

RURAL-URBAN NEXUS POLICY AND URBAN POVERTY: A COMPARATIVE ANALYSIS OF INDIA AND CHINA

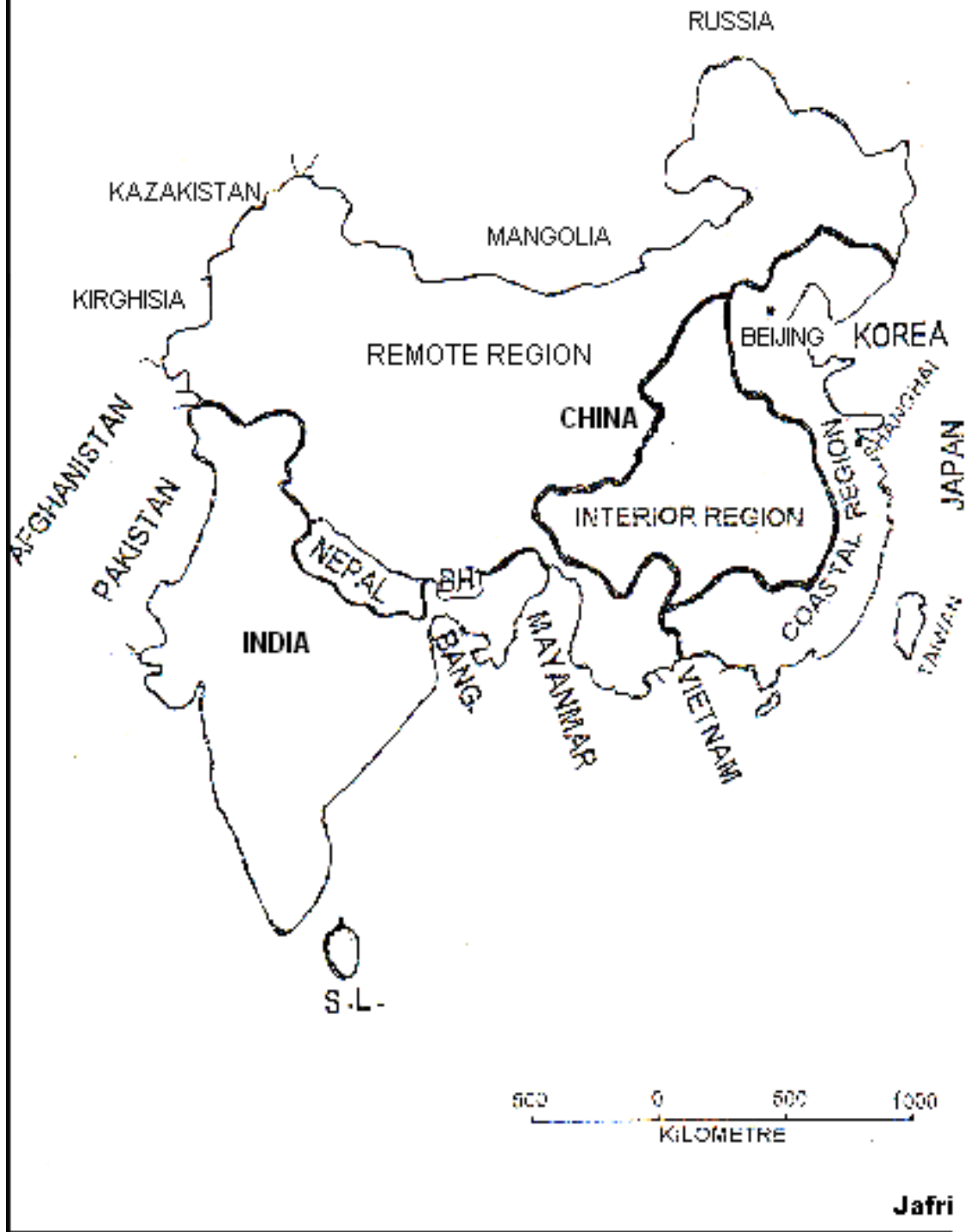
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INTRODUCTION

Those ancient towns depended upon the manpower and agricultural resources available in neighbouring villages, whereas the villagers had quest and desire to live and enjoy the urban luxuries. As the time passed these administrative towns became powerful, their influence were enlarged and like-wise the towns also expanded on rural areas. Thus, the interaction or nexus between rural and urban became unavoidable and infinite. After the industrial revolution in eighties the towns and cities which used to be the seats of administration religion and culture became the providers of livelihood to masses through secondary and tertiary activities. This phenomenon started from Europe, then slowly percolated into their colonies. Those walled cities of ancient and medieval periods were ransacked by the new wave of industrialization. The urban system in the country was influenced by the market forces. Cities producing goods and services that are in

Author had visited Beijing and Shanghai, their sub-urb and countryside in China during November 28 to December 26, 2005 under the Indo-China Exchange Programme, sponsored by the Indian Council of Social Science Research (ICSSR), New Delhi to study the rural-urban nexus in China. Author is extremely grateful to ICSSR, New Delhi, Chinese Academy of Social Science (CASS), Beijing and Shanghai Academy of Social Science, without their support the visit was not possible. However, author is alone responsible for any errors or omissions remained in the present study.

INDIA AND CHINA LOCATION



Demand and attract people to live on them have faster growth than those that do not. In fact development of urban system became an automatic phenomenon even without direct government influence. Traditional handicraft and manufacturing was replaced by machines. Factories/industries were located in towns and cities, which were comparatively; well off in community services/facilities. In fact due to spillover effect of population the walls and city limits were more hurdles in expanding the cities in rural areas might be on most fertile lands. Since industrialization and urbanization are complementary to each other, the towns and cities especially in the third world countries are ever expanding due to immigrants of rural workforce, making the rural-urban nexus more dynamic.

India and China are among the largest size neighbouring countries in Asia. India is located between 65°E to 95°E Long. and 6°N to 35°N Lat. when China is located between 75°E to 135°E Long. and 23°N to 45°N Lat. India covers 3.27 million sq.km. And China covers 9.56 million sq.km. geographical area, which are 2.44 per cent and 7.14 per cent of the total land area of the world, respectively. According to Census 2001, India's population was 1048.6 million and China's population was 1280.4 million, which were 2nd and 1st among the countries of the world, respectively. Approximately India has about one-third land under cultivation when China has only one-tenth.

RURAL-URBAN NEXUS IN INDIA

In most of the third world countries and especially in India, the municipal services/facilities are hardly available/sufficient in large cities what to talk of small and medium towns. In rural areas per capita/per hectare agricultural productivity is quite low and it is feared that due to environmental degradation the productivity is further slowing down. After Independence it was expected that rural migration to urban areas would be step-wise, i.e. migration from villages to small and medium towns then to cities and then to metropolitan cities. This expectation continued till eighties, but it hardly happened. In fact due to absence of urban amenities and employment opportunities in village and small and medium towns, working age population flocked directly towards large cities in search of better employment opportunities and better living conditions.

Table 1: Class-wise Number of Towns, Percentage and Growth Rate of Urban Population in India

	Year	Total No. of Towns/Cities	Urban Population	Class I	Class II	Class III	Class IV	Class V	Class VI
No. of Towns/Cities	1971	2476	109113977	148	173	558	827	623	147
Percentage of Urban Population	1971			57.24	10.92	16.01	10.94	4.45	0.44
Annual Exponential Growth Rate	1971			4.29	2.93	2.65	1.67	-1.14	-2.32

No. of Towns/Cities	1981			218	270	743	1059	758	253
Percentage of Urban Population	1981	3301	159462547	60.32	11.63	14.30	9.47	3.66	0.62
Annual Exponential Growth Rate	1981			4.34	4.43	2.69	2.43	1.64	5.05
No. of Towns/Cities	1991			300	345	947	1167	740	197
Percentage of Urban Population	1991	3696	217611012	64.89	10.96	13.33	7.89	2.62	0.31
Annual Exponential Growth Rate	1991			3.84	2.38	2.26	1.02	-0.13	-2.45
No. of Towns/Cities	2001			393	401	1151	1344	888	191
Percentage of Urban Population	2001	4368	286124165	68.67	9.67	12.23	6.84	2.36	0.23
Annual Exponential Growth Rate	2001			3.42	1.76	2.15	1.64	1.93	0.80

Source: Based on Census of India figures.

Note: Urban agglomeration is considered as one town/city, which have more than one towns.

The rural migrants surpassed the small and medium towns and directly landed in large metropolitan cities and made an addition to slum areas and its population. In Mumbai, Kolkata and Chennai metropolitan cities, more than 40 per cent population lives in slum areas. In northern India, in Delhi and Lucknow at least 30 per cent population is huddled in slum areas.

Table 2: Slum Population in Municipal Corporations with Million-Plus Population

Municipal Corporation	Population (2001)	% of Slum Population
Greater Mumbai	11914398	48.88
Delhi	9817439	18.89
Kolkata	4580544	32.55
Bangalore	4292223	8.04
Chennai	4216268	25.60
Ahmedabad	3515361	12.51
Hyderabad	3449878	17.43
Pune	2540069	20.92
Kanpur	2532138	14.57
Surat	2433787	16.68
Jaipur	2324319	15.07
Nagpur	2051320	35.42
Indore	1597441	16.25
Bhopal	1433875	8.81
Ludhiana	1395053	22.56
Patna	1376950	0.25
Vadodara	1306035	8.21
Lucknow	2207340	25.00*
Agra	1259979	9.67
Varanasi	1100748	12.55
Nashik	1076967	13.21
Meerut	1074229	43.87
Faridabad	1054981	46.55

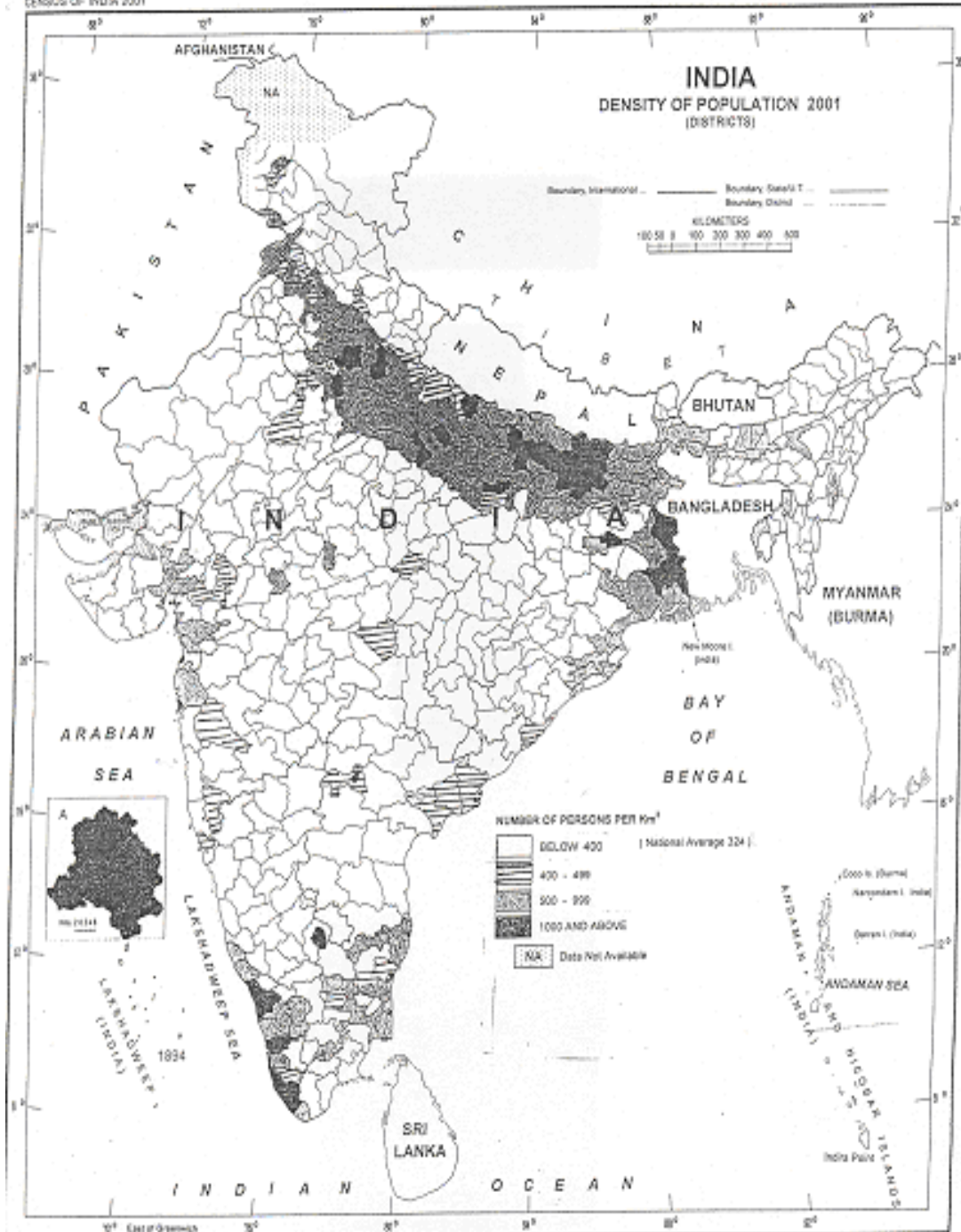
Source: Census of India, 2001.

Note: * Estimated by the author.

On the other hand the regional disparity in India has a marked difference, as the prime cities like Kolkata, Delhi, Mumbai and Chennai which developed during colonial period, were blessed with efficient road, rail and air links not only expanded but influenced their large surrounding areas and formed not only their conurbations but also their regions. Thus the large part of the country remained without significant industrialisation and only scattered and stagnant small and medium towns serve the local administrative requirements of the neighbouring countryside.

During 1991 and 2001 census the number of towns and cities¹ grew from 4515 to 5161 in which about 27.8 per cent country's population (2001) was living. The overall decadal growth of number of towns/cities continued between 10 to 15 per cent. The million plus cities, which were 9 in 1971, grew to 12 in 1981 to 23 in 1991 and to 35 in 2001. This growth rate of million plus cities was 33.3 per cent in 1971-81, 91.7 per cent in 1981-91 and 52.2 per cent in 1991-2001. If these million plus cities were growing in countryside, where urbanization is low, they could have worked as so-called engine of growth. But contrary to that they are growing under the influence and command areas of prime mega cities, i.e. Kolkata, Delhi, Mumbai and Chennai. The result is that today 68.67 per cent of India's urban population lives in lakh plus cities and 37.71 per cent of India's urban population is crowding in million plus cities.

¹ Urban agglomeration which has more than one town/city are considered individually.



Based upon Survey of India map with the permission of the Surveyor General of India.
The territorial waters of India extend into the sea to a distance of twelve nautical miles measured from the appropriate base line.
The interstate boundaries between Arunachal Pradesh, Assam and Meghalaya shown on this map are as interpreted from the North-Eastern Areas (Reorganisation) Act, 1951 but have yet to be verified.

Table 3: Growth of Metropolitan Cities and Its Population in India

All India	Decades			
	1971	1981	1991	2001
No. of Metropolitan Cities	9	12	23	35
Percentage Decadal Growth	--	33.33	91.67	52.18
Metropolitan Population	27420826	42121700	70996726	107881836
Percentage Decadal Growth	--	53.62	68.55	51.95
Percentage of Metropolitan Population to Total Urban Population	25.13	26.42	32.63	37.71
Total Urban Population in India	109113977	159462547	217611012	286124165

Source: Based on Census of India figures.

Note: Cities with million plus population are metropolitan cities.

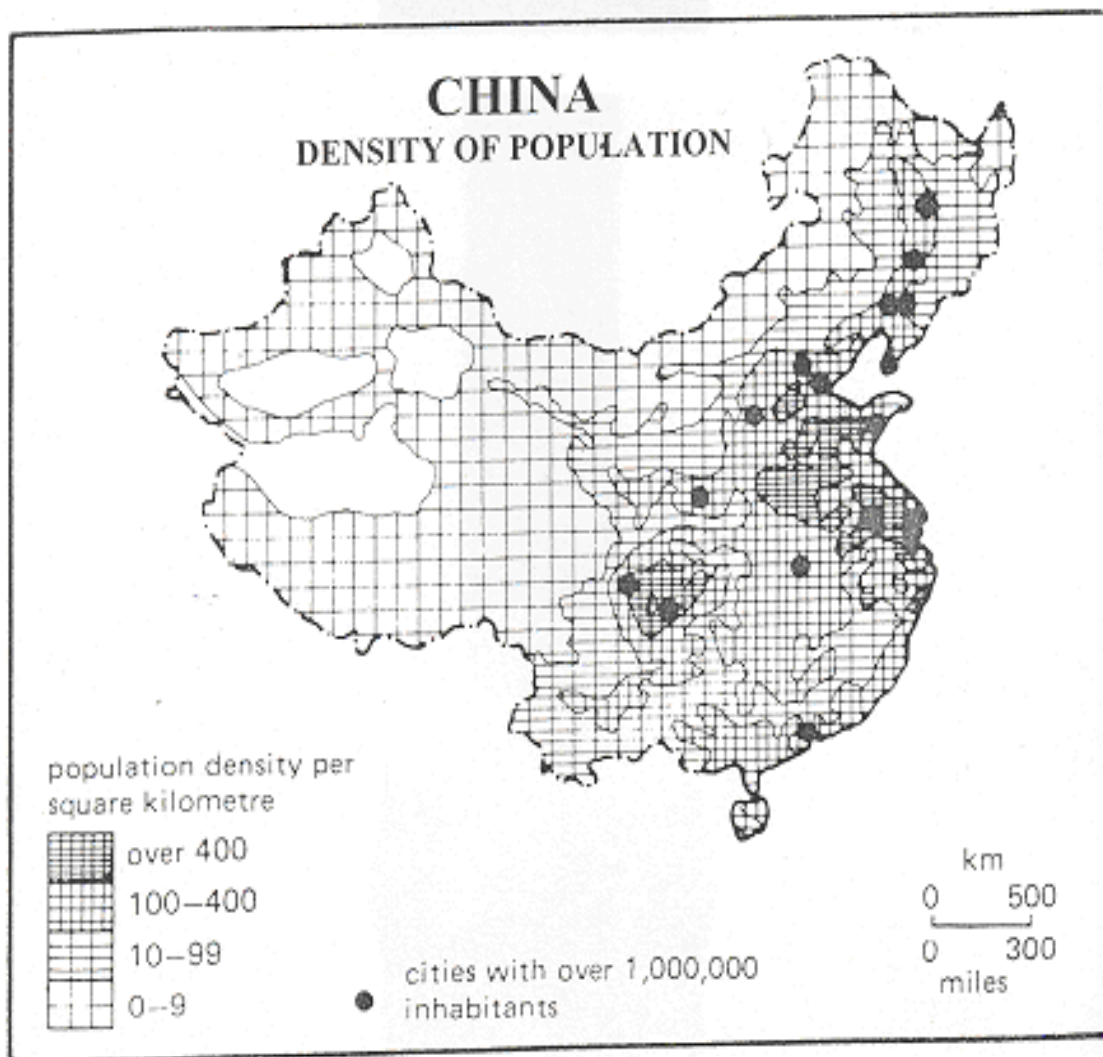
The lopsided urbanization has led to faster urban growth in highest urbanized regions and of bigger size of metropolitan centres. The lowest urban growth continued in lowest urbanized regions and of smaller size of towns. For example, the decadal growth of urban population in Delhi is about 46 per cent, Kanpur 36 per cent, Lucknow 35 per cent, which is much higher than the urban population growth in small and medium towns of the country as a whole. In New York the decadal growth rate is only 9 per cent, as in USA the economic condition and urban amenities are everywhere balanced, people need not to migrate far from less privileged to affluent areas like in India. Due to constant and rapid growth of population, especially in larger cities, the existing urban facilities are always insufficient and urban machinery is ever exhausted, making the urbanization into metropolitanization, megapolisation and slumization.

Since Independence (1947), India faced an acute shortage of foodgrain essential for human survival, which diverted the government attention towards development of agricultural infrastructure, thus, overall urban development was side tracked. Since agriculture is not so capable to absorb all the working age population, therefore, industrialization is the only alternative to provide the livelihood. In real sense, industries can only survive in towns and cities where required infrastructure exists. Small and medium towns in particular even majority of lakh plus cities in general are not much different than the rural areas in terms of employment avenues, proper amenities and services, thus, they are not capable to attract rural migrants. A ray of hope is emerging if 73rd and 74th Parliamentary Constitutional Amendments are seriously implemented in comprehensive rural-urban district planning rather than sectoral planning, which is yet to be replaced. Also, government efforts are on to provide amenities and services to develop 5000 village clusters around the small and medium towns of the country so that the

rural urban gap may be bridged and these towns may expand into full-fledged cities. In first phase, such village clusters of 10 to 15 villages around at least one of the centrally located small/medium town in each district have been undertaken, which are at planning stage.

RURAL-URBAN NEXUS IN CHINA (Zhongguoe)

“The likelihood is that with decreased control over the movement of people, which will continue and that China may experience one of the largest scale



urbanizations in human history.”² China is the world’s largest producer of coal and sixth largest oil producer with significant export. China is the second largest energy consumer of the world, has a great promise of industrialization and urbanization. “During Mao Tse-Tung leadership 1949-76, it was emphasized rural collectivisation, central planning plus state control and ownership of industry and limited contact with outside world. These points were considered essential for socialism in China. Later Deng Xioping emphasized economic growth, role of market, family farming more foreign trade, investment from West (U.S. and Europe), Japan, Taiwan and Malaysia, claimed they are too socialist.”³ “One-third of China’s urban households were considered house deficient in 1981. In 1983 about one million citizens in Shanghai were living in slums. Since land ownership after 1949 completely belongs to government, the private housing on leased land was encouraged in 1985. Buying of houses was made easy for the employees, as 1/3rd cost is borne by the employee, 1/3rd by the employer and 1/3rd by the State Government. Owner can pay roughly about 3000 Yuan (Rs.16,875/-) for one room set to 5000 Yuan (Rs.28,125/-) for three room set flat annually for 5 years, or if instalment is reduced then upto 20 years period.”⁴ In China though the restriction of rural to urban migration has been lifted but the harsh cold climate, i.e. –8° to –9° temperature in winters is also one of the factors, which easily doesn’t permit the villagers to migrate to towns and cities without proper assured shelter. Recently the vast industrial growth due to FDIs and their global market has almost absorbed the surplus agricultural workers and those villagers who intend to get absorbed in industries are contend to get their turn in normal process. As the growth of new industries is a perennial phenomenon. Location of new FDI adventures in smaller towns and countryside has changed the entire scenario like advanced infrastructure: roads, electricity, water and other amenities are made available within the reach of common man. FDIs investment in the tune of US \$ 448 billion (2002) almost yearly has changed the picture of China’s rural and urban settlements.

In China agricultural land is quite less, i.e. 224.3 million hectares and per household agricultural land is too less. The following table showing the topographical divisions reveals that China has only 12 per cent plain area:

Table 4: Topographical Distribution in China

Area	Per Cent
1. Mountains	33.0
2. Plateaus	26.0
3. Basins	19.0
4. Plains	12.0
5. Hills	10.0
6. China’s Farming Land (2003)	133.06 (million Hectare)

Source: S.U. Wenning (ed.), “Modernisation – The Chinese Way”, *Beijing Review*, 1983.

² Terry Cannon and Alan Jenkins (eds.), *The Geography of Contemporary China*, Rutledge, London, 1990.

³ *Ibid.*

⁴ Roland J. Fuchs *et al.* (ed.), *Urbanization and Urban Policies in Pacific Asia*, West View Press, London, 1987.

VILLAGE SCENARIO

In our visit in Xinggenzhuang village near Yanjias town of Hebi province during December 2005, the average agricultural land holding per household was about 666 sq. metres (in China average holding is 0.25 hect.).⁵ However, the dependency of village population on agricultural land was not absolute. Some of the interesting statistics of the village was collected by the author are as follows:

Total Population	3400
Total Households	840
Average Persons in a family	4.04
Total Agricultural Land	70.0 Hect.
Young and Old dependents	1500
Workers	1900
Agricultural Workers	611
Manufacturing Workers	978
Service Workers	311
Per HH foodgrain production	1000 kg.
Teacher-Students Ratio in village school	1:12
Electricity	24 hours
Per Capita Income Recorded in 1998	3850 Yuan (Rs.21,175/-)

Rural Vehicles

	1989	2006
Motorised Hand Tractors	25	65
Modern Hand Tractors	14	121
Motorised Carriers (to carry 4-5 tons)	07	110
3-wheel motor cycle	03	40
3-wheel improved motor cycle	00	114

Durable goods available in Xinggenzhang village:

Phone	Mobile Phone	Washing Machine	Refrigerator	Camera	Colour T.V.
740	1000	700	203	52	1000

⁵ Author surveyed the village on December 16, 2006 in China. Besides Dr. (Ms.) He Li (CASS, Beijing), Mr. Zhang Dejin, Secretary, Mr. Zhao Yucheng, Deputy Secretary, Mrs. Zhang Shurong, Director Female Affairs (all from Village Communist Party), Mr. Xia Guoshan, Head of Village and Mr. Huang Lisong, President of School, accompanied in village survey. The author was honoured with lunch in Xinji town, 20 km. from the village, which is gratefully acknowledged.

In overall China no one was reported below poverty line in urban areas, but in rural areas 2.6 per cent (2005) were recorded.⁶ However, the below poverty line concept is not the same as in India. In China non-availability of food, i.e. two square meals are not the criterion, but more towards standard of living. Besides 9.5 per cent GDP growth rate during 2004-05, per capita income has also risen in China quite fast, but there is a vast gap in rural and urban income, as given in the following Table:

Table 5: Gap between Rural and Urban Per Capita Income in China

Year	Urban		Rural	
	Yuan (RMB)	Rupees	Yuan (RMB)	Rupees
1978	343	1887	134	737
1980	478	2629	191	1051
1990	1510	8305	686	3773
1995	4288	23584	1577	8674
2000	6280	34540	2253	12392
2003	8472	46596	2622	14421

(Approximate Conversion Rate Rs.5.50 – 1.0 Yuan (RMB) and Yuan (RMB) 8 = US \$ 1.00)

Source: China Statistical Year Book, 2004.

URBAN DEFINITION AND URBANISATION

In China the urban definition is not the same as internationally accepted one. Most of the city suburban population has not been considered as urban when more than 3/4th population is engaged in non-primary activities, probably due to lack of civic amenities. Also migrants in cities, no matter how long they lived even exceeding beyond one year are not included in urban population, even when people are fully absorbed in cities, except they were not registered as citizen of the cities. Most of the country (District) headquarters are not considered as urban when the mainstay of population is on secondary and tertiary activities. In one of the estimate in China about 30 per cent population which enjoys the urban life is not included in urban population.⁷ Terry Cannon and Alan Jenkins quoted the original Chinese figures of urban population, i.e. 50 per cent (1988) and its later comparative modified figure, i.e. 20.9 per cent (1988) which are roughly 30 per cent reduced (1988). Even in recent Chinese Statistical Year Book, 2005, the China's urban population of 2004 is shown according to modified version, i.e. 41.8 per cent, when it is much more than this. The following table shows the comparative picture of urban population.

⁶ CCTV, Channel 9, December 25, 2005, Beijing, China.

⁷ John Vernon Henderson, "International Experience in Urbanization and its Relevance for China", World Bank Staff Working Paper, No.758, p.73, 1986.

Table 8: Total Urban Population and Comparison of Official Chinese Figures with Modified Series, 1949-88

Year	Official figures given since 1982 Census*		Modified Series**		Total Population (in Million)
	Urban Population (in Million)	Per cent of Total	Urban Population (in Million)	Per cent of Total	
1949	58	10.6	49	9.1	541
1969	141	17.5	101	12.5	807
1978	173	17.9	123	12.8	963
1988	550	50.0	230	20.9	1100

Source: * State Statistical Bureau, 1988.

**Modified Series Quoted in Terry Cannon & Alan Jenkins (eds.), The Geography of Contemporary China, Rutledge, London, 1990.

After the death of Chairman, Communist Party of China, Mr. Mao Tse-Tung in September 1976, the socialist modernisation phase begins under the leadership of Deng Xiaoping. The increasing role of Mr. Deng Xiaoping mainly emphasized on modernisation of agriculture, science and technology and made the economic growth a priority. In 1979-80, the reform begins with stress on economic progress, priority on light industry and allowing the market principles to work. Besides one child norm, rural responsibility system was evolved and joint ventures with foreign firms were permitted. Four economic zones were established for FDIs. During Sixth Five Year Plan 1981-85 the priority was given to consumption over investment, and priority to light over heavy industry and agriculture. Foreign technology was adopted as the basis for modernisation rather than dependence on self-reliance. International trade was integrated. In order to introduce rural responsibility system, family farming was brought in place of commune farming. Absentee farming was made possible, in case of farmers joining non-farm activities. In 1984 about 14 port cities were designated as ‘open cities’ with incentives for capital investment from abroad. Huge modern infrastructures were created in these cities for easy investments, import and exports. According to Chinese planners, “Further speeding up urbanization will be the main approach to offset the deviations in China’s industrial structures in view that the focus of the development of the tertiary industry and the transfer of surplus rural labour to the cities.”⁸

Because of Chinese government’s initial focus on small and medium towns and then FDIs adopting them for new enterprises has attracted the population, and urban population did not concentrate in mega cities, when reverse happened in India. The following table shows the urban population concentration according to the size of cities.

⁸ Rural Development Institute, CASS, Beijing, Analysis and Forecast on China’s Rural Economy, 2004-05, Foreign Language Press, China, p.76.

Table 9 : Percentage of Urban Population by City Size in China, 1981

Size of City	Percentage
Over 1 million	36.00
500,000 – 1 million	15.00
100,000 – 500,000	18.00
Under 100,000	32.00
Total	100.00

Source: John Vernon Henderson, “International Experience in Urbanization and its Relevance for China”, **World Bank Staff Working Paper** No.758, 1986, p.76.

The following table shows the number of Chinese towns and cities by their size of population. Unlike India, the growth of smaller cities and towns in China are quite high. As in China location of industry and other institutions are strictly according to the government planning rather than the sweet will of entrepreneurs under the democratic freedom as practiced in India. Chinese towns and cities are pollution free, where no congestion of population and slums can be seen.

Table 10: Number of Cities by Size in China

Size of Town/City	No. of Town/City (1982)	Projection for 2000
Over 500,000	48	59
200,000 – 500,000	71	73
Under 200,000	126	253
Country and Statutory Towns	3107 (1983)	3200

Source: John Vernon Henderson, “International Experience in Urbanization and its Relevance for China”, **World Bank Staff Working Paper** No.758, 1986, p.76.

FALLING NATURAL GROWTH OF POPULATION

Though one child norm at present is not strictly imposed by the Chinese government, but due to fast economic development and urbanization, the natural growth rate of population is constantly decreasing to a point of worry. In China in 1991 the natural growth rate of population was 1.30 per cent, which dropped to 0.70 per cent in 2001 and further dropped to 0.59 per cent in 2004. In Beijing and Shanghai metropolitan cities the natural growth rate of population was as low as 0.07 per cent and nil respectively. In 1980 the average size of household in China was 4.4 persons, which reduced to 3.9 in 1991 and 3.4 in 2001. In Beijing and Shanghai metropolitan cities the average household size is 2.9 and

2.8 persons respectively. The sex ratio, i.e. females per 1000 males remained in China constant to 942, except in 1995 it shot to 961. In Beijing and Shanghai metropolitan cities the sex ratio was recorded quite high as 952 and 1035 respectively, which shows the comparatively favourable conditions for female folk. The literacy rate in China during 1980 was 77.2 per cent which rose to 84.1 per cent in 1991 and to 93.3 per cent in 2001. In Beijing and Shanghai the literacy rate was hundred per cent.

Table 11: Population Structure of China

Year	China's Total Population	Percent Literates	Sex Ratio	HH Size	Percentage Age-wise Population			Percentage Natural Growth	Percentage Urban Population
					0-14	15-64	65+		
1980	987,050,000	77.2	942	4.4	33.6	61.5	4.9	1.19	19.4
1991	1,158,230,000	84.1	949	3.9	27.7	66.7	5.6	1.30	26.9
1995	1,211,210,000	--	961	--	--	--	--	1.05	29.0
2001	1,276,270,000	93.3	942	3.4	22.9	70.1	7.0	0.70	37.7
2004	1,299,880,000	--	942	--	--	--	--	0.59	41.8
Beijing Metro (2004)		100.0	952	2.9	--	--	--	0.07	--
Shanghai Metro (2004)		100.0	1035	2.8	--	--	--	0.00	--

Source: China Statistical Year Book, 2005. National Bureau of Statistics of China, China Statistics Press, Beijing.

Because of reducing birth rate from 1.97 per cent in 1991 to 1.23 in 2004 and also reducing death rate from 0.67 in 1991 to 0.64 in 2004, the proportion of children of 0-14 years age in overall population are also reduced. In 1980 the proportion of children in overall population of China was 33.6 per cent, which reduced to 27.7 per cent in 1991 and further reduced to 22.9 per cent in 2001. Similarly the reduction in child population led in rise of working age population of 15-64 years age group. In 1980 the working age population was 61.5 per cent, which rose to 66.7 per cent in 1991 and further rose to 70.1 per cent in 2001. Likewise the old age population of 65 and above years also rose. In 1980 the old age population was 4.9 per cent, which rose to 5.6 per cent in 1991 and further rose to 7.0 per cent in 2001. The dependency ratio (children and old age) in China was 38.5 per cent in 1980, which decreased to 33.3 per cent and further decreased to 29.9 per cent, which is a good sign.

FOREIGN DIRECT INVESTMENT

In fact mechanisation of agriculture and fast FDI promoted industrialization lead urbanization and made possible a controlled shift of rural population to mainly newly emerging urban areas. Every year 40

to 50 million trained workers are available in urban areas. The higher growth rate of income from industrial sector contributed whopping 99.0 per cent of total national income when income from agricultural sector contributed merely 1.0 per cent. Therefore from January 1, 2006, Government exempted all the agricultural taxes.⁹ Chinese planners argue that if the Chinese farmers are allowed to grow even opium and no matter how perfect the political system might be, they won't be out of poverty, as today it is boomed by the industry. Average time devoted on farming by rural folk is not more than 3 months. Presently China is producing 400 to 500 million tons of foodgrains every year and if modern techniques are applied, China is capable to feed 1.5 billion population. It is to change from rural China to urban China and not more than 10 per cent of total population of China should remain in rural areas.¹⁰ In China there is a spree of raising a huge industrial and modern urban infrastructure. For example Mr. Wen Jiabao, the Prime Minister of China has placed order in Paris for 150 Boing passenger planes costing US \$ 10,000 million and announced that on July 6, 2006 a 15,000 km railway line would be inaugurated between Shanghai and Lhasa, which is under construction from December 2005 at the rate of 30 kms. per day.¹¹ Regionwise there is a vast gap of investments, as most of the government and FDI investments are in coastal regions followed by central and western regions of China. In coastal region, China has the advantage that the raw material and manufactured goods are easily transported through the China Sea, which is also the success gateway for Korea, Japan, Taiwan, Singapore and Malaysia. Chinese coastal region is blessed with hundreds of ports and most of its rivers are navigable throughout the year. For example, pollution free river Huangpuh flowing through Shanghai megapolis is 9 metres deep and it is navigable by ships upto 100 kms. deep inside land, making possible numerous ports on both sides of the bank. Region-wise percentage of population and investments are as follows:

Table 6: **Region-wise Percentage of Population and Investment**

Regions	Population Percentage	Percentage Investment by Government Under 7 th Five Year Plan, 1985	Percentage FDI, 2003
1. Coastal	41.3	52.7	86.7
2. Central	35.7	30.9	11.0
3. Western	23.0	16.4	2.3
Total China	1041.1 Million (1985)	241755 Yuan Million	438180 Yuan Million
	1300.00 Million (2003)		

Source: China Statistical Year Book, 1986 and 2004.

⁹ CCTV, Channel 9, December 25, 2005, Beijing, China.

¹⁰ Prof. Pan Wei, "Why are Chinese So Poor", *Social Sciences in China Journal*, Beijing, Autumn, 2004, pp.148-156.

¹¹ CCTV, Channel 9, December 25, 2005, Beijing, China.

REGIONAL VARIATIONS

Land locked Western China, which is also remote area, has abundance of petroleum and natural gas, which has been recently discovered and exploited. To exploit these resources the government has connected it with modern highways, road, rail and air to transport the raw material and manpower. In the process, many cities are emerging fast with all modern amenities and facilities. Recently rivers Yangtze, Tarim and other rivers have been tamed and properly channelised, which made possible for the farmers to have perennial irrigation. Since centuries people in this region were depending on subsistence agriculture and nomadism, are now becoming prosperous with settled economy in urban and semi-urban environ. Tourism is another attraction to Central Asian culture, which lead a gigantic hotel industry to absorb surplus workforce.

Northern borders of remote region mainly along Magnolia provides the abundance of quality coal for industrial and domestic use. Here mining and hilly tracks are combined to attract the fast transport facilities, skilled and unskilled workforce, growing towns, hotels and tourism.

It is not quite correct to criticise the government planning for concentrating more in coastal region rather than central and western regions. Since China has emerged a strong industrial giant of the world, where easy accessibility to natural resources raw material and proximity to world market, i.e. based upon through shortest routes of rail, road, sea and air linkages, which are only possible in coastal region. As Mao Tse-Tung (1960) said, "Our old industry bases is mainly in the coastal regions. If we do not pay attention to industry in the coastal region, this will be to our detriment. On the other hand, if we make full use of the capacity, both the plant and technology, of the coastal industry and develop it properly, then we shall have all the more strength to develop and maintain industry in the interior. It is wrong to adopt a negative attitude towards coastal industry. This will not only hinder the full utilization of coastal industry, it will also hinder the rapid development of industry in the interior."¹² Industrial based urbanisation lead the service sector to grow with faster pace, which made possible for China to host 110 million international tourists in 2005. In China number of tourists are growing at the rate of 10.0 per cent every year. Today in China there are 380 million mobile phone subscribers. The purchasing capacity of people specially in cities has fast grown that in one year, i.e. 2005, in only Beijing 360,000 cars were sold.

Currently almost entire, i.e. 200 million children are attending their primary and secondary schools in China and about 98.0 per cent of school-age girls are enrolled.¹³ In view of foreign trade, at school level one foreign language is compulsory and English is most popular. The following table shows the quality of labour in provinces where highest FDI is made available:

¹² Ajit Kumar Singh, Economic Development and Inequalities in Communist-China 1949-75, Himalaya Publishing House, New Delhi, 1985, as quoted on p.158.

¹³ CCTV, Channel 9, December 9, 2005, Beijing, China.

Table 7 : Percentage Education Level of Employed Persons, 1998

Provinces (in FDI Order of Investment)	Primary	Junior Secondary	Senior Secondary	College
Top 1. Shanghai (Highest FDI)	95.3	80.9	41.4	12.9
2. Tanjin	95.5	70.7	26.9	07.5
3. Guangdong	96.0	62.0	19.6	05.1
4. Beijing	98.6	89.7	50.2	19.4
5. Fujian	87.2	45.7	14.9	02.9
6. Hainan	88.5	59.5	17.9	04.1
7. Jiangsu	85.2	57.2	18.2	03.9
8. Lioning	96.5	69.2	19.3	05.9
9. Shandong	84.0	54.3	12.3	02.0
Bottom 30. Tibet (No FDI Investment)	39.0	06.0	00.9	00.2
Overall level of Education in China (2000)*	35.7	34.0	11.2	03.6

Source: China Economic Review, Vol.16, No.3, 2005.

Note: * China Statistical Year Book, 2005.

CONCLUSION

Though India and China are comparable in term of size of population, but yet India is far behind in all aspects of development. In India rural-urban policy is not spelled properly, except various developmental programmes are implemented in isolation in rural and urban areas, which are inadequate and inconsistent. The 73rd and 74th Parliamentary Constitutional Amendments have not yet been implemented, which reflects that we don't understand the rural-urban nexus which is a natural phenomenon. Our small and medium towns or even lakh plus cities are merely residential, administrative or retail trade centres bereft of security and urban infrastructure. Neither local investors nor FDIs are interested to establish their entrepreneurs, which could attract rural poor surplus labourers. In million plus cities, there is no restriction of locating further entrepreneurs which are not even serving the local population. If these entrepreneurs were located in small size cities/towns, then migrants could have avoided to pour into million plus cities, where water scarcity, slum, pollution and crime are the main features. More than one-third population in all million plus cities live in slums. China was able to make small urban centres viable for attracting investments in new industries and rural surplus labourers to work and settle instead of migrating to already grown up cities and making mess. Small towns and cities can become the engine of growth at regional level, when they are made creative and where 24 hours power and infrastructure are assured.

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