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The Dissolution of Community-Owned Lands and the Urban System in China 1990-2015

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Abstract

Urbanization is an essential process to modernize an economy, and it should, in turn, fuel growth even more by transferring productive factors from traditional sectors with low productivity to more dynamic sectors, while at the same time gradually concentrating them in urban zones. In countries like China, a dual land ownership system is predominant. On the one hand, land located in rural areas is generally collectively owned and set aside for agricultural activities, and on the other, land in the cities is the property of the state and allocated to urban purposes.

Keywords: Urbanization, land ownership, urban population, cities, dissolution of community-owned lands.

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INTRODUCTION

Urbanization is an essential process in the modernization of an economy, and it should, in turn, fuel growth even more by transferring productive factors from traditional, low-productivity sectors to more dynamic sectors, while at the same time gradually concentrating them in urban zones. In countries like China, a dual land ownership system is predominant. On the one hand, land located in rural areas is generally collectively owned and set aside for agricultural activities; on the other hand, land in the cities is the property of the state and allocated to urban purposes. Against the backdrop of rapid urbanization and the economic growth adjustments of the past 25 years, the dissolution of community land ownership has been necessary and played a crucial role in how the urban system has been shaped and evolved.

This paper is divided into four sections. The first offers a brief description of a general overview of the Chinese urban system in the present day; the second analyzes details related to the urbanization process between 1990 and 2015 and the nature of this process. Then, an explanation of why land and population urbanization are divorced from one another. Finally, the last section discusses the challenges that the urban development system will face in the future.

1. GENERAL OVERVIEW OF THE URBAN SYSTEM AND PRESENT-DAY URBANIZATION

Towards the end of the nineteen-seventies, China adopted an economic growth model primarily predicated on enacting measures to drive economic reform and trade liberalization, which led to outstanding economic growth. Accordingly, in 2010, the country rose to become the second-largest economy in the world measured in gross domestic product (GDP).²

Similarly, the Asian nation has also made major strides forward in urbanization and integration between rural and urban areas, aiming to reduce the income and welfare gaps between rural peasants and urban residents. The “National New Urbanization Plan, 2014-2020,”³ published in March 2014, detailed how the urban system is currently set up and defined the goal of raising the urbanization rate from 52.6% in 2012 to approximately 60% by 2020.⁴

With that, and in conjunction with other pertinent policies, the idea is to drive economic growth up even further and double income per capita by 2020. Pursuant to both the theoretical and empirical arguments, urbanization could foster economic growth in the following ways:

- Part of industrialization entails a mass movement of productive factors, mainly as labor shifts from the fields to the cities. This reassignment of resources from traditional and low-productivity primary sectors to the modern, highly-productive manufacturing and services sectors would additionally enhance efficiency in the usage of respective inputs.
- Meanwhile, the modern manufacturing and services sector boom, and its regional concentration in both already-existing and newly-built cities, can engender the economies of scale that would propel economic growth even more.
- Likewise, the concentration of economic activities in urban zones would facilitate mobility for all productive factors thanks to well-installed infrastructure and services,

the accumulation of knowledge, and worker training, etc.; all of which would generate "positive externalities" (Henderson, 2000, 2009; Fujita *et al.*, 1999).

- Adequately-designed and implemented urbanization policies could prompt more efficient land use, in terms of allocation the rural and urban sectors, as well as within cities themselves (Henderson, 2009).

The most recent historical figures confirm the above. The urban population worldwide grew at an annual rate of between 5% and 6% in just 15-20 years, in the aftermath of the Second World War, when developing economies experienced their most accelerated phase of industrialization. As a result, these same countries have gradually transformed from societies with urbanization rates of around 20-25% to rates of 70-85% (Henderson, 2009). Compared to developed economies, urbanization in emerging countries has been faster. It is precisely due to growth in developing nations that urbanization worldwide has taken off since 1960. In just 43 years, the urban population tripled from one billion to 3.3 billion in 2003. According to United Nations forecasts, another one billion people are expected to move into urban areas in the 15 years between 2003 and 2018 (Banco Mundial, World Development Report, 2009).

In its own particular case, the Chinese economy has kept up a firm and sustained pace with a remarkable annual growth rate over the past 30 years. Alongside this growth, urbanization has also exploded. Between 1978 and 2015, the urban population skyrocketed from 170 million to 771.2 million people, living in both cities and "semi-urban (Zhen)" towns, as global urbanization ballooned from 17.9% to 56.1%,⁵ with an annual average increase of 1.03 percentage points. Furthermore, the number of cities rose from 193 to 658, and the number of semi-urban towns swelled from 2,173 to 20,113 between the same two years.

Table 1 reveals that of a total of 658 cities, six were known as "mega-cities" in 2010, with urban populations exceeding 10 million people per unit, as compared to "no town" in 1978. Similarly, the number of cities with between 1 and 10 million residents increased from 29 to 134 between the same two years. For its part, the distribution of urban populations across the different city strata by size indicates that half live in 20,000 semi-urban hubs, 40% are living in the 652 cities with less than 10 million people, and the nearly 10% remaining live in the six "mega" cities.

By regional distribution, in 2010, urbanization in the East amounted to 62.2%, while reaching figures of 48.5% and 44.8% in the Central and Western regions, respectively.⁶ Moreover, in the Eastern region, there are three large urban circles known as the economic belt of Beijing-Tianjin-Hebei, the Yangtze River Delta, and the Pearl River Delta, all with high urbanization rates, together comprising 18% of the country's population and 36% of its GDP with surface

area of just 2.8% of the national territory. It bears mention that within these three urban zones are the six "mega" cities: Beijing, Tianjin, Shanghai, Guangzhou, and Shenzhen. Briefly, the total urban population of these five cities exceeded 78 million, representing more than 10% of the total figure in China, with urbanization rates of 87.4, 82.6, 94.2, 85.4, and 100.0%, respectively (the sixth city in the category is Chongqi, located in the southeastern region of China, with a total population of 30.2 million in 2014, including all municipalities and the main hub, with an urbanization rate of 60.9%).

It is worth noting that the accelerated urbanization that China has experienced over the past 25 years has also been mirrored in a significantly rising urban population, as well as the massive expansion of urban surface areas. Pursuant to the figures published in the Annual Yearbook of Chinese Cities and the New Urban Zone Development Report (Wang and Ma, 2016), in just 2000-2010, urban surface area expanded at a cumulative rate of 83.4%, in contrast with the 45.9% reported for the increase in urban population. This meant that a significant portion of collectively-owned land previously zoned for rural use was removed from the prior regime and has been transformed into state-owned property to subsequently be added to city surface area, set aside for various urban uses, such as building housing, basic infrastructure, malls, parks, etc.

Table 1. Distribution of Cities by Urban Population 1978-2010

<i>City size</i>	<i>Number of cities</i>	
	1978	2010
≥10 million	0	6
5 to 10 million	2	10
3 to 5 million	2	21
1 to 3 million	25	103
0.5 to 1 million	35	138
Less than 0.5 million	129	380
Total	198	658
Zhens	2 173	19 411

Source: "VI Population Census." National Statistics Office of China.

2. THE NATURE OF URBANIZATION IN CHINA, 1990-2015

Over the past 25 years, urbanization in China has been extraordinary, not only in terms of the volume of the population involved, but also the growth rate. A total of 474.6 million people moved into urban areas, with an annual average growth rate of 3.9%. In light of that, it is worth remembering that the pace fell over this time period from 4.5% in the first decade (1990-2000) to 3.9% in the second (2000-2010), settling in at 2.9% over the past five years (see Table 2). In spite of the significant advances, as compared to other economies in their own time periods of accelerated urbanization, with rates of 5-6%, China's was relatively slower.

Table 2. Urban Population Growth Rate and Urbanization Rates in China 1990-2015

<i>Year</i>	<i>Urban population* (millions of people)</i>	<i>Urbanization rate (%)</i>	<i>Annual average growth rate (%)</i>
1990	296.5	26.2	4.7 **
2000	458.8	36.9	4.5
2010	670.0	50.3	3.9
2015***	771.2	56.1	2.9

Notes: *The urban population refers to the total of permanent residents registered in cities and Zhens, including people with urban and rural household registrations alike, as long as they have lived for more than six months consecutively in the same location, whether city or Zhen; **This is the annual average figure recorded from 1978 to 1990; ***Figures from the Annual Social Development report released by the State Statistics Office of China 2016.

Source: IV, V, and VI National Population Censuses from the State Statistics Office of China.

Accordingly, with respect to other economies around the world, urbanization in China is marked by at least three aspects: the way in which the urban population is defined and thus how urbanization rates are calculated; the major contribution made by semi-urban towns to the urbanization process; and the tremendous growth of urban areas.

i. In spite of the changes made in how the urban population is counted, China is still far off from the international standards that are generally applied nowadays.

In order to further elucidate this matter, it is important to recall that as an integral part of the national centralized planning system, the initial population administration rules were notable for the evident coexistence of two segments of registrations: urban and rural residents, depending on their place of residence. Pursuant to this mechanism, people with urban household registrations enjoy a better standard of living and social welfare than non-urban inhabitants, as well as better social services coverage (Liu, 2014, 2015). Belonging to a category is determined by inheritance, and there are strict controls on moving between the two, tied to place of residence, especially for people classified in the rural segment. Historically, China measured its urbanization rates pursuant to the share of the population with urban household registrations out of the entire population, regardless of their place of residence or the economic activities in which they engaged.

As such, the economic reforms implemented, and, consequently, the resulting industrialization and urbanization over the past three decades, have allowed non-agricultural activities to go beyond their exclusive urban delimitation and extend into rural zones. At the same time, rural farmers not only work the land cultivating various agricultural and livestock products, but also engage in non-agricultural activities on their own initiative, either in their own communities or in the cities, meaning that the allocation of productive resources is moving closer to the need to achieve optimal efficiency in their respective uses.⁷

With the passage of time, especially as productive resources have shifted between economic sectors and hubs, as a result of the economic reform measures implemented and trade liberalization efforts, the conventional method of calculating urbanization rates has become increasingly wanting.

First, the gradual implementation of economic reforms eased restrictions on the mobility of rural farmers. As such, people with rural registrations can now live and work in cities and engage in economic activities that have nothing at all to do with the agricultural sector. However, they are not registered as urban residents and are not included in official figures used to compute the advance of urbanization. Accordingly, the statistical data do not reflect reality. Nor are they comparable with those recorded worldwide.

Second, in the nineteen-nineties, with the dismantling of the people's communes (the highest of three administrative levels in the former Chinese political system, from the top down after the central government, provinces, districts, and counties), two new types of local hubs have been coined: the Xiang and Zhen to replace them.

Usually, the townships, known as Xiangs, are considered to be rural areas and the Zhens are considered urban zones, because the latter have generally enjoyed higher degrees of

industrialization, and agricultural activities tend not to constitute the population's primary source of income. Likewise, the proliferation of non-agricultural activities and the formation of enterprises in rural zones (Township and Village Enterprises, TVE) starting in the early nineteen-eighties and up to the mid-nineties, has significantly fueled economic growth, especially in terms of fostering the development of rural areas classified as Zhens. During this time period, TVEs created more than 100 million jobs, which drove the growth of the Zhens even further, not only in terms of consolidating the old Zhens but also in creating new ones.

Although the initial distinctions made between the Xiang and Zhen were frequently arbitrary, what subsequently happened in the two different types of zones, especially the booming growth enjoyed by non-agricultural sectors, has justified these choices in the vast majority of cases. Accordingly, there is undoubtedly a compelling need to include residents living in Zhens as part of the urban population in order to properly measure real urbanization rates. Moreover, considering that around 20,000 people live in each Zhen, an implicit threshold could be inferred to distinguish between urban and rural zones. As a result, the decision to include permanent residents of the Zhens in calculating urbanization rates in China could be seen as an important stride forward in bringing the statistics used closer to the global standards.

Third, in this new context, rural peasants can freely select between working in their own communities in either farming or non-farming activities and/or emigrating to a city, leaving behind primary activities altogether. To a certain extent, the original land ownership system has started to become dismantled, as the strict ties between rural residents, agricultural activities, and community-owned lands are becoming undone. However, the free movement of rural peasants to cities has not been accompanied by the relevant population administration reforms necessary, as these people are kept on the rural registrations despite obviously living in urban places. According to current regulations, they are not allowed to access the basic services provided by local city authorities.

As such, the migrating peasants who end up in cities frequently face high barriers to remain against the backdrop of the unequal treatment and poor conditions they face, unlike those who are registered as urban residents. Concretely, they not only have to settle for relatively low wages and other employment benefits, but are also left with no choice but to tolerate restricted access to basic services. The clearest example would be the restrictions placed on their children in elementary and secondary school and higher education. In the first case, peasants who migrate to cities have to pay additional fees to offset the costs of the services they receive. In the second, when these students want to take their college entrance exams and attend higher education after high school, they have to go back to where they came from

rather than staying in the cities where they have lived with their parents and graduated from primary, middle, and secondary school.⁸

From the foregoing it emerges that despite the progress made in urbanization to date, there are still many unresolved matters, especially when it comes to ensuring equal access to basic services for everyone living in urban areas, regardless of whether they are registered as urban or rural. Improving the living conditions for the peasants who move cities, and, specifically, furnishing access to the same basic services for both new and old residents, looms ahead as a pressing challenge for the authorities at every level of government (Liu *et al.*, 2015).

As such, the current statistics reported certainly do not reflect reality, due to partiality and differentiation in the urbanization process. Moreover, the way China has chosen to define its urban population is still not compatible with the criteria used in the majority of other countries around the world.

ii. There are two different types of residents involved in the urban population: those registered in cities and those from the Zhen towns, the latter of whom have tremendously fueled urbanization in the time period analyzed.

In 2010, of a total of 670 million urban residents (see Table 2), 39.7%, or 266.2 million, were located in Zhens. The 1990 figure of 40.4% therefore remains practically unchanged. In other words, of every 10 urban residents, four live in the nearly 20,000 towns known as Zhens, and six in the 658 cities.

Between the two years analyzed, it appears that at least three of the main cities with over 10 million inhabitants (Beijing, Shanghai, and Tianjin alone, because the other three were created more recently or only recently climbed into the category and are therefore not subject to similar comparisons), have lost out in their share of the total urban population, going from 11.1% to 10.1%; over the past five years, the trend has remained largely the same (see Table 3). According to numbers from 2014 (with the exception of Tianjin where the figure is from 2015), the urban population in these three urban hubs added a total of 56.1 million inhabitants, entailing a share of 7.3% of the total, or a net reduction of 2.8 percentage points.

In other words, in spite of the significant population growth experienced in “mega” cities over the past two decades, the growth rate has been lower than the nationwide rates. This means that, one, the 652 other cities have contributed more to the urbanization process, gaining 1.7 percentage points net from 1990 to 2010. Two, that the other three hubs with over 10 million people have also played an important role in absorbing the recently-urbanized population, as their importance grew from 2.5% to 5.2% from 2010 to 2014. As reflected in

Table 3, the urban population of the six "mega" cities in 2014 amounted to 96.5 million people, representing a share of 12.5% of the total; the other 652 cities were at 47.8%, and the Zhens at 39.7%.

Table 3. Urban Population and the Urbanization Rate of Mega-Cities 2014

<i>Cities</i>	<i>Total population (millions of people)</i>	<i>Urban population (millions of people)</i>	<i>Urbanization rate (%)</i>
Nationwide	1 374.7	771.2	56.1
Beijing	21.5	18.8	87.4
Shanghai	24.3	22.9	94.2
Tianjin (2015)	15.5	14.4	82.6
Guangzhou	13.1	11.2	85.4
Shenzhen	10.8	10.8	100.0
Chongqi	30.2	18.4	60.9
Sum of the six cities	115.4	96.5	83.6

Source: State Statistics Office of China and local offices from each city.

iii. Another characteristic of the urbanization process is that the territorial expansion of urban areas has eminently exceeded urban population growth.

According to figures from various sources, the speed at which the urban surface area increased was between 1.5 and 2.3 times higher than the rate of urban population growth. On the one hand, in 1981-2007, urban surface area grew at a rate of 6.2% on average annually, while the number of urban residents grew at a rate of 4.2%, with a discrepancy of two percentage points between them; from 2000 to 2007, the gap widened even more to 3.1 percentage points, with numbers at 6.8% and 3.7%, respectively (Cai, 2013). In other words, the expansion of urban zones began to take off around the year 2000. On the other hand, the figures published by the National Statistics Office of China demonstrate that between 1989 and 1996, cities expanded by a total 1,649 square kilometers, going from 3,270 to 4,910, with a cumulative growth rate of 50.2%. In the same timeframe, the urban population grew by

21.9%; a difference of a factor of 2.3. From 2000 to 2012, the gap between the two variables involved fell to a factor of 1.8, but it is still significant.

As compared to what has happened on the global stage, China would seem to be a contradictory case, because it is a developing economy. In this phase, population urbanization is generally accelerated and sparked by the mass arrival of rural residents to cities; by contrast, the expansion of urban zones tends to progress at a lower rate. However, when the population urbanization rate reaches around 80%, countries generally reach a steady state as rural to urban migration tends to draw to a close in developed economies. For its part, the expansion of urban zones may extend for even more time and could even be considered a constant process, because the demand for better housing conditions, more space, and more units, the expansion of recreational spaces, malls, and green areas, etc. rises in step with economic growth and social development.

The figures for both urban population growth and the growth of urban surface area worldwide confirm the foregoing. On the one hand, Cai's (2013: 310) calculations indicate that from 1955 to 2005, the surface areas of cities doubled in Organization for Economic Cooperation and Development (OECD) countries, while in the rest of the world they were multiplied by a factor of 4.2 (2.9% on average annually). On the other hand, over a 43-year period, the urban population in industrialized countries grew much slower than in the rest of the world, and remained practically stagnant (Banco Mundial, 2009). As such, it could be inferred that the addition of new urban surface areas has grown at a lesser intensity than that of the urban population in developing countries.

Unlike what has happened worldwide, China's excessive increase in urbanized areas could be explained by two factors: an inefficient policy to add more urban land and the impediments imposed by authorities across all levels, which have interfered with the urbanization of the population, as will be detailed below.

3. DISPARATE URBANIZATION PROCESSES FOR THE LAND AND THE POPULATION IN CHINA

Before policies were implemented to foster trade liberalization and enact economic reforms in China, the land and population urbanization policies alike were under strict control by the authorities and subject to centralized planning requirements. In that context, a series of dichotomies were the order of the day: the fields vs. the city; urban land vs. rural; rural residents vs. urban; agricultural production vs. secondary and tertiary activities, etc.

Accordingly, the conjunction of these elements led to practically closed-off silos; in rural areas, residents were classified as peasants and enrolled as members of the rural population, working exclusively in the agricultural sector; by contrast, in cities, inhabitants were enrolled as members of the urban population who work in secondary and tertiary activities. It bears mention that there were high barriers erected between the two groups to prevent people from moving freely from one population or area to another, especially for the rural peasants (to stop them from becoming urban-enrolled residents).

As measures have been introduced to foster efficiency in the allocation of productive factors, these impediments have gradually become more flexible. For example, peasants can now freely choose between working in the farming sector or in other economic activities in both their places of origin or outside of them. However, when it comes to land use regulations, the restrictions have not yet been lifted; that means that the only mechanism to change land use continues to be expropriation by the state to turn rural lands into urban lands. Thus, any dissolution of community-owned lands and their subsequent rezoning for urban use can only take place with the advance authorization of the Secretariat for National Territory Resources, a central government body that rules on an annual basis how much land can be removed from collective ownership in each of the entities involving the 23 provinces, five autonomous regions, and four municipalities, with a total of 32; and, subsequently, depending on the quotas determined, local authorities can carry out the transactions directly with the peasants.

Although there was less of a need to expropriate community-owned property during the phase of slow urbanization, the amount of compensation derived from these expropriations has been equally low, for the peasants and authorities alike at every level. Even so, amounts have grown significantly against the backdrop of accelerated urbanization since the nineteen-nineties, apparently due to two main factors. One, peasants have started to demand higher compensation payments when giving up their community-owned property rights. Two, urban sprawl and the rise of newly-created cities require more and more land to be removed from peasant ownership, at a faster pace than ever before. In response, local entities frequently struggle to scrape together the financial resources necessary to cover the payments on time and in full to farmers.

As has always happened, the value of the very same land, once expropriated for urban use, changes drastically in comparison with the land in its original use, which is why the land expropriation and auction process also entails distributing this additional value derived from the change in land use across authorities, developers, and peasants. Moreover, due to the significant increase in financial resources needed to cover the funding, authorities have had to resort to lending institutions and take on debt to gather enough funds and pay farmers compensation for the land, turning it from collectively-owned to state-owned; subsequently,

the same government bodies auction off the expropriated and state-owned land to real estate developers to recover the money and close the loop.

Estimates point to the following distribution of income from land rezoning: local authorities 20-30%, developers 40-50%, the town government 25-30%, town members 5-10%. In other words, approximately 75% of the value derived from the change in land use ends up as income in the pockets of the local authorities and companies involved in the process, including real estate developers and banks (Ma, 2013). This form of income distribution has trapped local authorities and made them especially anxious to finalize expropriation deals for community-owned lands with the intent of padding local government coffers, and even for other purposes (corruption, illicit enrichment, etc.). All of the foregoing has driven the land urbanization process to the point of excess, especially starting in 2000, when the real estate and construction sector took off to meet the growing housing demand.

Aiming to understand all of the above, below is a case study, civil case No. 00374, filed before the Supreme Court of the Jiangsu Province (Asesoría Legal, June 5, 2015).

The case involved a total surface area of 6,000.5 m², belonging to two towns. At the time, the State Land Office of the municipality of Binghai and the Xin Fuda de Yancheng Real Estate Development Company reached a purchase agreement for the aforementioned lot numbered 2011G10, through public auction, for a total value of 8,520,710 yuan, distributed in the following way as shown in Table 4:

Table 4. Income Distribution Derived from the Change in Land Use

<i>Receiving body</i>	<i>Amount (yuan)</i>	<i>Structure (%)</i>
State Land Office of the Binghai municipality	7 801 030	91.6
Caiqian Zhen local government	301 080	3.5
Inhabitants and peasants	418 600	4.9
Total	8 520 710	100.0

Source: Li Yi (2015), "Judicial Supreme Court of Jiangsu Province: Cancellation of the Land Purchase Agreement in Litigation," Asesoría Legal, June 5, 2015. Recovered from: <<http://www.ask64.com/html/3261.html>>

4. UPCOMING CHALLENGES FOR THE URBANIZATION AND DEVELOPMENT OF THE URBAN SYSTEM IN CHINA

Urbanization involves many economic actors and has an impact on different aspects, which is why balanced progress with fair and just income distribution among them will be extremely important to ensuring that the urbanization process and development of the urban system occur in an optimal and healthy fashion. In light of the differences in property ownership and rural versus urban uses, and especially the incompatibilities between the two, the problems resulting from land rezoning have entailed significant challenges that could have an impact on the normal development of the process. Accordingly, it is time for new measures to adjust the current systems in place for land and population management.

a) The dual land and population management system and pending reforms

Over the past six decades, urbanization in China moved from slow to accelerated; however, the mechanisms by which the land and the people have been added to the urban system have remained unchanged. The dual land and population management systems have remained practically the same to date.

Pursuant to the current mechanism to expropriate community-owned lands and later rezone them for urban purposes, the costs of compensation have risen, as peasants are demanding more in return for their land and the real estate market has matured in both cities and rural areas, especially over the past 10 years. These transactions have frequently engendered serious confrontations between municipal authorities and members of the peasant communities. The conflicts arising from this situation have even undermined social stability. In that sense, the growing economic and social costs alike resulting from the application of this urbanization model are threatening its very feasibility⁹ and, therefore, it is time for new and pertinent measures to make the current regulations for community-owned land more flexible so that the right mechanisms are in place to turn them into urban-zoned land.

b) The full and thorough integration of the urban population is an urgent matter to resolve

According to estimates, of the more than 700 million urban residents at the moment, only 500 million are urban-enrolled, meaning about 70%; the remaining 30% are classified as permanent urban residents but are still rural-enrolled. Moreover, over the next 20 years, another 200 million peasants are forecast to join the ranks of the urban city-dwellers; as such, the urbanization rate could reach around 70% by 2030. Given the need to equalize access to the basic services provided by authorities for newly-urbanized and already-existing urban residents, it is likely that total investment will amount to around 51 billion yuan (approximately 8 billion USD); in other words, 130.1 thousand yuan (20,000 dollars pursuant to the current exchange rate) for each person who migrates. Reaching this goal will demand the full and thorough integration of the urban population, regardless of where they are registered; in other words, it will require guaranteeing the efficient provision of services related to education, social security, healthcare, housing, infrastructure maintenance, and more¹⁰over the next 20 years. In this scenario, the urbanization of peasants who migrate to the city would entail the full enjoyment of rights and equal treatment as urban residents without undercutting the level of services provided to those who already live in the cities, fully breaking down the barriers erected over 60 years ago between the two population categories.

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Notas

² According to figures published by the World Bank (WB), measured in terms of GDP, the

Chinese economy was ranked 11th in 1980, amounting to 188.2 billion dollars, in contrast with 2.7689 trillion dollars in the United States. By 2011, China had hit 7.2981 trillion and the United States 15.094 trillion, meaning that in just 31 years, the gap between the two economies closed from a factor 14.9 to 2.1.

³ Official Publication of the State Council of the People's Republic of China, num. 9 from 2014, volume num. 1476, March 30, 2014, Beijing, China.

⁴ It bears noting that urbanization rates in China are measured by the share of the urban population. To count the urban population, people who are enrolled as urban and non-urban alike are considered, as long as they have lived for six months consecutively in the zones classified as urban. In 2013, these areas were tied to 658 cities and 20,113 Zhens (administrative zones at the lowest level of the Chinese public administration hierarchy, below the central, provincial, district, and municipal governments).

⁵ It is worth keeping in mind that the numbers presented here about urbanization rates apparently suffer from some comparison-related deficiencies. In 1978, the urban population only included those residents with urban household registrations; by 2013, the same figure expanded to include not only that group in particular, but also anyone who had lived in a city for more than six months in a row even if they were not registered as urban residents. For more detailed information about the population administration system in China, see: Xuedong, Liu (2014): "Régimen de tenencia de tierra y proceso de urbanización ante las recientes reformas agrarias. Estudios empíricos de China y México en la época moderna," in Yolanda Trápaga Delfín (coord.), *América Latina y El Caribe-China. Recursos Naturales y Medio ambiente*, first edition, Red Académica de América Latina y el Caribe sobre China, Unión de Universidades de América Latina y el Caribe/National Autonomous University of Mexico, Mexico, 2013, pp. 175-194.

⁶ "The National New Urbanization Program, 2014-2020," Official Publication of the State Council of the People's Republic of China, num. 9 from 2014, volume num. 1476, March 30, 2014, Beijing, China.

⁷ In other words, rural communities are considered as the space where agricultural activities take place. However, these are not the only activities taking place in rural spaces, which is why it is necessary to devise a new conceptualization of rural development that recognizes the heterogeneous and complex natural of rural spaces and the changing conditions of the fields in the context of economic globalization and the growing permeation of international flows of goods and people. Roberto Escalante Sernerena and Fernando Rello Espinosa (2000), "El sector agropecuario mexicano: los desafíos del futuro," *Comercio Exterior*, November, Mexico, pp. 984-987.

⁸ In this regard, it bears mention that large cities, like Beijing, Shanghai, Tianjin, etc., in addition to serving as magnets for emigrant peasants, are also where major universities and institutes of higher education tend to cluster, with more spots open to applicants to higher education than in the provinces. As such, taking the college entrance exam in these cities gives students a significant leg up and makes it more likely they will be accepted than if they take the tests in their places of origin. In extreme cases, the difference between the

scores earned by applicants from the different entities (provinces, autonomous zones, and cities directly subject to central administration) can amount to as much as 100 points out of a total of 700 on average, in order to be accepted to a certain faculty at any given university.

⁹ Community-owned lands consist of three types of land: land for farming use; land for construction; and land for common use, basically consisting of the areas dominated by mountains, water, grass, etc. For its part, construction land is also divided into three categories: human settlements, infrastructure for common use by the people, and industrial and commercial use. It is worth noting that no part of the community-owned land can be used directly for building homes to be sold to urban residents or to anyone from outside of the community. Moreover, any change to the community-owned land requires the land to be authorized and transferred to state ownership by the local authorities pursuant to central government planning and subsequently allocated for urban use or other uses for the general good of the public. For more information about the specifics of community-owned land usage, see Constitution Article 10 (1982), the Land Law (1986), and the Community-Owned Land Law (2003).

¹⁰ Figures taken from estimates made by the “National New Urbanization Program,” version under discussion by the Central Urbanization Works Meeting held on December 12-13, 2013, in Beijing, China.