

**CHINA LAUNCHES NEW URBANIZATION
PLAN (2014-2020)**

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Executive Summary

1. China's new leadership pins high hopes on the development of *New Urbanization* as an engine to transform China into a domestic consumption-driven economy and solve its *sannong* (三农: 农村, 农业, 农民) issue to ease rural and urban disparity.
2. On 16 March 2014 the State Council released *The National New Urbanization Plan* to deal with problems of the previous urbanization model and external economic pressures. The eight chapters in over 30,000 words set out the objectives, the baseline, four strategic tasks, reforms in five related domains, the institutions in charge, and the path of future development.
3. The Plan numerates the objectives of urbanization by 2020, which is sub-categorized into 18 assessment indexes with respect to urbanization rate, basic public service, infrastructure, and resource and environment.
4. Future urbanization will be quality-focused and people-centered in the form of coordinated rural-urban development and well-connected city clusters.
5. The four strategic tasks include the gradual transformation of migrant workers to urbanites, optimization of urban layouts, promotion of sustainable urban development, and integration of rural and urban areas.
6. The Plan aims to eradicate obstacles to the previous round of urbanization, through reforms in five domains of *hukou*, land, fiscal and taxation, housing and environment.
7. The Plan involves different institutional reforms, different layers of government and different government agencies. Hence the implementation of the Plan is difficult yet crucial.
8. The Plan is expected to serve as the strategic, comprehensive, and instructional compendium for future urban development. In some areas, the Plan is built on some

broad-based consensuses, such as absorbing long-term urban-residing migrant workers, refurbishing rundown urban areas, and developing small and medium-sized cities and the inland regions.

9. There is no ready roadmap yet for some areas, particularly the financing and investment mechanisms for the four strategic tasks. The Plan thus emphasizes the importance of pilot programs in different cities and regions, as well as various forms of international cooperation, such as the China-EU Partnership on Urbanization.
10. The Plan has helped clear up queries and doubts due to its long drafting process, making the new leadership's urbanization strategy clearer for the public. The success of the 2020 targets is contingent on the cooperation of local governments and various institutions. At this stage it is too early to predict or assess its effectiveness.