deng selected the right personnel who he thought could implement such liberal economic policies after his death and to ensure sure his vision would ultimately come true.

Deng made right choice. From the second half of the 1990s, Deng’s successors implemented the largest scale of urban infrastructure construction: new urban development zones, airports, expressways and ports. Pro–economic development policies were further liberalised. China became the largest recipient of FDI. China consumed the largest amount of construction materials and was the second largest energy consumer only after the USA. In 2001, China entered the WTO, which seemed to indicate that the road towards an ‘indurbanised’ China was irreversible.
URBAN REVOLUTION

China's urbanisation has been realised in the name of the policy of ‘Reform and Opening Up’, however, its effect turned out to be nothing short of a ‘revolution’.

Figure 2 indicates China's growth of ‘indurbanisation’—GDP growth as well as urban growth. One facet of China’s urban revolution was the advent of many mega-cities. Figure 3 shows the growth of top ten populous cities. Six of the top ten cities more than doubled their population in this urban revolution period. A magic example is Shenzhen, a fishery town of only 300,000 grew into an international metropolis of more than 7 million people within 25 years by 2000%!

BETWEEN 1980–2005
GDP GREW EIGHT–FOLD
URBAN POPULATION TRIPLED
URBANISATION DOUBLED

Figure 2
China’s GDP, Population, Urbanisation: 1980–2005
Source: www.stats.gov.cn

<table>
<thead>
<tr>
<th>GDP (US$ BILLION)</th>
<th>CHINA POPULATION</th>
<th>URBANISATION RATE</th>
<th>URBAN POPULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980  301</td>
<td>987,050,000</td>
<td>19.4%</td>
<td>191,390,000</td>
</tr>
<tr>
<td>1990  388</td>
<td>1,143,330,000</td>
<td>26.4%</td>
<td>301,950,000</td>
</tr>
<tr>
<td>2000  1,081</td>
<td>1,267,430,000</td>
<td>36.2%</td>
<td>459,060,000</td>
</tr>
<tr>
<td>2005  2,300</td>
<td>1,307,560,000</td>
<td>43.0%</td>
<td>562,120,000</td>
</tr>
</tbody>
</table>

Figure 3
China’s Top 10 Populous Cities in 2005
and Growth from 1980
Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat

In 2005, China had: 119 cities with over 1 million population and 36 cities over 2 million population
China’s urban growth by population has been the fastest in the period between 1980–2005 among major countries in the world only surpassed by Africa in the early years of the 21st Century (Figure 4). It is well justified that Asia and Africa are the urbanisation centres of the world in the new millennium.

The graph places China’s urban revolution in the context of world urban development. For almost half a century between 1980 to 2030, China’s annual urban population growth remains higher than that of the world urban growth (Figure 1). China’s urban growth increased sharply from the early 1980s and reached its climax in late 1990s, then declined gradually—at a rate still higher than the world average—until it slows and becomes lower than the world urban growth rate in around 2030.

In 2007, for the first time in human history the global urban population surpassed the global rural population. Figure 5 shows that China’s urban population is expected to surpass its rural population in 2015. In 2030, China’s urbanisation rate will be higher than that of the world.

The projection of China’s urbanisation future made by the McKinsey Global Institute is even more striking. According to the McKinsey report Preparing for China’s Urban Billion released in March 2008:

**BY 2025–2030, CHINA WILL HAVE GDP 500% BIGGER THAN TODAY AN URBAN POPULATION OF 1 BILLION AND 221 CITIES OF MORE THAN 1 MILLION**
BACKWARD ADVANTAGE/DISADVANTAGE

Chinese dialectics is interestingly seen in the term ‘backward advantage’ coined by China’s mainstream media. The notion behind this term is that China’s backward development should not be taken as disadvantage. On the contrary, it provides an advantageous opportunity for China to develop even faster and better by exploiting the developed world’s experience and avoiding their mistakes. This notion is based on the simple assumption that newcomers can step on the shoulders of the predecessors and view even farther. This notion is more rhetorical than substantial. However, under this notion, China is in an optimistic mood that it may catch up and surpass the developed world by ‘spending two to three decades walking the road which has been walked by developed world in two to three centuries’. This in a way reflects the mindset and ambition of the urban decision-makers at various levels in China.

Despite the remarkable achievement and the promising expectation of China’s urbanisation, however, being backward does not necessarily translate into advantage. Some disadvantages are easily seen—Chinese cities are facing challenging problems: some have been problems of the developed world cities for long—Chinese cities are following their steps in repeating their urban mistakes instead of learning a lesson as argued in ‘backward advantage’ slogan; some problems are unique to China’s settings.

As in most developing countries, international city is a buzzword in China now. However, internationalisation can also be a trap. Chinese mayors and citizens are ambitious in building international standard cities—Manhattan style to put it simply. Every city is proud of the glamour of being international. In the pursuit of international cities, one immediate result is the homogeneity of urban morphology. Except for very few iconic benchmarks, it makes no difference to sightsee the new cities across China. Chinese cities are lamentably losing their historical and cultural features in the overwhelming pro-development movement. Other urban problems such as pollution and traffic jam which were thought of as exclusively being with developed world cities are now even more serious problems in Chinese cities. The quality of living in some leading Chinese cities is no match to their increasing global importance in economy. This is increasingly becoming a barrier to reaching fully their global competitiveness.

This kind of ‘backward disadvantage’ as contrast to ‘backward advantage’ is not only seen in the urban physical and environmental sphere, but also in urban social sphere. China’s urbanisation and urban redevelopment generate new winners and losers. China’s urban land ownership belongs to the government and only permits land use rights for a certain period (50 to 70 years depending by land use) are transferable. In the boom of urban development, selling land becomes the most important revenue source of local governments, in which solid interest collaboration between the power and the money forms, and the interest of the urban poor is wantonly impaired. Gentrification pushes the urban poor out of the city centres and leaves them marginalised in sheer profit-driven urban redevelopment. This is becoming a serious social problem in Chinese cities without alternatives in place.
In contemporary globalisation, Chinese cities are networked and competing with cities in the world—this is the rationale to build international cities. However, in what way should Chinese cities be compared to its world counterparts?

By sheer size of population, area and even GDP, Chinese cities are outstanding as indicated in various cities indexes. But, a city’s importance is no longer determined by its comparative size, but its competitiveness—this is, its capacity to attract business, people, capital and generate innovation. **Figure 6** is the top 10 competitive cities in mainland China.

However, the urban competitiveness performance of Chinese cities is much less impressive in a global context. None of the cities in mainland China are ranked in the top 50 of the global urban competitiveness index. Hong Kong ranks 19 and Taipei ranks 48. The alarming question for Chinese urban decision makers is: how do Chinese cities move from comparative growth to competitive growth in the second half of China’s urban age?

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**Figure 6**
Top 10 Competitive Cities in Mainland China

Source: www.gucp.org.cn

<table>
<thead>
<tr>
<th>CITIES : COMPETITIVENESS INDEX : RANK</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHANGHAI: 330.92</td>
</tr>
<tr>
<td>BEIJING: 323.31</td>
</tr>
<tr>
<td>SHENZHEN: 217.65</td>
</tr>
<tr>
<td>GUANGZHOU: 174.03</td>
</tr>
<tr>
<td>SUZHOU: 147.87</td>
</tr>
<tr>
<td>HANGZHOU: 145.30</td>
</tr>
<tr>
<td>TIANJIN: 142.04</td>
</tr>
<tr>
<td>NINGBO: 122.24</td>
</tr>
<tr>
<td>NANJING: 116.94</td>
</tr>
<tr>
<td>WENZHUO: 115.63</td>
</tr>
</tbody>
</table>

THE ALARMING QUESTION FOR CHINESE URBAN DECISION MAKERS IS: HOW DO CHINESE CITIES MOVE FROM COMPARATIVE GROWTH TO COMPETITIVE GROWTH IN THE SECOND HALF OF CHINA’S URBAN AGE?