

Small town urbanization in China: evidence from the land development perspective

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This paper examines land development and the consequential socio-spatial transformation in China's small town urbanization over the past two decades. Specifically, it investigates bottom-up institutional innovation and newly emerged dynamic multi-scalar governance in small town urbanization. The research assesses how the institutional and spatial changes have reshaped local socio-economic structures and reconfigured people's daily life in small towns. Bounded by the urban and rural dichotomy, research on China's land use system tends to fall into two separate camps, urban and rural, leaving small towns largely neglected. In contrast to the well-investigated top-down urbanization in China's major cities, which is primarily driven by the central government's ambition in industrialization, the bottom-up urbanization in small towns driven by spontaneous rural industrialization has drawn considerably less scholarly attention. This research addresses this deficiency by articulating the perplexing and changing institutional settings of land acquisition and development, spatial-territorial reorganization, and their direct socio-economic influence on local economies and people's lives.

The overall goal of this research is threefold: a) to examine newly emerged dynamic, multi-scalar, hybrid governance, and bottom-up land-related institutional innovation in small town urbanization; b) to analyze land spatial transformation and its interactions with land policy reform and institutional changes in land development; and c) to explore local socio-economic restructuring and reconfiguration of people's daily life in small town urbanization. To this end, three groups of research questions are

addressed. 1) What kinds of land-related institutional initiatives have been implemented? And how has dynamic and multi-scalar land development governance reshaped the small town urbanization process? 2) What are the major spatial disparities between land use growth realities and official land use plans? And how do we interpret these discrepancies when small towns work to bypass the institutional barriers within the land use mechanism as they respond to both outside competition and internal conflicts? 3) How has institutional restructuring and spatial transformation influenced the economic wellbeing of small towns and the life of newly urbanized residents? And how have land-related bottom-up policy initiatives impacted land-lost rural collectives and villagers?

Urbanization in China is a dynamic, multi-scalar and hybrid process (Peng, 2007; Long, et al., 2012). It is also a contested process involving multiple actors and forces operating at multiple scales (Friedmann, 2006; Zhang, 2008; Chan, 2010). The innovation and implementation of land policies depends on the enrolment of multiple local actors and the negotiation of intervening local forces. The land development process in small town urbanization is conditioned by property rights ambiguity, vague representation of rural collectives, and village to town consolidation in spatial-territorial reconfiguration.

Ambiguous property rights in China imply that land rights are often characterized by fragmented legislation or legal pluralism (Zhu, 2002). Through discreetly revising land use plans or even manipulating central state land use policies to their advantages (Lin and Ho, 2005; Tan et al., 2011), land- and profit-hungry local government and other winners in urbanization use this ambiguity as a means of generating profits (Wong and Zhao, 1999; Guo, 2001; Ho and Spoor, 2006). Ambiguity in the ownership rights of collective rural land is often seen as the result of the state's intention to downplay the issue of ex-ownership for the sake of social stability in transitional economies (Ho, 2003; Wang, 2005) and to reserve the ultimate control over land for the state (Ho and Spoor, 2006). However, others argue that clearly defined property rights would not necessarily lead to a healthy and developed land market (Haila, 2007), and ascribe the problems of fledgling land market to ineffective governance (Wu and Yeh, 1997; Wu, 2002). Institutional flaws are caused by

contradictions and inconsistencies in the law that governs land acquisition. The state's monopoly in land development is being challenged, weakened, and/or complicated and previously informal land market is being legalized (Po, 2008; Xu, et al., 2009).

Nor is it easy to ascertain who exactly represents the rural collective. This creates loopholes in which whoever holds the reins of power becomes the *de facto* owner of the collective property and thus benefits the most from small town economies that are driven by land development (Lin and Chen, 1999; Cai, 2003; Chen, 2004). Moreover, scholars remind us of a predatory state because it tries to maximize its own profits, even at the expense of the society it governs (Vandergeest, 1997). And government attempts to maximize its own utility in the form of maximized revenue or political support (Buchanan, 1975; Sened, 1997). Profit maximization by a multitude of local actors is a critical factor, manifested either by grabbing land unjustly or by excluding disadvantaged parties from legally using land (Zhang, 2005; Hui and Bao, 2013).

In spatial-territorial reorganization, village to town consolidation has been one of the main objectives of small town development strategies. Following the territorial transition of organization from agricultural production to town and village enterprise, administrative reconfiguration involves the transformation of the traditional lifestyle and social networks, with both challenges and opportunities (Long, et al, 2012; Hui, et al., 2013). It has been argued that China's recent urban spatial expansion proceeds in a way that is more a reflection of territorial sprawl driven by lucrative local state than a manifestation of sectoral reconfiguration and population growth (Yue, et al., 2013).

Built on the precedent discourse, this research is informed by an analysis of four small towns in Jiangsu and Shaanxi Provinces. Research activities involve searches of local archives and policy documents, surveys, semi-structured and open-ended interviews with stakeholders, site visits, and spatial data analysis. The paper advances our understanding of the three major pillars of small town urbanization – institutional reform, spatial transformation, and socio-economic reconfiguration, through the lens of land development. In addition, the research findings shed light on interactions between the state, the market, and society in small town urbanization, which is characterized by bottom-up experiments, entrepreneurial trust, and rural grassroots democracy.

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