

# Development Trends of Villages and Towns in China

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**Abstract:** This paper attempts to explore the current characteristics and development trends of villages and towns in China through field research and big data analysis. It is generally expected that China's villages and towns will continue exhibiting four major development trends. First, urban and rural areas will continue to coexist for a significant period of time with moderate rural agglomeration, and small towns will face new development opportunities as they experience a decline. Second, urban and rural areas in the eastern, central, and western regions will agglomerate in different ways, and the differentiation trend within small towns will intensify. Third, with the transformation and upgrading of rural industries, many new functions and formats will permeate rural areas. Fourth, with the continuous improvement of rural economies, the provision of basic public services will continue to be the focus of grassroots village and town construction and will further affect the integration and reconstruction of the spatial patterns of villages and towns.

**Keywords:** moderate agglomeration; differentiation trend; new function; new format; new growth point; space reconstruction; basic public service provision

With the continuous progress of urbanization in China, the focus of the central government and all sectors of society on three primary rural issues has been increasing steadily. With the rural revitalization strategy proposed during the 19th National Congress of the Communist Party of China, the attention to and investment of the whole society in rural areas have been increasing consistently. However, we should note that the accuracy of development trend assessments in villages and towns in China greatly affects the orientation of the government macro-policies. With the growing trend of rural development, reconstruction of rural spatial patterns, and introduction of new rural functions and new business types, problems related to the provision of rural basic public services, protection of traditional rural culture, development of modern agriculture, and rural energization must be addressed urgently. Through a major consulting project known as "Planning, Construction, and Governance of Villages and Towns" of the Chinese Academy of Engineering, the development trends in villages and towns over a certain future period of time is assessed on the basis of surveys conducted in Jiangsu, Zhejiang, Guangdong, Hebei, Hunan, Anhui, Sichuan, Guizhou, and other provinces as well as big data analyses at state and province levels.

## 1 Long-term coexistence of urban and rural areas and moderate concentration of villages

### 1.1 The overall trend of population flow from the mid-west to the east will remain unchanged, and the urban and rural areas will coexist for a long time.

Analysis of the population density in China from 2000 to 2010 reveals that the population is still concentrated to the east of the Heihe–Tengchong line, as proposed by Hu Huanyong, and the Yangtze River Delta and the Pearl River Delta are still densely populated.

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Based on the population flow data, urbanization in China has begun to enter the stage of “population backflow.” Since the strategy for raising central China and developing west China has been implemented, some central cities in west China have grown rapidly, thus playing an increasingly important role in industrial development and population concentration, motivating some migrant workers working in the eastern coastal cities to return to the mid-west to work and live. However, in the coming years, the general trend of population aggregation from central and west China to east China will not change significantly.

With this background, the trend of rural depopulation in the economically underdeveloped areas of central and west China will remain unchanged; the urban and rural populations of east China and surrounding areas of big cities will double; and the pattern of long-term coexistence of urban and rural areas will not change fundamentally.

### **1.2 Small towns will be faced with new development opportunities after experiencing a decline.**

#### 1.2.1 Inevitable decline of small towns in the process of rapid urbanization

It is a general global reality (aside from a few countries with special political systems, such as Germany) that continuous population concentration and expansion occur in large cities and megacities because of the requirements of large-scale industrial concentration, while the status of small towns continuously decline as urbanization progresses because the development efficiency of small towns cannot compete with that of large and medium cities. In addition to the market rules, the development of small towns in China is subject to administrative level management. Consequently, small towns have experienced a decline for a relatively long period, and it is expected that small town revitalization will take a significant amount of time.

#### 1.2.2 New opportunities associated with the new stage of urbanization

As the urbanization level in China exceeds the 50% dividing line, the mode of urbanization in China has been undergoing a gradual transformation [1]. The previous relatively radical urbanization development mode has resulted in a problematic “big city disease” and invoked widespread reflection from all spheres. The new urbanization mode advocated in China is characterized by the following: greater emphasis on the quality and efficiency of urbanization, meaning that attention will be paid not only to economic growth but also to social benefits and equitable development; a diversity of entities to be urbanized, meaning that in addition to big cities, medium cities and small towns will also gain more development opportunities; transformation of government-oriented urbanization to “top-down” and “bottom-up” urbanization, meaning that the government, social capital, village collectives, and other social organizations will participate in urbanization. With the current industrial transformation and development in China and the implementation of the “Internet Plus” strategy, more small towns are expected to undermine the hierarchy of the existing urban system and become new population and industry gathering centers in the future [2].

### **1.3 Villages will tend toward moderate concentration.**

#### 1.3.1 Development of modern agriculture will support moderate concentration of villages.

With the advancement of the four modernizations in China, modern agriculture will comprehensively improve agricultural production conditions and increase agricultural production efficiency with novel production methods, advanced production technologies, socialized services, and moderately scaled operation modes. This will help unleash the potential of surplus rural labor and land resources, thus providing more choices for the residential space to support the moderate concentration of villages. Moreover, the development of leisure and sightseeing agriculture will promote the aggregation of a certain scale of population.

#### 1.3.2 Development of motorization will provide the basis for moderate concentration of villages.

Currently, motorization in rural areas is developing rapidly because of the significant improvement in rural road traffic conditions and an increased number of agricultural motor vehicles. Aside from coastal developed areas in east China, there is an apparent trend of motorization in underdeveloped areas in central and west China. Changes in farmers’ means of travel further facilitate the separation of the production space from the residential space in rural areas.

#### 1.3.3 Expanding living needs of farmers requires moderate concentration of villages.

With the gradual improvement of overall economic conditions in rural areas, the pursuit of daily conveniences has gradually become an important consideration for farmers in choosing residential places. In the past, agricultural sales and agricultural product and handicraft transactions were considered the most important

functions of most central towns and villages. In the modern era, convenient and high-quality daily services for farmers will gradually replace the production and transaction functions as the central function of towns and villages. The moderate concentration of towns and villages will aid in providing convenient, efficient, and wide-ranging public services and greatly improve the service efficiency of facilities; moreover, this function will be more suitable for farmers who will have a greater proportion of non-agricultural employment time to agricultural employment time in the future.

## **2 The villages and towns in the east, central, and west regions will be concentrated in different modes, and the differentiation trend within small towns will be accelerated.**

### **2.1 The villages and towns in the east, central, and west regions will be concentrated in different modes.**

From the perspective of development trends, the difference between the east, central, and west regions cannot be considered as simply due to differing stages of the urbanization process. Because of differences in regional resource endowment, historical background, and regional cultural attributes, the modes of concentration of villages and towns and the construction emphases and difficulties in the countryside in the east, central, and west regions differ significantly. Consequently, the modes of urbanization and rural development in the eastern coastal areas will not be simply copied by these regions.

### **2.2 The differentiation trend within small towns will be accelerated.**

In general, the differentiation trend in small towns will be accelerated in the future. In economically developed areas, such as the Yangtze River Delta and the Pearl River Delta, the development of non-agricultural industries will lead to high population concentrations, and in the traditional agricultural areas of central China, the industrial gradient transfer will promote spatial differentiation in rural areas. This will result in more development opportunities for small towns around industrial areas. In the future, the population and space scales of small towns with superior locational conditions and strong industrial bases will continue to expand and become more closely integrated into the regional urban system, and the construction level of small towns with developmental advantages will be aligned gradually with that large and medium cities.

### **2.3 Eastern coastal areas: The construction of livable villages will be supported by the high value-added modern agricultural industry.**

With the advancement of urbanization in eastern coastal areas, rural population density in this region will remain high. The characteristic agriculture based on intensive farming will be developed significantly, and rural residential areas will be moderately concentrated and developed [3]. The population movement between urban and rural areas, including the migration of large urban populations to rural areas and entrepreneurship in rural areas, will provide more functions for rural areas, thus gradually alleviating the effects of rural hollowing. Some towns with a strong economic foundation will rise beyond their original administrative levels and become small cities, while other small towns will experience a gradual weakening of their production function and become pure public service centers, tourist towns, or cultural areas. A study conducted by a research group in South Jiangsu reveals that between 2000 and 2009, the population carrying capacity of towns in South Jiangsu has been declining, and the number of towns has been decreasing rapidly. However, the resource integration capacity of the towns has been increasing continuously. The towns' average land area has increased significantly as well, and their average population size has been increasing slowly. Moreover, some key towns are gradually growing into small cities.

### **2.4 Northeastern and northwestern regions: The spatial concentration of villages and towns will be supported by large-scale mechanized farming.**

The northeastern and northwestern regions, represented by Heilongjiang, Liaoning, Jilin, Inner Mongolia, and Xinjiang Provinces, have a large amount of arable land per capita, which is suitable for developing modern agriculture through large-scale mechanized farming. In the future, the average income of farmers in these regions will be much higher than the national average; in areas with a shortage of agricultural labor, it will be necessary to attract migrant laborers. The villages and towns in these regions are sparsely distributed. However, in some areas with superior locational and convenient transportation conditions, the villages and towns will become increasingly concentrated, accounting for increasing population concentration, while in other areas, the villages and towns will

be evenly distributed. Because of the restricted radius of the provision of basic public services, no obvious changes in population size and spatial relationships between general villages and towns will occur for some time.

### **2.5 Central region: Moderate concentration will be promoted by the prominent people–land contradiction and multiple rural growth paths.**

Traditionally, the central region is an agricultural region that exhibits the most prominent contradiction between people and land, and the radiation capacity of towns and cities remains limited [4]. The central region produces the most grain of all regions in China. It is also the region with the lowest agricultural income per capita in the country. In such a region, the phenomena of labor force outflow and arable land abandonment continue to be prominent, and some counties in hilly areas remain characterized by severe poverty. For a period of time, a trend of rural population outflow from the central region is expected. Modes of intra-county transfer, near-field transfer within provinces and cities, and cross-regional mobility will coexist for a long time, and the rural hollowing trend will be accelerated continuously [4]. In the future, multiple growth paths will be required to support rural development, and single-point-driven development in rural areas will shift to become multi-point-driven development. Counties and some key towns will become the primary sites of population concentration and non-agricultural industry concentration.

### **2.6 Southwestern region: The mode of characteristic spatial centralization of villages and towns will be formed on the basis of special natural and human resources.**

In the southwestern region, the ecological environment is sensitive and fragile, and the poverty-stricken population is densely distributed, exhibiting distinct regional culture characteristics and abundant tourism resources. As a result, the continuous outflow of the rural population from the geological disaster-prone areas with high ecological sensitivity will be guided at the state level. Meanwhile, some areas with a relatively high ecological carrying capacity and abundant cultural tourism resources are gradually becoming sites for moderate population growth and concentration. In the future, special natural and human resource use is expected to improve in the southwestern region, thus guiding the effective allocation of resources in rural areas. The characteristic development of spaces will be key in promoting the development of rural southwestern areas.

## **3 New functions and types of business will be introduced into rural areas through industrial transformation and upgrading in the villages and towns.**

### **3.1 Industries in rural areas start to transform and develop under the economic new normal.**

#### **3.1.1 Transformation and upgrading of original industries in villages and towns**

The manufacturing industry in villages and towns is transforming from a labor-intensive industry into a capital-intensive industry [5]. Industry in villages and towns faces intense pressure because the transformation of labor-intensive industries into capital-intensive industries has accelerated since the Chinese economy entered a new normal. The early leading industries in Ligezhuang Town, Qingdao City were labor-intensive, including the hat, building materials, wood products, and food processing industries; the transformation into machinery manufacturing and leisure tourism industries has begun recently. In the Pearl River Delta, the “three-processing and one compensation” industry development in villages and towns is lagging behind and the labor costs are high, thus forcing enterprises to embark on the road to transformation. An enterprise in Jiushuikeng Village in Panyu purchased 100 robots and dismissed a significant number of migrant workers. At the peak of migrant inflow, the number of migrants was maintained at 70 000 in this village throughout the year. The current number is 50 000, exhibiting a reduction of 30%, and this reduction will continue.

The production chain of labor-intensive industries is spreading to surrounding villages and towns. In recent years, some labor-intensive manufacturing enterprises have attempted to distribute some of their production functions in the central villages to address recruitment difficulties. Cuijiaji Town in Pingdu City, which was examined in this study, is home to Vosges Home Textiles Company. The company has a centralized production department located in the park and other primary processing departments located in the surrounding central villages, making it possible for employees to adjust production time by themselves through the piecework system, which involves working at night during the busy farming season.

Enterprises are encouraged to transform and upgrade because of increasing environmental protection pressure. The transformation of private enterprises in villages and towns is promoted by intensifying environmental

protection and monitoring by central and provincial governments. Consider Shandong Province as an example. In 2013, the *Opinions on Further Promotion of Economical and Intensive Use of Land* was issued by the Office of Land and Resources of Shandong Province, which further improved the investment intensity per mu and the access thresholds for industries and environmental protection, and stated that all projects would be subjected to strict supervision and review at the application stage to gradually diminish extensive resource-based industry. Consider Zouping County in Shandong Province as another example. Until now, leading industries in this county, such as the textile, electromechanical, food, and medicine industries, have been subjected to technical transformation. The government has also been encouraging enterprises to expand their production bases of raw materials to other countries. The originally planned aluminum processing base of the Weiqiao Group, the largest enterprise in Weiqiao Town in Zouping County (a key town in China), has been transferred to Indonesia, and the pace of transformation of enterprises in the existing production base in the town has been accelerated to continue to improve the added value and technical content of products, thus extending the industrial chain and meet the increasingly stringent environmental requirements in China.

An attempt toward the integration and diversified development of industries is being made in eastern rural areas to guide some low-end manufacturing industries and transform them into service industries. Inefficient industrial land use has been identified in villages and towns in Kunshan in the Yangtze River Delta, and discussions on a compensable withdrawal system for industrial land are being held. The most economically backward region of rivers and lakes in the south of Kunshan has become the focus of recent developmental strategies implemented by the local government. “Taking cultural protection and promotion as the supporting points for promoting local industrial transformation” has become the core tenet of the government’s developmental strategies. In some villages and towns in the Pearl River Delta, private enterprises are attempting to move toward the service industry by making use of the regional advantages. In Xihu Village, Dongguan, the village collective, with the advantage of the neighboring town, has attracted foreign capital with the support of the district and town governments to build mountains, dig lakes, and establish parks. Moreover, it has invested in the construction of large-scale shopping malls and real estate projects in its vicinity.

### 3.1.2 Large-scale transfer of urban capital to rural areas

Urban capital has begun to shift to the modern agricultural field on a large scale. In 2013, the No. 1 Central Document proposed that urban industrial and commercial capital should be encouraged and directed toward rural areas for the development of crop and livestock industries for which enterprise-oriented operations will be suitable, and the concept of “family farm” was mentioned for the first time. It is expected that in the future, urban capital and new elites will continue to be involved in the transformation of rural spaces. For example, the village collective of Hegezhuang Village in Chaoyang District, Beijing, has been signing residential land transfer contracts with villagers since the 1990s, and the transferred residential land is managed by village collectives in a unified manner. The land is leased to some urban investors with the potential for appreciation as well. Thus far, in Hegezhuang Village, half of the residential land is still home to ordinary farm houses, exhibiting the typical appearance of an ordinary northern village, while the other half has private schools, western restaurants, art galleries, creative industrial parks, and other sites of high-end industries. Wangzuo Town in Fengtai District, Beijing, successfully hosted a world seed conference by utilizing the Qinglong Lake Scenic Spot and began to introduce high-end urban functions, such as five-star hotels.

### 3.1.3 Rapid enhancement of the influence of “Internet Plus” on rural areas

The development of the handicraft and small manufacturing industries in villages and towns has reached a new level through Taobao villages. The rural e-commerce industry has developed rapidly in recent years. As defined by AliResearch (Table 1), Taobao villages refer to villages with active online stores in more than 10% of local households and an annual e-commerce turnover of over 10 million yuan. In 2014, there were 211 Taobao villages in China, which is an increase of 10.5 times compared to the previous year, and 19 Taobao towns (villages, towns, and sub-districts with three or more Taobao villages) emerged. Taobao villages are mainly found in villages and towns in eastern and central China at the medium regional economic development level, primarily involving low-profit industries, such as small handicraft and small manufacturing industries. Supported by e-commerce platforms, such industries have seen a great reduction in intermediate costs in the process from production to sale and have therefore developed rapidly.

**Table 1.** Local distribution information of Taobao villages.

No.	Province	County	Number of Taobao villages	Leading industry
1	Zhejiang	Yiwu	134	Petty commodities
2	Shandong	Caoxian	113	Performance costumes and wood products
3	Zhejiang	Wenling	97	Shoes
4	Jiangsu	Suining	92	Plate furniture
5	Zhejiang	Leqing	83	Electrical products
6	Zhejiang	Cixi	78	Home appliances
7	Zhejiang	Yongkang	74	Fitness equipment and hardware
8	Zhejiang	Ruian	71	Shoes and car accessories
9	Guangdong	Puning	64	Leisure ware
10	Jiangsu	Sucheng District, Suqian	61	Plate furniture

Source: AliResearch.

The development of modern agriculture is supported by e-commerce platforms. In addition to the small handicraft and manufacturing industries, agricultural products sold via e-commerce platforms and combined with urban leisure agriculture have facilitated the emergence of a new rural space similar to “urban farms.” The great loss of agricultural products during circulation has always been a major problem restricting the development of Chinese modern agriculture. Relying on the Internet, agricultural products can be sold directly from the place of origin. Meanwhile, the defects of the traditional circulation pattern can be overcome, including complicated circulation, low efficiency, and severe loss. Rural producers are enabled to face the consumer market directly, unhindered by intermediaries. Some manufacturing bases of distinctive agricultural products and handicrafts in China have made breakthroughs with the support of e-commerce platforms in recent years. The Ministry of Commerce in China issued the “*Internet Plus Circulation*” Action Plan in 2015, in which a plan was proposed to cultivate 200 rural demonstration counties for advanced, integrated, and country-wide e-commerce development. However, issues such as incomplete reform of built-in rural financial systems, socio-cultural structure, basic consumption concepts, information circulation modes, and credit system construction will still be major barriers to the development of e-commerce platforms in rural areas.

The Internet sales system enters into the rural terminal market. In October 2014, Alibaba put forward a plan to invest 10 billion yuan in building 1000 county-level operating centers and 100 000 village-level service stations within three to five years. The plan involves both “online products going to the countryside” and “agricultural products going to the town.” E-commerce systems providing online shopping services for farmers will inevitably change the basic rural business service network over time.

#### 3.1.4 Improvement of requirements for characteristic development of villages and towns in the post-industrial age

Based on international experiences, small towns will begin to develop when leisure and consumer culture emerges in the country during which regional disparities will decrease gradually, and the population will tend to move toward or between metropolitan areas. As a result, the development of small towns will gain the support of the population and various economic factors, including human capital. The developed regions of China have begun to enter the initial stage of this period. The professional secondary industry and characteristic tertiary industry in small towns have gradually become the core competence supporting their development. According to preliminary statistics, specialized towns, featured with industrial agglomeration, account for one-quarter of the designated towns in the Pearl River Delta. An agricultural development path of vertical integration oriented toward the vegetable market in medium and large cities has been created and garnered significant success through the linkage of primary, secondary, and tertiary industries in small towns and rural areas in Shouguang City, Shandong Province. The construction of “characteristic towns” has been a focal point since 2016, which clearly explains the trend [6].

### 3.2 Rural spatial patterns will change.

#### 3.2.1 Decline of growth centers supported by original traditional industries and space reconstruction

Non-agricultural industries in the rural areas of China are currently dominated by traditional industries. With the gradual acceleration of industrial transformation in China, some rural manufacturing bases benefiting from the

support of traditional industries have shown a declining trend, especially in some regions of the Yangtze River Delta and the Pearl River Delta [7]. In some villages and towns with developed manufacturing, small native manufacturing enterprises that were scattered have gradually been merged with or taken over by larger developed enterprises, and industrial parks that once flourished have begun to shrink. Enterprises have begun seeking a moderate agglomeration consciously under market forces. In central and western regions of China that are in good locations and have good industrial transfer, local labor-intensive enterprises face difficulties in recruiting workers as it is very difficult to quickly reverse the trend of labor migration within a short period. Therefore, they must transfer their production to larger towns and central villages, resulting in a flat spatial system. On the one hand, the combination of the two trends mentioned above increases the internal variety of villages and towns in developed regions, which further enhances the spatial construction of villages and towns with the most industrial competitiveness and gives rise to a grouping of small cities. On the other hand, it improves the industrial development of villages and towns in moderately and less developed regions from the bottom up and narrows the gap between them and the common eastern areas.

### 3.2.2 E-commerce industry development and the developmental gap between the eastern, central, and western regions of China

Differences in rural development between regions will be enhanced rather than impaired on a macro level. The regional differences in China result from natural endowment and location conditions. The Matthew Effect leads to the constant widening of the gap in other factors such as economic and institutional efficiency. In reality, among these regions, the differences in rural development are much greater than the differences in urban development. Although the Internet can shorten the space-time distance and reduce regional differences to a certain extent, regional differences in economic development, science and technology, sociocultural conditions, and institutional efficiency are becoming increasingly conspicuous because of efficient and transparent information technology. The number of Taobao villages in the eastern regions has overwhelming advantages according to the *Research Report on Taobao Villages in China (2014)* published by AliResearch.

### 3.2.3 Emergence of new growth points beyond the original village and town system boosted by new formats

E-commerce has entered the agricultural and non-agricultural production field in villages and towns, and urban capital has entered leisure and modern agricultural fields in recent years. The Internet provides more open and flat information platforms and supports further market segmentation, personalization, and diversification, thus posing a challenge to the traditional advantageous urban and scale economy and allowing some small villages that were originally remote and not local economic growth centers to develop rapidly beyond the original village and town system. Uniquely charming or characteristic industries in small towns and villages are likely to be enhanced by the Internet over time. However, current Internet technologies are insufficient to cover all people's complex needs. The provision of core public services such as education and medical care is still closely related to the existing spatial structure. Therefore, although some villages and towns may become new spatial growth points because of Internet technologies within a certain period, it is impossible to make a disruptive impact on the original core structure of county regions.

### 3.2.4 New agglomeration requirements based on the Internet era and the decline in dependence on agglomeration

The rural e-commerce system is currently in its infancy, but it has gradually begun to change the basic rural business service pattern. Let us take the plan of the aforementioned Ali Group as an example. The proposed "100 000 village-level service stations" can cover approximately 3.7% of the total natural villages in China. Twelve to eighteen percent of the villages may have access to relevant services if one village-level service station can cover four to five surrounding villages. With the expansion of the service network, more important service types such as distance education and telemedicine are likely to be promoted through the network in the future. It will be conducive to solving issues related to equal provision of basic public services in mountainous areas, hilly areas, and western areas with a low population density. "Internet Plus" may reverse the current tide of urbanization. Within the system of villages and towns, the original population guidance with the provision of basic public services at the core is likely to give way to that with Internet and offline service stations at the core, which may both promote new agglomeration requirements inside villages and towns and cause a decline in the dependence of grassroots settlements in villages and towns on agglomeration.

### 3.2.5 Consistent improvement of requirements for characteristic style shaping and cultural protection in villages and towns

Characteristic construction of villages and towns is an important way to promote their industrial development and make them more attractive. With the acceleration of industrial transformation in villages and towns, requirements for their characteristic style shaping and cultural protection will rise constantly. Increasing importance has been attached to the problem of “sameness across villages and towns.” Spatial constitution based on local cultural characteristics and growth arrangement of villages and emphasizing natural and historical characteristics will be an inevitable development trend in the future. Yuanjia Village, Shaanxi Province, which is approximately a one hour drive from Xi’an City, was a locally famous, poor village in the 1970s. Liquan County has a profound historical culture. Compared to surrounding villages, Yuanjia Village does not exhibit the most prominent historical and cultural features. It has been enhancing its characteristics in local and folk culture and developing the leisure tourism industry based on Guanzhong food and rural life experience since 2000, and it has achieved great success. Its population has increased to 3000, from just over 100, and the annual average income of its original residents has exceeded 200 000 yuan.

#### **4 Provision of basic public services will become the emphasis of the grassroots village and town construction.**

##### **4.1 Equalization of public services in villages and towns is one of the core responsibilities in the current planning and governance of villages and towns.**

The urban–rural gap in public services in China has consistently widened in the 30 years following the reform and opening-up. The limitations of social undertakings (i.e., the inability of some to afford education or healthcare) is particularly prominent in rural areas compared with urban areas, and this has become a great obstacle restricting the continuous operation of rural society. Therefore, continuing to promote the equalization of public services in villages and towns is an important responsibility of the Chinese government as well as a necessary measure in promoting the development of the Chinese economic society. As economic reforms deepen, social conflicts are exhibiting a concentrated outbreak and contemporaneous characteristics such as local “quantitative change to qualitative change” and mass incidents at a high level in recent years. Frequent vicious incidents in primary schools and kindergartens, as well as escalated medical disputes in rural areas, have adversely affected the ability to maintain stability in rural society. Improving the equalization of rural public services will help promote consensus, remodel social cohesion, and stimulate the development of rural areas. Furthermore, it will be conducive to improving expectations and releasing demands as well as provide stronger and enduring domestic demand power for accelerating the transformation of economic development patterns.

##### **4.2 The requirements for rural public services will be improved, and their influence on the integration and construction of spatial pattern in villages and towns will increase.**

China has entered a stage of major breakthroughs for the equalization of basic public services. The regional and urban–rural movement of the population has not yet ended. The provision of rural public services will be transformed in three ways. First, the sharing of public services in various places will represent the general trend. Second, public services will change from being supply-driven to being demand-driven. Third, the content and hierarchy of demands for public services will be increasingly diversified and adjusted dynamically. As the adjustment trend of demand and provision of rural public services will directly influence hundreds of billions of government investment, discretion must be exercised. Governments and social organizations shall conduct adequate demand surveys and analyses and design a decision-making mechanism that follows demand, thus ensuring that the provision of rural public services in different regions truly reflects the preferences of all stakeholders.

###### **4.2.1 Enhancement of appeals for regional coordinated development**

The current traditional development strategy of urban–rural public service system construction that is based on the administrative level and public service scope definition according to the administrative boundary has increasing limitations. The notion of public service resource allocation based on urban–rural interaction, overall urban–rural development, and regional collaboration will be an irresistible trend. With continuously improving urban–rural traffic convenience, the overall improvement of common villagers’ economic conditions and the constant decrease in the rural resident population, basic public service facilities in some villages cannot satisfy villagers’ basic needs. In some areas with developed economies and transportation, the spatial and temporal distance between sites is small on the municipal scale, and the rural demand for public services such as educational



resources and medical treatment have continued to increase. Appeals for the provision of original primary township services in rural areas are not limited to villages and towns. They may be provided by municipal public service centers in central urban areas.

#### 4.2.2 Improvement of demands for a service sharing mechanism in various places

China is in a period of a large-scale and trans-regional population movement. In 2011, the nationwide migrant population was 230 million—about 80% (approx. 185 million people) of whom were involved in the urban–rural movement. The figure reached 239 million in 2013, including nearly 190 million expected in the urban–rural movement. According to the current trend, the population will continue to gather in the eastern coastal areas from the central and western areas, particularly in town-concentrated areas represented by the Yantze River Delta, the Pearl River Delta, and the Beijing–Tianjin–Hebei regions. Therefore, establishing a mechanism for public service sharing in different places as soon as possible is the general trend of the current urban–rural public service provision. Urgent key and difficult issues that remain include further optimizing the allocation model of rural public service facilities in the place of arrival and the mode of public service capital transfer in the place of origin.

#### 4.2.3 Transformation of public services from being supply-driven to demand-driven

With the constant and continuous development of the social economy, current urban–rural public services have begun to transform from top-down supply-driven to bottom-up demand expression and from fixity and minimum guarantee to diversification and dynamic adjustment. On the one hand, the ways for all social classes to appeal for public services will constantly improve, and the objects of public services will have diversified approaches to express their demands, including a mature network-based and electronic environment. On the other hand, future public service provision will transform from the simple government-led mode to a diversified public service provision mechanism led by the government and with the extensive participation of civilian force and capital.

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