

SUSTAINABLE URBAN-RURAL RELATION IN RAPID URBANIZATION AREAS

— — Case of Transformation of "Urban Village" in Guangzhou

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ABSTRACT: Many studies have been made concerning the problems, characteristics, formation, transformation measures, etc. of urban village from sociology, urban planning and geography, etc., which have made insightful analysis. However, most of these studies started mainly from the standpoint of the city government, drumming for the landscape-oriented urbanization, namely pulling-down the urban village and constructing the splendid residence or business buildings. The article maintains that the most important thing the city government should do is to pay much attention to the sustainable living of urban villagers, who would lose their main income source, namely, the collective dividend and the family housing rent. The single method of compensation has been proved to be harmful to the villagers' community, in which some young villagers relying on rent were no longer to do anything but stay at home. On the other hand, considering the floating population has become the main stream of renters in urban villages, the emergence of urban villages was inevitable and would continue to exist in a long time under the socio-economic transition in urban China and globalization. Based on the analysis above, the transformation of urban village should take more concerns on the housing demands of floating population besides compensation for local villagers. Meanwhile, it is necessary to avoid the "landscape-oriented urbanization" without the "peasant-to-citizen" transformation.

KEY WORDS: urban-rural relation; rapid urbanization areas; Guangzhou; urban village

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1 INTRODUCTION

Due to accelerating urban sprawl and suburbanization, large area of farm land were changed into non-agricultural land use since the late 1990s, especially in South China. Meanwhile some villages were surrounded by urban built-up areas and became "the villages in urban area", which are named here as "urban villages". Specifically in definition, urban village is a rural community in urban built-up areas because of drastic urban sprawl, suburbanization and industrial dispersion. And in reality urban village exists as the residential cluster for floating population, which is rural-urban transitional "monster" possessing the dual urban-rural socio-economic structure.

Urban government played a dominant role in the formation of urban village. Considering the huge com-

ensation to local villagers for lost land and huge cost for resettling the villagers, such as providing the formal job, providing the same treatment as citizens, etc., the government came to choose the policy of "getting only the village-owned land, neglecting the villagers", that is to say, the villagers still maintained their rural *Hukou*^①. As a result, the dual rural-urban institutionalism, especially the different land use policies inside and outside the urban village, did great harm to the healthful urban socio-economic development, which has become the research focus and headache of the urban government (TIAN, 1998; JING, 1999).

With their location advantages and compensation funds as their capital, urban villages developed an expanding cooperative economy, and also a typical family economy relying mainly on housing rents. The flooding floating population booms the competitive renting mar-

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① *Hukou*, namely the household registration system, was designed to control rural-urban migration in China.

kets based on *Zhajidi*^① of each family in urban village. This also generates a series of social problems and a unique landscape, which is named "kissing buildings" (Fig. 1), that is to say, two persons who stand at two single but neighboring buildings could kiss easily. The landscape disorder, informal or illegal economy and swarms of floating people who are difficult to administer, make urban village the "socio-economic depression zone within city" (ZHANG, 1998). So how to explain and govern the urban village problems, such as the highest-density land use, shortage of basic infrastructures, the collapse of public order and the difficult rural-urban transition for villagers, renters (mainly coming from rural China), collective economy, etc., becomes the main tasks we should fulfill. Experts from urban planning, geography, sociology, etc., try to explain and cope with the problems caused by urban village from their own interests. Urban planners focus on the "physical problems" such as land use, planning and management of landscape. Sociologists pay much attention to public order, social networks and living status of villagers or renters, especially the dual urban-rural characteristics and marginalized community (LI, 2002; ZHOU and GAO, 2001). The villagers are pleased to be "subjective surplus labor" which means that the person with

the working skill is willing to stay at home (ZHENG, 2002) and "*Ershizu*"^② (ZENG and TAN, 2002).

About the formation mechanism of urban village, ZHANG (1998) put forward three effect factors, namely the dual rural-urban land use policy, failure of urban planning and breakdown of urban governance. LI (2001) considered that the traditionally segregated urban-rural dual-institutionalism was the intrinsic origin of its formation, and the limitation of social law and regulation system became the social factors for the emergence and evolution of urban village. LI (2002) proposed that the profit stimulation from land and house renting and the management system similar to "state-owned work units (*Danwei*)"^③ were the main causes.

Considering the problems and formation mechanisms of urban village, some researchers built some models to deal with it: 1) "Urban agriculture", that is to turn urban village into the green open space and agricultural park (ZHANG, 2001); 2) "Urban village restructuring", by pulling down-compensation-reconstruction (LI, 2001); 3) "Rural-to-urban integration", that is to integrate urban village into urban communities by administrative reform (DU, 1999); and 4) "Economic reform", namely, reforming the collective enterprise and building the effective joint-stock company (YAN *et al.*, 2004).



Fig. 1 A landscape of Lijiao Village (1994) in Haizhu District, Guangzhou

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- ① According to the land and housing policy in rural China, each village family could get some lands as *Zhajidi* to build its own house to live in, especially when the sons want to marry.
- ② It means that the villagers who could earn lots of money from renting house and get considerable dividend from the cooperative net income, consequently, need not to work, even lose the interest to education, although they have the ability to work.
- ③ *Danwei*, as the traditional urban institutional form of socio-political control in China, means that all workers bonded to it and got the subsidized housing, welfares, wages even social status from it in their whole life course.

From above methods, it is easy to find that the transformation of urban village has mainly adopted the way of "landscape-oriented urbanization" accompanying the violent institutional reformation. For example, there have been transformed from villagers (rural *Hukou*) towards citizens (urban *Hukou*), from villager committee, only a spontaneous management organization to control the cooperative property and deal with all business of the village, towards citizen committee, from the dual urban-rural management system towards a uniform urban institution, etc. But these transformation styles have shown no obvious effectiveness. What's more, there appeared serious urban-rural conflict.

In view of analysis mentioned above, this paper attempts to look for the appropriate methods to maintain the sustainable rural-urban relation and increase the welfare of the whole city, including urban villagers and floating population. So the paper would be organized by the following questions: 1) what has happened about urban village in Guangzhou; 2) what characteristics do urban village have; 3) what are the core problems, and 4) what methods are appropriate and applicable for urban village transformation.

2 PANDORA'S BOX: SERIOUS SITUATION OF URBAN VILLAGE IN GUANGZHOU

As far as in Guangzhou, urban sprawl has been greatly accelerated during the 1990s, with its built-up area reaching 308 km² in 2001, while only 182.26 km² in 1990. The average annual sprawl rate is 4.89%. Many natural villages in the suburb were surrounded by urban land use and became urban villages. By 2000, there were 139 villages in urban built-up area of Guangzhou, with a total area accounted to 80.6 km², holding 26.17% of urban built-up area. Urban villages are mainly located at urban fringe and distributed along the traffic arteries (LI, 2003). Since the rapid urbanization, urban village developed and accumulated numerous collective economies depending on its superior location and large farm-lost compensation from urban government. Meanwhile for lots of peasant-workers flooded into city to look for jobs, families in urban village strived to construct so many low-quality and high-density renting houses, which aroused a series of social and physical problems.

2.1 "Adhered and Outer-motivated" Village Collective Economy

The income of urban village mainly came from rent and compensation for lost land through renting house to im-

migrant workers or selling land to developers. The more superior location and floating population, the more profits urban village could earn. So we could say that the collective economy was adhered to its location and surroundings rather than the innovation of technique, knowledge to ensure its sustainable development. For example, Shipai Village lied in new CBD of Guangzhou, processes over 200 000 m² services including shop, hotel, storehouse, office building, etc., with an annual net income of 90×10⁶ yuan (RMB). In addition to revenue and expenditure for administrative management or public services, such as welfare, infrastructure provision and maintenance, there still retains 40×10⁶–50×10⁶ yuan as dividend to villagers.

2.2 Dilemma Between "Job-hunting" and "Staying at Home"

Villagers' income stem mainly from the dividend based on the collective land exploitation and family housing rent. It is showed that 74.8% of family income come from dividend and 25.1% from rent, based on 130 pieces of questionnaires in Liede Village in Haizhu District. Among the questioned villagers, about 81% are unemployed due to lack of skill and become "objective surplus labor", which is confined as the person who is eager to be employed but has no skill (ZHENG and XIAO, 2002). For example, a three-person family in Shipai Village could gain dividend over 50 000 yuan per annum. If the rent is involved, the total income could amount to 100 000 yuan (LI, 2002). While the average wage per month of floating population is only about 500 yuan. Many villagers reap profits without sowing and are willing to be unemployed or so-called "subjective surplus labor". For another example, Rui-bao Village in Haizhu District has 2200 labor forces among 3000 villagers. But the number of the employment is only 500–600, whose employment rate is only 22%–27% (ZHENG and XIAO, 2002).

2.3 "Un-rooted or Un-localized" Floating Population

Floating population has no choice but to rent the houses in urban village due to their low personal income and cheap rent of villagers' houses. The number of migrants of Guangzhou coming from other provinces was 1 249 890 (2000 Census), most of which lived in urban village or self-built dilapidated shelters. For instance, Shipai Village has over 42 000 floating population, which is 4 times of local villagers now. Undeniably, the flooding of floating population leads directly or indirectly to the deterioration of residential environment and public order. Besides, high mobility makes them ig-

nore the social affairs, and lack responsibility and the loyalty to communities, say nothing of dealing with their marriage and children's education.

3 TRANSFORMATION POLICIES OF URBAN VILLAGE

The transformation of urban village in Guangzhou executes two basic principles. Firstly, the government does not invest directly. Secondly, real estate developers are prohibited from taking part in. The transformation starts with "four-step": 1) from villagers (rural *Hukou*) towards citizens (urban *Hukou*); 2) from villagers committee towards citizen committee, which is under the direct control of city government; 3) from the cooperative-owned land towards state-owned land^①; and 4) from rural self-management pattern towards urban governance, including infrastructure, sanitation, power and natural gas provision, community security, etc. Based on the transformation above, the renewal of material surroundings would be carried out into execution, which adopts the strategy of combining new villagers' apartment construction with the restructuring of old villages. From current situation, this program encounters great practical resistance. The followings are the reasons.

3.1 Landscape-oriented Urbanization

It is not difficult to see that the main purpose of the above measures is just to get the invaluable land from villagers. In fact, urban village has turned actually into the residential congregation of huge floating population. These measures, which care only the benefits and housing of villagers but ignore the existence of migrants and renters, treating only the symptom but not the diseases are doomed to fail. The regulation of *Hukou* system is only a small superficial change because urban village, as "villager community within city", exists as a life style and social networks, whose existence would persist longer than the occupation as farmers. The random sampling investigation about villagers' education in six villages showed that the percentage of junior middle school was 42.49%, senior middle school 14.31%, but college and above only 10.41% in 2002 (LI, 2003). Most of villagers are unemployed and depend on rent due to lack of skill and knowledge. So the transformation of urban village is a comprehensive social changing process including landscape, socio-economic structure, villagers' life style and quality, etc. The cultivation of the market competitive ability is the basic standpoint.

3.2 Indefinite Capital Source & Investors

Whether in providing housing for low-income migrants or in the physical renewal of urban village, capital shortage became the biggest problem. "Who wants to benefit from must invest" is the basic principle in raising funds in Guangzhou. Accordingly the village, including the villagers and the cooperative economy, is imagined and designated as the main investor. While real estate developers are eliminated outside the renewal. So the urban village renewal sticks in the mud because of lack of investors. On the other hand, developers did not supply housing for the low-income in a purely market-oriented economy. Pulling down the renting housings and building new villagers' apartment, the renewal would make the villagers lose the main income source; the rent. The villagers also resisted the transformation led by urban government.

3.3 Unclear Responsibility, Right and Obligation for Collective Joint-stock Company

The collective enterprises are responsible for all businesses of urban village, such as public order, environment, market management, family planning, medical treatment, education, etc., which hold 12%–15% of their total net income (LI, 2002). In fact, these social burdens have slowed their promotion down. So the new established joint-stock companies should not burden the tasks that the government should do, which would weaken their market competitive advantage.

4 HOW TO RE-UNDERSTAND URBAN VILLAGE

4.1 Market Forces: Engine of Formation of Urban Village

The redistribution-market transition process evolves with the industrial structure regulation and urbanization (rural-urban migration). The more the aggregation of floating population, the more developed the city is and the more thorough the market transition is. The flourish of renting-house economy in urban village meets the demand for cheaper houses of floating population engaged in labor-intensive industry, business or other low-level social services. On the other hand, urban housing market (including formal renting market) is designed for only urban citizens in urban China. The government has no sufficient capital to satisfy the huge housing demand for the low-income migrants, especially the floating population with rural *Hukou*. Urban villages provide an affordable accommodation for them. For instance, the rent in

① All of land belonged to the nation nominally in China, but each villager possesses the practical rights of dealing with the land. If urban sprawl needs more land, the government must negotiate with villagers about the land use change.

urban village is only the 1/5-1/10 of the commercial housing (LI, 2003).

4.2 Compensation for Villagers Being Not Nostrum

The villagers could earn lots of money from renting house and get considerable dividend from the collective net income. So some villagers need not to work, even lose the interest to education, although they have the ability to work, becoming the "Ershizu" (ZENG and TAN, 2002). Increasing compensation for lost land, as reaping without sowing, weakens the villagers' motive to work, even arouses the anomie or social evils in urban village. ZHOU (1991) surveyed continuously the use of compensation in Ersha Island in Dongshan District, which has become the gated community for the richest families in the 1990s. He found that, "After a year, some villagers had no any money due to illegal behavior, some were almost bankrupt for short of knowledge of management, and some who indulged in dissipation or gambling had already drained all of their compensation. So the community became disordered. Stealing, rubbing, gambling and prostitutes appear gradually."

4.3 Diversified, Flexible and Stable Transformation of Urban Village

Different urban village should take different measures. Some urban villages still maintain valuable traditional culture & historical style, which should be protected and inherited. Some collected the numerous floating population with similar culture, such as food, handicraft, clothing & ornament, custom, which would enrich the local culture. So the landscape-oriented urbanization and dispersion of renters would destroy the local historical and immigration culture. The principle of "one village, one model" would be followed. The transformation of urban villages should be based on their own situation and take diversified or different strategies. If not, there would generate lots of social conflicts inevitably.

From the above analysis, the transformation of urban village succeeds only with the co-operation of the villagers. It is necessary to establish a democratic government that could negotiate justly with villagers. So constructing unblocked channel of urban-rural information communication and mutual-benefiting & negotiable mechanism is the most important step, which is benefit to negotiate peacefully and make terms.

4.4 Renewal of Landscape or Renewal of Urbanism

Hereto, it is not difficult to see that the renewal of urban village should renew two kinds of persons. One is the villagers, and the other is the floating population. If the

villagers, who live on rent and dividend, could not adapt to the violent market competition, and the peasant-workers could not enter urban life thoroughly, the landscape renewal of urban village is just "castle in the air". Urbanism, as a way of living (WIRTH, 1938), could only be shaped after a long-term adjustment for the villagers and peasant-workers. For example, some villagers of Shipai Village close to the new CBD in Tianhe District, who lost their renting house, were moved into the commercial housing with the average price of 7000 yuan/m². But without the income from rent, these villagers even cannot afford the decoration fees and have nothing to do but stay at home.

The collective companies also lack the urbanism, that is to say, the competitive capability and sustainable development. The collective joint-stock company almost relies on the outer forces such as land profits, and rent rather than internal forces such as technique, knowledge or innovation. So the collective income is fluctuant and unsustainable due to the quantity of rent and its price, which are affected easily by urban policies, supply and other outer uncertain factors. As a result, it becomes the right way to transform the "outer-motivated" collective company into "inter-motivated" company and then to make it bigger and stronger.

4.5 Housing for Low-income Migrants: Rationality of Long-term Existence of Urban Village

The long-term existence of floating population under the context of socio-economic transition in China determines the long-term lasting of urban village, which provides an available place for the floating population in the city. What's more, the current housing reform in urban China has not change the close correlation between *Hukou* system and urban housing, which excluded the floating population from the housing distribution system. Government has no ability to provide enough houses for floating population, and real estate developers refuse to invest with higher marginal cost. In fact, urban village has replaced the government to do something. Renting the peasant-owned private house in urban fringe became the main and even the only choice for the floating population. The long-term existence of floating population with its unlimited supply in rural China decides the persistence of the urban village.

5 NEW TRANSFORMATION IDEAS AND MEASURES

5.1 Multi-side Interest-balanced Mechanism

Developers and villagers should be beneficiaries in the

transformation of urban villages. Meanwhile government maintains justice, keeps peace and improves efficiency. Four-side even multi-side negotiation and cooperation mechanism should be designed (Fig. 2). Government, developers and villagers or other groups, negotiate and set down the transformation program. Relative agencies supervise its implementation and punish their illegal behaviors. The program should be "one village, one pattern", that is, adjusting measures to local conditions. Keeping rent income, enlarging the collective economy and guaranteeing the rational profit rate for developers become the base for its transformation.

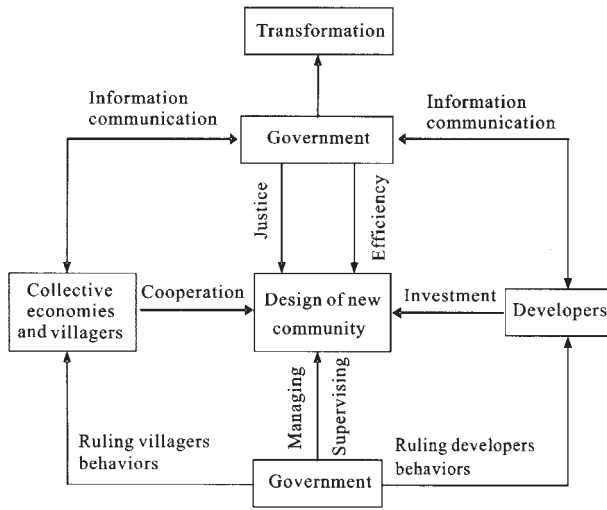


Fig. 2 Multi-side negotiation and cooperation mechanism

5.2 Brain Support and Education Compensation

"Brain support" means that government encourages the villager committee to learn the knowledge of managing modern company and capital. Besides, the collective joint-stock company could update the incompetent members through self-cultivating and drawing persons with ability to run the modern company. Government could establish the "consultative center for the management of assets & capitals", which teaches villager committee or villagers to enhance the competitive ability of their company and make full use of the enormous compensation. The transformation of villagers towards citizen could be realized through improving their culture level. But it is difficult to urge villagers to learn for lack of feasible measures. The following measures may be useful. The collective joint-stock company organizes the villagers to learn knowledge & skill according to the occupation characteristics of collective company together with the punishment and encouragement through decreasing or increasing their dividend from the collective (Fig. 3).

On the other hand, the children are facing with the erosion of bad social atmosphere and unhealthy family environment. Maybe the schools in urban village have modern facilities, but their quality of education gets behind. There are two measures to solve it: firstly, collecting the excellent teachers to support the urban village; secondly, distributing the villagers' children among those schools with good quality of education. Comparatively, the latter is superior to the former. This

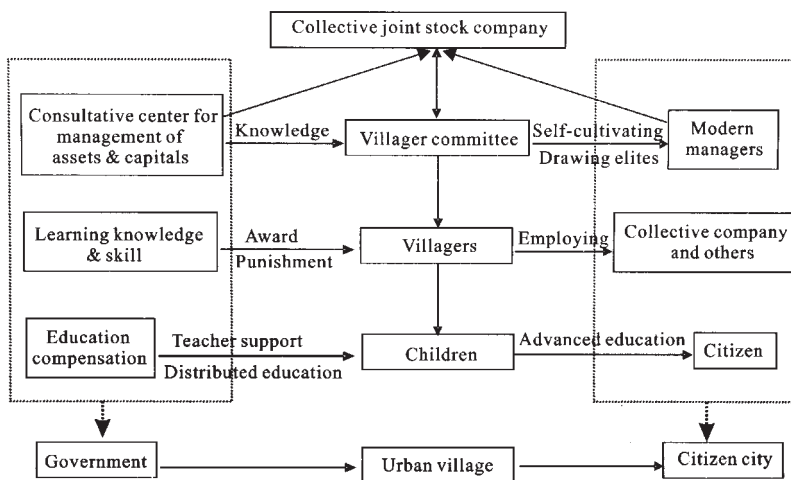


Fig. 3 Brain support and education compensation

pattern of "education compensation", in turn, could get the villagers' cooperation in transforming the urban village.

6 CONCLUSIONS

The transformation of urban village is a comprehensive

and gradual-changing social process. "It would have been continuing for a long time, maybe two generations of time. It is impossible to be realized fully within three years, five years, or ten years", the mayor of Guangzhou City said. The obliged sudden-changing and arbitrary transformation of urban village not only does harm to the increase of villagers' income and the protection and inheritance of traditional culture, but also could not satisfy the floating population's demand for house but to damage the quality of citizens' life indirectly.

On the other hand, the problems of urban village have evolved not only local villagers but the floating population or rural-urban migrants. Even urban village is rational and will exist for a long time under the macro context of socio-economic transition in China, globalization and world cities system. It is inevitable that social division and residential differentiation may appear in global or globalized cities, where the white-collar and the blue-collar could coexist but with spatial segregation. Urban village is the special residential segregation in large cities in China facing the socio-economic transition and globalization. What's more, the socio-spatial inequality would be sharpened with the process of market reform or transition in urban China.

As to the violent destroying urban village movements in urban China, it is necessary to make a restatement that the social position and spatial segregation of floating population as low income and secondary market labor could not be changed easily even if the discriminative institutions are abolished (YAN and WEI, 2004). Under current conditions, maintaining the urban village is better than pulling it down to a certain extent. The methods of "pulling down-compensation for villagers (neglecting the migrants)-getting their land-dissolving the floating population" should be stopped in urban China.

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