

## Acceleration of urbanization process and alteration of underdeveloped status



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In comparison of provincial developments in China, Jiangxi Province belongs to the underdeveloped region. The following data analysis can explain the underdeveloped status of Jiangxi. First, its total economic output is small. In 2011, Jiangxi's GDP reached 1.15838 trillion Yuan, ranking No. 18 of 31 provinces in the whole country; Guangdong's GDP (No. 1) was 4.5 times that of Jiangxi, and Jiangsu's GDP (No. 2) was 4.1 times that of Jiangxi. Second, its per capita GDP is lower than the average level of the whole country. In 2011, the per capita GDP of the whole country was 35,198.57 Yuan, and Jiangxi was 25,988 Yuan, which was 9,210 Yuan less than the average level of the whole country, ranking No. 25 of 31 provinces in the whole country. Third, its urbanization rate is lower than the average level of the whole country. In 2011, the urbanization rate of the whole country was 51.3%, and Jiangxi was 45.7%, which was 5.6% less than the average level of the whole country.

According to the international experience, the urbanization process is generally divided into three stages, including the development stage during which the urban population is less than 30% of the total population, the accelerated development stage during which the urban population is 30%-70% of the total

population, and the mature stage during which the urban population is more than 70% of the total population. The above data show that Jiangxi Province has entered the acceleration period of urbanization, which will provide the sustained power for Jiangxi to change the underdeveloped status.

**First, the acceleration of urbanization process is beneficial to the expansion of investment demand.** The urbanization makes decisive contribution to GDP; according to the estimated index specified by the relevant experts, an increase in urbanization growth rate of 1% could lead to a further increase of 140 billion Yuan in urban infrastructure investment, which will bring 336 billion Yuan of GDPs eventually. The total investment made for the urban public infrastructure construction reached 134.6 billion Yuan during the "Eleventh Five-Year Plan" period, which still has a larger investment space during the "Twelfth Five-Year Plan" period, and will makes a contribution to the expansion of investment demand in Jiangxi Province.

**Second, the acceleration of urbanization process is beneficial to the expansion of consumer demand and the increase in endogenous power of economic development.** The industrialization generates the supply, and the urbanization generates the demand.

The urbanization rate of Jiangxi will reach an average annual increase of 1.6% during the “Twelfth Five-Year Plan” period, and there must be at least 3.5 million farmers going to town within five years, which will bring the huge consumer demand for Jiangxi’s development. Therefore, it shall comply with the laws, grasp the opportunities, and accelerate the urbanization process to fundamentally solve the contradictions brought by the social transformation.

**Third, the acceleration of urbanization process can promote the development of tertiary industry and expand the employment.** The tertiary industry and the urbanization interact as both cause and effect, and promote each other. The urbanization produces the concentration of population and promotes the development rate and quality of the tertiary industry; the tertiary industry not only expands the city scale, but also promotes the city function reinforcement and the city image improvement so as to attract the funds and population concentration and become the follow-up power of the new stage of the urbanization.

**Last but not the least, the acceleration of urbanization process is beneficial to the increase of farmers’ incomes.** At present, the income gap between urban and rural areas is increasing year by year, the rural social security system has not perfect yet, and the trials of farmers’ endowment insurances have just been started. The income gap between urban and rural residents reaches 3.33:1 currently. The primary cause of the increasing gap is that the farmers have not completely transferred from the rural areas to the urban areas and from the agricultural industry to the non-agricultural industry. People have reached a consensus that farmers can become rich by decreasing the farmer population, and the effective way to decrease the farmer population is to accelerate the urbanization process.

As an underdeveloped province in the central region, the acceleration of urbanization

shall be taken as the breakthrough and focus of the structure adjustment at present, the structure adjustment shall be realized in the urbanization process, and the accelerated development of urbanization shall be promoted in the process of structure adjustment.

First, it is necessary to seek a breakthrough in the development concept of urbanization. Since China has implemented the policy of “strictly controlling the scale of big cities and reasonably developing the medium and small cities” for a long time, it is afraid of the big cities and controls the big cities in the development concept, and always has the idea that “the city disease” must occur with the rapid development of the cities. In fact, the practice has proved that the larger the city is, the better the economies of scale will be, and the stronger the concentration and radiation function will be.

Meanwhile, the development of urban corridor and urban agglomeration taking the metropolis as the center has become the successful experience and rule of urbanization in the country and in the world. The small towns with thousands of residents cannot gather the industries and people, which has been proved through the migrant workers’ selection of their working places for 30 years, and also been proved through the development process of the small towns, and the average population of more than 19,000 designated towns in the whole country has not exceeded 10,000 so far.

Therefore, the central cities shall be made bigger and stronger unswervingly and several metropolises and big cities such as Nanchang, Jiujiang, and Ganzhou shall be formed in the whole province as to construct the economic highland of the whole province and mobilize the rapid development of the economic society.

Second, it is necessary to seek a breakthrough in the development pattern of urbanization. At present, the main characteristic of urbanization pattern in China is incomplete urbanization. Farmers are free to find jobs or go into busi-

nesses in the cities, realize the transfer from the agricultural industry to the non-agricultural industry, but they cannot realize the identity transformation and become the real citizens of a city. For this reason, they cannot enjoy the equal pay for equal work, equal guarantee and equal consumption as the local employees. During the acceleration period of urbanization, the breakthrough in urbanization pattern must be realized, to make the city farmers get jobs and social securities, realize the continuous income growth with their efforts, social status rise and the settlement in cities by purchasing houses. The goal of structure adjustment can be achieved only through the continuous improvement of the urbanization quality.

Third, it is necessary to seek for a breakthrough in the system mechanism of urbanization. The process of urbanization is the process of transfer from the farmers to the citizens, and from the rural lifestyle to the urban lifestyle. The transfer from farmers to citizens is not enough to just have the occupation transformation and the space flow, and is still not complete even with the household registration transformation. If the city farmers cannot settle down or migrate into cities with the whole families and obtain the reliable social securities, the farmers' transformation into urban inhabitants cannot be completed at last. Therefore, the household registration reform must be conducted together with the supporting reforms of housing and social security systems.

**1. The pace of the household registration system reform shall be accelerated.** The management system for household registration, which makes a strict distinction between the permanent urban residence certificate and the permanent rural residence certificate and controls farmers' transformation into urban inhabitants, shall be abolished. The national treatment difference between the agricultural residence certificate and the non-agricultural residence certificate shall be cancelled. A consolidated urban and rural household registration management system

shall be implemented, and the supporting policies (such as the various interests in employment, social security, education, welfare, and veteran placement) attached to the household registration used for urban-rural segmentation shall be separated from the household registration as to make the household registration system become (or just become) the population registration system, but not the hierarchical system differentiating the "identity".

**2. The ownership of the rural housing site and its building shall be confirmed as to promote the market access of the rural collective construction land use rights, and realize the reclamation and dynamic balance of urban and rural construction land.** The "right to contracted management of rural land, right to use of rural collective construction land, right to earnings of rural collective assets, farmhouse ownership and right to use of forest land" are confirmed to each household in the form of ownership certificate, to make it become the legal assets of farmers, realizing the transformation from the resources to the capitals. All the effective property rights must be transferable, and the nontransferable property rights are the incomplete property rights. The farmhouses and housing sites with identified ownerships can enter the transfer market to get the cash under certain specified conditions, and the farmers can go into town with funds. The farmhouses which are not cashed in the market after right confirmation shall be combined with the town planning and new rural construction, to encourage the farmers to move to the central village or replace for the prefabricated houses (apartments) with the government subsidies; some or all farmhouses are encouraged to replace for the standard industrial houses in the industrial functional areas. After the right confirmation of farmhouses, the original housing sites shall be re-ploughed whether they are used for transfer transaction or migration and new construction. The re-ploughed evaluation index system shall be established.

The qualified re-ploughed housing sites after the evaluation and acceptance can be converted into the urban construction land index within the province, which can meet the needs of urban construction land via the certain replacement mode.

**3. Migrant workers shall enjoy the same housing security policies with the urban residents.** The barriers of household registration restriction shall be gradually broken and more and more low and middle income families including “permanent rural residence certificate” are incorporated into the security scope of “urban housing security system”. Based on the mode of original low-rent housing and economically affordable housing, the security way of public rental housing shall be added and migrant workers shall be incorporated into the supply scope to make them settle down by learning from the successful experience of the relevant cities.

**4. The compulsory education of the accompanying children of the migrant workers shall be effectively solved.** With the acceleration of urbanization process, a lot of migrant workers find jobs or go into businesses in the cities, and the education of their accompanying children becomes a big issue. It suggests that the entrance requirements of the compulsory education of the migrant children should be further relaxed so that the migrant children can enjoy the same compulsory education as the urban children if their identities can be proved. At the same time, according to the urbanization process of each region, and combining with the formation of economic and social development plan during “Twelfth Five-Year Plan” period, the planning and construction of school network adjustment, teacher allocation and other aspects shall be well prepared on the basis of the scientific prediction to truly meet the requirements of urbanization to education.

**5. The coverage of social security shall be expanded to complete the transfer and continuation work.** The coverage of the workers’ social security shall be expanded in accordance with the law so that the so-called investment environment cannot be exchanged at the expense of the workers’ rights; the development of the social security of the migrant workers shall keep pace with that of the urban workers, which is “equal pay and equal guarantee for equal work”; the insurance rate of all employees shall be incorporated into the government performance assessment.

At present, the migrant workers can only transfer the amount in their personal accounts, and the social pooling part cannot be transferred after they return home. The insurance funds shall be fully transferred while the transfer and continuation of the migrant workers’ social security is well completed, to effectively alleviate the financial pressure on the due payments of the migrant worker export place.

**6. The urban and rural convergence of various systems of social undertakings shall be completed.** The urbanization acceleration is not only the process of the expansion of city space scale, but also the process of the rapid agglomeration of rural population to cities. With the rapid and abundant agglomeration of rural population to cities, the problems related to the convergence of the rural and social system with the urban system will be caused. For example, how does the rural endowment insurance converge with the endowment insurance for urban workers? How does the new rural cooperative medical service converge with the medical insurance for urban residents or urban workers? The relevant functional departments shall take precautions to prepare for the docking or convergence of urban and rural system as to promote the rapid and stable development of urbanization.