

Characteristics and Prospect of China's Urbanization Development*

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Abstract

Although China has experienced a booming development of urbanization since reform and opening-up, China's urbanization level is currently overestimated, which is mainly reflected by the large portion of agricultural population who cannot enjoy the benefits of urban residents contained in China's urban population. This paper elucidates the problems arising in China's urbanization process and projects the development trend of China's urbanization. On this basis, the paper discusses the correct development direction of China's urbanization in the future. The paper argues that the influence of the household registration system is the major factor to hinder the normal development of urbanization in China. To make China's urbanization advance efficiently, China will have to thoroughly reform the household registration system and a series of related policies, consolidate the contribution of population migration to China's urbanization, and enable several hundred millions of rural-urban migrants to be urbanized.

Key words: China, urbanization, household registration system, urban population, rural migrant workers

Introduction

Being a developing country, China is a later comer in terms of urbanization. From the founding of PRC in 1949 to the launch of reform and opening-up in 1979, China's urbanization developed slowly due to the influence of planned economy and the household registration system. After the reform and opening-up, China experienced the booming development of urbanization. China's urbanization level exceeded 50% and achieved "urban transition" in 2011 (NBS of China, 2012), and by the end of 2012, China's urbanization level reached 52.57% (NBS of China, 2013). China is currently in the middle stage of urbanization.

Urbanization is the major trend of China in the 21st century. The future evolution of China's urbanization will directly affect China's socio-economic development. Based on the review of the development process of China's urbanization, this paper analyses the characteristics of China's urbanization, projects the development trend of China's

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urbanization, and proposes the measures to solve problems in China's urbanization process.

The data used in this paper are mainly from previous Chinese census data, previous China 1% population sample survey data and the data published by *China Statistical Yearbook*, *China Population Statistics Yearbook*, *China Population & Employment Statistics Yearbook*, and so on. A combination of qualitative and quantitative analysis is used in the paper.

Review of China's Urbanization Development: 1949-2012

China's urbanization levels for various years in the period 1949-2012 are shown in Table 1. From 1949 through 1957, 156 key industrial projects were launched and extensive rural population rushed into cities and mining areas for job opportunities, thus leading to a boom of urbanization. From 1958 through 1977, because of the Great Leap Forward and the Great Proletarian Cultural Revolution, urbanization development fluctuated initially, and then stagnated and even retrogressed. After 1978, the rural economic reform centering on the household contract responsibility system and the rapid development of township enterprises prompted the transfer of a large number of surplus agricultural labor to non-agricultural industries, and the planned commodity grain/oil supply system in cities was gradually revoked, thus contributing to the resumption of China's urbanization. After 1996, along with the development of market economy, population and other production factors quickened their movement towards high-productivity cities, especially large cities, thus leading to a boom of rural-urban migrants and an accelerated development of urbanization in China. Upon the arrival of the 21st century, China's urbanization pace began to slow down, yet it still maintains a high growth rate.

Characteristics of China's Urbanization Development

The development of China's urbanization has been deeply influenced by a series of policies and guidelines related to China's urbanization since 1949. The entire development process of China's urbanization shows that China's urbanization has three distinct characteristics.

(a) Development of cities has long been affected by urban development policy.

Since the founding of PRC through the end of the 20th century, the Chinese government had been in favor of developing medium and small cities, and not developing large cities on the issues of urban development. In nearly 30 years of the planned economy period before reform and opening-up, China gradually formed the policy of controlling the development of large cities on the basis of the strategy of preferentially developing heavy industry and a series of policies and institutions of rural-urban division. In October 1980, the State Construction Committee determined the fundamental urban development policy of "controlling the size of large cities, rationally developing medium cities, and actively developing small cities". In April

1990, “*Urban Planning Law of PRC*” revised the urban development policy to "strictly controlling the size of large cities and developing medium and small cities to an appropriate extent". Although the proposition of "controlling the size of large cities" catered to China's industrial development strategy, it hindered the development of China's urbanization.

Table 1 Proportion of Population Residing in Urban Areas in China, 1949–2012

Year	Proportion urban	Year	Proportion urban	Year	Proportion urban
1949	10.64	1971	17.26	1992	27.46
1950	11.18	1972	17.13	1993	27.99
1951	11.78	1973	17.20	1994	28.51
1952	12.46	1974	17.16	1995	29.04
1953	13.31	1975	17.34	1996	30.48
1954	13.69	1976	17.44	1997	31.91
1955	13.48	1977	17.55	1998	33.35
1956	14.62	1978	17.92	1999	34.78
1957	15.39	1979	18.96	2000	36.22
1958	16.25	1980	19.39	2001	37.66
1959	18.41	1981	20.16	2002	39.09
1960	19.75	1982	21.13	2003	40.53
1961	19.29	1983	21.62	2004	41.76
1962	17.33	1984	23.01	2005	42.99
1963	16.84	1985	23.71	2006	44.34
1964	18.37	1986	24.52	2007	45.89
1965	17.98	1987	25.32	2008	46.99
1966	17.86	1988	25.81	2009	48.34
1967	17.74	1989	26.21	2010	49.95
1968	17.62	1990	26.41	2011	51.27
1969	17.50	1991	26.94	2012	52.57
1970	17.38				

- Source: A. Department of Population and Employment Statistics of NBS of China (1996), *China Population Statistics Yearbook—1996*. Beijing: China Statistics Press, p. 364.
- B. NBS of China (2012), *China Statistical Yearbook—2012*. Beijing: China statistics Press, p. 101.
- C. NBS of China (2013), *China Statistical Bulletin on National Economy and Social Development in 2012*. Accessed at: <http://www.stats.gov.cn/tjgb/ndtjgb/qgndtjgb/t20130221_402874525.htm>.

In the early and middle urbanization, there is a need for large cities to preferentially develop through the effect of aggregation and play the radiation role to the surrounding area and the wider region, thus boosting the development of regional economy. When the large cities take the lead in the development, a large number of the rural population will also be promoted to migrate to large cities, thereby giving an

impetus to urbanization. However, under the guidance of the idea of “controlling the size of large cities”, the migrants in China from rural areas, towns, small and medium cities to large cities were strictly controlled and the development of large cities was severely restricted after the late 1950s, thus impeding the improvement of China's urbanization level.

Moreover, as administrative units, "county" and "city" are very different in terms of political status, financial allocations, considerations given by special policies, the ability to attract foreign investment, etc, therefore some counties made every effort to be upgraded from county-level unit to city-level unit after the policy of “controlling the size of large cities” was determined. The number of new designated small cities increased sharply from the mid-1980s through the mid-1990s, causing the period of the fastest city designation in China's history (Wang, 2008). In addition to containing a large number of agricultural population, these newly-designated small cities had many problems with respect to urban infrastructure, urban functions, industrial structure, etc, thus having a large gap compared with real cities.

(b) Hukou system has seriously hindered the development of urbanization.

From the 1950s through the 1970s, China adopted the strategy to preferentially develop industry, especially heavy industry, and transferred agricultural surplus to industry through unequal exchanges of the value of industrial and agricultural products. The excessive transfer of agricultural surplus caused underinvestment in agriculture, thereby affecting the development of agriculture and making it impossible to provide sufficient agricultural products for urban industrial development and urban population growth. It was necessary to strictly limit the migration of the rural population to cities, particularly to large cities, so as to guarantee the development of industry and the supply to urban residents. Therefore, China promulgated the "*Household Registration Regulations of PRC*" on 9 January 1958 and, in the form of legislation, established the household registration (hukou) system centering on the stringent restriction on peasants moving into cities.

According to the hukou system, China's urban and rural populations are segregated into two classes of citizenship: "non-agricultural household registration" and "agricultural household registration". "Non-agricultural household registration" can enjoy the urban commodity grain/oil and other non-staple food supply and enjoy the rights in employment, housing, social security and other aspects in accordance with national policies, whereas "agricultural household registration" is excluded from these rights. Hukou system and a series of related policies have severely restricted the flow of population from the countryside into cities and towns or from market towns and small cities into large and medium cities through artificial barrier in hukou, employment, housing, grain and non-staple food supply, thereby controlling the migratory growth of the urban population by tough administrative measures. As shown in Table 2, for quite a long period before reform and opening-up, urbanization fell behind industrialization in China, that is, the growth rate of the urban population lagged behind that of the industrial employed population, thus forming an

"under-urbanization" phenomenon. The growth of China's urban population is still slower than that of the industrial employed population in the 21st century.

Table 2 Average Annual Rate of Change of the Industrial Employed Population and the Urban Population in China, 1952–2010 (%)

Period	Industrial employed population	Urban population
1952–1960	13.14	7.81
1960–1962	-29.24	-5.56
1962–1978	7.89	2.48
1978–1981	4.84	5.36
1981–1986	6.98	5.50
1986–2002	2.12	4.11
2002–2010	4.23	3.67

Source: A. Department of Population and Employment Statistics of NBS of China (2010), *China Population & Employment Statistics Yearbook—2010*. Beijing: China Statistics Press, pp. 6 & 20.

B. NBS of China (2011), *China Statistical Yearbook—2011*. Beijing: China Statistics Press, pp. 93 & 112.

Although the hukou system experienced a series of changes after the launch of reform and opening-up, due to the existence of the hukou system and its remaining functions, it still has severe inhibition over China's urbanization. A large number of rural migrant workers have emerged in China's urbanization process because of the inhibition of the hukou system. Rural migrant workers refers to people who come from rural areas and have agricultural household registration, but are engaged in industry and services in cities and rely on wages or labor compensation as their main source of livelihood. The rural economic reform implemented in 1979 greatly increased agricultural productivity and promoted rural surplus labor to transfer to non-agricultural industries. More and more rural surplus labor entered cities to be engaged in industry or to do business as rural migrant workers. By 2012, China's rural migrant workers who were employed outside their hometown for six months or more had already reached 163.36 million (NBS of China, 2013). Rural migrant workers have become an important component of industrial workers in cities of China.

However, since rural migrant workers only have agricultural household registration and don't have urban resident status in cities where they work and live, they are basically excluded from the urban social security system. It is difficult for them to enjoy the legitimate rights and interests, let alone the social welfare brought by urban economic development, so they are faced with many problems and difficulties in social security, social integration, rights and interests protection, etc. In sum, their wages are relatively low; the proportions in them to participate in social insurance, such as pension insurance, industrial injury insurance, medical insurance, unemployment insurance, etc, and to sign the labor contract are very low. They cannot rent the low-rent housing provided by the government or enjoy housing subsidies

provided by the government to purchase affordable housing. Their children don't have the equal right to education with the local children of the same age in cities.

More and more agricultural population who cannot enjoy the benefits of urban residents due to the influence of the hukou system have been contained in China's urban population, and a large number of them are rural migrant workers (Chan, 2010). Although the proportion of the urban population in the total population has increased considerably in recent years in China, the rise in the proportion of non-agricultural population has been relatively small because the proportion of rural migrant workers in the urban population has become larger and larger, thus causing a growing gap between the proportions of China's urban population and its non-agricultural population. As shown in Figure 1, the proportion of non-agricultural population was higher than that of the urban population before 1960. After 1960, the proportion of the urban population exceeded that of non-agricultural population and the gap between the two proportions was widened year by year. This gap was even significantly expanded after 2000.

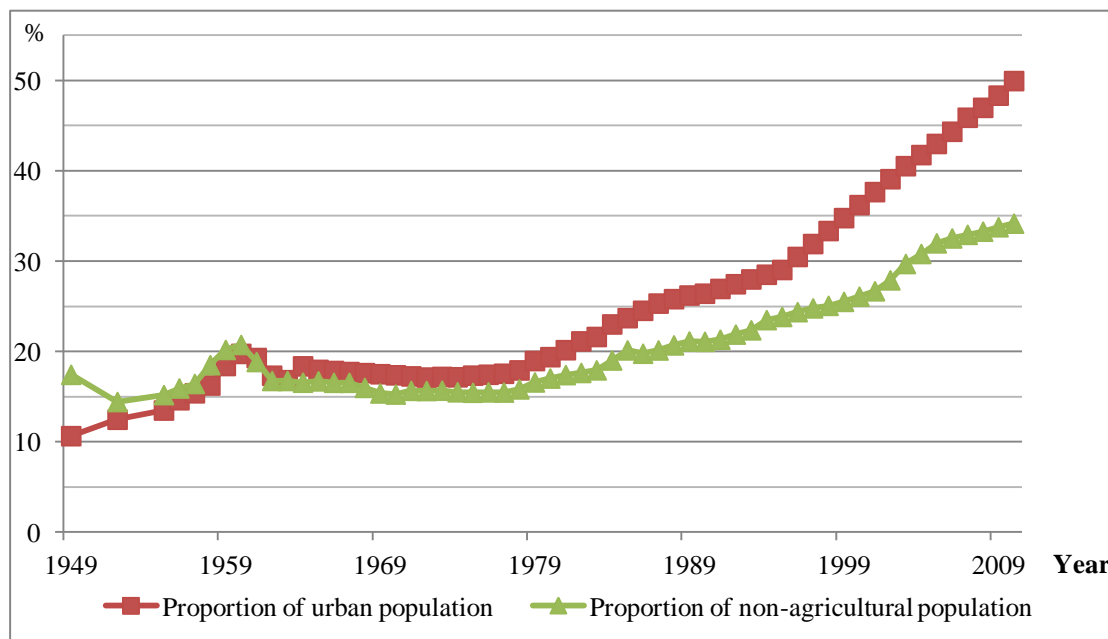


Figure 1 Changes of Proportions of Urban and Non-Agricultural Population in China, 1949–2010

Although rural migrant workers are counted as urban population, they don't enjoy the equal rights and benefits with urban dwellers and are not real urban residents. Therefore, China's urbanization is incomplete and China's urbanization level is overestimated. According to the data of the sixth population census in 2010, people who had agricultural household registration in China's urban population exceeded 300 million, accounting for 46.51% of the total urban population (Population Census Office under the State Council & Department of Population and Employment Statistics of NBS of China, 2012). Thus there are approximately 300 million who don't enjoy the rights of urban residents among China's present urban population of

more than 600 million.

(c) The major component of urban population growth has changed from the re-classification of urban and rural areas to population migration from rural to urban areas.

Since there are very few international immigrants in China, China's urban population growth has three main components: the natural increase of the urban population, population migration from rural to urban areas and the re-classification of urban and rural areas. In China, the re-classification of urban and rural areas are mainly resulted from the changes in administrative divisions, the establishment and expansion of cities and towns as well as the agricultural land transfer.

The composition of China's urban population growth was very different from that of other countries of the world for a long time due to the implementation of the family planning policy and the strict restriction of the hukou system on population migration from rural to urban areas. As shown in Table 3 and Figure 2, from the early 1980s through the beginning of this century, the re-classification of urban and rural areas had been the major source of China's urban population growth, followed by population migration from rural to urban areas. The contribution of the former to China's urban population growth had been above 50%, while the contribution of the latter had hovered at around 30%. This urban population growth pattern shows that from the early 1980s through the beginning of this century, the rapid advance of China's urbanization did not lie in population migration from rural to urban areas and the transfer of the employed population from the primary industry to the secondary and tertiary industries, but in the changes in administrative divisions and the expansion of the built-up area of cities and towns.

Table 3 Compositions of China's Urban Population Growth during Various Intercensal Periods (%)

	3rd census— 4th census	4th census— 5th census	5th census – 6th census
Natural increase of the urban population	4.93	16.98	13.27
Population migration from rural to urban areas	27.70	30.82	67.36
Re-classification of urban and rural areas	67.37	52.20	19.37
Total	100.00	100.00	100.00

Source: Figures in this table are estimated according to the data of 1982, 1990, 2000, 2010 population censuses of China, the data of 1987, 1995, 2005 China 1% population sample surveys and the other data published by NBS of China.

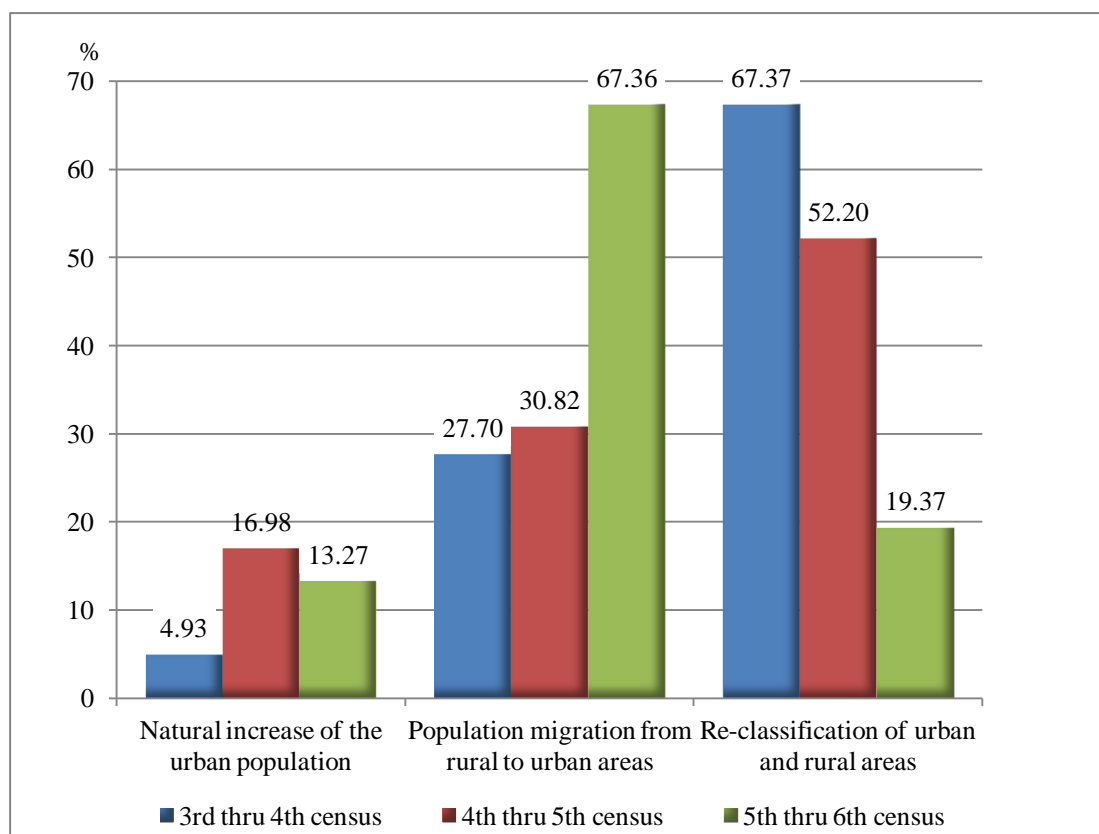


Figure 2 Comparison of Compositions of China's Urban Population Growth during Various Intercensal Periods

The land needed by the establishment and expansion of cities and towns in China is mainly from the rural land requisition, so a large number of land-losing peasants have emerged in China's urbanization process. The majority of land-losing peasants have no land to cultivate in rural areas and it is difficult for them to be re-employed in urban areas. They have only got a little relocation compensation for land requisition which is not enough to maintain their long-term livelihood and they cannot enjoy urban social security either. China's land-losing peasants or partially land-losing peasants reached approximately 40–50 million by 2005 and are still increasing at a rate of 2–3 million per year. At this rate, China's land-losing peasants will increase to more than 100 million in the next 20–30 years (Wen, 2012).

Dramatic changes took place in the composition of China's urban population growth in the 21st century. Along with the promulgation of a series of policies and measures favorable to population migration, the amount of rural-urban migrants has grown rapidly so that population migration has become the largest component of China's urban population growth. Table 3 shows that among the total urban population growth of China during the period from the fifth population census in 2000 to the sixth population census in 2010, 67.36% came from population migration from rural to urban areas, 19.37% from the re-classification of urban and rural areas, and 13.27% from the natural increase of the urban population.

It is closely related to China's family planning policy that the natural increase of the

urban population has had the smallest contribution to China's urban population growth since the 1980s. Between the third population census and the fourth population census, the contribution of the natural increase of the urban population to China's urban population growth was very small due to the implementation of China's strict family planning policy. Although it has been somewhat improved later, the natural increase of the urban population is still the least contributing factor to China's urban population growth.

Although population migration has currently become the major source of the urban population growth in China and the amount of population migration from rural to urban areas is continuously increasing, the large majority of these migrants are agricultural population who cannot enjoy the benefits of urban residents, and a considerable part of them are rural migrant workers. Therefore, faced with the profound changes in the pattern of urban population growth, China urgently needs to address the issues of employment, livelihood and education of rural-urban migrants, so as to consolidate the contribution of population migration to China's urbanization and make China's urbanization develop smoothly.

Projection of China's Urbanization Level

The United Nations presented a method to project the proportion urban in 2002 (UN Population Division ,2002). This projection method is based on the relationship between the urban-rural ratio and the urban-rural growth difference. If $U(t)$ and $R(t)$ denote the urban population and the rural population at time t respectively, the urban-rural ratio at time t

$$URR(t) = U(t) / R(t) \quad (1)$$

Letting $u(t,n)$ denotes the average annual growth rate of the urban population between t and $t+n$, and $r(t,n)$ is the average annual growth rate of the rural population between the same time points, the urban-rural growth difference between t and $t+n$

$$rur(t,n) = u(t,n) - r(t,n) \quad (2)$$

The urban-rural growth difference is actually the average annual growth rate of the urban-rural ratio.

If T is any time point within the intercensal period $(t, t+n)$, according to the equation

$$URR(T) = URR(t) \exp[rur(t,n)(T-t)] \quad (3)$$

the urban-rural ratio at time T can be obtained. The same equation can be applied to obtain extrapolated values of URR when T is outside the intercensal period and $(t,t+n)$ is the intercensal period closest to it.

Once an estimate of $URR(T)$ is available, it can be converted to the proportion urban at time T by using the equation

$$PU(T) = URR(T) / [1 + URR(T)] \quad (4)$$

The above model assumes that the urban-rural growth difference remains constant over the projection period. Yet empirical evidence shows that the urban-rural growth difference declines as the proportion urban increases and then is a variable. Consequently, a hypothetical urban-rural growth difference, denoted by $hrur$, was developed to substitute for the urban-rural growth difference:

$$hrur = 0.037623 - 0.02604PU(t_0) \quad (5)$$

where $PU(t_0)$ is the proportion urban at the time of the initial census. Equation (5) is the regression equation obtained by regressing the initial observed proportion urban on the urban-rural growth difference for the 113 countries with more than 2 million inhabitants in 1995.

The projection of the proportion urban is carried out based on a weighted average of the observed urban-rural growth difference for the most recent period available in a given country and the hypothetical urban-rural growth difference. The weights are such that the earlier the projection period, the greater the weight given to the observed rur . Specifically, a weight (W_1) of 0.8 is assigned to the most recently observed rur and a weight (W_2) of 0.2 to $hrur$ for the first projection period. With each subsequent projection period, the weight for $hrur$ is incremented by 0.2 until W_1 becomes 0.0 and W_2 reaches 1.0; these weights are then maintained unchanged until the end of the last projection period. If rur^* denotes the projected urban-rural growth difference,

$$rur^* = W_1rur + W_2hrur \quad (6)$$

The urban-rural ratio is calculated by using the equation

$$URR(t_2) = URR(t_1) \exp(rur^*(t_2 - t_1)) \quad (7)$$

where t_1 is the last date with a projected value of the proportion urban and t_2 is the next projection date. Each projected value of URR is converted into a proportion urban PU by using equation (4).

This paper projects the proportion urban of China for the period 2010–2050 by means of the above United Nations projection method. The specific prediction method is: the proportion urban of China is projected for the period 2010–2050 in five-year intervals; the urban population and the rural population at the time of the national 1% population sample survey in 2005 (561.57 million and 744.71 million respectively) (NBS of China, 2006) and the time of the sixth population census in 2010 (665.57 million and 674.15 million respectively) (The Sixth Population Census Office under the State Council & Department of Population and Employment Statistics of NBS of China, 2011) are input into the equation (2), and China's urban-rural growth difference of 0.0539 for the period 2005–2010 is calculated; the proportion urban of 49.68% at the time of the population census in 2010 is input into the equation (5) and the hypothetical urban-rural growth difference of 0.0247 for the projection period 2010–2015 can be expected; the projected urban-rural growth difference rur^* of 0.0481 for the projection period 2010–2015 can be calculated by substituting 0.0539 for rur and 0.0247 for $hrur$ in equation (6), and therefore the projected value of the

urban-rural ratio of 1.2554 and the proportion urban of 55.66% for 2015 can be calculated according to equation (7) and equation (4) respectively. The proportion urban for each subsequent five-year projection period is also projected in accordance with the above method, then as shown in Table 4, the projected values of the proportion urban for other projection periods can be obtained.

Table 4 Projection of the Proportion Urban of China, 2010–2050

Year	URR	PU	Year	URR	PU
2015	1.2554	55.66	2035	2.3288	69.96
2020	1.5456	60.72	2040	2.5661	71.96
2025	1.8379	64.76	2045	2.8202	73.82
2030	2.1076	67.82	2050	3.0920	75.56

The above projection of China's urbanization level has certain rationalities. China's rural population has presented a negative growth since 1995 due to the rapid urbanization development and the ever-increasing population mobility, leading to the continuous expansion of the urban-rural growth difference. However, although China's urbanization will continue to develop rapidly in the coming period along with the reform of the hukou system, China's urban-rural growth difference will gradually decrease and China's urbanization process will also be slower than it is now because of the improvement of China's urbanization level and the decline of the ability of urban areas to absorb the rural population. Furthermore, the future development of China's urbanization will be more consistent with general world-wide experience.

Future Development of China's Urbanization

Due to the influence of the hukou system and a series of related policies, China's urbanization didn't experience the gradual transfer process of agricultural labor force from rural to urban areas which occurred in developed countries and also many problems have arisen as China's urbanization advances rapidly, making China's urbanization be faced with severe challenges. There are five main issues that need to be addressed so as to make China's urbanization advance smoothly in the future.

(a) To deepen the reform of the household registration system and gradually realize the urbanization of several hundred millions of rural migrant workers.

China's urbanization not only needs the occupational transform of rural migrant workers from agriculture to non-agricultural industries, but also needs the state and the government to guarantee the employment, housing and livelihood of rural migrant workers in cities by means of law and social security system, so that they can enjoy the benefits of urban dwellers and become real urban residents. Only when all rural migrant workers have urbanized can China achieve a complete urbanization. Rural migrant workers should be gradually granted the same rights and welfares with urban

residents in housing supply, children's schooling, social security, etc so that they can settle and work in urban areas eventually, enjoy equal benefits with urban residents, and become urbanized.

(b) To consolidate the contribution of population migration to China's urbanization and enable urbanization development to coincide with urbanization level.

Although population migration from rural to urban areas has become the main source of China's urban population growth, it should be noticed that, because of the influence of the hukou system, among the rapidly growing urban population there are more and more agricultural population who moved from rural to urban areas but cannot enjoy the benefits of urban residents, and a large number of them are rural migrant workers. There is a need for China to encourage reasonable population migration from rural to urban areas, provide rural migrant workers with favorable conditions of employment and livelihood in cities from policies and institutions, realize their urbanization by stages and in groups, and consolidate the contribution of population migration to China's urbanization. At the same time, China should establish and improve the social security system of land-losing peasants, reform the rural land requisition system, and radically solve the problems of employment, livelihood and social security of land-losing peasants in cities, allowing them to share the results of industrialization and urbanization.

(c) To drive the transformation of urbanization development model and realize a high quality urbanization.

There exist widespread problems in China's urbanization process, such as the deterioration of urban ecological environment, waste of land resources, being concerned with the number of cities but not quality, damages to the interests of rural areas and peasants. If these problems are not solved, they will seriously harm the development of China's urbanization. China's urbanization development should be transformed from scale-based enlargement into quality-oriented improvement, making intensive use of land resources and optimizing the population and employment structure. Attention should be paid to the protection and improvement of urban environment, strengthening urban functions and enhancing urban infrastructure construction. Effective measures must be taken to strictly control the occupation of farm land and try to reduce the extensive expansion of urban spatial scale.

(d) To adhere to the coordinated development of large, medium and small cities as well as towns and correctly guide the transfer of rural surplus labor to urban areas.

China is still in the middle stage of urbanization. In the process of urbanization, China still needs to save money and resources, play the effect of aggregation and economies of scale of large cities, and promote the development of medium and small cities as well as towns through the development of large cities. While playing the important role of large cities in absorbing rural-urban migrants, medium and small cities as well

as towns also need to accept rural-urban migrants according to their actual conditions so that the rural-urban migrants can disperse reasonably among cities of various sizes. Medium and small cities as well as towns ought to strengthen and improve the infrastructure construction and public services so as to absorb more rural-urban migrants.

(e) To vigorously develop rural economy and realize the coordinated development of urban and rural areas.

The development of the countryside and agriculture is the foundation of industrialization and urbanization. In the process of urbanization, China needs to completely reform the institutional system featured by urban-rural division and urban bias, actively promote the socio-economic development in rural areas, ultimately address the issues of agriculture, peasants and rural areas, effectively improve peasants' income and social security level, and achieve the coordinated development of urban and rural areas, thus laying a solid foundation for China's urbanization.

Conclusion

Urbanization is an inevitable trend of China's socio-economic development in the 21st century. There were still over 642 million rural population in China in 2012 (NBS of China, 2013), which accounted for 47.43% of the total population. A large number of the rural population and the low level of urbanization indicate that there is still a huge development potential of China's urbanization. China's urban population and urbanization level will maintain a rapid growth momentum in the coming period. How to sufficiently absorb several hundred millions of new urban population in the future on the basis of thoroughly digesting the existing urban population? This is the greatest challenge faced by China's urbanization in the future and is also the driving force of the future development of China's urbanization.

Whether or not China's urbanization can develop smoothly in the future depends on if the problems in China's urbanization process can be solved. Only when these problems are solved, can China achieve a high-quality urbanization and urbanization can become a powerful driving force for China's economic growth and social development. The key to solve the problems in China's urbanization process and change the situation of incomplete urbanization is to completely reform the household registration system and a series of corresponding policies, break the dualistic structure of agricultural and non-agricultural household registration, and enable rural residents to enjoy the same rights with urban residents. Although the reform of the household registration system is a long and difficult process and cannot be accomplished at one stroke, but it is an issue that must be addressed for China's urbanization and needs to be promoted gradually.

The Office of the State Council of China issued a "Notice on Actively and Steadily Pushing forward the Reform of the Household Registration System" on 26 February 2011, asking all regions and departments concerned to seriously implement the

national policy decision on promoting urbanization and the reform of the household registration system, and actively and steadily push forward the reform of the household registration management system. This notice requires focus on solving actual problems of rural migrant workers, i.e. ensuring that the rural population who have settled in cities enjoy the same rights with the local urban residents and improving the relevant institutions in a targeted manner for rural migrant workers who temporarily don't have the conditions to settle in cities and making great efforts to solve their current problems in labor remuneration, children's schooling, skills training, public health, housing tenure, social security, occupational health and safety, etc. It is expected that the problems of rural migrant workers appearing in China's urbanization process can be solved step by step through the implementation of these measures and China's urbanization can therefore proceed smoothly.

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