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GOVERNING CHINA'S "URBAN REVOLUTION"

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Introduction

China's unfolding urban drama can be seen as a continuation of China's externally imposed "urban revolution". Traditionally, there had been a strong symbiotic relationship between cities and villages. However, when the "Middle Kingdom" encountered external forces reshaped by the Industrial Revolution, the rise of capitalism and eventually of colonialism and imperialism in the 19th century, the largely self-sufficient agricultural economy and its relatively harmonious relationship with the cities began to disintegrate. After the elapse of more than two centuries China is still trying to re-position and re-balance herself to this externally induced challenge.

Two Chinas

Before China adopted the Open Door Policy in late 1978, the nation, after decades of successive waves of political movements driven by power struggles within the Communist Party, was in a state of confusion, poverty and disillusionment. The Chinese state, controlled by the faction-ridden Communist Party, then had to steer a demoralised nation out of the political and economic doldrums. China's experiment with centrally planned economic development from 1949 to 1978 had created two Chinas: an urban China with vertically linked cellular-like state-owned self-contained socio-economic units at different geographical scales providing urbanites basic "from cradle to grave" services; and a "re-organised" and "collectivised" rural China that supported the country's

development but was left to fend for itself. The 1958 People's Republic of China Household Registration Ordinance mandated a relatively comprehensive household registration system, instituting "a wall" between cities and villages. One similarity, nevertheless, unifies the two sides of "the wall"—the omnipresence of the Community Party at every level of Government that had run the centrally planned economy and has continued to play an extremely important role in steering economic development after the Open Door Policy. In the late 1970s, when the ruling Party reviewed its performance against the then "four little dragon" economies, South Korea, Taiwan, Singapore and Hong Kong, it had no choice but to re-open the economy to foreign investment.

Three decades of urban reforms: decentralization and recentralization?

Hence, the sea changes and the reforms in China have primarily been directed by the Communist Party cum Chinese state to salvage it from incessant internal political struggles and to rebuild a demoralised nation. And China's answer to economic stagnation of a politically over-mobilised and predominantly centrally controlled nation was to delegate power to local municipal governments. However, this decentring act was balanced by the Party-state's full control of cadre careers (Landry, 2003, p.51). Mayors in China are cadres politically subordinated to provincial party organisations, even though in recent years they may seem to be elected by people's representatives.

Ziyang Zhao's 1982 Report on the 6th Five Year Plan highlighted the importance of cities for economic growth, marking a new era of pro-urban policy. In 1983, the city-leading-counties system was readopted, with a view to spurring economic growth through accelerated urbanisation, rural-urban migration and various urban reforms. Since 1980, a fiscal contracting system was introduced between the central and provincial governments and between each provincial government and its prefectural level city governments (Shen, 2007, p.308). Housing reform was introduced in 1982, releasing the Chinese state from providing housing and turning housing into a commodity to be supplied by domestic and global capital. In 1986 the promulgation of the Land Administrative Law granted the property rights of urban land to the local governments and legalised the leasing of state-owned land. In 1987 China adopted Hong Kong's land lease system to attract foreign direct investment and in 1989 the City Planning Act gave local governments the power to exercise development control.

Empowered by all these reforms, city governments began to develop their own economic agendas, competing among one another for raw materials, markets, investments, labour and export quotas. As subordinated units, annexed counties were often exploited to serve the growth needs of the prefecture-level cities. Consequently, counties lost control over their resources. As rural land use rights can only be released through expropriation by the city government, large stretches of farmland were annexed and "urbanised" to accommodate urban growth, boosting the coffers of city governments.

When the system of city governing county was implemented in all provinces (except Hainan) in 1994, provinces and municipalities all encountered difficulties in handling rampant land encroachment and uncoordinated development due to the devolution of planning control for cities and counties (Ng and Tang, 1999). City-level feudalism and intensive inter-city competition had also led to similar industrial structures in cities. To counteract the over-exploitation of the counties by prefectural cities, a tax assignment system was adopted in 1994, reducing the power of local government to offer tax concession while increasing the share of revenue of the central government (Shen, 2007; Xu and

Murphy, 2008). In 1998, the Land Administration Law was amended to recentralise control over land conversion and acquisition in general, and agricultural land conversion in particular (Xu and Yeh, 2009). A quota was set up for urban expansion. The most rapidly growing land use at that time was related to anticipated industrial development, fuelling the "development zone fever" that wasted much valuable agricultural land. To protect the rapid loss of arable land, the State Council issued the "Urgent Notice on a Temporary Ban on the Approval of Various Kinds of Development Zones" in 2003.

Although the 1990s saw emerging policies to rectify the impacts of downscaling urban governance, it was also an era of rapid urban expansion. For instance, some counties were annexed as city districts and since 1994, sub-provincial cities with the same power as a provincial government in economic planning and administration, were designated (Shen, 2007, p.310). Indeed, China's built-up areas in cities continued to expand. In 2001, it was 24,027 km² and by 2005, the amount had increased by 35 per cent and expanded to 32,521 km² (Wang, 2008). Yet this figure is dwarfed by the then planned area of 6,866 development zones in 2005 that amounted to 38,600km² (Unirule Institute of Economics, 2007, p.20 cited in Lin et al., 2014, p.2).

At the turn of the century, a two-pronged strategy was adopted to redress the city-exploiting-county and inter-city competition situation. To address the plight of rural farmers, a 'new socialist countryside' project was launched in 2002. According to Li and Wu (2012, p.68), the central government promised to provide subsidies and price support; abolish agricultural taxes and fees; protect rural collective land rights; gradually eliminate hukou restriction; and increase investments on rural health, technology, education, physical and social infrastructure. These measures were necessary as it was reported that more than 180,000 mass incidents took place in 2010 and about 60 per cent were related to land disputes (Balazovic, 2011 cited in Wong, 2014, p.3). To "liberate" rural counties from being exploited by cities, the 11th Five Year Plan (2006-2010) proposed to abolish the prefectural-level cities by regrouping territories via a pilot scheme of province-leading-county administrative reform, aided by a separate fiscal system re-

established in 2009 for counties/county-level cities to deal directly with provinces for financial matters (Li and Wu, 2012).

To tackle uneven and fragmented geographical development and unhealthy inter-city competition, the Ministry of Housing, Urban and Rural Development prepared a National Urban System Plan (2006-2020) providing a national spatial development framework to mitigate overconcentration of population in the coastal areas and stimulate development of city regions in central and western China (Li and Wu, 2012). And in 2003, the National Planning Commission was reformed as the National Development and Reform Commission (NDRC) for leading regional development, identifying ecological conservation areas and designating zones with different development intensities as a tool to guide integrated sustainable development. In 2006, the NDRC proposed the Main Functional Area Plan to classify the national territory into four types of development areas: prioritized areas to encourage advanced industries and to control resource-intensive ones; optimized areas as growth poles for the development of labour intensive industries; constrained and forbidden areas to conserve the environment (op cit., 2012, p.71).

Who's governing whose urban futures?

The above outlines the twists and turns of urban reforms in China in the past three decades. Downscaling state power to "cities leading counties and counties turned districts" not only led to rapid urban expansion, encroaching on valuable agricultural land resources, it also unleashed intensive inter-city competition on all fronts. Cities' contests to attract investments and boost economic growth result in uncoordinated regional development and duplication of infrastructure of all kinds, thus wasting land and capital resources. As the competition to transform spaces for exchange values takes place in a political system where the Party-state holds almost absolute power, heavy social and environmental costs are incurred. Socially, cities are no longer providing "cradle to grave" services to urbanites. Indeed the composition of urbanites has diversified; many no longer enjoy protection from the Party-state: workers made redundant by the state-owned enterprises; floating population from the rural areas; university graduates

and intercity migrants, etc. The implementation of the one-child policy accelerated the challenge of providing social amenities and infrastructure from public health to social security for an aging society. So far, China's urban reforms, including the housing reform and the privatisation of state-owned properties, can only benefit those who have access to power and resources. Indeed, a growth-oriented urban regime dominated by the Party-state and without proper checks and balances easily becomes a hotbed of corrupt practices. As a result, urban growth does not universally benefit the diversifying urban public. Social polarisation and absolute poverty appear in many cities.

Environmentally, the post-reform urban scene has been an ecological disaster for many cities. The now banned *Under the Dome*¹ was said to have attracted over 200 million views, showing people's concerns about air pollution in urban China. According to Wong (2013 cited in Shao, 2014), the number of premature deaths due to air pollution in China was 1.2 million in 2010 alone. Industrialisation and industrial effluents have contaminated ground water, polluting crops, diminishing biodiversity and affecting flora and fauna. Cities suffer from air, noise, solid waste and water pollution, compromising whatever quality of life economic growth has brought about. The past decades of capital, land and carbon intensive developments have made many Chinese cities among the most unsustainable settlements on Earth. It was reported that 133 cities out of 466 cities monitored by the Ministry of Environment Protection had an acid rain frequency of more than 25 per cent. These are mainly located along and south of the Yangtze River, east of the Tibetan Plateau, the Yangtze River Delta, Pearl River Delta, southeast Sichuan and northern region of Guangxi, the most industrialised and urbanised parts of China (UN-Habitat, 2014, p.76). While export-oriented economic enterprises may, under international environmental standards, market pressures and green consumerism, move towards more environmental practices, environmental management remains an uphill battle in the growth-first urban drama.

¹ The video is available in YouTube:
<https://www.youtube.com/watch?v=T6X2uwIQQM>

The restructuring socialist market economies, the rise of a pluralistic urban society and the worsening of the urban environment have led to the phenomenal growth of non-government organisations (NGOs), which is unprecedented in Chinese history. According to Wang (2008b, p.1), there were only 4,446 NGOs in 1988 but the number increased to 34,500 in 2006 and one estimate even counted three million non-registered NGOs. They are involved in education, technology, culture, public health, labour, sports, community, environmental protection, charity and civil administration, providing charity services, running social enterprises for the general public and acting as bridges to channel international resources for local development. Yet, the pluralistic composition of urbanites with different household registrations is facing different costs of living, having differential access to services and encountering discriminatory

practices in the labour market (Song, 2014). Such an urban setting with different classes of “citizens” makes proper planning and sustainable community building difficult, if not impossible. Together with many other social justice issues unleashed by urban reforms dictated by an authoritarian political regime, the Party-state, the emerging economic interests and the fledgling civil society, will have a challenging time ahead to thrash out the differences in order to move the country forward.

Many have pronounced on the rise of China since the Open Door Policy. This article argues that a genuine rebirth of the “Middle Kingdom” has yet to come and will hinge on how well the nation and its people govern the current “urban revolution” and its many concomitant socio-economic, environmental and spatial challenges.

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