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Exploration of Priority Strategies for Harmonious Development between Urbanization and the Construction of New Countryside in China Based on the Theory of Unbalanced Growth

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Abstract Based on the theory of unbalanced growth, we analyze priority strategy of different regions in China. It is prior to enhance the quality of urbanization in the East, make a long-term planning for construction of small towns, focus on harmony between human and nature, so as to realize its development to integrate with international urbanization level. For the middle areas, urbanization and construction of new countryside should be developed simultaneously, take a road of interactive development of urban and rural areas, finally to raise the level of urbanization. As to the western areas, it is required to firstly build new countryside, focus on construction of infrastructural facilities, adjust and optimize structure of agricultural production, and push forward the agricultural industrialization.

Key words Unbalanced growth, Urbanization, Construction of new countryside, Priority, China

China is vast in territory. Different regions have different social and economic development level, humanities style, ecological environment, as well as status of resources. How to build a coordinated promotion road between urbanization and new countryside construction with distinct Chinese characteristics is a key subject to be solved by Party and government of China. According to current demand and long-term plan of regional development, strategic priority deployment by classification is an inevitable requirement for harmonious promotion of China's urbanization and new countryside construction. Based on the theory of unbalanced growth, priority selection in coordinated promotion of China's urbanization and new countryside construction are stated separately for China's eastern, middle and western areas.

1 Summary of unbalanced growth theory

The theory of unbalanced growth is put forward on the basis of existing problems in balanced development of regional economy. It follows objective law of regional economic development. According to this theory, if underdeveloped regions have no funds and ability of industrial and regional inclusive growth, economic growth will not occur simultaneously in all regions. Balanced growth is merely theoretical supposition hard to put

into practice. Thus, social economic development should be based on objective differences in regional development, and focus on important areas and local conditions. Social economic development will firstly appear in some growth points or growth poles, then spread outside through various channels, and finally exert different influence on the whole economy.

In 1950, French economist Francois Perroux introduced the growth pole theory. He is a representative of unbalanced growth theory. Perroux contends that unequal interaction exists in both big and small economic units and leads to unbalanced phenomenon. A certain economic unit is dominant over another economic unit. He calls this phenomenon the dominance effect, on the basis of which he introduces the concept of Propulsive Industry. In a propulsive industry, growth and innovation of a dominant economic unit will induce the growth of other economic units. According to the theory of growth pole, a city is a growth pole, and the connection between urban and rural areas is achieved mainly through elements of urban resources spreading to rural areas in many channels. The theory emphasizes central position of a city, and states that the development of rural areas can be driven by elements of urban resources flowing into rural areas^[1]. Albert Otto Hirschman mentions "core-periphery" theory in the book *The Strategy of Economic Development*. Between the core and peripheral regions, two effects with opposite direction exist, that is polarization effect and trickle-down effect. Under the polarization effect, elements and resources are attracted to core regions, leading to recession of peripheral regions; under the trickle-down effect, the economic development of peripheral regions will be promoted.

According to unbalanced growth theory, the economic de-

Received: July 19, 2011 Accepted: September 20, 2011
Supported by the Research Base of Humanities & Social Science (2011) under the Department of Education of Guizhou Province; the General Project of Humanities & Social Science (2010) of Guizhou University (GDYB2010007).

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velopment of any region starts from some points, and extends to the whole region along specific zone in reliance on these points. This process follows a dynamic development trend of "unbalance – relative balance – new unbalance", which has been well proven in economic development course of every country, and China is no exception. In 30 years from the early period of new China to the time of China's reform and opening-up, China always takes balanced and coordinated development of national economy as target pattern of operation of national economy. Under the guidance of this balanced development strategy of eliminating regional disparities and income differences in a planned way, China is excessively tilted towards narrowing regional gap at the time of investment, and excessively stresses egalitarianism when distributing income. This pattern of "grand unification" of economic development and "eating from the same big pot" of income distribution promotes economic development of those regions with weak foundation to some extent, and improves living conditions of some low-income groups. However, this is at the expense of sacrificing economic development of those regions with better foundation, and to some degree dampening people's working initiative and creativity, consequently leading to slow growth and finally coming to a standstill of national economy. Past experience shows that in a country with relatively backward economy and culture, if the balanced development strategy is fully extended to the whole country regardless of objective reality of unbalanced regional economic development, the strategy will finally not work.

On the basis of deep history lesson, we begin to know that in such a backward socialist country, unbalanced growth of economy is not only inevitable result of future policy orientation, but also rational choice of ensuring rapid development of national economy. In other words, to achieve balance through unbalanced growth of economy is not only a choice, but especially a necessity. Under the guidance of this concept, China moves into fast lane of continuous and healthy development of national economy. At the present time of coordinated promotion of urbanization and countryside construction, the theory of unbalanced growth also provides a perfect strategic priority selection for solving problem of actual difference between eastern, middle and western areas.

2 Priority selection for coordinated promotion of China's urbanization and new countryside construction in eastern, middle and western areas of China

2.1 Priority of eastern areas to improve urbanization quality Eastern areas are regions firstly opened up in China. With geological advantages due to close to coast, eastern areas have convenient transportation, especially water transportation. Along with deepening of reform and opening up, there are more and more foreign trade activities, external cooperation and foreign exchange become more active. Those inject great vitality into social and economic development. Blending and impact of foreign ideology and culture change original closed idea.

Along with continuous introduction of foreign advanced technology and management concept, small and medium-sized enterprises in eastern coastal areas rapidly rise, and regional economic development is obviously accelerating. Numerous small and medium-sized enterprises, particularly township enterprises, have attracted a lot of surplus labor from inland rural areas, which increases migrant workers' income, and what's more greatly promotes rural economic development in eastern coastal areas. Under the guidance of government and on farmers' own initiative, urbanization of eastern rural areas is quickly promoted. So to speak, rural areas in eastern coastal regions have basically realized basic goal of new countryside construction. The existing crux mainly lies in lack of government leading, long-term scientific and sustainable development plan for small town construction, and lack of design philosophy of harmonious coexistence of human and nature. Therefore, for eastern coastal areas, the strategic priority deployment of coordinated promotion of urbanization and new countryside construction should focus on how to raise urbanization quality and how to make a plan for small town construction, so as to integrate its development with international urbanization level.

According to theory of unbalanced growth, first centralization and then spread of regional economy are favorable to forming scale economy and generating agglomeration economic benefit. The economic growth presents a powerful trend in some regions and brings into play the spread effect and backwash effect in various channels. Then, at the same time of achieving spread of growth pole to product demand and technological innovation in peripheral areas, it is able to realize flow of production factor resources from outside to inside. In the long run and from the viewpoint of the whole country, promoting urbanization quality of eastern areas to make them become growth pole of regional development will certainly bring great demonstration effect and spread effect. At the microscopic level, it can push forward the nationwide urbanization; at the microscopic level, it can promote coordinated development of urbanization and new countryside construction in eastern areas.

Certainly, when using the theory of unbalanced growth to raise urbanization quality of eastern areas, we should follow the moderation principle and pay attention to overcome possible abuses. Firstly, we are to overcome defects of "economic bias" during urbanization. When mentioning the urbanization, some government departments will firstly consider how to develop the economy, and the standard for judging urbanization is only some economic development indicators, in fact, this is a mistaken idea. The promotion of urbanization quality in eastern areas should not be limited to economic development, but should be a comprehensive promotion of economy, politics, culture, and ecology, and what it describes should be a beautiful picture of harmonious relation between human and society, human and nature, and between human themselves. Secondly, we should overcome the "short plate" problem of regional economic development. The "Cannikin Law" (barrel law) in economics tells us that the capacity of a barrel depends on its shortest piece of plate. Similarly, the economic development

level of a certain region also depends on development degree of most backward areas. The promotion of urbanization quality is to push forward coordinated development of urbanization and new countryside construction in eastern areas. In case of going against this intention, the city biased policy will certainly cause that social resources unreasonably are injected to core regions of economic growth, which will harm the construction and development of rural areas, and finally hinder development of entire eastern areas. Thus, the government and relevant departments should overcome the wrong idea of "city-centered thought", concentrate on coordinated development of city and countryside, and bring into play the effect of pushing forward rural areas by urban areas. In this way, the capacity of "barrel" will become larger and larger.

2.2 Simultaneous urbanization and construction of new countryside in middle areas In middle areas of China, there are vast plains, and agriculture is relatively developed. Middle areas are main areas of grain and meat production. They play an irreplaceable role in ensuring China's grain supply. Due to political, historical, cultural and geological factors, rural development in middle areas are relatively stable, while their urbanization level is not as high as developed areas in coastal region, but higher than backward mountainous areas in western region. The bottleneck to be solved in middle areas is how to bring into play the interactive relation between urbanization and new countryside and how to promote rapid development of both of them. For middle areas, we should strengthen the interaction between urban and rural areas, turn the separate development of agriculture and rural areas into combined development of agriculture and industry, and turn into coordinated development of rural areas and urban areas. In this way, we can establish unified market system, ensure smooth exchange channel between city and countryside, promote proper flow of factors and optimal capital allocation, and finally achieve coordinated development of urban and rural economies.

2.2.1 Taking a road of interactive development of urban and rural areas. China is at the historical turning point of urban and rural dual economic structure stepping into integrated development of urban and rural areas. To catch this historical opportunity, some scholars put forward the interactive pattern of city and countryside. This pattern is to vigorously promote optimum interaction and coordinated development of industrial structure adjustment of city and countryside, allocation of human resources, distribution of financial resources and social development through comprehensively using market and non-market forces. This will bring into full play the driving action of city on countryside, and promotion action of countryside on city, so as to gradually establish a system or mechanism based on market mechanism, independent communication, equality, mutual benefit and cooperation between city and countryside. It is favorable to changing urban and rural dual economic structure, and achieving optimum interaction of industrial and agricultural, urban and rural development. Finally, it is expected to realize dynamic balance on the basis of overall improvement of urban and rural purchasing power, and promote integrated develop-

ment of urban and rural areas^[2]. Furthermore, China is vast in territory, and the difference is great in development of eastern, middle and western regions. In the course of coordinated promotion of urbanization and new countryside construction, it is particularly important to base on the objective reality of middle areas developing faster than western areas but slower than eastern areas. In addition, it is important to select proper urban and rural connection pattern for middle areas according to the theory of unbalanced growth. Also, it is extremely important to implement strategic measures of equally emphasizing urbanization and new countryside construction.

The middle areas play a strategically important role in China's agricultural development. Middle areas are also areas with large rural population. However, the agricultural development in these areas is not adequately valued, and agricultural production benefit and efficiency are not high. This is mainly for following reasons: firstly, comparative benefit of agricultural production is low, leading to farmers' lack of enthusiasm. Secondly, lots of rural surplus labor flow out, and those engaged in agricultural production are mostly old, weak, sick or disabled ones. Thirdly, the agricultural product processing industry is underdeveloped, and agricultural products have low added value. Fourthly, small scale and decentralized operation of farmland is not favorable to mechanized production and popularization of science and technology, and not favorable to improvement of farmers' income level and labor force utilization level. Steady growth of agriculture is a precondition for development of rural industrialization and urbanization, so the low development level of agriculture will in turn restrict the process of rural industrialization and urbanization. This requires that governments at all levels of middle areas attach high importance to making full use of local manpower, material resources, financial resources, information, resources, etc. Besides, it is required to establish perfect agricultural protection mechanism. Under the condition of market economy, government should formulate favorable and preferential policies to support agriculture and farmers on the basis of macro development of agriculture. Besides, government should assume responsibility of protecting local agriculture and improving agricultural production conditions. Moreover, the government should mobilize and guide social forces to increase investment in agriculture, raise agricultural labor productivity, and promote industrialized agricultural operation, so as to obtain optimal and comprehensive agricultural benefits. Of course, the connotation of new countryside construction is far from merely agricultural growth and development, but without this precondition, the new countryside construction will certainly not move forward.

2.2.2 Improving urbanization level. At present, the urbanization level in middle areas is still very low, which is mainly manifested in three aspects: firstly, township enterprises are underdeveloped, hindering process of rural urbanization; secondly, there are few large cities, not favorable to bringing into play aggregation benefit and scale merit of cities; and thirdly, small towns are numerous, but their quality is low. In view of these, we should have our eyes on following three aspects to promote

urbanization level in middle areas.

2.2.2.1 Develop township enterprises energetically. Energetic development of township enterprises not only can enhance economic strength of rural areas, but also can enlarge economic connection between urban and rural areas. Besides, it can enlarge the past single relation of agricultural product exchange between urban and rural areas to various connections of non-agricultural activities. These will speed up process of rural urbanization and promote comprehensive strength of rural areas. With the aid of opportunities of industrial structure upgrading of eastern costal areas and industrial grads transferring to middle areas, middle areas can energetically develop township enterprises and create a path for rural industrialization and urbanization combined with local resources and characteristics, so as to greatly push forward economic development of middle areas.

2.2.2.2 Concentrate on developing big cities. At present, compared with eastern areas, middle areas have lower urbanization level, leading to aggregation benefit and scale merit failure to be brought into full play. In this situation, middle areas should concentrate on developing big cities and gradually form the economic circle centered on big cities, to push forward local economic development. We should gather factors and activities through enlarging city size and make the urban economy gradually increase at a certain scale, so as to produce spillover effect of knowledge, technology, and information, and to realize the purpose of saving cost and improving economic operation efficiency.

2.2.2.3 Make efforts to build excellent small towns. Bridging central cities and rural areas, small towns play a significant role in strategic deployment of coordinated development of urbanization and new countryside construction. Now, there are numerous small towns in middle areas, but their quality is low. Along with the launch of small town construction, small towns have mushroomed all over middle areas. Nevertheless, the industrial development level is low and radiation force of small towns is weak in middle areas. As a consequence, such numerous and wide layout of small towns fail to play its bridge role, but rather hinder the development of small cities. Therefore, middle areas should establish perfect urban system, integrate urban and rural areas, make a good plan, optimize the layout, and move forward from expanding quantities to improving qualities. Specifically, it is required to put more efforts into building a good many characteristic central towns with superior location, powerful strength, wide radiation and strong stamina. Gradually, we develop these small towns into small cities, and finally form an urban system with big cities as center, medium-sized cities as backbone, properly distributed small towns, and functions well complementary to each other.

2.3 Prior construction of new countryside in western areas

Due to geological, historical, ethnic and religious factors, rural areas in China's western regions are less-developed and underdeveloped for a long time, and their urbanization level is low. In addition, rural residents, especially those minorities living in mountainous areas, live in great poverty. Low education level of farmers and underdevelopment of rural industry are major reasons for backward economy of western areas. Serious lack

of infrastructure is the biggest bottleneck of new countryside construction in western areas. It can be believed that western areas are still at "early stage" of strategy for coordinated promotion of urbanization and new countryside construction. The rural and agricultural underdevelopment will certainly hold back urbanization of western areas. Thus, strategic priority deployment of coordinated promotion of urbanization and new countryside construction in western areas should focus on prior new countryside construction. As to the present, new countryside construction in western areas should focus on following aspects.

2.3.1 Focus on infrastructure construction. To a certain extent, new countryside construction is to compensate for debts of rural public facility construction resulted from urban and rural dual structure. We should, on one hand, put more efforts on public policy to support rural construction. On the other hand, we should narrow the gap between rural development levels resulted from regional difference for a long time especially since the reform and opening-up^[3]. Nowadays, the backward infrastructure and public utilities in western areas have become major factors restricting rural economic development, social progress and improvement of farmers' living conditions in western areas^[4].

During the Twelfth Five-Year Plan period, the rural infrastructure construction in western areas should focus on solving "production necessity" and "living necessity" of farmers. In this situation, construction of farmland water conservancy and village road network becomes the most important part. In a sense, construction of agricultural production infrastructure concerns livelihood of all citizens. Only after construction of agricultural production infrastructure, can farmers whose survival relies on land have basic living guarantee, and can they produce more agricultural products to satisfy living demands of urban residents. At the same time, the first thing for solving farmers "living necessity" is to build village road networks. Developed village road network not only can provide convenient transportation for farmers, but also can create a path towards agricultural modernization.

2.3.2 Adjust and optimize agricultural structure. In vast western areas, particularly southwestern areas, planting industry takes up a big portion in the entire agricultural structure. However, there is much plateau but less plain in western areas, and ground surfaces are rough and uneven. These are not favorable to mechanized farming. It is difficult to realize scale operation. The productivity level is low. And comparative benefit of planting industry is low. Therefore, properly reducing the proportion of planting industry may be a pragmatic choice. Of course, the reduction of proportion does not mean that we can neglect the planting industry. It still plays an important role in agricultural structure. The adjustment of planting industry in western areas is not merely the reduction of proportion. More importantly, we should seek to "keep characteristics and excellent quality". To this end, we should raise the utilization efficiency of agricultural resources and fully dig depth of planting industry. Meanwhile, we should energetically introduce excellent quality and high yield crop varieties, and vigorously develop

ecological agriculture and multi-storey agriculture, to ensure increase of grain quality and production.

Reduction of planting proportion is favorable to increasing proportion of animal husbandry and forestry. Restoring those farmlands not suitable for cultivation to forest and grassland and energetic development of forestry and husbandry are not only beneficial to rational allocation of agriculture, forestry, and husbandry in agricultural structure, but also able to alleviate the serious ecological and environmental issues. Different agricultural products require different labor intensity and land intensity. Gains, oil bearing crops and potatoes are land intensive, while flowers, fruits and vegetables, husbandry, fishery, and special breeding industry belong to labor intensive industries^[5]. Along with increase of people's income and improvement of living conditions, flowers, fruits and vegetables, aquatic and livestock and poultry products take up a bigger and bigger proportion in people's daily living expenses. In line with excessive rural labor forces and less arable land in western underdeveloped areas, it is more suitable to develop labor-intensive industries, which not only can satisfy urban living necessities, but also can improve competitive strength of agricultural products.

2.3.3 Push forward agricultural industrialization. For promotion of agricultural industrialization in western areas, we should firstly make "scientific planning and reasonable arrangement". This is also the top priority for realizing rationalized agricultural structure in western areas. Local government, relevant departments and researchers should carry out on-site survey. It is required to make scientific planning and rational arrangement on the basis of making definite mainstay industry and leading industry of local agriculture, finally establish an agricultural industrial system with rational layout, specialized production, integrated operation, enterprise – style management, and combining production – supply – marketing, agriculture – industry – trade, and science – education – economy. Importance should be attached to following aspects. When relevant departments and persons carry out investigation, they should "focus on people's livelihood, investigate people's conditions, and experience and understand people's opinions", otherwise, any plan may become a plan against people's livelihood, people's conditions, or people's opinions.

"Building production bases, cultivate leading industries, and supporting leading enterprises" are central parts of promotion of agricultural industrialization in western areas. Building production bases for agricultural products is a basic condition for realizing agricultural modernization. With large-scale agricultural production bases, there will be stable and enough "supply of goods" for further fine processing and deep processing of agricultural products, and the market share of agricultural products and byproducts can be guaranteed. Currently, western provinces have built a good many backbone production bases for agricultural products. On the basis of this, they can combine local resource advantages and potential to actively cultivate a batch of leading industries with high market demand, good prospect, and capable of pushing forward development of relevant industries. The development of leading industries is in-

separable from growth of leading enterprises, while the existence value of leading enterprises also lies in promoting development of leading industries. Therefore, energetic cultivation of leading enterprises in reliance on leading industries becomes an essential requirement for promoting agricultural industrialization in western areas. Healthy and orderly development of leading enterprises needs government guidance, policy support, capital input, as well as manpower support. The support for large-sized leading enterprises should be concentrated on achieving scientific and technical innovation, industrial upgrading, management innovation, and increase of foreign exchange earnings from export, enhancing competitive power at the market, and bringing into play their demonstration and driving actions on farmers, especially those small and medium-sized leading enterprises^[6]. It is worth noting that agricultural industrialization is beneficial to connection of urban and rural areas. Firstly, it promotes bidirectional circulation of commodities and materials between urban and rural areas. Secondly, it pushes forward flowing and combining of such factors of production as talents, technologies, funds, and information, etc. Furthermore, it creates and provides more job opportunities for local rural labor forces.

3 Conclusions

In order to realize the strategy of coordinated promotion of urbanization and new countryside construction, we should start from actual conditions and fully consider unbalanced situation of economic and social development between eastern, middle and western areas. Besides, we should pay close attention to "diachronic difference" and "synchronic difference" in overall process of combined development of China's urban and rural areas. In addition, we should segment and gradually implement the strategic priority deployment by stages and areas. Then, we may fundamentally achieve the ambitious goal of coordinated promotion of nationwide urbanization and new countryside construction.

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