

From Rate Growth to Quality Improvement: Promoting Policy System for New-Urbanization in China

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1. Introduction

After reform and opening-up in 1978, China's urbanization developed rapidly. Although the rate of urbanization varies in different regions, the average rate reached 51.3% (2011, National Development and Reform Commission). After the financial crisis in 2008, Chinese Government recognized that urbanization could drive domestic demand (Fang, 2010), and promote China's economy development status. Therefore the Chinese Government focused on urbanization development increasingly and widely.

However, fast development of society and economy, during the past 30 years, forced the urbanization of China to face depletion of environmental resources, unequal income distribution, shortage of welfare and other issues. Meanwhile, both Central China's emerging strategy and the strategy of Resource-conserving and Environment-friendly Society lead China's urbanization to a new development direction. New urbanization, with a lot of discussions (Qiu, 2010; Cao, 2001; Wen, 2000; Zhou, 2006; Yang, 2012; Song, 2006; Zhang, 2009), simply is more concerned about the quality of urbanization, including environmental quality, living standards of immigrants, as well as the level of industrial development.

Different with developed countries, urbanization in China is promoted by local government (Qiu, 2010). In developed countries, process of urbanization is bottom-up development and synchronized with the industrialization. However, in China, policies are the most important influencing factors on urbanization. Therefore, related policy reforms could help to resolve the contradictions in the process of urbanization development. Nevertheless, new urbanization might promote reform of urban comprehensive competitiveness and coordination of regional development models, so as to realize the harmonious development of social economy and resources environment.

2. Literature Review

2.1 Research on China's Urbanization

In China, urbanization has a large number of research foundations. On China's authoritative academic research sites, CNKI, keyword 'urbanization' could be found 79,128 related literatures, and these literatures can be roughly divided into two categories.

One is the research on emerging issues of urbanization. Cao (2001) argues that reform of traditional Chinese household registration management system has to be conducted due to it has already constrained the economic and social development severely. Wen (2000) believes that the highly capital intensive industrial, urban and rural areas "isolation" policy, as well as the single national investment of city-building approach has hampered China's urban development. Zhou (2006) indicated that Chinese scientific statistical standards brought out the recent abnormal growth of urbanization. Moreover, he also believed that China's

urbanization should avoid "excessive urbanization" the development issues. Yang (2012) indicated that ecological and environmental problems may become a major bottleneck to restrict the development of China's economy, and it will also become a turning point during fast development of urbanization. Song (2006) analyses the relationship between urbanization and cultivated land in China, he believes that China's urbanization led to sharp decline in the number of cultivated land. In addition, he considered incorrect relationship between urbanization and cultivated land would trigger catastrophic consequences.

Another type of literature is a study on how to promote the development of urbanization. Zhang (2009) analyzed the relationship between demographic structure and socio-economic development, and demonstrated China's "unlimited supplies of rural surplus labor" is undergoing transformation. Thus urbanization rate level of China's overall growth will be slowed, and this moderation period provided the time opportunities for urbanization quality improvement. Sun (2005) pointed out that the different nature of urbanization between China and Western countries. Furthermore, China's urbanization must be combined with its own historical development and present situation to draw up an appropriate policy. Gu (2009) analyzes characteristics of urbanization in China and noted that the key of China's urbanization is the resettlement of migrants. Moreover, governments should protect the requirements migrants, thus allowing it to stabilize at urban living and improve lifestyle changes.

2.2 Research on New-Urbanization

In fact, new urbanization is the improvement to the old notion and the content still contains the land, population, industry and other aspects of transformation from rural to urban. Hu (2005) thought that it should be consistent with China's current national conditions, but also distinct from the traditional town concept and the crucial point is to improve the level and quality of development of urbanization in China. Peng (2010) explained in the paper that the new urbanization should contain four ideas: intensive and ecological mode, multi-functions of cities and towns, rational urban system, integration of urban and rural development. Qiu (2010) shared the view that, in China and Western countries, there is a clear difference in urbanization development. Moreover, new urbanization is various kind of issues on energy, labour, mobility, historical and cultural aspects. Fang (2010) shows that the urbanization Rate, in China's urbanization, should be synchronized with the quality to enhance the whole development process. Wu (2009) indicated that lack of market economy affected the healthy and orderly development of China's new urbanization, so the Government will need to participate effectively in the development of urbanization in China with limited intervention. Mei (2011), after analysing China's pension insurance and health insurance systems, considered that unify urban and rural social safeguard standards and strengthening social security for rural migrants could promote the transition from traditional urbanization to new notion. Qiu (2012) proved that the relationship is close between China's economic-social development and urbanization, and system security is essential to new concept.

From the related literature, consensus could be found in several ways: 1) urbanization in China had to face issues such as environment, resources, social equity; 2) urbanization in China and other countries have different realities and various development methods; 3) policies on urbanization development impact is huge because of China's highly centralized political system. However, previous studies only focused on an individual policy instead of analyzing of comprehensive policies for China's urbanization.

3. Methodology

3.1 Case Study Selection

In this paper, the study case will analyze the current China's urbanization situation based on a representative sample of Hubei province. Firstly, in China, Hubei province has the right to

test policy reform, because it is the central region to implement "rising of central China" and "construction of two-oriented society" strategy. Therefore, in promoting the development of urbanization, Hubei province has the certain policy advantages compared with other provinces in China. Secondly, geographically, the level of urbanization in Hubei Province is average level, as Hubei is located in central China and its levels of economic development is between China's developed areas in Southeast and the backward areas in Northwest. Finally, in Hubei Province's urbanization process, there are a large number of semi-urban people. Thoroughly, these people work in non-agricultural trades in cities and they are not as a citizen into the urban life of the city, because these people still own farmland in their hometown as the China's population management system. Overall, this phenomenon is a typical feature of current urbanization in China, and it is also the key to understand China's current urbanization.

3.2 Data Survey

In the preparation of studies, we examined the 13 cities in Hubei Province, 28 counties and 57 towns. * These samples cover the whole levels of large, medium and small cities in Hubei province.

During investigation in these cities, relevant statistics have been collected, including the number of the population, economic development data, cultivated land, infrastructure investment, as well as the number of migrant workers, and so on. This information could be helpful to understand the different level and a different location on the carrying capacity of the urbanization of the city and the ability to attract the migrants from rural to city area.

3.3 Interviews and Questionnaire Survey

If the rationality associated with urbanization policies and difficulties in policy implementation were to be learned, relevant department director would have to be interviewed, including urban construction sector, population management, industry sector, and so on. On the other hand, questionnaires in rural areas could be useful to understand the real situation of agricultural production and farmers' real ideas of migrating to cities.

4. Findings-Main Problems in Urbanization

In Hubei Province's history, level of urbanization has grown rapidly through a series of policies and development strategies. Through interviews and statistical data, there are a series of problems of urbanization in Hubei province. More specifically, key policy factors, raising these issues, are including population management policy, land management policy, and administrative policy dimensions.

4.1 Population Administration Policy

In 2003, Hubei Province has promulgated the views on the deepening the reform of the household registration management system to provide that "in province-wide abolition of agricultural household register, the nature of non-agricultural household register,referred to as ' residents in Hubei household register 'collectively. Public security organs could manage household and migration registration uniformly in accordance with the relevant provisions ", " basic requirements for household register access is lawful permanent residence and relatively stable sources of professional or legal life ", " for farmers entering the town to settled in, employment, social security, housing, schooling, joined the army and citizens alike. " However, due to the province's reform progress is uneven and

relevant economic-related policy reforms does not fit, the household registration system in Hubei province have been unable to efficiently boost.

Lack of appropriate social security system is a major factor to result in urbanization reform cannot be made effectively. During the process of implementation, lack of financial support has delayed the weakening process of dual population management reform. In fact, reform of household registration system has to brought out public service requirements increase. However, it is difficult to provide all migrant farmers a full range of social security based on the financial situation of most towns in Hubei Province. Nevertheless, in a certain sense, equalization agricultural land could be the substitution for social security operating system missing. Therefore, the capability of providing good public services and protection to attract the farmer migrants would affect the rural population management system reform achievement, not the problem of avoiding releasing the household registration system in Hubei province. Specifically, industrial underdevelopment, lack of industrial development ability of small towns, a large number of unemployment and limited tax revenue become the substantial reasons of reform. Moreover, The current financial and taxation systems, no provision of financial resources for local governments, exist crucial problems on perfecting the social security system and providing the necessary financial support.

4.2 Land Management Policy

One aspect, the lack of rural-land transaction system restricted the development of agricultural industrialization and the real transformation from rural to urban residents. Due to land property rights body is not clear, farmers' land contract right is not stable. Furthermore, existing circulation of farmland property right exists only in small sizes, low degree of private deals between farmers or deals with villagers' committee assistance, but these deals are absent of legal safeguards. Therefore, farmers transfer out of the rural areas and agricultural production only by abandoning farming. However, the difficult condition, inflexible circulation of rural land, restricted the transfer of rural labor force and led to farmers engaged in non-agricultural industries were unable to cut the links with the rural land (Zeng, and Li, 2009).

On the other hand, the urban-rural dual system of land use prohibited rural collective land to participate in urban construction land-building and this system limits the efficiency of intensive land use. In case of unclear property rights, rural collective construction land cannot be allocated equally in the market mechanism and necessary space set in the process of urbanization could not be completed neither. In particular border of urban-rural areas, people maintains a right of the rural land, but most of them work in non-agricultural trade. However, within the framework of the existing land system, more agricultural land become non-agricultural land by expropriation or requisitioning and this behavior is inequality of urban and rural development rights.

4.3 Public Administration System

The management system, municipal government administering county-level Governments, limits the development of County economy. This system began in 1980 and its purposes are to solve the drawbacks of the City-State, urban-rural divide, and share part of the provincial government and departments. Also, this system could help to reduce provincial organizations in dealing with urban problems and contradictions in the pressures and responsibilities. Studies have proved that some prefecture-level cities really play a "leadership, radiation" role to narrow the urban-rural gap gradually, but some cities still are far from any achievements (Pang Mingli, 2007). Excessive government level might have the following disadvantages: (1) Information between different level of government agencies is difficult to effectively communicate in a timely manner.(2) Power easily transferred in wrong way by separation mode and local ownership could not be guaranteed effectively. (3) Multiple levels of government organizational structure do not guarantee grass-roots power and treatment

sector. Moreover, the structure is not conducive to the mobilization of city (County) and the enthusiasm of the local governments, and it is leading to reduce effectiveness in government management.

5. Reform of Hubei's New-Urbanization Policy System

5.1 Unified Land Market Management System in Urban and Rural Areas

Land, as a factor of production, clear property rights could help farmers to benefit from agricultural land and more chance to obtain capital. The circulation of Land is the transfer of land contract in fact. Moreover, governments should expeditiously implement transfer measures of land contractual operation to ensure that farmers realize scale operation. In accordance with the law under the principle and voluntary, the Government should allow and encourage farmers to transfer the land by contract, subcontract, lease, Exchange, transfer and joint-stock methods. At the same time, relevant departments should be explored on mortgage schemes of management right about cultivated land and forestlands, to enhance the farmers' capacities in the area of financing and to raise the level of industrialization of agricultural production.

Central Government explicitly provide that "establishing and perfecting land contractual operation right transfer market", "towards the establishment of construction land in urban and rural unification market, made of rural collective construction land according to the law, in accordance with the planning and State-owned land on the premise of equal rights." "Unification of city and countryside construction land market can play a fundamental role on land resource allocation and give an equal national treatment for farmers and urban residents. Therefore, a variety of approaches for construction land must be formed clearly and quickly to build an open, fair, standardized land transfer-trading platform.

5.2 Incentive Financial and Taxation System

In 1994, the central tax distribution reform aimed at resolving the central fiscal crisis and expanding the central fiscal control. However, this change only clarifies the financial relationship between Central and provincial government, and also causes the local fiscal revenue up layer upon layer and downward transfer specific matters progressively. In detail, local governments assume the functions of the expansion of income sources and the lack of spending power. This current situation is easy to break the grass-roots local government fiscal balance, and caused local governments (counties and townships in particular) fiscal crisis. In the identified land framework of the current Constitution, local government uses the "management" way to get huge amount of land transfer income. Moreover, this behavior provides local government opens up a large financial source and fully financed by the local governments themselves. Thus the grass-root Governments would collect cultivated agricultural land in large scale, as well as increasing the cost of city life.

Therefore, reform of the current tax system needs to adjust the structure of distribution share, and increase the share of taxes for grass-roots Governments. Furthermore, the government should increase their financial autonomy and make land operational income to include in the financial budget.

First, on a regional level, tax reforms needed national efforts to increase financial support to Hubei province. The strategy, Resource-conserving and Environment-friendly Society, must be implemented with high standards. Furthermore, Hubei could not sacrifice the ecological environment for the economic growth, because ecological environment could contribute to the sustainable development of the region and the country as a whole. Therefore, central government should support Hubei Province by more financial resource than other provinces and accelerate the process of the new urbanization.

Secondly, related departments should determine the object of transfer-funds and pay more attention on the areas of high demands on environmental protection especially. In Hubei, high requirements for ecological environment limit the economic development in many cities, including mainly Western, North-Eastern and South-Eastern Mountains. Thus it is necessary that more financial support for these areas to ensure the local people's living standards and safeguard social justice.

Finally, the Central Government pointed clearly that steady process of urbanization needs to improve urban comprehensive carrying capacity to play a driving role of urban versus rural. However, in Hubei Province, most of the town's financial troubles are around public service centers in rural areas. Therefore, higher-level Government must step up financial support to the small town and let the transfer payment system be the main way to guarantee the provision of basic public services in cities and towns.

5.3 Progressive Residential Permit System

Many other Chinese provinces are gradually being developing residence permits as a measure of population management system and making the original household registration system has improved. Residential permit system, in Guangdong, Shanghai and other provinces, is not only buying threshold or having a high-tech job to have the living permit and the system should set residence social security insurance period as fundamental concerns.

Current Hubei province household registration reform should focus on the following:(1) people can apply for a residence permit with legal work, shelter, steady income and living condition.(2)people can have the basic social insurance rights(compulsory education and free primary health care) like a local citizens, if they paid tax and had no criminal record.(3)people can have social assistance eligibility, such as minimum living wage and affordable housing, only after they paid a certain amount of social insurance and taxes. (4)In large cities, like Wuhan, some special industry employment qualifications can be released with gradual conditions.

5.4 Regional Cooperation of Public Management System

On the basis of 'province governing county' administrative structures and strategic space arrangements, Hubei province should explore more ways to build a system of the regional joint governance. The particular governance aims to achieve the greatest degree of resource mobilization through multiple group's dialogue, coordination and cooperation. In addition, effective governance could complement shortages of market exchange and above-down government control, and ultimately achieve 'win-win' comprehensive social governance purpose. Finally, the governance would play a crucial role in promoting regional cooperation, enhancing regional competitiveness, accelerating democracy process and promoting administrative reform.

Hubei province could divide different economic area into a number of joint governance areas by industrial clarification, natural condition and target location. Then, ' Joint Commission', with all counties and cities in the same right platform, could discuss various subjects of coordinated development within the settlement area. Moreover, this commission would solve industrial isomorphism and low-level repeated construction effectively. At the same time, it could not avoid that regional blockades, market segmentation and unhealthy competition issues could come out from their own benefits.

6. Conclusions

In china, urbanization is a product from economic-social development and reform of urbanization could provide a direction for growth of urbanization's quantity and improvement

of urbanization's quality. To conclude, new urbanization reform should include four important ideas--land use, household registration administration management and taxation system. Firstly, land use management and social security system should be equal between urban and rural areas. Moreover, equal land use system need to establish ' fairness' in land use and ideas of land circulation, also need to treat property rights of rural land evenly. Nevertheless, social security system could be implemented to achieve social insurance evenness. Secondly, reform of population management system might link up with perfection of social security system to restore the essential role of household registration administrative measures. Finally, reasonable decentralization and reduction of management layers could improve the management efficiency in new urbanization reformation. Reference

Endnotes

* According to *China Urban and Rural Planning Law*, administrative region consists of four levels--Province, City, County, and Town.

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