

Urbanisation in China**China's Chicago**

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A giant city in the south-west is a microcosm of China's struggle to move millions from rural to urban areas

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DEEP in the heart of China, the hilly riverside city of Chongqing is burning with ambition and wreathed in a shroud of smog. Visitors are astonished by the scale and pace of its growth: shopping malls, expressways and a throng of skyscrapers, including one that looks like the Chrysler building. Work on a \$200m opera house is under way. But Chongqing's megacity dreams are troubled.

In China's sometimes confusing administrative nomenclature, Chongqing is called a municipality, one of only four that enjoy provincial-level status (the others are Beijing, Shanghai and Tianjin). It is a region as well as a city. The municipality covers an area the size of Scotland (much of it just as rugged), and its population is scattered over thousands of towns and villages straddling the Yangzi river. According to official figures, about 45% of Chongqing's people live in urban areas (nearly half in the would-be-Manhattan of Chongqing proper). But Chongqing's leaders, determined to make their vast municipality an oasis of modernity in China's backward west, say that by 2020 the municipality must be 70% "urbanised".

Statistics like these make China's property developers drool. The municipality's official population is more than 30m, which if it were a single city would make it one of the largest in the world. To achieve the 2020 target, country-dwellers must move into urban areas at a rate of more than 500,000 a year. Large numbers of farmers will also seek their fortunes in other parts of China. Thanks to the lure of the wealthy coast, many have already done so. Chongqing's resident population—official population minus migrants to other provinces—fell by 500,000 between 2000 and 2005. But around half of those who migrate to urban areas remain in Chongqing municipality.

Comparisons are often made with Chicago. As James Kynge says in a recent book, Chicago was “a gateway to vast and largely undeveloped lands to its west, a hub where the traffic of roads, rail lines and waterways converged, and a centre for business where ambition eviscerated risk”. Chongqing “is all of these things”.

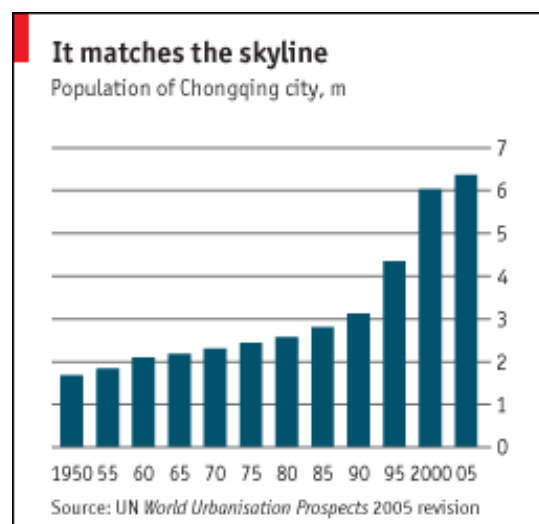
Huang Qifan, the municipality's deputy mayor, likes to measure his city against America's urban powerhouses. He points to carmaking Detroit. Chongqing, he says, is China's third- or fourth-biggest car manufacturing centre, with an expected output of 1m vehicles this year, up 25% from 2006. Like the rest of China, Chongqing is booming. In the first six months of this year its economy grew by more than 14%, compared with 11.5% during that period for the country as a whole. In a decade, it could be as wealthy as Shanghai now.

Chongqing has been helped by massive central-government support since the late 1990s, aimed at reducing the imbalance between the prosperous coast and more sluggish interior. Money has poured in for the construction of the Three Gorges Dam, downriver in neighbouring Hubei Province, and the relocation of hundreds of thousands of people displaced by the reservoir that stretches up to Chongqing city itself. Mr Huang says 80% of the municipality's growth in the past decade has come from investment (half financed by state-owned banks and the government). In the next ten years he wants to halve investment's contribution to growth and triple that of consumption and exports. Chongqing in his plan is to be an inland Shanghai.

All this money is bringing rural job-seekers flocking into Chongqing (the city proper, see chart). Many, known as stick men, loiter on the streets carrying bamboo poles used for lugging loads up the hilly streets (so steep that pedal-driven vehicles are hardly to be seen). The city is one of the magnets for the huge shift of people from the countryside that is transforming China. Yet, as Chongqing also shows, maintaining this flow of people is becoming increasingly tricky.

To see why, go the village of Qilin, a lush expanse of paddy fields, bamboo and maize about 60km (38 miles) north-east of Chongqing city. A billboard at the village headquarters says the population is 4,300. Nearly 2,000 of them have gone to work elsewhere. Those left behind are mostly school-age children and the middle-aged and elderly, who would have little chance of finding jobs in urban areas. Labour-intensive industries prefer people in their late teens and early 20s, but they have gone.

Of those who have moved to Chongqing city, very few have registered as urban residents with all the perks that this theoretically entails: unemployment benefits and pensions as well as subsidised health care, education and (for the poorest) housing. Most migrants prefer to maintain their official status as farmers, because this gives them usage rights to small parcels of farmland: a more tangible benefit than the welfare promises which many rightly suspect will not be fulfilled. Much of China's migration to the cities is therefore temporary—many city dwellers will one day return to their farms—and some scholars reckon Chongqing's real urbanisation rate is far lower than the official figures suggest.





Municipal officials are excited by the central government's decision in June to allow the municipality to act as a pilot for wide-ranging reforms. These, they hope, will hasten real urbanisation. Details have yet to be announced, but they are expected to involve changes to rural land management, social security and a household-registration system that rigidly classifies all citizens as either urban or rural.

Qilin village has made an early start. China's official media have made much of its decision to allow farmers to swap land for shares in a new orange-growing business set up by the entrepreneurial village chief. Farmers are free to sell their shares to other villagers or, with the approval of half the shareholders, to anyone else. It is still a far cry from land privatisation, which some Chinese say is essential to make permanent the shift of rural residents to cities. Rights to use the land still revert to the original farmer at the end of the 30-year lease to which all farmland is subject. But Zeng Guoping of Chongqing University says local officials hope the central government will allow Chongqing to let the leases run much longer.

Meanwhile, officials play with numbers. The Chongqing leadership's obsession with urbanisation targets encourages their underlings to fiddle the figures. The official media have said that efforts to reform the rural/urban citizenship system, known as *hukou*, could encourage officials simply to reclassify farmers as city residents. Urbanisation targets, some critics say, smack of Maoist economics. "The market should decide," says Cui Chuanyi, a rural-labour specialist at a government think-tank in Beijing. To Chongqing's ambitious leaders, that sounds too simple.