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Rural Urbanization in China: Administrative Restructuring and the Livelihoods of Urbanized Rural Residents

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ABSTRACT

Urbanization in China has involved not only the large-scale transfer of population from rural to urban areas through processes of labor migration and land dispossession, but also the re-designation of rural areas and populations as urban through top-down administrative conversion. Despite their significant role in accelerating rural urbanization, *in situ* processes of administrative-territorial change have remained under-examined in the literature. Drawing on a national survey of 40 townships, this article sheds light on the strategies by which territorial urbanization is achieved at the township level. By comparing the socioeconomic profiles, employment, land ownership, housing conditions, and social welfare coverage of 3,229 respondents, the article demonstrates how different pathways of territorial urbanization map onto differentiation in livelihoods among urbanized rural residents.

The large-scale migration of population from the countryside to cities has long been the focus of urbanization research in China. Today, however, vast populations of rural residents are being urbanized *in situ* as their place of residence is reclassified from villages to urban neighborhoods, from rural townships to towns, and from counties to districts.¹ These rural residents are becoming part of China's rapidly expanding urban population not because of migration and population movement, but as a result of administrative conversion and territorial re-organization. Rather than moving to cities on their own, the city came to them through top-down administrative diktat.² The contribution of territorial restructuring to urban population growth is significant. While rural-urban migration accounted for the influx of over 200 million residents to Chinese cities, it is estimated that another 200 million rural residents have experienced *in situ* urbanization via administrative reclassification.³

The strategy of planning urban development and achieving economic goals through the reclassification of administrative territories has been described as the process of 'territorial

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¹The term 'township', a translation for the Chinese word *xiang* (乡), has two different usages. First, township can refer to an administrative level within China's four formal levels of local government: provincial, prefectural, county, and township levels. Second, township can refer to an administrative unit where it is the rural counterpart to a city street office or a town. This article uses the term 'townships' and 'township-level units' to refer to the first usage, and the term 'rural townships' to refer to the second usage.

²Juan Chen, Deborah S. Davis, and Pierre F. Landry, 'Beyond Hukou Reform: Enhancing Human-centered Urbanization in China', *Paulson Policy Memorandum*, February 2017, https://paulsoninstitute.org.cn/wp-content/uploads/2017/02/PPM_Beyond-Hukou_Chen_Davis_Landry_English.pdf.

³Kam Wing Chan, 'Achieving Comprehensive Hukou Reform in China', *Paulson Policy Memorandum*, December, 2014, http://www.paulsoninstitute.org/wp-content/uploads/2017/01/PPM_Hukou_Chan_English_R.pdf; John, Friedmann, *China's Urban Transition* (Minneapolis, Minnesota: University of Minnesota Press, 2005).

urbanization'.⁴ Carolyn Cartier observes that the Chinese leadership routinely deploys tactics of territorial readjustment such as merging, expanding, redistricting and rescaling to access resources, rationalize administration, and pursue growth.⁵ The urban studies literature has primarily examined territorial urbanization as a strategy of city-making and urban development. Existing works have focused on administrative restructuring at the county and prefectural levels, including the conversion of counties into county-level cities, the conversion of county-level units into municipal districts, the upgrading of county-level cities to prefectural-level cities, and the upgrading of prefectural-level cities to provincial-level cities.⁶ Less attention meanwhile has been given to the deployment of administrative-territorial strategies in expediting rural urbanization at the township and village level. This is an important gap to be filled, especially as hukou incorporation and the concentration of rural land and settlements have been part and parcel of recent campaigns to build new rural communities.

Since the 2000s, the Chinese government has championed an agenda of rural urbanization that involves the construction of new towns and the conversion of administrative villages into *shequs* (社区), first under the New Socialist Countryside campaign launched in 2006 and more recently through the building of 'new rural communities' (新型农村社区建设).⁷ The reorganization of administrative territory, particularly at the township level, provides a crucial yet under-examined context for analyzing these initiatives. By merging units and reclassifying rural areas, local governments extend jurisdictional authority, gain access to land resources, enhance public budgetary capacities, and create new relationships with the residents of previously rural communities.

This article examines territorial urbanization in China's townships by outlining four pathways of *in situ* change, including the reclassification of rural townships as towns and streets (街道), and the incorporation of townships into development zones and urban districts. Drawing on a 2018 survey of 3,229 respondents living in 40 townships, including 32 townships that were administratively reclassified and 8 that were not, it offers comparative insights into the places and populations that have experienced different pathways of restructuring. The article finds that more than 80% of the residents living in urbanized townships still hold agricultural hukou. Beyond hukou status however there are important differences in terms of employment, housing, landholding, and welfare coverage, which vary depending on the pathway of administrative incorporation. The findings show a spectrum of livelihood outcomes, with residents living in townships that were reclassified as streets or incorporated into development zones integrating into the urban workforce to the greatest extent, but also experiencing the highest incidence of land loss and housing demolition.

⁴Carolyn Cartier, 'Territorial urbanization and the party-state in China', *Territory, Politics, Governance* 3(3), (2015), pp. 294–320.

⁵Ibid.

⁶See, for example, Anthony G.O. Yeh and Zifeng Chen, 'from cities to super mega city regions in china in a new wave of urbanization and economic transition: issues and challenges', *Urban Studies* 57(3), (2020), pp. 636–54; Guanwen Yin and Yungang Liu, 'Administrative urbanization and city-making in Post-reform China: a case study of Ordos City, Inner Mongolia', *Chinese Geographical Science* 27(6), (2017), pp. 891–903; Him Chung, 'The Change in China's State Governance and its Effects Upon Urban Scale', *Environment and Planning A* 39(4), (2007), pp. 789–809; Jianfa Shen, 'Spatial strategies of urban development: rescaling and territorialization in post reform China', *The Open Urban Studies Journal* 1(1), (2008), pp. 11–18; Jiejing Wang and Anthony G.O. Yeh, 'Administrative restructuring and urban development in China: effects of urban administrative level upgrading', *Urban Studies* 57(6), (2020), pp. 1201–1223; Laurence J.C. Ma, 'Urban administrative restructuring, changing scale relations and local economic development in China', *Political Geography* 24(4), (2005), pp. 477–97; Miguel Hidalgo Martinez and Carolyn Cartier, 'City as province in China: the territorial urbanization of Chongqing', *Eurasian Geography and Economics* 58(2), (2017), pp. 201–30; Shih-Shen Chien, 'New local state power through administrative restructuring—a case study of post-Mao China county-level urban entrepreneurialism in Kunshan', *Geoforum* 46, (2013), pp. 103–112; Yi Li and Fulong Wu, 'The transformation of regional governance in China: the rescaling of statehood', *Progress in Planning* 78(2), (2012), pp. 55–99; Yungang Liu, Guanwen Yin and Laurence J.C. Ma, 'Local state and administrative urbanization in post-reform China: a case study of Hebi City, Henan Province', *Cities* 29(2), (2012), pp. 107–17.

⁷Anna L. Ahlers, 'Weaving the Chinese Dream on the Ground? Local Government approaches to "new-typed" rural urbanization', *Journal of Chinese Political Science* 20(2), (2015), pp. 121–42; Elena Meyer-Clement, 'The great urban leap? On the local political economy of rural urbanisation in China', *Journal of Current Chinese Affairs* 45(1), (2016), pp. 109–39.

By demonstrating the demographic and socioeconomic heterogeneity in China's administratively urbanized townships, this article adds nuance to understandings of the 'urban' in the Chinese context. Like in other countries, urban administrative units in China may enclose rural areas and display rural-oriented characteristics in terms of population makeup, land use and economic structure. Some scholars argued that the widespread practice of achieving 'instant' urbanization by administrative means inflates the size of China's urban population.⁸ The Chinese government has several times revised its definition of the urban, such as defining urban population by hukou type in the Second National Population Census (1964), as people who live in cities in the Third Census (1982), and by introducing population density as an index in the Fifth Census (2000).⁹ In 2008, the National Bureau of Statistics issued a document entitled 'Statistical Method of Defining Urban and Rural Areas' that makes use of grassroots administrative units—residents' committees and villagers' committees—in defining urbanized areas.¹⁰ While these criteria move towards more accurate measurements of China's urbanization level, the rural-urban binary favored by official statistics nonetheless obscures the less visible and complex dynamics of rural transformation in China's 'quasi-urban' areas. This article seeks to reveal these through varied patterns in employment, housing, land ownership and welfare access.¹¹

Attention to the differentiated livelihoods of urbanized rural residents broadens understandings of how urbanization places rural populations in divergent class positions within the political economy.¹² In existing studies, the impact of urbanization is predominantly narrated and examined through processes of migration and territorial encroachment. On the one hand, migration has led to the mass exodus of rural populations from the countryside, who entered Chinese cities and became rural migrant workers. On the other hand, urban encroachment on rural areas through land expropriation has produced large numbers of 'landless farmers' who have been forcefully separated from their means of production. While territorial urbanization is not divorced from these two processes, its impact on rural places and livelihoods does not neatly fit with linear narratives of land dispossession and (semi-)proletarianization. By demonstrating the differentiation in livelihoods among urbanized rural residents, this article contributes to broader conceptualizations of the diverse ways by which rural residents encounter and experience urbanization, and how their different experiences in turn produce asymmetry in individual opportunities and mobilities.¹³

Territorial Urbanization and Rural Urbanization

The term 'territorial urbanization' has been used to describe the 'complex process through which the party-state strategically governs urban economic development at the meso-scale through multiple types of changes to subnational territory'.¹⁴ Because subnational territories have no legal autonomy from the central government, the redrawing of boundaries and adjustment in administrative divisions can be used as a means to fulfill national economic objectives. In her study of Shanghai Pudong

⁸Chiew Ping Yew, 'Pseudo-urbanization? Competitive government behavior and urban sprawl in China', *The Journal of Contemporary China* 21(74), (2012), pp. 281–98.

⁹For a detailed account of the shifting definitions of 'city' and 'urban population' in China, see Bo Qin and Yu Zhang, 'Note on urbanization in China: urban definitions and census data', *China Economic Review*, 30, (2014), pp. 495–502.

¹⁰The 2008 document provided the definition of urban population used in the Sixth Census (2010). In brief, in urban districts and cities without districts, urbanized areas refer to residents' committees and villagers' committees adjacent to built-up areas that include facilities of the local district or city government headquarters. All residents living in these areas are deemed as urban population. See Qin and Zhang, *ibid*.

¹¹Yu Zhu et al., 'The extent of in situ urbanization in China's county areas: the case of Fujian Province', *China Perspectives* 2013(3), (2013), pp. 43–52.

¹²On the differential incorporation of villagers see also Sally Sargeson, 'Villains, victims and aspiring proprietors: framing "land-losing villagers" in China's strategies of accumulation', *The Journal of Contemporary China* 21(77), (2012), pp. 757–77.

¹³For a discussion of how urbanization creates different rights for social groups which in turn shape individual choice, see Dong Wang and Christiansen Flemming, 'The Pursuit of new citizenship by peri-urban residents in China: status, rights, and individual choice', *China Information* 34(2), (2020), pp. 250–69.

¹⁴Martinez and Cartier, 'City as province in China', p. 202.

New Area, Carolyn Cartier demonstrates how, by elevating Pudong's rank to the sub-provincial level and expanding its territorial jurisdiction through mergers, the Chinese government created a new economic area that helped reposition Shanghai as an international financial center.¹⁵ Territorial strategies also serve as a means of political selection and resource allocation, enabling the central government to exercise regulatory power over local regimes and reproduce urban change over spatio-temporal horizons.¹⁶ For example, the upgrading of Chongqing as a province-level city subsidized its urban transformation at the same time that it reinforced the central government's grip on the local economy.¹⁷ Territorial urbanization thus highlights the nexus between political economy and state territoriality: the production of administrative territories is both demonstrative and reproductive of the state's governing power.

At the subnational level, local governments also make use of administrative strategies to adjust territorial power relations, bolster resource access, and attract business and investment. The intertwined nature of urbanization and territorialization produces distinct political relationships on the ground, where 'all administrative areas are territorially nested inside one another according to ascending ranks, and others are juxtaposed next to each other at the same rank'.¹⁸ Territorial reforms thus recalibrate overlapping scales of power and reshuffle dynamics at different administrative levels simultaneously. While this article focuses on territorial urbanization at the lowest tier of China's administrative hierarchy, the authors view township-level units as nested configurations that are also affected by territorial reforms and planning strategies taking place at the county, municipal and regional levels. Administrative changes in townships are not isolated from broader policy contexts but are part of the territorial matrix and co-evolve with dynamics at other levels.

There is an established literature on town-based urban development in China. Studies focusing on the early decades of reform have primarily presented rural urbanization at the township and village level as a spontaneous, bottom-up process. A combination of factors in the late 1970s and 1980s resulted in the rapid growth of towns. De-collectivization and the introduction of the household responsibility system for agriculture created a large surplus of rural labor and encouraged the diversification and commercialization of production. The investment of profits from agriculture into industrial ventures contributed to the rise of township and village enterprises (TVEs) across China, where variation in local conditions produced diverse dynamics of accumulation in town-based transition.¹⁹ Rural collective enterprises became a 'locomotive' of rural urbanization and contributed to the growth of small towns.²⁰ Relaxation in migration controls facilitated the movement of rural populations into towns where they found work in TVEs and other sectors.²¹ Profits accumulated in the rural industrial sector supplied the funding for town construction and infrastructure development. Many rural areas were converted into urban settlements equipped with modern amenities and public facilities.²² These dynamics of 'unplanned', 'self-generating' growth has been described as a trajectory of 'urbanization from below' that has occurred with minimal government involvement.²³

¹⁵Cartier, 'Territorial urbanization and the party-state in China'.

¹⁶Hao Chen, Jingxiang Zhang, Xiangyu Li and Zhao Zhang, 'Rescaling as a leading national transformation project: decoding state rescaling in China's changing central state-led regional planning', *The China Review* (2014), pp. 97–124.

¹⁷Martinez and Cartier, 'City as province in China'.

¹⁸Kit Ping Wong, 'Territorially-nested urbanization in China—The Case of Dongguan', *Eurasian Geography and Economics* 60(4), (2019), p. 493.

¹⁹Scholars have observed different 'models' of rural development, such as the Guangdong model where investments from Hong Kong and Taiwan supported the growth of manufacturing towns in the Pearl River Delta region, the Sunan model featuring collectively-owned industries in southern Jiangsu, and the Wenzhou model characterized by the dominance of small-scale, private enterprises. See Laurence J.C. Ma and Gonghao Cui, 'Economic transition at the local level: diverse forms of town development in China', *Post-Soviet Geography and Economics* 43(2), (2002), pp. 79–103.

²⁰Gabe T. Wang and Xiaobo Hu, 'Small town development and rural urbanization in China', *Journal of Contemporary Asia* 29(1), (1999), pp. 76–94.

²¹Laurence J.C. Ma and Chusheng Lin, 'Development of towns in china: a case study of Guangdong Province', *Population and Development Review* 19(3), (1993), pp. 583–606.

²²K. C. Tan, 'Revitalized small towns in China', *Geographical Review*, (1986a), pp. 138–48.

²³Laurence J.C. Ma and Ming Fan, 'Urbanization from below: the growth of towns in Jiangsu, China', *Urban Studies* 31(10), (1994), pp. 1625–45.

Even during this period, however, administrative-territorial strategies have been deployed to bolster rural urbanization. The growth of towns was a conscious policy adopted by the state to relocate and absorb surplus rural labor and to divert migration flows from large cities.²⁴ In 1984, the state council revised the criteria for ‘designated towns’ (建制镇) and made it easier for rural centers to be conferred official town status. In the same year, it also introduced the policy of ‘abolishing townships and establishing towns’, which enabled many rural townships to gain urban status. Designation as towns implies being included in provincial or county budgets, which grants access to industrial and infrastructure investment funds and higher priority in resource allocation.²⁵ Under the governance arrangement of ‘town leading village’ (镇管村), towns were further allowed to extend their administrative boundaries beyond built-up areas of the town to incorporate surrounding villages. This broadened the tax base of township governments and enabled them to ‘draw upon the countryside’s resources to finance the expenses of town construction’.²⁶ These policies not only resulted in the rapid increase in the number of towns, but also elevated their powers vis-à-vis rural hinterlands.

It has been argued that, with the decline of rural industries since the late 1990s, the role of *in situ* urbanization in China’s overall urbanization has decreased.²⁷ Into the 2000s, however, rural urbanization again gained salience in national policymaking. This took place against the broader context of the 2008 global financial crisis, which strengthened the leadership’s resolve to accelerate the Chinese economy’s transformation from an export-led model of growth to one that is powered by domestic consumption. Urbanization bolsters rural residents’ income, which, according to Premier Li Keqiang, would help ‘expand consumption, boost investment, spur new industries and unleash domestic demand potentials’.²⁸ Under the banner of bridging divides through ‘urban-rural integration’ (城乡一体化), the Chinese state also added reform of the hukou system as integral to increasing the urban population.

Rural urbanization at the township and village level is an important part of the latest urbanization drive. The Hu Jintao administration emphasized the role of small-town construction or ‘townization’ (城镇化) in absorbing rural labor, promoting urban growth, and alleviating population pressures in large cities. As observers noted, ‘the Chinese central government began to see the development of small towns as an integral part of the strategic goal of urbanization rather than as just a means of developing the rural economy’.²⁹ Under Xi Jinping, the release of the ‘National New-Type Urbanization Plan’ in 2014 announced an urbanization rate of 60% by 2020 as a target, which has since been updated to targeted rates of 70% by 2030 and 80% by 2050.³⁰ The administration has promoted policies of land and population concentration in rural and peri-urban areas, which have been implemented alongside the building of ‘new socialist townships’ and rural communities to accommodate resettled populations.³¹

Territorial urbanization plays a pivotal though under-examined role in these initiatives. The reclassification of rural areas and populations through administrative restructuring directly alters the scope and exercise of authority. To begin with, administrative upgrades usually come with greater autonomy in decision-making and heightened political status. In terms of fiscal relations,

²⁴K. C. Tan, ‘Small towns in Chinese urbanization’, *Geographical Review*, (1986b), pp. 265–75.

²⁵Yok-shiu F. Lee, ‘Small towns and China’s urbanization level’, *The China Quarterly* 120, (1989), pp. 771–786.

²⁶*Ibid.*, p. 784.

²⁷Yu Zhu, ‘In situ urbanization in rural China: case studies from Fujian Province’, *Development and Change* 31(2), (2000), pp. 413–434.

²⁸*China Daily*, ‘Chinese Premier Stresses Role of Urbanization in Economy’, September 17, 2014, https://www.chinadaily.com.cn/business/2014-09/17/content_18612440.htm.

²⁹Jianxing Yu, Lin Li, and Yongdong Shen, ‘Rediscovering intergovernmental relations at the local level: the devolution to township governments in Zhejiang Province’, *The China Review*, (2016), pp. 8.

³⁰Yiran Zheng, ‘Urbanization to fuel rural revitalization’, *China Daily*, February 27, 2019, <https://www.chinadaily.com.cn/a/201902/27/WS5c75eca9a3106c65c34eba27.html>.

³¹Ahlers, ‘Weaving the Chinese Dream on the Ground?’; Meyer-Clement, ‘Rural Urbanization under Xi Jinping’; Julia Chuang, ‘Urbanization Through Dispossession: Survival and Stratification in China’s New Townships’, *Journal of Peasant Studies* 42(2), (2015), pp. 275–94.

administrative upgrades enhance public budgetary capacities and make more funds available for infrastructure and development. This implies increased employment and investment opportunities, incorporation into transportation networks, as well as improvement in public facilities and social infrastructure. Upgrading rural townships to urban towns and streets also grants officials greater control over land resources. Administrative upgrades often come with territorial mergers of several townships and villages, which expands jurisdictional powers while providing the context for population relocation and land consolidation. Access to land further bolsters funding capacity, as land sale has become a chief means of revenue generation for township governments following the tax-for-fee reform in 2002 and subsequent abolition of the agricultural tax in 2006.³²

The rest of this article first outlines the different strategies by which territorial urbanization is being carried out in China's townships. It then draws on findings from the national survey to shed light on the characteristics of the places and populations that have experienced territorial urbanization, and demonstrates how the different pathways of administrative change map onto variations in hukou status, employment opportunities, land ownership, and access to welfare. As territorial urbanization gains new salience as a means of urbanizing rural communities, it is important to go beyond state-centered analysis of governance motives and examine the livelihood implications of territorial urbanization.

Pathways of Administrative Restructuring in China's Townships

Townships are situated at the fourth level of China's administrative division system, below the provincial, prefectural, and county levels. There are three main types of administrative units at the township level, namely streets or subdistricts (街道), towns (镇), and rural townships (乡). Streets and towns are urban administrative units while rural townships belong to rural administration.

There have been dramatic changes in the numbers and relative distribution of the three township-level units over the past two decades. As Figure 1 shows, between 1999 and 2018, the number of rural townships decreased from 24,745 to 10,253 while the number of streets increased from 5,904 to 8,393. Although the number of towns has remained relatively stable at around 20,000, its

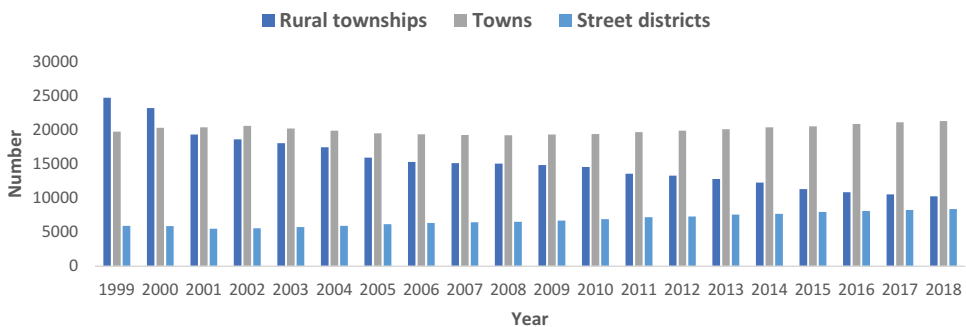


Figure 1. Number of rural townships, towns, and streets in China (1999–2018). Source: National Bureau of Statistics of China, <http://data.stats.gov.cn/easyquery.htm?cn=C01&zb=A0101&sj=2018>, retrieved on 15 August 2020.

³²See An Chen, 'How has the abolition of agricultural taxes transformed village governance in China? Evidence from agricultural regions', *The China Quarterly* 219, (2014), pp. 715–35; Graeme Smith, 'The hollow state: rural governance in China', *The China Quarterly* 203, (2010), pp. 601–18; Hiroki Takeuchi, 'Survival strategies of township governments in rural China: from predatory taxation to land trade', *The Journal of Contemporary China* 22(83), (2013), pp. 755–72; John James Kennedy, 'From the tax-for-fee reform to the abolition of agricultural taxes: the impact on township governments in North-west China', *The China Quarterly* (2007), pp. 43–59.

composition has shifted: a proportion of towns were reclassified as street districts, whose downward impact on numbers has been countered by the equally significant increase through the reclassification of rural townships as towns.

The changing balance points to the effect of territorial urbanization. To better understand the characteristics of places that experienced administrative restructuring, the Urbanization and Quality of Life Survey was implemented in 2018 in 32 townships undergoing territorial urbanization and 8 townships as potential sites of urbanization. The authors identified four pathways of administrative restructuring and grouped the 40 townships into the following categories: (i) reclassification of townships as streets ($n = 11$), (ii) reclassification of rural townships as towns ($n = 9$), (iii) incorporation of townships into urban districts ($n = 6$), and (iv) incorporation of townships into development zones ($n = 6$). The first two pathways involve administrative re-designation and territorial mergers at the township level whereby the existing townships become part of an urban administrative system. The latter two pathways involve change one administrative level above the township, whereby the establishment of development zones or the conversion of counties into urban districts place existing townships under new jurisdictional authorities. As a reference, towns that have not experienced administrative change since the year 2000 ($n = 8$) were also included in the survey. Examples from the surveyed townships are used below to discuss each of the pathways in greater detail.

Reclassification of Townships as Streets

The first pathway is the administrative conversion of towns and rural townships into streets or *jiedao*. Rural townships are rural administrative units while towns and streets are urban administrative units. Towns and streets exercise different levels of autonomy and fiscal control. Towns are governed by their own township people's government, while streets are administered by street offices (街道办事处), an agency of the district people's government (派出机构). In some localities, street offices have been abolished altogether to allow for the direct administration of neighborhoods by district offices.³³

The 'upgrading' of township units into streets grants authorities larger jurisdiction and more uniform administration over rural areas.³⁴ Reclassification expands the number of land use quotas available to local officials and facilitates acquisition of land in subordinate villages for construction or for lease to developers.³⁵ Conversion into streets also paves the way for rural urbanization at the village level, whereby administrative villages are abolished and replaced by urban *shequs*. Through a process known as *cungaiju* (村改居)—where villagers' committees are replaced by residents' committees—ownership of land is often transferred from village collectives to the municipality, and villagers are promised urban hukou and welfare as a form of compensation.³⁶

Baitao street in Chongqing municipality, one of the eleven townships surveyed that were reclassified as streets, serves as an example.³⁷ Baitao is located in Peiling district, Chongqing, twenty kilometers away from the district center. Baitao street was established in 2008 following the territorial merger of Baitao town and Shanguo, a rural township. Originally, Baitao covered

³³*Guangming Daily*, 'Jiceng shehui guanli de "Tongling moshi"' ['The "Tongling Model" of Grassroots Social Management'], 28 August 2011, http://www.gov.cn/jrzq/2011-08/28/content_1934656.htm.

³⁴Carolyn Cartier, 'What's territorial about China? From geopolitical narratives to the "administrative area economy"', *Eurasian Geography and Economics* 54(1), (2013), pp. 57–77.

³⁵Jinzhao Fan, 'Zhongguo xingzheng qihua biangeng de xianzhuang yu mianlin de wenti' ['The status quo and problems of the change of administrative divisions in China'], *Modern China Studies* 1(96), (2007), <https://www.modernchinastudies.org/cn/issues/past-issues/95-mcs-2007-issue-1/1998-2012-01-05-15-35-22.html>.

³⁶Karita Kan, 'The Transformation of the village collective in urbanizing China: a historical institutional analysis', *Journal of Rural Studies* 47, (2016), pp. 588–600.

³⁷People's Government of Fuling District, 'Chongqing shi fuling qu renmin zhengfu baitao jietao banshi chu' ['Baitao Sub-district Office, People's Government of Fuling District, Chongqing'], December 13, 2019, http://www.fl.gov.cn/jz/btjd/zwgk_46838/fdzdgknr_46840/jgjj_46843/zjjj_46844/20200331_t20200331_6827744.html.

an area of around 120 square kilometers and had jurisdiction over one *shequ* and seven villages. The merger with Shanguo doubled its geographical area and expanded the jurisdictional authority of the new Baitao street government to one *shequ* and 16 villages. The administrative reclassification paved the way for the further abolition of villages and their replacement with new *shequs*. In 2011, four of the villagers' committees under Baitao were converted into residents' committees. The hukou incorporation of rural residents added to urban population growth. In 2010, Baitao had an urban population of about 14,800 and a rural population of 34,000. Following reclassification, the urban population has grown to 27,000 by 2013 while the rural population dropped to 24,000.

Reclassification of Rural Townships as Towns

The reclassification of rural townships as towns (撤乡建镇) constitutes a second pathway of restructuring. The re-designation represents an 'upgrade' from a rural to urban unit. Extensively deployed since the late 1990s by local governments, conversion into towns often entails the merging of several townships and villages, in some cases the incorporation of poorer townships by more developed ones. As an administrative-territorial strategy, mergers can be viewed as a means to consolidate fiscal resources, rationalize governance, and enhance land use control. Under the policy of 'township concentration' and 'administrative village integration', localities with development potential have been merged into 'central towns' (中心镇) and villages which subsequently serve as new hubs of government investments and land management reform.³⁸

Nine of the rural townships surveyed experienced re-designation as towns. Guying in Kaifeng prefecture, Henan province, serves as an example. Prior to territorial urbanization, Guying was a rural township covering an area of 70 square kilometers, with 26 administrative villages under its jurisdiction. In 2016, Guying was promoted to town status following its merger with another rural township, Zhuaying. The merger expanded the area of Guying town to 109 square kilometers and its jurisdiction to 41 villages. Compared with the reclassification of townships as streets in the first pathway, the establishment of towns often parallels processes of rural industrialization and the investment of surpluses into expanding the productive capacities of agricultural production. Guying has 92,000 mu of cultivated land and produces 74,000 tons of food annually. The town specializes in the rearing of donkeys, with two large donkey farms that occupy a combined total of over 2-square kilometers of land. Consolidation into towns gives officials greater political power and purview and makes it easier to plan regional development and infrastructure construction. With Guying's reclassification as town, for instance, the government has stepped up its effort in coordinating the construction of a food processing industrial park as a joint project between Guying and a neighboring town, in a bid to bolster growth and attract investments.³⁹

Incorporation into Urban Districts

The third type of restructuring takes place one administrative level above townships, at the level of the county. The past decades have witnessed the mass disappearance of China's counties where they were reclassified as county-level cities (整县改市) or annexed by large cities and re-designated as districts (撤县设区). In the 1980s and early 1990s, reclassification was dominant and the drastic reduction in the number of counties was paralleled by an equally significant increase in the number of cities.⁴⁰ The second approach of annexation grew in popularity in the late 1990s when the central government favored the growth of large cities by allowing them to incorporate surrounding

³⁸Ahlers, 'Weaving the Chinese Dream on the Ground?.'

³⁹People's Government of Lankao County, 'Government Work Report', 2019, <http://lankao.gov.cn/info/1085/20734.htm>.

⁴⁰Fan, 'Zhongguo xingzheng quhua biangeng de xianzhuang yu mianlin de wenti'.

counties and county-level cities.⁴¹ Compared with township-level reclassifications found in the first two pathways, county-level adjustments are more often direct products of national and regional planning strategies where core cities are given more power and resources through territorial expansion.

Although the administrative change was one level removed from townships, the annexation of upper-level counties could bring important change to the subordinate townships. Annexation not only gives large cities enhanced planning control over rural resources, but also enables them to coordinate regional infrastructure projects and transportation networks in ways that reinforce the dominance of the core city.⁴² For the converted county, annexation implies on the one hand subordination to the municipal government. On the other hand, the acquisition of urban status also gives the county—now a district government—enhanced powers, such as access to fiscal resources and the authority to lease land for real estate development.⁴³

The authors' survey included six townships that were incorporated into urban districts due to county-level adjustments. Three of the cases involve the territorial urbanization of county-level cities. Xiguan town in Hebei province became incorporated into an urban district when Gaocheng, a county-level city, was annexed by Shijiazhuang, the capital and largest city of Hebei province. Located 30 km away from Shijiazhuang city center, Gaocheng has a prime strategic location within the Beijing-Tianjin-Hebei metropolitan region: Beijing is 260 km to the northeast, while Tianjin is 300 km to the east. In 2014, the city was taken over by Shijiazhuang as part of an administrative restructuring that saw the annexation of three county-level units. From a town in a county-level city, Xiguan became part of the provincial capital. The other three cases surveyed involve rural counties. Wangtan town was incorporated into an urban district in 2013 when its supervising county was annexed by the city of Shaoxing in Zhejiang province.

Both types of county-level conversion brought change to the townships, particularly in terms of integration into transportation networks and the municipal economy. For Xiguan town, incorporation into Shijiazhuang is bringing new connections to municipal transportation networks via the extension of three railway lines to the newly converted district.⁴⁴ A new industrial park spanning two square kilometers is being built in the town for attracting business and investments.⁴⁵ In Wangtan which is now part of Shaoxing, a recently completed highway is connecting the town to the city for the development of rural tourism.⁴⁶ Wangtan is well-known for its greengages, with 15,000 mu of land being used for the cultivation of the green-fruited plum. The government is developing the town through tourism and the homestay economy, and the increase in connectivity is expected to help foster tourism-led development.

Incorporation into Development Zones

The last type of *in situ* change is incorporation into development zones, where the township-level unit is placed under the administrative authority of a development zone. Since the beginning of market reform, the establishment of zones has been used by local governments

⁴¹Ma, 'Urban Administrative Restructuring, Changing Scale Relations and Local Economic Development in China'.

⁴²Yew, 'Pseudo-urbanization?'.

⁴³Cartier, 'What's Territorial about China?'.

⁴⁴People's Government of Gaocheng District, 'Gaocheng qu chengxiang zongti guihua' ['Gaocheng Urban and Rural Master Plan (2013–2030)'], December 14, 2017, <http://www.gc.gov.cn/col/1531385885208/2018/08/04/1533378368430.html>. See also Sina News, 'Gaocheng jiaotong zhongda lihao' ['Benefits to Gaocheng traffic'], April 20, 2018, <https://sjz.leju.com/news/2018-04-20/15456393001530110570225.shtml>.

⁴⁵People's Government of Gaocheng District, 'Xiguan zhen jianjie' ['Introduction of Xiguan Town'], August 28, 2018, <http://www.gc.gov.cn/col/1531385774455/2018/08/28/1535420004916.html>.

⁴⁶People's Government of Keqiao District, 'Shili meilang quanmian tongche' ['Plum Blossom Corridor is open to traffic'], May 8, 2020, http://www.kq.gov.cn/art/2020/5/8/art_1229405528_3640828.html.

around China as a means of attracting investments and generating rents. In the 1980s and 1990s, development zones proliferated along coastal areas where the inflow of foreign capital was greatest. Most of the zones were production-oriented and focused on manufacturing, with urbanization emerging as an outcome of industrialization. Into the 2000s, the ‘zone fever’ has become an integral part of the urbanization drive.⁴⁷ Land was set aside by local governments to build zones not only for attracting business and kickstarting industry, but also to generate lucrative land transfer and usage fees.⁴⁸

Zoning represents a crucial tactic of territorial urbanization in China. The creation of zones remaps administrative territory and establishes new jurisdictions: it carves out a nested space of exception and gives its managing authority special powers and privileges.⁴⁹ Zones can be understood as political spaces that enable state actors to ‘navigate between different scalar hierarchies’ in ways that maximize resources and autonomy.⁵⁰ Development zones are governed by their own management committee (管理委员会), which is separate from the township government. While the two can have overlapping jurisdiction over the same territory and population, the management committee of zones is of a higher administrative rank. Management authorities of zones can hence bypass the governments of their hosting locale to manipulate policy privileges. Strategies such as upgrading the status of their zones, expanding the geographical zone area, and placing more neighborhoods under the management authority of their zones have been used by officials to extend the sphere of their governing power.⁵¹

Six of the townships surveyed experienced incorporation into development zones. One of them is Puxi town in Jiangsu province. Prior to administrative restructuring, Puxi was under the jurisdiction of Yizheng, a county-level city administered (代管) by Yangzhou prefecture. In 2008, Puxi town was taken out from Yizheng and placed under the administration of Yangzhou Economic Development Zone, a zone established in 1993 with the approval of the Jiangsu provincial government. The original zone had an area of 16.5 square kilometers and governed six villages. Following multiple mergers and territorial restructuring, including the incorporation of Puxi, the zone expanded to an area of 123 square kilometers, with jurisdiction over two streets and three towns. The expansion enabled the provincial government to secure approval from the state council to upgrade the zone to a national-level development zone in 2009.

As spaces of ‘nested exceptionalisms’—bounded spaces where the ‘interplay of exception and rule’ creates intersections and recombines scales—zones illustrate how administrative practices at the local level are embedded in intricate political-spatial configurations that span multiple scales.⁵² One of our cases, Donghu New Technology Development Zone in Wuhan, serves as an example. The zone was established in 1988 and acquired national status in 1991. Approval from the National Development and Reform Commission and the state council to develop Donghu as the Optics Valley of China enabled the zone to expand through multiple territorial mergers. Since 2017, part of the development zone has further been incorporated into the China (Hubei) Pilot Free Trade Zone. Donghu development zone now spans 518 square kilometers and supervises eight township-level units, including Guandong, which was included in the survey. The livelihoods and experiences of residents living there have thus been shaped

⁴⁷Carolyn Cartier, ‘“Zone fever”, the arable land debate, and real estate speculation: China’s evolving land use regime and its geographical contradictions’, *The Journal of Contemporary China* 10(28), (2001), pp. 445–469.

⁴⁸Xiaoping Shen and Laurence J.C. Ma, ‘Privatization of rural industry and de facto urbanization from below in Southern Jiangsu, China’, *Geoforum* 36(6), (2005), pp. 761–777.

⁴⁹Aihwa Ong, ‘The Chinese axis: zoning technologies and variegated sovereignty’, *Journal of East Asian Studies* 4(1), (2004), pp. 69–96.

⁵⁰Tak-Wing Ngo, Cunyi Yin and Zhilin Tang, ‘Scalar restructuring of the Chinese state: the subnational politics of development zones’, *Environment and Planning C: Politics and Space* 35(1), (2017), p. 59.

⁵¹*Ibid.*, pp. 57–75.

⁵²Jonathan Bach, ‘Modernity and the urban imagination in economic zones’, *Theory, Culture and Society* 28(5), (2011), p. 99.

not only by local-level restructuring but also by national-level policies and planning. The survey findings presented in the next section offer further insights into the characteristics of the places and populations that have undergone territorial urbanization.

Territorial Urbanization and Livelihood Differentiation: Comparative Findings from the National Survey

This section presents data from the 2018 survey that targeted adults between the ages of 18 and 75, residing in one of the 40 townships for more than six months, regardless of their hukou status.⁵³ Spatial sampling techniques were employed to select households and respondents.⁵⁴ The 40 townships were our primary sampling units (PSUs). Within each PSU, the authors organized a detailed geographical information system (GIS) that aggregates information at the arc-minute level and creates spatial sample frames of physical areas, and randomly selected four secondary sampling units (SSUs), which were half square minutes (HSMs) of latitude and longitude. Within each SSU, smaller 'spatial blocks' (80 m x 80 m) and households were further enumerated and selected. Finally, within each valid household, one eligible respondent was selected using the Kish grid. The field interviews were conducted from April to June 2018, using the computer-assisted personal interviewing (CAPI) system. In total, 3,229 valid interviews were completed, resulting in a 65.2% response rate. In the descriptive statistics presented below, post-stratification weights to adjust the study sample were applied to represent the demographic profile of the adult population in the 40 townships according to the 2010 China Township Population Census.⁵⁵ Based on the pathway of administrative reclassification, the hukou status, socio-economic profile, landholding and housing conditions, and welfare coverage of respondents are compared below.

Hukou Status and Profile of Respondents

An examination of the profile of the 3,229 respondents along the five types of townships shows that townships that were reclassified as streets or incorporated into development zones have a larger population of residents that hold urban hukou, have higher educational qualifications, and are inter-town migrants. These 'urban' characteristics can be found to a lesser extent in townships that were incorporated into urban districts. Meanwhile, residents in rural townships that were converted to towns display a largely similar profile as those residing in townships that have not been administratively urbanized. The statistics are presented in [Table 1](#).

In terms of hukou, 36.6% and 19.0% of respondents residing in townships that were converted to streets or incorporated into development zones hold urban or *jumin* hukou (居民户口).⁵⁶ The figures are much lower for townships that were converted to towns and incorporated into districts, with only 7.4% and 2.9% respectively. In townships that were not urbanized, about 3.9% of respondents hold urban or *jumin* hukous. While a larger percentage of respondents in the first two types of townships hold urban or *jumin* hukou, the percentage of non-local migrants is also higher: Respectively, 30.4% and 31.7% of respondents in townships that were reclassified as streets and incorporated into development zones were identified as inter-town migrants. By contrast, only 16.5% of respondents in townships incorporated into districts are migrants, and the figures were

⁵³ Approval for the ethical review of research projects involving human subjects was granted by the authors' home institution.

⁵⁴ Pierre F. Landry and Mingming Shen, 'Reaching migrants in survey research: the use of the global positioning system to reduce coverage bias in China', *Political Analysis* 13(1), (2005), pp. 1–22.

⁵⁵ National Bureau of Statistics of China, Tabulation on the 2010 Population Census of the People's Republic of China, 2012, <http://www.stats.gov.cn/tjsj/pcsj/rkpc/6rp/indexch.htm>.

⁵⁶ *Jumin* hukou refers to a new type of household registration given out to newly urbanized rural residents. It is the policy product of establishing a unified rural-urban household registration system, following official announcements by the Chinese government in 2014 on abolishing the division between agricultural and non-agricultural hukous. See State Council, 'Guowuyuan guanyu jinyibu tuijin huji zhidu gaige de yijian' ['Opinions on Further Promotion of the Household Registration System'], July 30, 2014, http://www.gov.cn/zhengce/content/2014-07/30/content_8944.htm.

Table 1. Hukou and socio-demographics of survey respondents by pathways of in-situ change

	Reclassification as streets (n = 11)	Incorporation into development zones (n = 6)	Incorporation into urban districts (n = 6)	Reclassification as towns (n = 9)	Towns with no change (n = 8)
Hukou (%)					
Rural hukou ^{a,b}	63.4	81.0	97.1	92.6	96.1
Urban hukou ^{a, b}	12.3	12.7	2.2	3.1	2.0
Jumin hukou ^{a, b}	24.3	6.4	0.8	4.3	1.9
Age (years, mean) ^{a,b,c,d}	47.0	48.3	52.1	52.8	56.3
Gender (female, %) ^a	50.3	48.6	49.0	49.1	48.7
Marital status (married, %) ^a	73.1	80.3	84.4	78.4	83.6
Inter-town Migrant (%) ^{a,b,c}	30.4	31.7	16.5	2.5	2.4
Education (%)					
Primary school or below ^{a,b,c}	32.0	40.1	45.6	57.2	56.5
Middle school ^{a,b, c}	37.4	29.9	34.2	28.8	30.8
High school ^{a,b, c}	18.4	20.0	17.0	10.4	10.9
College or above ^{a,b}	12.2	10.0	3.1	3.6	1.8

^aDifference in weighted means or percentages between Reclassification as streets and Towns with no change significant as $p < 0.01$.

^bDifference in weighted means or percentages between Incorporation into development zones and Towns with no change significant as $p < 0.01$.

^cDifference in weighted means or percentages between Incorporation into urban districts and Towns with no change significant as $p < 0.01$.

^dDifference in weighted means or percentages between Reclassification as towns and Towns with no change significant as $p < 0.01$.

even lower for townships converted to towns and townships with no change (around 2%). Both measurements indicate that townships that were converted to streets and incorporated into development zones are more urbanized in terms of the degree of hukou incorporation and the influx of migratory flows.

The level of educational attainment reflects a similar pattern of gradational difference across the five types of townships. Residents of townships that were converted to streets or incorporated into development zones are more highly educated, with, respectively, 30.6% and 29.9% possessing high school education or above. This can be contrasted with residents of townships that were incorporated into districts (20.2%), converted to towns (14.0%), and those with no change (12.7%). Around half of the respondents in the latter three types of townships possess primary-level education or below.

Employment and Household Income

Across all five types of townships, about half of the respondents reported themselves to be currently employed. In total, 1,492 of 3,229 respondents are working. The percentages are presented in Table 2.

A comparison of occupational types reveals additional differences between respondents across the five township categories. To begin with, while agriculture still plays a significant part in the livelihoods of residents in townships that have not experienced territorial urbanization, its role is much diminished in the four types of urbanized townships. As many as 54.9% of the respondents in

Table 2. Employment, income and wealth of survey respondents by pathways of in-situ change

	Reclassification as streets (n = 11)	Incorporation into development zones (n = 6)	Incorporation into urban districts (n = 6)	Reclassification as towns (n = 9)	Towns with no change (n = 8)
Currently working (%)	49.5	43.5	51.5	48.7	49.9
Occupation (% out of currently working)					
Professional/managerial ^{a,b,c}	12.3	23.2	13.2	4.1	4.9
Non-professional/managerial _{a,b,c}	82.9	69.5	52.1	43.1	37.0
Farmer ^{a,b,c,d}	1.1	4.1	10.5	16.0	54.9
Don't know/no answer ^{c,d}	3.7	3.2	24.2	36.8	3.2
Working in state sector (%) out of currently working) ^a	13.7	5.0	7.2	4.5	2.2
Percentage of respondents indicating income increase (%) _{a,b,c,d}	24.0	19.3	23.7	18.4	8.6
Household wealth index (0–7, mean) ^{a,b}	3.1	2.8	1.8	1.9	1.8

^aDifference in weighted means or percentages between Reclassification as streets and Towns with no change significant as $p < 0.01$.

^bDifference in weighted means or percentages between Incorporation into development zones and Towns with no change significant as $p < 0.01$.

^cDifference in weighted means or percentages between Incorporation into urban districts and Towns with no change significant as $p < 0.01$.

^dDifference in weighted means or percentages between Reclassification as towns and Towns with no change significant as $p < 0.01$.

townships with no change are engaged in farming activities. In comparison the figures are much lower for rural townships converted to towns (16.0%) and townships incorporated into urban districts (10.5%), and still lower for townships incorporated into development zones (4.1%) and converted to streets (1.1%). Instead of farming, almost all the employed residents in the latter two types of townships are engaged in jobs outside of agriculture or professional occupations. In particular, 23.2% of employed residents in townships incorporated into development zones are in professional or managerial positions. This might be explained by the greater availability of professional job opportunities in development zones. Residents in townships that were converted to streets also have a high percentage of state sector employment (13.7%) as well as professional employment (12.3%).

One notable observation is the high percentage in rural townships converted to towns (36.8%) and incorporated into districts (24.2%) who did not provide an answer or chose the option 'don't know' when asked what their occupation was. This could possibly indicate that they have jobs that are less formal or secure, or that they work multiple jobs and switch between them.

Residents across all four types of administratively urbanized townships saw increase in their total individual income in the past year when compared with the previous year. The highest percentages were recorded among residents of townships converted to streets (24.0%) and incorporated into urban districts (23.7%).

For household wealth, the authors used an index ranging from 0 to 7 where respondents are scored based on the household ownership of certain consumer items, such as automobile and an LCD television. Residents of townships converted to streets scored highest in the household wealth index (3.1), followed by those in townships incorporated into development zones (2.8). Residents of townships incorporated into districts and converted to towns have similar levels of wealth as residents of townships that were not urbanized, with a mean of 1.8 to 1.9. These findings largely correlate with the composition of occupation types and educational level of residents in the five township groups.

Table 3. Landholding and housing of survey respondents by pathways of in-situ change

	Reclassification as streets (n = 11)	Incorporation into development zones (n = 6)	Incorporation into urban districts (n = 6)	Reclassification as towns (n = 9)	Towns with no change (n = 8)
Landholding and experience of expropriation, % out of local hukou holders					
Own farmland in town ^{a,b,c,d}	39.5	50.0	91.2	70.1	84.5
Own housing plot in town ^{a,b,d}	51.5	90.0	96.3	90.1	96.9
Neighborhood experienced land expropriation since 1980 ^{a,b,c,d}	29.4	36.2	12.6	5.7	19.2
Neighborhood experienced conflicts over land or real estate in the past year ^{a,b}	13.3	9.3	3.6	1.4	1.6
Housing condition of all respondents					
Self-owned housing (%) ^{a,b,c}	71.1	77.4	86.4	97.5	98.4
Housing types (%)					
Self-built ^{a,b,c,d}	39.4	74.6	94.1	89.7	97.8
Commercial housing ^a	33.6	2.4	0.7	2.0	0.6
Public housing ^{a,b}	14.9	13.3	1.5	1.1	0.3
Resettlement housing ^{a,b}	10.3	8.3	0.4	0.2	0.5
Temporary housing ^d	1.8	1.4	3.2	7.1	0.8
Possibility of demolition of current residence within the next three years (%) ^{a,b,c,d}	12.8	6.0	12.0	8.5	2.0

^aDifference in weighted means or percentages between Reclassification as streets and Towns with no change significant as $p < 0.01$.

^bDifference in weighted means or percentages between Incorporation into development zones and Towns with no change significant as $p < 0.01$.

^cDifference in weighted means or percentages between Incorporation into urban districts and Towns with no change significant as $p < 0.01$.

^dDifference in weighted means or percentages between Reclassification as towns and Towns with no change significant as $p < 0.01$.

Landholding, Housing, and Experience of Expropriation

Territorial urbanization has often entailed changing patterns of land use and control. Our survey findings reveal that local residents' landholding and home ownership is lowest in townships where urbanization has proceeded furthest. The statistics are presented in Table 3.

Among respondents with local hukous, ownership of farmland is highest in townships that were not territorially urbanized (84.5%) and those incorporated into urban districts (91.2%). About 70% of residents in rural townships reclassified as towns own farmland. The figures are lowest in townships incorporated into development zones and reclassified as streets: only 50% and 39.5% of local residents, respectively, have access to farmland. This matches with statistics on the proportion of working respondents who were engaged in non-farm employment. Housing plots refer to 'private' plots of land allocated by village collectives to individual rural households for self-accommodation. The percentage of respondents with access to housing plots remains high in both urbanized and non-urbanized townships at around 90%, except in the case of townships that were reclassified as streets. Only half of the respondents in the latter type of township have housing plots in town.

Residents in townships that were incorporated into development zones and reclassified as streets are more likely to have experienced land expropriation. Respectively, 36.2% and 29.4% of respondents in these townships reported that there have been land expropriations in the local neighborhood since 1980. Furthermore, respectively, 9.3% and 13.3% indicated that there have been conflicts over land or property in their neighborhood in the past year. Residents in these more urbanized townships are thus less likely to own land while more likely to have experienced expropriation and land-related disputes.

A similar picture emerges when the housing conditions of all respondents are examined: While ownership of housing is highest in towns that were not territorially urbanized, the percentage declines in the more urbanized townships. In townships incorporated into urban districts and reclassified as towns, housing ownership remains high at above 86%. Around 90% of residents live in self-built rural apartments. The figures drop in townships incorporated into development zones and reclassified as streets. Around 71–77% of respondents in these two types of townships own the homes where they currently reside. The type of housing also shows greater diversity in these more urbanized townships. This is most manifest in townships converted into streets, where many respondents live in commercial housing (33.6%), public housing (14.9%), and resettlement housing (10.3%).

Compared with townships that were not territorially urbanized, a higher percentage of respondents in all four types of urbanized townships suggested that it is possible for their current homes to be demolished within the next 3 years. The figures are highest in townships converted to streets (12.8%) and incorporated into districts (12.0%).

The above figures suggest that as residents of more urbanized townships move away from self-owned, self-built rural housing, there is an increase in tenancy and housing diversity. The implications on housing security require further investigation. On the one hand, urbanized rural residents are being absorbed into the commercial home market through the rental and purchase of residential real estate. On the other hand, their housing security could be undermined as the chance of land expropriation and property demolition increases, and as a higher percentage of residents live in non-self-owned, temporary housing. The lower levels of landholding among local urbanized rural residents also indicate how processes of territorial urbanization could affect the welfare function of land. Extant studies have observed how land acts as an important social safety net for rural residents, who could return to farming or use their land as collateral in case of unemployment and loss of income.⁵⁷ Among our local respondents, levels of land ownership vary across the four pathways of administrative reclassification. For those townships where expropriation has been most intensive, residents are less likely to have land as a fallback option. For those with land access, the extent to which landholding can be counted upon as a safety net in case of job loss remains to be further examined.

Social Welfare and Insurance

In China, urban residence historically translated into improved welfare benefits. To assess if territorial urbanization has been associated with welfare benefits the authors measured levels of medical insurance and pension coverage across the five township categories. Respondents were surveyed on their enrolment in five types of insurance schemes: those provided to urban employees (城镇职工), urban residents (城镇居民), urban and rural residents (城乡居民); the new rural cooperative schemes (新型农村合作保险) provided to rural residents; and commercial insurance. The categories of different schemes are not mutually exclusive, and respondents could choose more than one. The statistics are presented in Table 4.

For medical insurance, a very small percentage of respondents (less than 10%) across all five township types have chosen to purchase commercial insurance. Most residents still depend on the new rural cooperative medical insurance. Among the four types of urbanized townships, residents of townships converted into streets are most likely to have been incorporated into urban insurance schemes, and the enrollment rate in urban and rural resident medical insurance is particularly high in townships incorporated into urban districts (23.9%). The urban and rural resident insurance scheme is the product of recent policy

⁵⁷ Joel Andreas and Shaohua Zhan, 'Hukou and land: market reform and rural displacement in China', *Journal of Peasant Studies* 43(4), (2016), pp. 798–827.

Table 4. Social insurance of survey respondents by pathways of in-situ change

	Reclassification as streets (n = 11)	Incorporation into development zones (n = 6)	Incorporation into urban districts (n = 6)	Reclassification as towns (n = 9)	Towns with no change (n = 8)
Medical insurance					
Urban Employee Medical Insurance (%) ^{a,b,c,d}	20.8	13.4	7.0	7.5	2.9
Urban Resident Basic Medical Insurance (%) ^{a,b}	20.6	5.3	3.5	3.9	1.9
New Rural Cooperative Medical Insurance (%) ^{a,b,c,d}	48.7	71.9	60.6	81.6	92.5
Urban and Rural Resident Medical Insurance (%) ^{a,c}	9.3	4.2	23.9	3.2	2.3
Commercial medical insurance (%) ^a	8.3	4.6	7.3	6.6	3.5
Any of above medical insurance (%)^{a,b,c,d}	89.4	90.6	88.7	91.6	97.4
No medical insurance (%)^{a,b,c,d}	10.6	9.4	11.3	8.4	2.6
Pension					
Urban Employee Pension Insurance (%) ^{a,b,c,d}	20.4	13.2	7.2	10.3	1.9
Urban Resident Basic Pension Insurance (%) ^{a,b,c,d}	16.8	4.3	4.2	3.1	0.8
New Rural Cooperative Pension Insurance (%) ^{c,d}	23.7	24.6	51.1	37.7	30.3
Urban and Rural Resident Pension Insurance (%) ^{b,c,d}	6.3	1.2	19.2	2.2	6.2
Commercial pension insurance (%)	3.3	2.4	2.8	2.8	2.1
Any of above pension insurance (%)^{a,c,d}	60.4	41.6	76.2	51.1	39.1
No pension insurance (%)^{a,c,d}	39.6	58.4	23.8	48.9	60.9
Worry about medical expense (%) ^{a,b,c,d}	65.2	63.7	66.8	68.2	84.6
Worry about old-age finance (%) ^{a,b,c,d}	66.7	66.1	64.7	63.4	81.1

^aDifference in weighted means or percentages between Reclassification as streets and Towns with no change significant as $p < 0.01$.

^bDifference in weighted means or percentages between Incorporation into development zones and Towns with no change significant as $p < 0.01$.

^cDifference in weighted means or percentages between Incorporation into urban districts and Towns with no change significant as $p < 0.01$.

^dDifference in weighted means or percentages between Reclassification as towns and Towns with no change significant as $p < 0.01$.

attempts to integrate urban and rural systems of welfare by creating a unified system.⁵⁸ The comparatively high enrollment rate indicates that the progress of welfare reform has proceeded furthest in townships incorporated into urban districts, likely as a result of municipal policy directives.

⁵⁸State Council, 'Guowuyuan guanyu zhenghe chengxiang jumun jiben yiliao baozian zhidu de yijian' [Opinions of the State Council on the Integration of the Basic Medical Insurance System for Urban and Rural Residents], January 12, 2016, http://www.gov.cn/zhengce/content/2016-01/12/content_10582.htm.

The percentage of respondents with pension insurance is far lower than that with medical insurance. Except for townships incorporated into urban districts, some 40–60% of respondents did not have any type of pension insurance. In rural townships converted into towns, for instance, only 37.7% of respondents were covered by the new rural pension scheme, compared with 81.6% who were covered by new rural cooperative medical insurance. The enrollment rate for residents in townships that were incorporated into urban districts again stands out. Respondents in this type of townships enjoy better welfare protection, with the highest rate of enrollment in pensions provided for rural residents (51.1%) as well as urban and rural residents (19.2%). This may again be attributed to the pace of reform pushed forward at the municipal level by city governments.

Discussion and Conclusion

Rural urbanization in contemporary China has often been examined and narrated in academic research and popular media through the twin processes of labor migration and land dispossession. Far less attention has been given to how top-down administrative change through territorial adjustments contributes to the *in situ* urbanization of rural residents across the country. Going beyond stereotypical images of rural migrant jobseekers and landless farmers, this article sheds light on these quieter processes of rural urbanization that have taken place often without large-scale population relocation. It outlines four pathways by which territorial urbanization has unfolded at the township level. Drawing on a national survey of 40 townships that involved 3,229 respondents, the article further offers comparative insights into the characteristics of the rural places and populations that have been urbanized via administrative reclassification.

Several findings were highlighted. First, hukou incorporation has lagged behind the progress of territorial restructuring. While they live in an area designated as urban, 81% of the residents surveyed still hold rural hukou. Compared with rural hukou-holders living in townships that have not been urbanized, however, residents of administratively urbanized townships are more likely to have managerial jobs, are generally better paid, and have higher levels of household wealth. At the same time, they have lower levels of land and housing ownership, and are more likely to have experienced land expropriation, home demolition, or property-related conflicts. While some residents have been incorporated into urban welfare systems, the majority still rely on rural cooperative insurance schemes for medical and old-age care.

The survey further revealed nuanced differences among inhabitants of townships that experienced different pathways of *in situ* change. In general, residents of townships that were converted to streets and incorporated into development zones have better jobs and receive higher pay but have lower levels of landholding and home ownership. Residents of townships that were incorporated into urban districts are best integrated into the new urban and rural residents social insurance provided by municipal authorities. Rather than being a uniform, homogenous group, therefore, a spectrum of socioeconomic characteristics can be observed among inhabitants of townships that have experienced territorial urbanization. While this article does not argue that the different pathways of administrative restructuring directly produce the differentiation in livelihoods, the data does provide empirical support for the heterogenous, non-linear implications of territorial urbanization. These findings call for further research into how administrative-territorial processes could be a force of change and differentiation for rural communities in China. The transition from 'rural' to 'urban' does not follow a singular pathway but is a complex process of transformation that may lead to diverse outcomes.

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