## Developmental Politics and Urbanization: Two Cases in Rural China

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## Abstract

The paper uses two villages in China as cases that have experienced different paces of urbanization since the 1990s to investigate the role of developmental politics in shaping the patterns of land development, rural industrialization, and migration. The paper describes how governmental policies and strategies motivate market transactions and redefine social contracts, and how local cadres, villagers, and migrants initiate or react to the urbanization process.

The data that the study uses are in-depth interviews from two villages respectively located in Zhejiang Province and Jiangsu Province. Interviews were collected in Xia village in 2008 and in Tian village in 1998, 2001, 2002, 2003, and 2008. Xia village was incorporated into a government project of the local industrial park for foreign investment in 1994, whereas Tian village has witnessed a relatively gradual process of land development and rural industrialization throughout the recent decades. In both villages, peasants usually got compensation, insurance, pensions, or job opportunities for the loss of land, as well as housing in the case when they were relocated. The Government often carries out plans of land development through local offices, but such plans, as well as the

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related processes of rural industrialization and migration, can also be fueled by different socioeconomic forces. In both cases, the state has the superior power to define property rights and create incentive structures, but the consequent expansion of industry and the integration of residential community are conditioned by the power-laden interaction between local actors.

The study finds that Xia village experienced a faster urbanization process than Tian village. On one hand, government intervention can facilitate the collective developmental procedure, but on the other, social actors also use land development and rural industrialization as means to serve self-interests. Moreover, the accompanying processes of privatization and decentralization also led to disputes and conflicts over how to keep corruption in check and provide the effective care for the underprivileged. Of particular interest is the finding that the manipulation of transaction in land development may either lead to defensive reactions from local villagers (Xia village), or result in active participation from the private sector (Tian village).

Such divergence is closely associated with the relationship between "redistributors" and "producers," and that between "insiders" and "outsiders" in each village. In Xia village where peasants used to rely on the collective patronage to gain economic security, the privatization of rural industry and the influx of foreign investment have posed challenge for local villagers when confronted with competitive migrants. While in Tian village, rural industrialization provides plenty of opportunities for the private sector unleashed by marketization, which has been absorbing but not squeezed by migrant labor.

The paper argues against that the current pro-market policies manifest a Neoliberal turn in the rural political economy. The study reflects on the discussion about the "waning communist state," as well as the categorization of "winners" and "losers" in the marketoriented transition, which should be contextualized in specific market institutions that vary across areas. Government, local cadres, the new rich, and the marginalized groups have played distinct roles in local economic structure and power dynamics, and their strategies to adapt to the market have an important impact on the patterns of rural industrialization, migration, and land development.