

Executive Summary

China is a country with 5,000-year-long civilization and a long and rich history. The compass, gunpowder, art of paper-making and block printing invented in China have made great contributions to the progress of mankind. The Great Wall, Grand Canal and other projects built by the Chinese people are engineering feats in the world.

The history of Chinese cities can be traced back to Longshan Culture in the Yellow River Valley about 4,000 years ago. The records written in words started in the Shang Dynasty (16th-11th century BC). China, a farming society for more than 3,000 years, began to decline to become a semi-colonial and semi-feudal society from the Opium War in 1840. In the Revolution of 1911, the Chinese people put an end to the feudal and monarchic rule that lasted for more than 2,000 years in China. On October 1, 1949, Chairman Mao Zedong declared solemnly to the world the founding of the People's Republic of China in Beijing. This was the new starting point for the great revitalization of the Chinese nation.

1. Urbanization and National Economic Development

In 1949, China had a total of 132 cities, with an urbanization level of 10.65%, and with a total of 57.67 million population of the whole country living in cities and towns. The 1950s witnessed the first wave of urban development in China.

In 1978, the focus of the Chinese government began to be shifted to the economic construction. As a series of policies and measures were introduced to conduct economic reform and opening up China to the outside world, the national economy and urbanization developed at high speed. The distribution of cities and their spatial structure became more national. Cities took on a new with each passing day. Great improvement was made in the field of human settlements.

Up to the end of 2009, there were 654 cities in China. With an urbanization rate of 46.59%, there were 621.86 million people living in cities and towns. According to administrative divisions, there were 287 cities at and above the prefecture level, 367 cities at county-level, and 19,322 towns.

With the gradual increase of urbanization level, the position and role of urban economy are becoming more important in the national economic development. Today, urbanization has already become an important force to encourage the new-type industrialization, create jobs and

expand domestic demand. It has promoted the economic development, social progress, cultural prosperity, and comprehensive strength of China.

In 2009, the Gross Domestic Product (GDP) of China was 34050.7 billion Yuan, and the per capita GDP 25,511 Yuan (US\$3,735). At the end of 2009, the number of employed people was 779.95 million, of which 311.20 million worked in cities and towns. The unemployment rate registered in cities and towns was 4.3%. On the basis of the booming development of urban economy, people's livelihood was improved gradually. The consumption market was prosperous. The living standards of the people were obviously improved. The social environment was stable and harmonious. In 2009, the per capita disposable income of residents in cities and towns reached 17,175 Yuan (US\$2,515).

2. Regional and Spatial Distribution of Cities and Towns

China has formed an urban system in which large and medium-sized cities develop harmoniously with small towns, with the spatial structure becoming rational. The urban system mainly includes three metropolitan areas with densely distributed cities and towns, such as the Yangtze River Delta, the Pearl River Delta, and the Beijing-Tianjin-Hebei region, and urban clusters in the mid south of Liaoning Province, the Central Plains of Henan Province, Wuhan of Hubei Province, Changsha-Zhuzhou-Xiangtan of Hunan Province, Chengdu-Chongqing, the Southeast of Fujian Province, the Shandong Peninsular, Guanzhong-Tianshui, and the Beibu Gulf.

These metropolitan areas and urban clusters, with one or multiple cities being the nucleus, have become important economic growth poles in these regions, and have played important roles in leading the regional and urban and rural development. They have in essence broken the constraint of administrative divisions, realized the integration and consolidation of social and economic activities within vast areas, greatly reduced the distance and space between people, and promoted the human movement and economic activities at the regional and national levels. The trans-regional industrial groups, financial networks and trading institutions have developed at a rate and scale unparalleled in the history.

All these have made it possible for capitals, technologies and information to flow and spread more smoothly around the country, and for metropolitan areas and urban clusters to become pivots to promote the regional economic development of China.

3. Urban Housing Development and Reform

In China, common commodity housing is the main part of the urban housing supply system. The social housing is provided for low-income families who have difficulties in affording a commodity house. Proper financial aids are given to medium income and near-low-income families who have difficulties in affording a commodity house. The types of the current social housing include: low-rent houses, public rental houses, affordable houses, and inclusive policy houses.

In 2008, the per capita living space was 23 square meters for urban residents (with per capita floor space approaching 30 square meters). The housing quality and living environment were also greatly improved. The supporting infrastructures and public service facilities were improved. The quantity of houses with independent kitchens and toilets accounted for over 80% of the total. The great importance was attached to building energy saving, environmental improvement and property service. The housing system reform enabled the construction of housing in cities and towns to become an important economic growth point and consumption hotspot. The rate of urban housing ownership was 87.8% in 2008.

Currently, there are some in-depth contradictions and problems for urban housing in China. The housing supply and demand contradiction is outstanding. The price of housing in some cities is too high and the price of housing is soaring too fast. The difference in housing ownership is outstanding, and real estate development behavior is improper, just to name a few. The housing shortage problem is especially outstanding for some medium and low-income families and large groups of “new residents in cities and towns”. There are still more than 10 million urban families living in various types of state-owned shanty areas in cities, industrial district and mining areas. Most of these houses have simple structures, incomplete facilities, and remain in bad conditions for many years. Dilapidated houses account for a high proportion in these shanty areas, with hidden safety risks. The infrastructure is also very incomplete in these areas. The housing system, with government support and multiple financing and development channels, is still under development.

4. Urban Environment and Infrastructure

With the increase of urbanization rate and expansion of city scales, the carrying capacity of urban infrastructures has been greatly improved in such aspects as: water supply and drainage, sewage treatment and water saving, gas and central heating supply, road facilities and public transport services, sanitation and garbage collection and disposal, as well as parks, open space and greeneries. All these have provided strong support for the development of urban economy

and the improvement of people's living standards. The quality and environment of human settlement have been remarkably improved in China. There are 19 Chinese winners of the UN Habitat Scroll of Honor.

In saving energy in urban areas and coping with global climate change, the Chinese Government has released a series of policies and regulations to facilitate energy-saving and emission reduction. It is stipulated that by 2020, China's carbon dioxide emissions per unit GDP will have been reduced by 40% to 45% from that in 2005; and the non-fossil energy consumption will have reached 15% of the total primary energy consumption. The extensive international cooperation and exchange will be carried out with international organizations such as the United Nations, World Bank, Asian Development Bank and with many countries, so as to share the experiences, technologies and capitals in a complementary way and to increase the capacity and level of energy saving and emission reduction in cities.

5. Floating Population and Rural Migrant Workers

From 1979 to 2009, China's floating population increased from the 6 million to 211 million, constituting the largest population move and migration in its history. In the upcoming 20 to 30 years, the floating population is expected to remain over 200 million, posing a serious challenge to the national strategic planning, government's social administration and public services. Therefore, the orderly flow and reasonable distribution of the migrants is of great significance for promoting the sound urbanization and the all-round, coordinated and sustainable development of the economic and social sectors in China.

Rural migrant workers are a new type of workforce that has emerged in the progress of China's reform and opening-up, as well as in the process of industrialization and urbanization. In 2009, the total number of rural migrant workers was 230 million. The number of rural migrant workers who left their hometowns to work in cities and towns was 150 million, of which 61.6% were the new generation of rural migrant workers at the age from 16 to 30. Rural migrant workers are the products of influences by a range of factors in China's dual economic and social structures between the urban and rural areas. In order to enable the rural migrant workers to work and live stably in cities where they are working, the central and local governments in China are building three social security system for them. The first is the pension and medical insurance to eliminate their worry behind the time when they old and ill. The second is the unemployment insurance to overcome their temporary living difficulties when they lose their jobs. The third is minimum substance guarantee which is the last resort to save them from falling into dire poverty.

6. Medical and Health Insurance System

Over the past ten years and more, governments at different levels have been positively pushing on the reform of basic medical insurance system. The national reform of urban employees' basic medical insurance system was launched at the end of 1998, which changed the public health care system into a social medical insurance system. The urban medical aid system was established in 2005, which granted aid to the people who receive minimum subsistence allowance or have other difficulties. The trial of basic medical insurance for urban residents started in 2007, which included students, children and the elderly and other non-employed persons into the coverage of the medical insurance. The medical insurance system for urban residents was implemented nationwide in 2009.

The framework of medical security system with the Chinese characteristics has been formed basically through the reform and research in many years. The urban employees basic medical insurance, the urban residents basic medical insurance and the new-type rural cooperation medical service have covered the urban employed and non-employed people, rural people, and the people with difficulties in urban and rural areas. They are the major components of the medical security system in China. The basic medical insurance system is the main player of the medical security system. Meanwhile, the urban and rural medical aid and social charity donation and other relevant systems provide aid to the poor people for their participation in the insurance and for their payment of the personal contributions, creating a possibility of minimum social secure. The higher and variety of medical demands of the people are satisfied through the supplementary medical insurance and commercial health insurance.

7. Education Development

The education of new China was developed on an almost scratch basis. In 1949, 80% of the population in China was illiterate, and only 20% and 6% of the population entered primary school and secondary schools respectively. There were only 117,000 students studying at universities. Through the unremitting efforts in the past 60 years, especially with the reform and opening-up policy implemented in the last thirty years, the education in China has undergone enormous changes, and made remarkable historic achievements.

In 2009, the net enrollment rate for primary schools in China reached 99.4%. The gross enrollment rate for

junior middle school reached 99.0%. The illiteracy rate of young adults went down below 3.58%. The number of the students studying in various types of universities and colleges in China was 29.79 million, with a gross enrollment rate of 24.2%.

To enable everyone to have equitable access to education is a fundamental right of citizens granted by the Constitution and is the relentless pursuit for the education in China. Great achievements have been made in the implementation of the policies to progressively introduce the compulsory education in urban and rural areas, establish and improve the financial assistance system for the students from poor families, grant preferential policies to rural areas, especially the poverty-stricken areas and ethnic areas, support the development of special education, protect the right to receive compulsory education for girls and the children of migrant workers, and build the modern remote education network in primary and secondary schools to share the high-quality resources. These policies have helped the urban and rural children, teenagers and the people to enjoy more equal education opportunities and more high-quality educational resources.

8. Community Service and Development

Community is the basic unit of society where people live and meet. The community harmony is the foundation of harmony for a society as whole. The urban communities are the places where the social management should be focused, the livelihood of people improved, and social stability maintained. With the further development of industrialization, information technology, urbanization, marketization and internationalization, China is facing profound changes in social structure and pattern of interests and ideas. To construct harmonious communities has important practical significance and far-reaching historical significance for protecting the basic living rights of urban and rural poor people, satisfying the diversified material, cultural and living needs of the ordinary residents, inspiring enthusiasm, initiative and creativity of the public to participate in social development, and creating a more favorable social environment for the social and economic development.

At the end of 2009, there were altogether 175,000 various community service centers in China, of which, there were 10,003 integrated community service centers, 53,000 neighborhood service centers, and 112,000 other community service facilities. There were 693,000 city convenience and service points, and 289,000 volunteer community service organizations.

9. Social Assistance and Charity

Social aid is a kind of social security system in which the state and the society provide aids of all kinds, according to the stipulations of policies and laws, to those who fall into a predicament in respect of basic material life and cannot maintain the minimum living standard by themselves due to various reasons.

At the end of 2009, there were a total of 11.411 million families, 23.456 million persons who received basic living allowances in cities in China. The average standard for basic substance allowances was 227.75 Yuan in cities, and the average monthly basic substance allowances standard was 172 per capita in cities.

With the effort of urban and rural governments and all circles of society, a charity system with philanthropic culture, philanthropic organizations, philanthropic policy, and philanthropic donations being its basic framework, and with the support of governments, the sponsorship of the society and the participation of the public, has been initially formed. It has played a more and more important role in supporting the aged, disabled, orphans, relieving difficulties, helping needy students in their studies, and assisting to pay for medical services.

In 2008, after the Wenchuan massive earthquake on May 12 in the west of China, the money and materials donated for earthquake resistance and disaster relief received in the country and from overseas totaled the value of 76.7 billion Yuan. After a 7.1-grade- Richter earthquake occurred on April 14, 2009, in Yushu, Qinghai Province, the social donation reached more than 10 billion Yuan.

10. Urban Planning and Administration

Urban planning is an affair jointly administered by the central government and local governments in China. In the process of fast urbanization, urban planning plays an important role, and serves not only as an important policy tool to promote the growth of local economy and guide the urban development and construction, but also an important approach for the central government to implement the macroeconomic control. The success of the cities in China manifests the success of urban planning in China.

In 1984, "The City Planning Ordinance", China's first urban planning regulation, was promulgated and enacted, creating a legal framework for the implementation of urban planning and management and a fundamental change of the absence of guidance for urban planning. In 1989, the

Standing Committee of the National People's Congress of China adopted the City Planning Act of China, which entirely sets out the guidelines for urban development, basic principles for urban planning, and schemes for the formulation and implementation of urban planning and legal liabilities, etc. In 2007, The Urban and Rural Planning Act of the People's Republic of China was promulgated and implemented. This Act has clearly specified the urban planning functions of the central government and local governments, which include these aspects of compilation, implementation and supervision.

11. Challenges and Opportunities

The population living in cities and towns in China will outnumber the population living in rural areas in the next five years. In 2030, the urbanization rate will reach about 65%. There will be a newly increased population of 300 million living in various types of cities and towns. The rapid urbanization will provide a strong and sustaining power for expanding the consumption and investment demands. At the same time, it also brings unprecedented challenges for energy saving, environmental improvement and increase of the quality and level of urban development.

For the sustained urban development in the next 20 years with the Chinese characteristics, objectives and strategies have been set to promote the coordinated development of big, medium-sized and small cities and small towns, strive to improve the overall carrying capacity of cities and towns, bring into full play the radiating role of cities in leading the development of rural areas, and promote the economic development in county areas.

At present, the priority should be placed on facilitating the development of medium and small cities and small towns, relaxing the restriction of residential registration in cities and towns, stimulating employment, and upgrading the living standard. The priority should also be placed on improving the quality of urban planning, strengthening the construction of housing and municipal infrastructure, promoting the urban governance, and narrowing the urban-rural divide, so as to enhance the development level of urbanization in an all-round way.