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**URBANIZATION IN CHINA:
PRESENTATION**

By

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Urbanization in China

中国的城市化

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Introduction 导言

- Enormous achievements, transformation
改革开放带来的巨大成就
 - Reforms: integrate and make competitive product markets
改革创造和统一了竞争性的产品市场
 - Since 1978: 1978年以来的成就
 - 10% real GDP per capita annual growth rate
GDP年均增长率达10%
 - 18% → 45% urbanized 城市化率从**18%** 上升到**45%**
 - 24 → 60% labor non-farm 非农就业由**24%** 上升到**60%**
- To 面临的任务
 - (1) sustain this growth 维持经济增长
 - (2) achieve rural-urban harmony
(social stability) 实现城乡和谐
 - (3) achieve food security 保障粮食安全



Two types of reform

两种改革

- Next step: **Integrate and make more competitive labor, capital, and land markets** within and across urban & rural sectors

下一步:建立跨越城乡、统一、竞争的劳动力、资本和土地市场

- Labor market: Reform of hukou system

劳动力市场: 改革户籍制度

- Invest in rural education 加大农村教育投入

- Land market: Integrate “urban villages” into city administration (avoid slums)

土地市场: 将城中村纳入城市统一管理 (避免贫民窟)

- **Reform urban governance structure** 改革城市治理机制

- Role of mayors; administrative hierarchy

重新定义市长的责任, 改变行政管理层级



International experience: Role of cities

国际经验：城市的作用

- Cities as *engines of growth* 城市是增长的发动机
 - Centers of knowledge development 知识发展中心
 - Adaptation of imported technologies 采用进口技术
 - Development of own technologies 自主开发技术
 - Urban scale economies (A. Marshall, 1890) 城市规模经济
 - Urban density: Networking, innovation, trade in components 城市经济活动密集化：网络化、创新、上下游交易
- Economic development implies 经济发展意味着：
 - Transformation: farm labor → industry in cities 产业转换：从农业转向城市工业
 - Massive rural-urban migration

International experience: Urbanization

国际经验：城市化

- Rural-urban income gap 城乡收入差距
 - Kuznets curve: 库兹涅茨曲线
 - Rural-urban income gap increases with **initial** industrialization and urbanization
工业化和城市化初期城乡收入差距扩大
 - Then peaks and declines until rural-urban incomes "converge"
收入差距达到高峰后下降，直至城乡收入趋同
- Transformation of agriculture 改变传统农业
 - Rural education & consolidation of land holdings
改进农村教育和鼓励土地集约化
 - Peasant farming → agro-business on large scale farms
从农民个体劳作转向大规模的农业产业化

International experience: Economics of urban hierarchy

国际经验：城市层级的经济学

- Initial stage of urbanization: 城市化初期
 - Industrialization of largest cities 大城市实现工业化
 - Centers of technology adaptation 技术中心
- Next stage 下一阶段
 - Decentralization: industry to “suburban” areas: Lower wages, rents
分散化：工业向郊区转移；更低的工资水平；租金
 - Korea. 1970's: satellite cities to Seoul, Taegu, Pusan 1970年代的韩国：首尔、大丘、釜山的卫星城得到发展
- Final stage (industry) 最后阶段（工业）
 - Decentralization to hinterland cities, rural areas
工业活动向内陆地区城市、向乡村地区分散
 - Korea. 1983-1993: share of small (non-satellite) cities and rural areas in national manufacturing employment rose from 26% to 42%.
韩国 **1983-93**，小城市和农村制造业就业从**26%-> 42%**



International experience: **Economics of urban hierarchy**

国际经验：城市层级

- Developed urban hierarchy 成熟的城市层级结构
 - Smaller and medium size cities specialized 中小城市专业化
 - To exploit local economies of scale, within industries 在某些产业实现本地的规模经济
 - Steel, textile, apparel, auto, wood products, insurance, entertainment, health, etc. type cities 钢铁、纺织、服装、汽车、木制品、保险、娱乐、卫生等专业化城市
 - Large cities (global cities)大城市（国际大都市）
 - business and financial services; cultural centers 商业和金融中心、文化中心
 - New York City's transformation 1800's to 1960 纽约从**1800**到**1960**年的变迁
 - 1860: 30% employment in garments; sugar and publishing **1860年：30%**从事服装业；糖业和印刷业
 - Now manufacturing < 5%; financial and business (e.g., legal, advertising, accounting) services > 30% 目前：制造业< **5%**；金融和商业（法律、广告、会计）服务> **30%**

Manufacturing decentralization in Korea

韩国制造业的分散化

Part a. Share of Seoul Metropolitan Area in Kyonggi Province*

Kyonggi 省大首尔区所占比例

	1970	1980	1983	1993
Population 人口	62%	63	67	61
Manufacturing employment 制造业就业	76%	61	45	30

*Excludes Incheon metro area 不包括仁川都市区

Part b. Share of National Manufacturing Employment

占全国制造业就业的比例

	1983	1993
Seoul, Pusan, & Taegu	44%	28
Satellite metro areas of Seoul, Pusan, and Taegu	30	30
Other cities, rural areas	26	42

- 1983-1993: degree of urban specialization in manufacturing increases
- 1983-1993年间，城市在制造业领域的专业化程度不断提高

International experience: Life of migrants in cities

国际经验：移民的城市生活

Poor conditions for migrants, initially 移民/流动人口最初条件差

- Slums, “favelas”: few benefits accessible to residents
贫民窟：移民们在城市难以享受到必要的服务

- **But** *schooling for children* 儿童教育

- *Invest in cities* 城市投资: 60% of recent, low income migrants in Brazilian cities own their urban residences. 巴西城市中60%新近低收入移民拥有自己的住房

- Problem of over-sized crowded mega-cities

拥挤的超大城市中的问题

- Favor national capital (for example) with special public services; export and capital markets

对首都城市提供特别的公共服务；出口中心和资本市场中心

- Draw in firms and migrants → over-crowding reduces benefits of urbanization

吸引公司和移民 → 过度拥挤降低了城市化所带来的收益



How China differs: (1) Restrained urbanization 中国有何不同：（1）受到压抑的城市化

- China enormous economic growth
中国经济获得巨大增长
 - *Well educated (rural) labor force* and economic reforms
收教育程度较高的（农村）劳动力与经济改革
- But slower urbanization
缓慢的城市化
 - migration restrictions: “hukou system”; policy from early 1980’s
人口迁徙的限制：“户籍制度”；1980年代初期以来的政策

Table: Annual urban population growth rates (%)
城市人口年均增长率 (%)

	Brazil 巴西	Colombia 哥伦比亚	Korea 韩国	Indonesia 印度尼西亚	China 中国
Annual urban population growth rate 城市人口年均增长率	1950-1970 5.2%	1951-1973 4.9%	1960-1970 6.1%	1980-1995 4.8%	1990-2004 3.6%

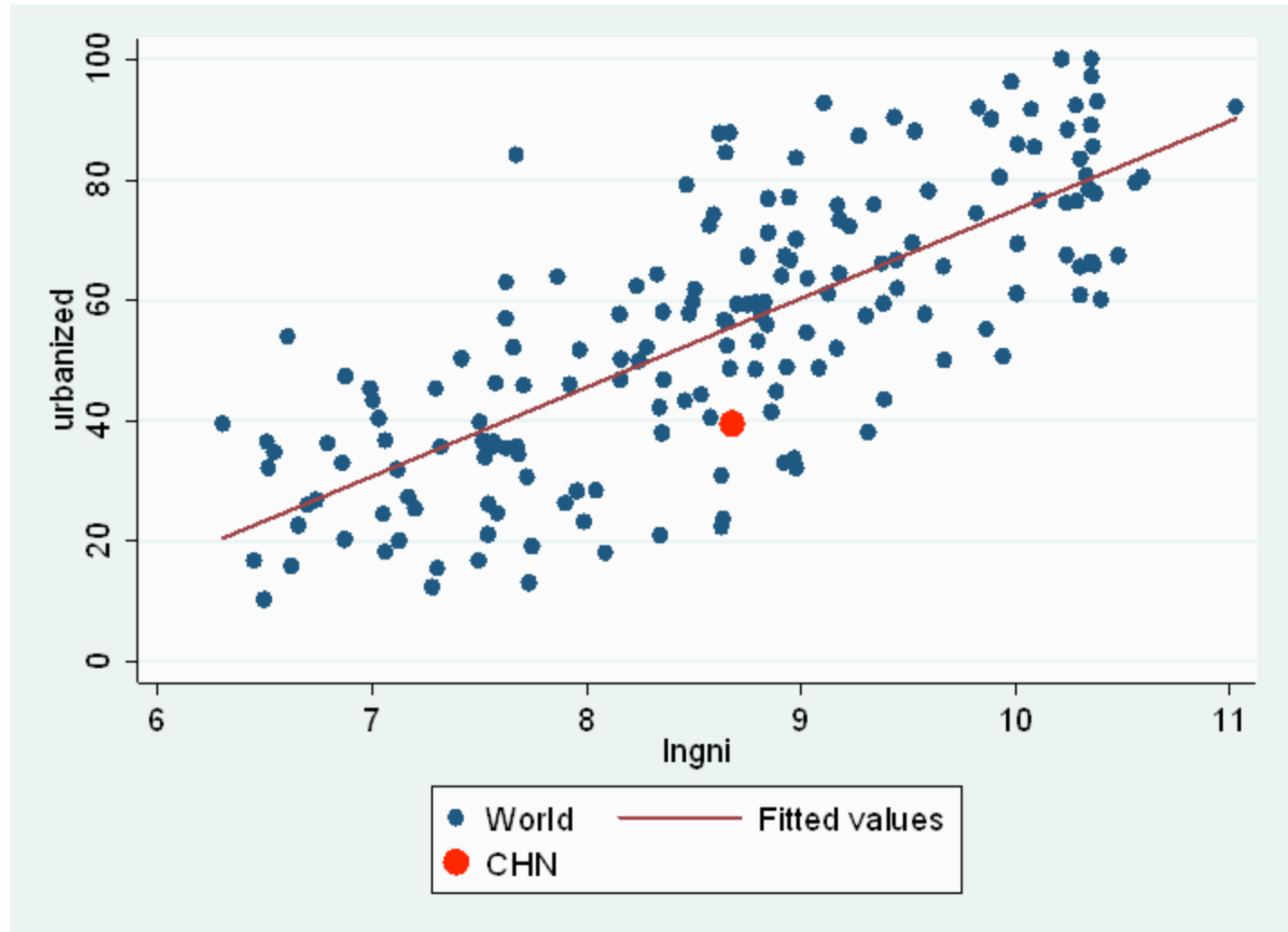
Percent urbanized vs. log (PPP GNI per capita):

Countries of the world, 2004

全球城市化比例与按PPP计算的人均国民收入（对数）

Norm for
China's
GDP per
capita:
55+%
urban

按照国际经验，
中国正常的
城市化水平应
该是超过 55 %



How China differs:

(2) Rural-urban productivity gap & inequality

中国有何不同： （2）城乡生产率差距和不平等

- **Enormous and increasing inequality**

已经严重且不断增加的不平等

- Issue of social unrest (harmony)

社会和谐：社会不稳的问题

- Productivity gap: issue of economic growth

生产率差距：经济增长的问题

- Gains from further urbanization

进一步城市化的收益

- **Triple productivity by moving typical worker from rural to urban sector**

劳动力从农村转移到城市，其生产率提高 3 倍！

Rural-urban productivity gap (& inequality)

城乡生产率差距和不平等

Comparative Urban to Rural Per Capita Consumption Ratios


城乡人均消费水平的比较

China 2003	China 1995	Taiwan (China) 1995	South Korea 1994	Thailand 1990	India 1987/88
3.1	2.75	1.43	1.03	2.66	1.49

Ratio of Productivity of Labor and Capital, 1997

劳动生产率和资本生产率的城乡比较

	Urban (prefecture and above level cities) to overall rural sector 城市（地级及以上城市）与所有农村部门的比较
Ratio of productivity of labor 劳动生产率之比	3.4
Ratio of productivity of capital 资本产出率之比	0.45



How China differs: **(3) Many, small cities**
中国有何不同： **(3) 城市多规模小**

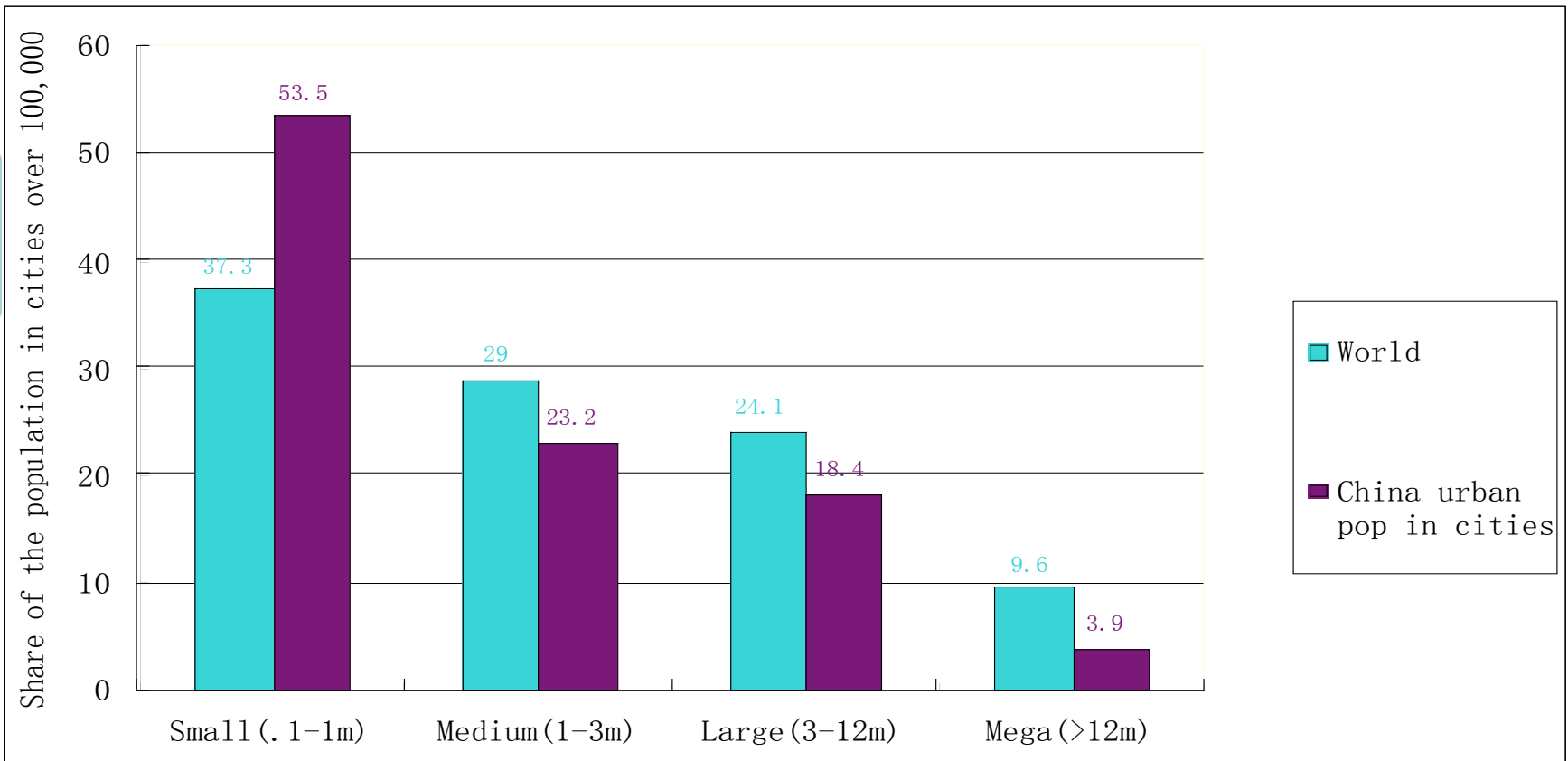
○ **“Diffuse” urbanization**
城市化的“扩散”

- Small cities (graph): 城市规模小
 - China has urbanized by transforming existing towns into cities
 - 中国的城市化是将现有的城镇升格变为市
 - Less by growing larger cities 大城市扩张少
 - Little long distance migration 远距离移民少

China's small cities 中国城市规模小

Share in urban population of each city size category: World vs. China, 2000

不同规模城市在所有城市人口中所占比例，中国与世界比较，2000年



•Covers metropolitan areas over 100,000（只统计人口10万人以上城市）。

Many cities inefficiently small: econometric study shows **Doubling their size would increase output per worker by 25% or more.**

许多城市人口规模小，效率低：经济计量分析表明，将城市规模扩大一倍，工人的产出将提高25%以上

How China differs:

(4) Surplus agricultural labor; food security

中国有何不同：（4）农业剩余劳动力；粮食安全

- **Surplus labor in agriculture** 农业剩余劳动力

year	Rural employ.	Agriculture	[non-agric]
1978	306 m.	278 m.	[28m]
1990	477 m.	368 m.	[109m]
2003	488 m.	312 m.	[176m]


- Korea 1975 -2005
 - Farm population 13.2 m → 3.4m
农村人口变化：从**13.2 m** → **3.4m**
 - Land in paddies *down* 9% (more overall)
稻田面积下降 9 %（全部土地面积减少更多）
 - Grain production **up** 61% 谷物总产量增加 6 1 %

How China differs:

(5) Economic structure of hierarchy

中国有何不同：（5）城市层级的经济结构

- **Diverse industrial base in smaller prefecture cities**
较小的地级市有不同的产业基础
 - vs. specialization (cities around 1 m)
与专业化比较（百万人口的城市）
 - Planning era. Self-sufficiency: produce everything
计划经济时代的自给自足：什么东西都生产
- **Financial and business services in largest cities**
特大城市中的金融和商业服务
 - Nationally: overall fast growing, but small sectors
全国范围内：总体增长迅速，各具体行业领域仍然较小
 - *Urban growth tied to economic reform*
城市增长与经济改革联系紧密
 - *Legal and financial sectors; culture industry* 法律和金融领域；文化产业
 - Still focus on industrial parks 仍然专注于工业园区
 - Training of mayors & their work experience in SOE's
许多市长有国有企业的工作经历
 - Performance evaluation
绩效考核



How China differs: (6) Life of migrants in cities 中国有何不同：（6）移民的城市生活

- Positive. Excellent record: rural education 有良好的正面记录：农村教育
 - Arrive in city with basic skills 到城市时已经拥有基本技能
 - Rural labor force: 75% junior middle school 农场劳动力：75%完成了初中学业
- Unusual **Policies**: “double divide”不合理的政策：“双重隔离”
 - Limit schooling for migrant children v 移民 / 流动人口小孩上学受限
 - Extent of isolation from main city (dorms, urban villages) 与都市生活隔离（住宿舍．城中村）
- Non-portability of rural wealth 农村财富不可携带和转移
 - Can't sell agricultural leaseholds; effective ownership of TVE's 不能转让承包地使用权；实际拥有乡镇企业股份
 - No funds to invest in urban housing and businesses 无钱对城市的住房和商业机会进行投资

How China differs: (7) Urban governance

中国有何不同: (7) 城市治理

- Role of mayors市长的责任:
 - Public services for residents vs. CEO's for local economic development
为居民提供公共服务还是作当地经济发展的**CEO**
 - accountable to residents vs. performance standards对居民负责与绩效标准
- Administrative hierarchy (among cities)行政层级
 - Differing autonomy, access to capital & fiscal resources 不同的自治程度, 获得资本和财政资源的机会
- Potential for over-crowded mega-cities 过度拥挤的特大城市的发展潜力
 - "Favored cities" in context of freer migration 人口流动更自由的情况下的“重点城市”
 - Capital market integration: 资本市场的整合
 - Differential rate of return on capital不同的资本收益率

City hierarchy (averages in 2001)

城市的层级 (2001年平均)

City Type (numbers in data set)	Populati on (1000's)	GDP per capita (yuan)	Ratio: manu to service GDP	FDI 99-01 per capita(\$)	Invest. 1999- 2001, per capita	GDP share of each city type*	Annual population growth rate 1996-2001
Provincial level 省级市(4)	9,779	24,450	.91	623	21,300	.133	6.7%
Provincial capital 省会城市(26)	2,606	21,163	1.49	335	19,900	.203	4.1.
Prefecture 地级市 (224)	836	14,619	1.44	287	12,200	.346	2.0
County City 县级市(385)	660	9,506	1.37	99	4,400	.318	1.0

Source: Chan, Henderson, and Tsui (2006)

*Based on population weighted averages of GDP per capita.

Policy issues: Rural-urban harmony

政策问题：城乡和谐

- Urbanization is permanent, irreversible
城市化过程是持久的、不可逆转的

Total <i>non-agriculture</i> employment in <i>urban districts</i> , 2000 2000年城市中所有非农就业人口数量	Rural hukou 农村户口	Urban hukou 城市户口
181	61 m.	119 m

- **Invest in rural labor** (future urban growth)
对农村劳动力投资（未来城市增长）
 - Rural schooling 农村学生就学
 - Schooling of migrant children 移民孩子就学
 - Admit unconditionally to state schools 无条件进入城市学校
 - same financial terms as residents 与户口居民一样缴费
 - Stop current closures of “underground schools”
停止关闭目前为民工小孩开办的“地下学校”



Policy issues: Rural-urban harmony

政策问题：城乡和谐

- **Divorce hukou status** from right of access to urban services and formal sector housing
将户口状况与享受城市公共服务和进入正规住房市场的权利相分离
 - Schooling; social security and insurance
教育；社会保障和保险
 - Local labor bureau: job training & placement
本地劳动局：职业培训与介绍工作
 - Home ownership: housing and mortgage markets
个人拥有住房：住房市场与住房贷款市场



Policy issues: Rural-urban harmony

政策问题：城乡和谐

- More general possibilities 更一般的问题：
 - Define urban hukou on provincial basis
在全省范围内统一户口
 - Helps restrain migration to Beijing and Shanghai
减小对北京、上海的移民压力
 - Accelerate granting of urban hukou to
加速为下列人员办理城市户口：
 - Migrants with post-secondary technical education
完成了初级技术教育的城市移民
 - Migrant **family** if head has full time employment
(formal or informal sector)
如果户主有全职工作（无论在正规还是非正规领域就业），给予其全家城市户口



Policy issues: Rural-urban harmony

政策问题：城乡和谐

○ Integrate “urban villages” into city administration

“城中村”纳入城市统一管理

- Integrate migrants into urban civil society
让外来移民融入城市的社会生活
- Avoid urban slums with ‘independent governance’
避免城市具有“独立治理”的贫民窟
 - Services from the city 市政府统一提供公共服务
 - Integrated into city master plan for future land redevelopment 将其土地再开发纳入城市总体规划中
 - Pay property taxes (when develop property taxation) 缴纳物业税
 - Granted urban hukou 给予其居民城市户口
 - Respect property rights of current land users 尊重现有土地使用者的产权



Efficient use of natural resources: Land

自然资源的有效利用：土地

- **Achieve food security** 实现粮食安全保障
 - Farms invest more in land and technology
 - 农场要加大对土地和技术的投入
 - Lengthen agricultural leaseholds 农地承包权期限
 - Strengthen rural property rights 加强农村产权保护
 - Sell leaseholds; 出售承包地使用权
 - Land holdings consolidated for efficiency 通过土地集约使用提高使用效率
 - Wealth portable 财富可携带转移
 - Invest in schooling of farmers 加大对农村劳动力的教育投资
 - Invest in agricultural machinery and technical advance 加大农业机械和技术进步的投资

Efficient use of natural resources:

Harmony in urban land use

自然资源的有效利用：城市土地使用中的和谐

- **“Compact” cities** “紧凑型”城市
 - encourage “brownfield” redevelopment vs. “greenfield”
鼓励“褐地”再开发与“绿地”开发
 - Property rights of historical users (to redevelop)
赋予土地历史使用者以产权（鼓励再开发）
 - Cost of taking agricultural land
加大占有农业用地的成本
 - Discourage excessive use of automobiles
遏制过度使用汽车
 - Gasoline cheap by international standards 汽油太便宜
 - Non-enforced emission standards 排放标准未执行
 - Congestion free zones; bus lanes 建立无拥堵区，公交车道
- **Orderly land use** 有序利用土地
 - Give land use plans legal force 赋予土地使用规划以法律效力
 - Approval by local People’s Congress 地方人大批准
 - Zoning laws restrict property rights 规划法对产权的限制
 - Use and intensity of land use restricted by location
对不同位置的土地的用途和开发强度进行限制

Conclusions

结论

China marvelous accomplishments 成就巨大
To sustain, with rural-urban harmony:
在城乡和谐前提下要保持其持续发展

- Rural-urban integration of labor, capital and land markets
城乡一体的劳动、资本和土地市场

Improve life of migrants 改进移民 / 流动人口生活条件

- Forestall festering of quasi-independent urban slums 避免城市贫民窟
- Invest in human capital to grow economically 加大人力资本投资
 - rural schooling; migrant children 农村教育; 流动儿童
- Encourage migration 鼓励人口迁移

Invest in agriculture and smaller cities 投资农业与小城市

Land market reforms 改革土地市场

- Compact, orderly cities 紧凑有序的城市发展
- Length of tenure and salability of rural leaseholds
农地承包权的期限和可转让