

Rural-Urban Segregation in China

K.C. Tan
University of Guelph*

It is generally believed that because of a massive program of dispersed state-owned industrialization and strict regulation of population mobility, China has created a new pattern of rural and urban settlements and has thus successfully wiped out the type of dualism left over from the era of direct foreign influence in Third World states. China's strategy of spatial reconstruction is, therefore, thought to be a positive experience for the rest of the Third World. Drawing from wide-ranging Chinese materials, the purpose of this paper is to present an alternative view concerning the Chinese space economy. The paper will show that, because the Chinese strategy was based on the segregation between the city and the countryside, a new kind of dualism has arisen in China which has brought forth a whole new set of problems for both the city and the countryside. Despite their initial success, the recent attempts at promoting rural non-farm activities and small towns are encountering complex hurdles because they have been carried out within the existing context of rural-urban segregation.

The general view among students of the economic development process in the Third World is that unevenness has been accentuated by colonialism which imposes a capitalist mode onto a precapitalist socio-economy. The result is often spatial and sectoral lopsidedness; development is concentrated in the already prosperous region or sector, and the laggard becomes the permanently disadvantaged. Sharpened contradictions emerge between, on the one hand, a foreign-dominated rapidly growing modern sector located in the ports, the new production centers comprising the plantation and mines, and along the transportation corridor which links these with that of an indigenous-operated and stagnating traditional sector located in the vast countryside. But dualism is also found in the countryside in the form of polarized development of classes, and in the cities with the occupation of areas and subsectors by poverty-stricken local population barely surviving in an 'informal economy'. Despite intensified attempts at economic development by national governments following political independence, this dualism has persisted.

* Department of Geography, University of Guelph, Guelph, Ontario, N1G 2W1, Canada.

In his book *The Fading of the Maoist Vision—City and Country in China's Development*, Rhoads Murphey (1980) gives a vivid picture of the Chinese communist attempts to create a new type of urbanism based on promoting an equal relationship between the city and the countryside. To illustrate the international significance of the Chinese effort, he compares the Chinese results of spatial reconstruction with those of India. He basically confirms the view that while there are still many tensions in the Chinese space economy, the Chinese approach has been successful in wiping out the dualism accentuated by foreign occupation during the century before 1949. The contradictions between the treaty ports along the coast and the interior countryside have disappeared under a massive program of dispersed state-owned industrialization, and a strict regulation of population mobility. In the cities, pseudo-urbanization and its attendant phenomena, such as large-scale rural-urban migration, tertiarization and urban involution, have ceased. In the countryside, the distribution of wealth and influence along class lines, which predated but was strengthened by the arrival of foreign influence, has been brought to an end as a result of rural collectivization. In contrast, weaker control exercised by the Indian central government over its space economy has contributed to the persistence of the dualistic features associated with colonialism.

Since the 1970s, there has also been a school of thought which views the Chinese attempts at 'ruralizing the city and urbanizing the countryside', summed up in the phrase 'agropolitan development' (Friedman and Douglas, 1978) as a desirable objective in spatial reconstruction, and one at which the Chinese have been successful. In his study of the *desakota* regions in Asia, in which the Chinese metropolitan cores feature very prominently, McGee (1991) also approvingly notes the emergence of a very different form of urban settlement, the extended metropolis.

The purpose of this paper is to demonstrate that there exists another side to the above characterizations of China's space economy. The paper will trace the emergence of a new kind of dualism resulting from Chinese attempts at spatial reconstruction. It will show that, based on rural-urban segregation, contemporary Chinese dualism differs from Third World dualism in that, despite Chinese claims to the contrary, it prevents rural-urban integration, and isolates the countryside from the possible modernizing effect of the city. By cutting off the necessary links between the city and countryside, Chinese dualism in effect brings forth a whole new set of problems for both the city and the countryside. The paper will examine the economic conditions of the rural non-farm activities and small towns, and demonstrate the complexities in economic construction, particularly the difficulties facing the countryside, resulting from this type of dualism.

DEVELOPMENT OF CHINESE RURAL-URBAN DUALISM (1952-78)

In their attempt to understand the tortuous road ahead and the need to deepen the current reforms, Chinese scholars have pointed to the existence of a socio-economic barrier between the city and countryside (Deng, 1989; Ding, 1990; Qi, 1989). These scholars trace the genesis of contemporary China's dualism from the early years of the People's Republic, when plans were laid down to promote heavy industrialization on a large scale, and to turn the 'parasitic' cities into 'producer cities'. As a predominantly agricultural society with a very low per capita income¹ and given the unfriendliness of the international political environment, China could only copy the experience of the Soviet Union, its ally at the time, in undertaking such a major endeavor.

Under the First Five-Year Plan (1952-57), a state-owned sector under bureaucratic direction was rapidly created to undertake industrial development. At the same time, a socialist transformation of industry and commerce was carried out in the cities. Larger private enterprises were absorbed into the state-owned sector while smaller units were merged into co-operatives. This was soon followed by the state takeover of the ownership and management of the co-operatives, allowing the state-owned sector to dominate the entire urban economy.

Agricultural surplus value was siphoned off to finance industrial growth. To facilitate this process of raising investment funds, rural collectivization and a system of state procurement of agricultural products were established during the First Five-Year Plan. With the creation of the people's commune as the basic administrative and economic unit in the countryside in 1958, the organization of the peasants to support industrialization was complete.

A 'scissors gap', reflecting the difference between the lower prices of agricultural products and the higher prices of industrial goods, was maintained in order to ensure a continuous flow of investment funds into the urban sector. The procurement system also guaranteed that agricultural raw materials were shipped out to city industries for processing. Rural-urban exchange was maintained through state-run commerce, such as the Supply and Marketing Cooperatives, which collected the agricultural products to supply the urban population and industries, and distributed the industrial goods to the rural population. Perceived as an activity operated by capitalist elements who could threaten the socialist regime, private trade was not given any role in this exchange.

In order to ensure that the development plans for the urban sector was not undermined by a rapid growth of urban population, policies were implemented to tie the peasants permanently to their rural residence and to the land as producers of the necessary foodgrains and investment funds. Population mobility, especially rural-urban migration, was controlled by a household registration system (Ma, 1990). Rural-urban transfer was possible only under official sanction, and when socio-economic conditions in urban centers decline, even those rural migrants who had been permitted to enter the cities would be repatriated. In the

1960s, about 18 million people who had acquired urban residence status during the previous decade were sent back to the countryside (Li, 1991).

By 1978, following a quarter century of strict implementation of these policies, a curious situation had emerged. In gross output terms, the ratio between industry and agriculture had changed from the 2:8 of 1952 to 7:3, but in population terms, the ratio between city-town and rural had changed only very slightly, from 1:9 to 2:8 (Li, 1991). The rural labor force's share of the total population had changed even less, from 31.7 percent to 31.5 percent, and its share of the total labor force had only declined less than 12 percentage points, from 88.0 percent to 76.1 percent. China had achieved basic industrialization, and in terms of the composition of its GNP, it had reached the performance level of countries with a per capita GNP of \$1,000 and more. But it was still very far from the urbanization levels and employment structure characteristic of an industrial society, as its distribution of employment in the different sectors still reflected the situation typical of countries with a per capita GNP of \$100 (Rural Industrialization, 1988). The 324 cities, with a total population of 120 million people, had basically completed industrialization, while the countryside, with more than 800 million people, was still engaged in mainly subsistence crop production (Liu, 1988). There were 80 million people in small towns but, mostly classified as agricultural population, they too had little to do with the secondary and tertiary sectors.

The division between the city and the countryside could be seen in terms of two entirely different socio-economic worlds across which little unofficial and spontaneous penetration was possible. This division was symbolized by the fact that of all the types of income gaps, the rural-urban one was the most glaring (Li, 1989). Monopolized by the state-owned sector, the city performed the functions of manufacturing and processing (of virtually all primary products). With direct grants from the state, the state-owned enterprises guaranteed their employees a standard of living and a 'cradle to grave' welfare system which were beyond the dreams of the rural folks. The privileges enjoyed by urban residents included state-subsidized foodgrains, subsidiary food, cotton fabric, fuel and other essentials, as well as housing, transportation, education, health care and social welfare.

This is not to say that the Chinese cities had been completely transformed from the dilapidation left over by the Japanese invasion and the civil war. Indeed, the subsidies enjoyed by the urban residents were precisely due to the poor conditions of the cities. The emphasis placed on heavy industrialization did not leave much to finance urban infrastructure, especially in the older sections of the city. The predominance of the state-owned enterprises also hindered municipal planning. These urban problems were in turn used to promote continuation of rural-urban mobility control.

Because the city gates were not open to rural migrants, the rapidly expanding rural population, paralleled by an even faster growth of the rural labor force, led to a rapid reduction in the per capita rural population's share of cultivated land,

which declined from 3.29 mu in 1952 to 1.85 mu in 1977 (Li, 1991). While total grain output increased, the average output by each agricultural laborer decreased (Qi, 1989). The commercialization rate of agriculture, i.e. the amount of agricultural products available for exchange, also experienced a significant decline.

The tenuous link between the city and countryside was also affected by the policy of self-sufficiency which, on the one hand, allowed the rural economy to be dominated by foodgrain production, and on the other, discouraged even the traditional household sideline (non-crop) production for exchange. There was also limited involvement of either the peasants or the rural economy when the urban industries were decentralized into smaller urban places, as these industries often brought with them their own employees from the city, as well as maintaining their former suppliers and customers. Even where industries were created ostensibly to serve agriculture, they were not allowed to use local resources and peasant labor. Rural industries were restricted to the 'three locals',² forcing them to be concerned only with supporting local agriculture, such as processing of agricultural products for the local community, provision of inputs to agriculture such as fertilizers, cement and electrical power, and repair of agricultural tools.

The long-term and strict adherence to the siphoning-off policy seriously drained rural resources.³ Further retardation of rural growth was due to declining investments of state funds in agriculture, and the channeling of all added value from processing into the urban sector because of the absence of industries in the countryside. Although self-reliance was applied to the whole country, its impact was particularly harsh on the countryside, where the collective ownership of the commune members prevailed. The peasants had to struggle on their limited amount of cultivated land which provided barely enough for their subsistence. Yet they had to shoulder every conceivable kind of levy to meet local administrative and social needs. Even when rural projects were organized as parts of the national plan, the peasants were expected to supply free labor and other inputs.

Rural unemployment and underemployment grew. Surplus rural labor was variously estimated at between one-third and one-half of the total labor force in the different rural communities (Li, 1989). Yet the countryside continued to be regarded as possessing an unlimited ability to sustain the city and absorb its surplus labor. The despatch of government workers and high school graduates to the countryside for 'rustication' may have an ostensible political motivation (and reflects the perception of an ideological wall along the rural-urban division). But it also demonstrates the irony that the dominance of capital-intensive state-owned industries, absence of a job-creating private sector, and neglect of the labor-intensive light and service industries had jointly acted to reduce the city's ability to absorb even its own naturally-increased population. The countryside was also expected to provide employment and other support to these urbanites. The arrival of the urban visitors could have served as a means for the diffusion of relatively advanced technology from the city. But because they were not prepared to stay in the countryside indefinitely, and did not bring with them the necessary

knowledge and skills to work in the harsh rural conditions, their sudden intrusion into the countryside only meant an additional burden for the peasants.

Under such conditions, small towns which used to serve as a link between the city and the countryside could not sustain their age-old role as the socio-economic center of the surrounding countryside. Since peasants had very few goods to sell in the town markets, the small towns stagnated; some of them virtually lost their economic basis as the collecting and distributing centers of the peasants' farms and sideline products. Many small towns were reduced to rural communities because their traditional links with the rural hinterland had been undermined, or their official urban designation withdrawn. The state was bent on keeping the proportion of urban population at a minimum level, and was fearful that the small towns would serve as the basis for illicit private trade. Despite a strong ideological conviction that the contradictions between city and countryside, industry and agriculture, and mental and physical labor would be resolved under socialism, the more successful the measures were in creating a new socialist industrializing China, the more entrenched rural-urban dualism became.

REFORMS SINCE 1978

The need to improve agricultural productivity and raise rural income finally forced the government to initiate, since the late 1970s, a series of rural reforms aimed at promoting incentives. The most important measure taken to achieve this aim has been the abolition of the people's commune, substituting communal farming with individual household operation under a household responsibility system. Other measures have included an increase in the state procurement prices for agricultural products, a relaxation of the system of procurement of agricultural products, and the promotion of private commodity exchange through the encouragement and revitalization of rural markets.

New policies aimed at creating urban-oriented regions have also been adopted to support the commercialization of agriculture. These include:

- 1) the extension of the form of territorial organization of major cities to most prefectural centers and some county seats, by designating them as cities and extending their jurisdiction to cover the whole prefecture/county unit, so that they can provide planning guidance and coordination to their subordinating counties/townships;
- 2) the expansion of the boundary of the seat of township government beyond its built-up area so that it can provide leadership to the smaller towns within its jurisdiction;
- 3) the lowering of the qualifying standards for officially designated towns and cities;

- 4) the temporary acceptance of rural migrants into cities as domestic servants and contract workers on construction sites; and
- 5) the encouragement of peasants, as a group not entitled to the special privileges reserved for the bona fide urban residents, to set up trading and service enterprises in towns.

In a study on the growth of rural non-farm activities and the development of small towns in China since the reforms (Tan, 1990) it was found that Chinese peasants had been pressured by the urgent need to solve the problem of surplus labor, and attracted by the new incentives for a commodity economy to expand non-farm activities on an unprecedented scale. By 1988, there were 18.8 million rural enterprises employing 95 million workers (or 23.8 percent of rural labor force), producing 58.1 percent of the gross value of rural output (or 24 percent of national output). About seven-tenths of the rural enterprise output came from manufacturing industries, which altogether accounted for 27.6 percent of the national industrial output.

Rural non-farm activities were undertaken through a trinity of mutual dependence between the rural (often communally-owned) enterprises (which operated the activities), the rural community (which owned and in which the enterprises were located), and the local government (which administered the rules and regulations affecting the enterprises). The rapid growth of rural non-farm activities caused the revitalization of the rural economy and rejuvenation of small towns as central places. A unique pattern of the local redeployment of rural labor was created. Under this pattern, known as 'leaving the soil but not the village, entering the factory but not the town', peasants who became workers in the rural enterprises located in the towns did not give up their residence in the village but commuted (on their bicycle) between home and work.

This rise of rural enterprises from the cleavage of the rural-urban dichotomy has led to a situation where the rural non-farm economy has constituted a new third sector. Encouraged by its sudden thrust into the rural economy, some hold the view that this new sector 'symbolizes the direct participation of China's peasantry in the process of industrialization.' (Li, 1991). Others hope that as it grows, this new sector would lead to the ultimate breakdown of the rural-urban dichotomy, and bring about national economic integration (Zhang, 1988). They expect rural-urban links to develop and become solidified, in the first instance within the framework of the newly established urban-oriented regions.

PERSISTENCE OF RURAL-URBAN DUALISM

Despite these successes, to a considerable degree, the basic tenets of rural-urban dualism have continued to exist. This 'scissors gap' has been maintained; peasants have continued to provide funds to the state,⁴ while state investment in

agriculture has declined relatively and absolutely.⁵ On the other hand, subsidies to urban residents have expanded. Between 1978 and 1984, the urban residents' share of all state subsidies rose from 69.93 to 97.53 percent (Ding, 1990). By the late 1980s, on average, each urban resident received state subsidies amounting to 400 yuan annually, while the per capita rural income was only 397 yuan; and the gap between rural and urban incomes also remained unchanged (Ma, 1990). The assigned role of the countryside continues to be the producer of food and agricultural raw materials to support the population and industries in the city. Rural enterprises have little opportunity to become involved in the processing of major agricultural products because these are procured by the state and turned to urban state-owned industries. Rural enterprises have therefore been forced to operate as urban industries, producing finished goods from raw materials obtained elsewhere. While the state has tolerated this breach in the rural-urban division of labor, as units outside the state-owned sector, rural enterprises are still excluded from the state production plan, and therefore have to obtain their supplies and dispose of their products on the open but still very imperfect market.

The household registration system used to control rural-urban migration is left intact. Although some peasants have been permitted into the towns and cities, they are still regarded by urban administrations as peasants and not as bona fide urban residents entitled to the state subsidies.⁶ As soon as the economic conditions in the cities showed signs of decline, as in the late 1980s, about 18 million of them were repatriated (Li, 1991).

Indeed, it is the state's policy to continue to transfer redundant labor out of agriculture into the rural secondary and tertiary sectors, but without physical relocation. It is suggested that astronomical sums of money are needed to equip the towns and cities for the large numbers of rural migrants expected to pour in after residence control is lifted.⁷ Therefore, in order to keep 'urban ills' found in Third World metropolitan centers out of China's underdeveloped cities, city gates must remain relatively closed. Recently, central planners have reiterated China's national urban growth policy as strictly controlling the growth of large cities and actively encouraging the development of small urban places. This means that 'leaving the soil but not the village, entering the factory but not the town' is the preferred pattern of settlement in the countryside.

Along with the continued existence of rural-urban dualism are obvious signs of systemic weakness in the structure of the rural economy. The pressure to solve the rural surplus labor problem locally, along with the trinity of mutual dependence which has fostered the immediate interests of the rural community, the enterprise and the local government, is behind the unending spiral of spontaneous development of rural enterprises in every rural community that possesses the conditions to do so. Even in communities that do not possess these conditions, because development of rural enterprises has become an end in itself, local governments often force themselves to adopt this as a major strategy of rural development.

The Tan study (1990) on recent developments in the rural non-farm sector confirms that there is a parochialism of industrial development. Rural enterprises are closely tied to their administrative regions in terms of location, and fully dependent on consanguinity in terms of personnel. Consequently, rural enterprises have fallen into a rut as their management is constantly met with political interference, their performance adversely affected by backward technology and a redundant labor force, and their corporate interests sacrificed for social ends. As the massive closure of rural enterprises in the late 1980s which forced the return of 5 percent of the rural industrial labor force to agricultural pursuits (Xu, 1991) testifies, they may in fact have worked themselves into a cul de sac.

Parochialism of industrial development, which sees the development of a scattered pattern of competing centers, also leads to the proliferation of industrializing small towns throughout the rural landscape. The high density of small towns, resulting from the spontaneous and haphazard growth, has caused unnecessary duplication, as well as uneconomic use of infrastructure. Every center aims to construct a complete set of urban infrastructure such as streets, department store, movie theater, water treatment plant, etc. which may not all be put to full use. Valuable and scarce funds have thus been thinly scattered over large areas in the countryside.

But the duplication suggests an even more irrational problem, which is that the small towns are basically of the same order in the urban hierarchy. Each small town constitutes the center of its own local community, and its hinterland is defined by the administrative boundaries of the local community. Due to the need for each rural community to have its own industrial base, the forces of competition that would lead to the establishment of a rational hierarchy of urban places, and therefore a more integrative urban and economic network, have been shut-out.

THE WAY OUT

Rural-urban dualism was not an objective of China's program of industrial and economic development aimed at wiping out the scars of the pre-communist past. This dualism, however, came into existence due to the following factors: (1) the domination of the state-owned sector and of heavy industries; (2) the mechanistic interpretation of the concept of self-reliance as self-sufficiency; (3) the elimination of private trade; and above all, (4) the strict limitation of the size of the urban population through control of rural-urban migration.

Rural non-farm activities have brought about significant economic improvements in the countryside and a rapid recovery and growth of small towns. But the creation of this third sector wedged between agriculture and urban industries has not yet led to the closing of the rural-urban gap. On the contrary, the rural enterprises have themselves been forced into a crisis due to the rural-urban bar-

rier. If the series of systemic weaknesses in both the rural economy and the enterprises are allowed to continue, the new rural non-farm activities could settle down as the second sector within the rural economy, opposed to agriculture. In such an eventuality, in addition to the existing rural-urban cleavage, there would be a new order of duality within the rural sector, between agriculture and rural non-farm activities. Planned change is urgently needed or, as demonstrated by the large size of the 'floating population',⁸ especially the occasional 'blind flow' of millions of rural inhabitants spontaneously into the major cities seeking employment,⁹ it would be forced on the government. It is estimated that by the year 2000, the surplus rural labor force in China could reach 250 million (*Nongmin Ribao* 1988).

Change can begin by bringing about a closer relationship between the rural enterprises and the state-owned urban industries, and extension of some central planning and coordination over the production function of rural enterprises. An ideal relationship between rural enterprises and the state-owned industries would be a division of labor under which the former handles the initial stages of processing of agricultural and industrial raw materials, leaving the advanced stages to the latter. By depending more on rural primary production and not having to compete with urban industries, rural enterprises may be able to better realize their comparative advantage, and bring about a more rational use of the rural environment. This should encourage economic concentration of rural industries at suitable locations. Regrouping and amalgamation of enterprises can be carried out in association with this process of economic rationalization, and the scattered pattern of distribution of rural enterprises and small towns would quickly become a matter of the past.

As the rural industries eventually enter into a division of labor with state-owned urban industries, and the rural economy integrated more closely with the urban economy in this process, rationalization of industrial production, in terms of both structure and distribution, may take place. When this type of rationalization is under way, the urban-oriented regions based on the former prefectural city or the township seat would gain substantial meaning. Concentration of rural enterprises into larger and better equipped towns would also be enhanced if rural enterprise workers are encouraged to give up their responsibility plots, move out of their rural homes and become settled in the small towns. The pattern of local redeployment of rural labor known as 'leaving the soil but not the village, entering the factory but not the town' will have to give way and a final breakdown of the rural-urban barrier must eventually come about.

That final breakdown of economic dualism and rural-urban segregation does not, however, have to mean 'lifting the city gates' fully and immediately. What is necessary is a determined effort to continue with the process of integration initiated with the recent reforms. The decision of the Jiangsu provincial government to elevate the status of some of their county seats from designated town to small city represents a step in the right direction. Because in China, a rise in administra-

tive status often results in a corresponding increase in economic centrality, this type of political action should set in motion a process of rationalization of urban centers in the countryside. If this was followed by the naming of certain designated towns as rural industrial centers, and some market towns as lower level industrial districts, thus encouraging the trend of industrial agglomeration of different types and orders, a well-balanced and integrated system of small urban centers would very soon emerge in the countryside. The development of these centers and districts for peasant economic activity as well as residence should satisfy, for the time being at least, the peasant's need to break out of their rural confines.

This type of action does not have to involve massive state investment. Longgang, the 'peasant city' in the Wenzhou region, was completely built by peasants who were permitted to move into the town to establish rural enterprises (Tan, 1991). The breakdown of rural-urban segregation through the building of other 'peasant cities' like Longgang at the county and sub-county levels, and followed by a gradual opening of the regional and later national orders of cities, is one way of promoting a step-wise rural-urban movement of people. It is also an effective means of preventing a large wave of rural migrants pouring into the cities immediately. Having the rural people construct their own towns and cities, instead of leaving it to the state to make all the necessary arrangements for urban construction and livelihood, may ensure that both the urban and rural 'ills' (Gu, Huang and Xu, 1989) found in China today are effectively remedied.

This suggestion, if and when it is successfully carried out, could provide the Third World states with a valuable precedent for the final breakdown of dualism which has had such a stranglehold on their society and economy.

NOTES

1. According to Deng (1989), agriculture's share of total employment was 84 percent, foodgrain production per capita of rural labor 285 kg, urban population's share of total population was 10.6 percent, industry's share of total output was 30 percent and GNP per capita was US \$50.
2. Local labor, funds and materials, and market.
3. According to Qi (1989), the amount syphoned off reached 800 billion yuan during the first 30 years of communist rule.
4. Deng (1989) suggests that each year the peasants pay 10 billion yuan as 'differential price' between what they sell to the state and what they buy in return, while Liu (1988) reveals that under the Sixth Five-Year Plan (1981-85), the peasants created 300 billion yuan for the state.
5. In 1979, state direct investment in agriculture was 5.79 billion yuan, accounting for 11 percent of total state expenditure; by 1986, it had declined to 3.84 billion yuan, only 3 percent of the total. Ding (1990) notes that be-

- tween 1978 and 1985, state total expenditure increased from 111.1 to 184.4 billion yuan; state expenditure to support agriculture increased from 15 to 15.3 billion yuan absolutely, and decreased from 13.6 to 8.3 percent of the total expenditure.
6. Interestingly, the arrival of peasants and the emergence of street vending operated by individual urban entrepreneurs have given rise to a new informal and non state-owned sector in Chinese cities, creating a new urban atmosphere not unlike that in Third World cities.
 7. For example, Meng (1990) calculates that to allow, according to his own estimates, the 140 million surplus rural laborers to enter the cities would need the building of 28 cities of the size of Beijing. The provision of the necessary living quarters, infrastructure, and fixed productive assets enabling these to function as contributing urban residents would require a per capita investment of 40 thousand yuan, or a total investment of 5,600 billion yuan.
 8. People who are in the city without official permission to establish permanent residence there. In major cities like Beijing and Shanghai, this group can exceed one million in size.
 9. During the Lunar New Year of 1989, more than one million peasants from all over China congregated into Guangzhou seeking odd jobs, while many others entered other major cities.

REFERENCES

- Deng, Yiming (1989) On the growth of agriculture and the changes in employment structure under economic dualism. *Zhongguo Nongcun Jingji* (Chinese Rural Economy), 7:15–25.
- Ding, Jiabin (1990) An enquiry into the rationalization of Chinese rural-urban economic relations. *Jingji Yanjiu* (Economic Research), 3:64–67.
- Friedman, J. and Douglas, M. (1978). Agropolitan development: Towards a new strategy for regional planning in Asia. In F.C. Lo and K. Salih (eds.) *Growth Pole Strategy for Regional Development Policy: Asian Experience and Alternative Approaches*. Oxford: Pergamon, pp. 163–192.
- Gu, Yikang, Huang, Zuhui, and Xu, Jia (1989) An historical evaluation of the rural enterprise—Small town development road. *Nongye Jingji Wenti* (Problems of Agricultural Economy), 3:11–16.
- Li, Keqiang (1991) On China's trilateral economic structure. *Zhongguo Shehui Kexue* (Chinese Social Science), 3:65–82.
- Li, Xiangzhang (1989) On double dualistic structure and agricultural development. *Zhongguo Nongcun Jingji* (Chinese Rural Economy), 2:3–16.
- Liu, Chunbin (1988) Step out of dualism, the only way to change fundamentally China's irrational rural-urban relations. *Nongye Jingji Wenti* (Problems in Agricultural Economy), 4:22–26.

- Ma, Xia (1990). Types of Chinese population migration and their changes. *Zhongguo Shehui Kexue* (Chinese Social Science), 5:141-154.
- McGee, T.G. (1991) The emergence of *desakota* regions in Asia: Expanding a hypothesis. In N. Ginsburg, B. Koppel and T.G. McGee (eds.) *The Extended Metropolis: Settlement Transition in Asia*. Honolulu: University of Hawaii. pp. 3-25.
- Meng, Xiaochun (1990) The route to the unification of the double tracks in China's urbanization. *Chengshi Wenti* (Urban Problems), 1:10-13.
- Murphey, R. (1980) *The Fading of the Maoist Vision—City and Country in China's Development*. New York: Methuen.
- Nongmin Ribao* (Peasants Daily) (1988). May 28.
- Qi, Haotong (1989) On the historical reality and future options of China's dualistic economy. *Zhongguo Nongcun Jingji* (Chinese Rural Economy), 7:26-32.
- Rural Industrialization and Urbanization Study Group, Economic Policy Research Center, Ministry of Agriculture (1988) Certain suggestions concerning the accelerated realization of China's rural industrialization, urbanization and agricultural modernization. *Nongcun Jingji Wenti* (Problems of Agricultural Economy), 10:15-17, 46.
- Tan, Kok Chiang (1990) Rural enterprises and small town development in China, problems and prospects. A paper presented to the IGU Regional Conference, Beijing, August.
- Tan, Kok Chiang (1991) Small towns and regional development in Wenzhou. In Greg Veeck (ed.) *Uneven Landscapes: Geographical Studies of Post Reform China*. Baton Rouge: Geoscience Publications, Louisiana State University, pp. 207-234.
- Xu, Boyuan (1991) A preliminary analysis of the integration of rural enterprises into the system which has the urban industries as its core. *Chengshi Wenti* (Urban Problems), 3:23-25, 37.
- Zhang, Gengsheng (1988) Some thoughts on the long-term development of rural enterprises in China. *Zhongguo Nongcun Jingji* (Chinese Rural Economy), 1:1-11.