

## Abstract

Founded on the land that was plotted out from remote rural areas of two neighboring cities in 1986, Zhangjiagang is a young, dynamic and harmonious city. As the home to 880,000 local residents and 600,000 migrants, Zhangjiagang created a miracle of economic growth within only two decades: In 2007, its GDP reached 15.22 billion US dollars, 58 times as the one in 1987; with 1% of the population in Jiangsu Province, Zhangjiagang has generated 4% of the provincial GDP. And with only one ten-thousandth of the territory of China, the City contributed four thousandths of the country's tax revenue.

The long existing dichotomy policy system in China intensified the disparities between urban and rural areas in Zhangjiagang, which resulted in a series of problems. In the late 1990s, under the guidance of national sustainable development strategies, the UN Millennium Declaration and Habitat Agenda, Zhangjiagang drew policies and plans to fully protect farmers by establishing a model of joint development and common sharing. With strong institutional and policy support, full public participation, and wide international cooperation, Zhangjiagang City set up a virtuous, fair and rational interaction framework among all strata of society and help farmers to become real urban residents by gaining identification, realizing their self-values and improving their capacities.

The State Council has recognized and promoted Zhangjiagang's experience in improving rural settlement quality under integrated urban-rural development. Many cities in Jiangsu Province and other areas of the Yangtze River Delta, which is China's fastest-developing zone, have set the aim of "learning from Zhangjiagang and making significant changes in three years". In 2006, the city won the China Habitat Award as well as National Landscaping Model City and National Ecological City. And her experience and model are believed to worth being replicated in the rest of the world especially developing countries.

## **Jointly developing a new city by the Yangtze River and sharing a harmonious and beautiful life**

**--- Zhangjiagang's initiative to improve the quality of human settlement for farmers in the drive of integrated urban-rural development**

### **Background**

Located in the south of Jiangsu Province of China, to the west of Shanghai and on the southern bank of the Yangtze River, Zhangjiagang City was founded in 1986 on the land that were plotted out from remote rural areas of two neighboring cities. With an area of 999 km<sup>2</sup>, composed of 45 km<sup>2</sup> of urban area and 954 km<sup>2</sup> of rural area, the City is home to 880,000 local residents and 600,000 migrants.

As a new city built in rural area, Zhangjiagang created a miracle of economic growth within only 20 years. In 2007, its GDP reached 15.22 billion US dollars, 58 times as the one in 1987, which was 257 million US dollars; in the same year, its per capita GDP exceeded 10,000 US dollars. With 1% of the population in Jiangsu Province, Zhangjiagang has generated 4% of the provincial GDP. And with only one ten-thousandth of the territory of China, the City contributed four thousandths of the country's tax revenue.

As its economic growth picked up speed, the urban-rural gap limited the sustainable development of Zhangjiagang. The long existing dichotomy policy system in China intensified the disparities between urban and rural areas in Zhangjiagang, which resulted in a series of problems such as unbalanced resource distribution, wider income gap and employment difficulties for rural residents and hindered the harmonious development of the City. In the late 1990s, with the guidance of the UN Millennium Declaration and Habitat Agenda, and following the relevant Chinese policies, Zhangjiagang sought after changes through integrated urban-rural development strategy. Especially since 2000, Zhangjiagang City Government has pioneered in bringing local farmers and migrant rural workers into the scope of integrated urban-rural development strategy and taken the initiative to improve the human settlement quality of farmers by following the model of jointly developing the city and sharing benefits among urban and rural residents. The experience gained from the integrated development has been highly rated by the State Council of China and disseminated in other parts of the country.

## Project description

### Existing problems:

•The city of Zhangjiagang is composed of urban and rural areas. Compared to the rapid development of the urban area, the economic and social development has lagged behind in rural areas, which has directly affected the harmonious development of Zhangjiagang.

•Due to the long existing dichotomy system in China, farmers have been suffering the unfair treatment in many aspects including employment, medical care, housing, and children's education, etc., and they have more obstacles in their individual development, guarantee of livelihood and identification. As a big vulnerable group, their human settlement quality is directly linked with the harmonious development of Zhangjiagang.

•In recent years, China is experiencing the process of population transfer featured by the migration of millions of farmers into the coastal cities that are economically developed, whose living quality is much poorer than the local farmers'. In the last decade, about 600,000 rural labors have migrated into Zhangjiagang and settled in the urban and rural areas of the city. The innovative Zhangjiagang people were determined to explore a new way of urbanization to create a more inclusive and harmonious home for all the residents.

### Aims of the initiative:

Through the model of joint development and common sharing, the initiative aims at improving the living quality of the farmers and promoting the harmonious development of the City. Under the guidance of such an overall concept, the model of joint development will help establish a virtuous, fair and rational interaction framework among all strata of society and help farmers to become real urban residents by gaining identification, realizing their self-values and improving their capacities. While, the model of sharing aims at eliminating urban-rural disparities by offering equal public services and products for local and migrant farmers so that harmony is achieved between urban and rural areas and between urban and rural residents.

### Measures taken:

• **Drawing policies and plans to fully protect farmers and promote the coordinated development between urban and rural areas**

**Policies:** Since 2003, Zhangjiagang City Government has issued more than 20 policies that ensure farmers could increase their income and migrant labors could enjoy the complete citizenship. For example, two rounds of "Scheme on Booming Private Businesses" were successively carried out to help farmers fully employed. Such measures as establishing rural collectively-owned asset shareholding cooperatives, encouraging farmers to join the cooperatives with their contracted land, and promoting operational level of agricultural industrialization ensure the rural

families benefit on a long-term basis by holding their own stocks and property. As a result, over the past five years, the farmers' salary increased at an annual average of 12%, and the percentage of income from non-agricultural sources in the farmers' total income has increased from 83% in 2003 to 91% in 2007.

**Planning:** Zhangjiagang City Government seeks to break through the urban-rural boundaries with urban functional zones. Through five rounds of adjustments, a basic structure of "one city with four districts" and "two industrial zones and two industrial parks" has come into being. Following the master plan, over 30 supporting detailed plans have been worked out including industrial development, public transportation, education, public hygiene, gardens and greenery, as well as water systems. In the functional zones equal and balanced public services and products are provided for farmers, which effectively raise the quality of human settlement.

**•Establishing a model of joint development that fully accepts farmers and provides equal chances of development**

**Education:** To ensure a brighter future for more rural children, Zhangjiagang City Government has promoted a balanced urban-rural education system and the experience has been disseminated as best practice by the State Council of China. Zhangjiagang City Government has invested 145 million US dollars in developing rural education over the past five years. Before 2000, migrant rural workers' children were not accepted by local schools, unless expensive fees were paid, which resulted that many rural children were kept out of the school gate. However, since 2003, Zhangjiagang has invested more than 32 million US dollars in modernizing rural schools, expanding urban public schools and building new schools, which have enabled 43,700 children of migrant workers to enroll in the schools near their homes. Meanwhile, the government spends 2.2 million US dollars every year in running 242 routes of school buses that enable more than 10,000 rural children to commute safely between home and school every day.

**Employment:** Farmers were once kept out of the system of modern industries. Since 2003, on one hand, Zhangjiagang City Government has invested 1.09 million US dollars to offer free training for 21,540 local farmers and 7,336 migrant farmers, which helped 85% of the trainees to find jobs. On the other hand, the city government encourages enterprises to hire farmers, by issuing a number of favorable policies such as subsidies for social insurance, allowance for job positions, and reduction and exemption of taxes and charges. Since 2003, a total of 1.16 million US dollars has been given as various forms of subsidies, while tax reduction and exemption have totaled 1.739 million US dollars. By the end of 2007, the registered unemployment rate of the City was 1.91%, much lower than the one of the country.

**Governance:** While providing equal educational and employment opportunities for all residents, the city government endeavors to raise awareness of the residents to participate in the governance of the city. Since 2003, a great number of migrant

workers have been invited to get involved in the high-level management of enterprises or even the city government. Ms. Pan Jinfeng, for example, was elected to Jiangsu Provincial People's Congress by Zhangjiagang City in 2008. And she became the first migrant worker in Jiangsu Province who was elected as the people's representative to participate in city management and government decision-making at a higher level.

- **Establishing a model of common sharing that enriches and benefits farmers and ensures them to share the results of development**

**Housing:** A social housing supply system mainly composed of affordable housing and low-rental housing has been established on the basis of *the Management Guidelines on the Supply of Social Housing in Zhangjiagang* executed in 2003. Since then, the government has built 600,000m<sup>2</sup> of affordable housing for more than 5,000 low-income families and 1,817 free-of-charge lodge spots for over 390,000 migrant farmers. A sample survey conducted in June 2007 shows that per capita living floor space of local and migrant farmers in Zhangjiagang was 40.2 m<sup>2</sup>, which exceeded the one of residents in the urban area, namely 34 m<sup>2</sup>.

**Medical care:** It is still one of the hottest topics in China that farmers have little access for medical service. Since 2004, Zhangjiagang has established a new medical care system in rural areas with interaction between farmers, medical institutions and government with the support of a new cooperative medical information system. Every year, the city government allocates 5.8 million US dollars (the figure reached 14.78 million US dollars in 2007) to promote the new cooperative medical system. Up to now, 99% of the farmers have joined the system. Relying on this system, each farmer can get a compensation of 5,043 US dollars by paying only 5.8 US dollars in the case of severe illnesses.

**Social security:** Since 2003, the government has carried out an integrated urban-rural social insurance system. By the end of April 2008, some 314,003 people have taken part in the insurance system, including local farmers accounting for 32.2% and migrant farmers 23%. As the rural population ages faster than ever, the traditional family-oriented way of looking after the seniors is no longer adequate. Since 2003, the government has invested 53.62 million US dollars in establishing the rural endowment insurance and pension subsidy. By the end of 2007, about 135,000 people have taken part in the insurance, taking up 99.5 percent of the target group.

- **Taking the lead in China in introducing the concept of urban communities into the countryside to improve farmers' living conditions**

Zhangjiagang has taken the lead in the country to introduce the concept of urban communities to the countryside. Through encouraging farmers to live in communities, the government has been able to reallocate the resources inside and around the communities. Thus, the rural infrastructure, basic functions, service mechanism and living environment have been improved to the same level as those in urban areas. At present, modern communities have been established in all the 180

villages outside the downtown area of Zhangjiagang.

**Around the communities:** The countryside in Zhangjiagang used to be a system which is relatively secluded, with the environment and resources extensively developed. From 2003, the government has spent some 400 million US dollars to harden road surfaces, beautify houses, clean rivers and install brighter street lamps while bringing water, electricity, gas, telecommunications, buses and digital television to each family of each village. By gathering resources and using them economically, the government has improved the farmers' living standards effectively. For instance, in the past, most villages discharged sewage directly into rivers, which also served as the source of drinking water for farmers. To change this situation, the government launched a project to rebuild hygiene toilets and the water supply system. With an investment of 53.62 million US dollars, the rural sewage disposal network and sewage treatment plants were set up, treating 12.4 tons of sewage every day. With 100 million US dollars of investment, the water supply pipelines have reached every corner of the city. All the farmers can enjoy safe and clean tap water. Besides, trees and meadows are planted along countryside roads and riverbanks. The ecological corridors that link the city with the countryside have realized the farmers' dream of living in garden-like communities.

**Inside the communities:** The government gives emphasis on improving the services and ecological development of communities. Each rural community is equipped with a service center, cultural and sport facilities, a citizens' school and a service networking station. The citywide "1890 community service network" enables the farmers to enjoy medical check-ups, water and electricity maintenance, meal and mail delivery, among dozens of services that are either free or subsidized by the government. To better serve the rural communities, a macro-production service network has been set up to offer production guidance, market information and training of farming skills. At the same time, all the communities have been equipped with natural gas, solar energy and other types of new energy. The 200,000 m<sup>2</sup> of newly built rural houses have fulfilled the goal of saving 50% of energy.

● **Initiating the integrated urban-rural cultural construction to raise the overall capabilities of farmers**

Zhangjiagang was the first city in China to raise the concept of "enriching rural culture and nurturing modern farmers". The experience in the integrated urban-rural cultural development with the theme of "using culture to nurture people" has been promoted in many Chinese cities.

**Gathering cultural resources:** Zhangjiagang City Government has paid great attention to protecting traditional culture and building urban-rural cultural system. The city has been eager to protect historical and cultural heritage sites such as the Dongshan Village ruins, the Heyang mountain songs and Dongduyuan, where Tang Dynasty Buddhist monk Jianzhen set sail towards Japan. Since 2003, the government has invested 7.25 million US dollars in building "village cultural parks". There are

144 rural public libraries/reading rooms, 19 movie theaters and 22 storytelling centers in the City. The “village cultural parks” have become the spiritual heaven for farmers to acquire knowledge and enjoy beauty.

**Launching cultural activities:** Since 2003, Zhangjiagang has successively held “Yangtze River Cultural Festival” for four years. Hundreds of thousands of farmers from 12 provinces, municipalities and autonomous regions along the Yangtze River took part in the festival. With the purpose of promoting traditional and folk culture in the Yangtze River drainage area, the Festival has had excessive influences home and abroad. In 2007, the government initiated cultural activities such as assigning folk opera troupes and movie projection teams to the countryside, which attracted some 500,000 people to participate in the activities. The towns and villages also have their own cultural activities. For example, Tangqiao Town is known for *go*, or Chinese chess; Jingang Town is famous for papercuts and Leyu Town is known for kites. Such activities have added more colors to the leisure time of farmers.

### **Achievements:**

- **In economic aspect:** The initiative has continuously lowered the urban-rural residents’ income ratio from 3.2:1 in 2000 to 2.1:1 in 2007. The Gini Coefficient of rural residents has dropped from 0.39 in 2000 to 0.31 in 2007, while the Engel’s Coefficient has also dropped from 39.80 percent in 2000 to 31.24 percent in 2007. In 2007, per capita disposable income of the residents in the urban area and per capita net income of farmers reached 3,190 US dollars and 1,518 US dollars respectively, and 87% of the farmers were satisfied with this income distribution. For example, in Yonglian Village, the “Number One Iron Village in China”, each ordinary farmer can enjoy nine types of welfare that totaled over 1,600 US dollars offered by the village every year. Many farmers who once dissatisfied with the life in the village and left for the city have now moved back to Yonglian.
- **In social aspect:** The initiative has resulted in a more rationally developed city with prosperous downtown area and beautiful suburban area. The harmonious environment and social atmosphere propels the social management of Zhangjiagang to be more democratic and humane. Through such efforts, Zhangjiagang become known with the highest credibility and lowest crime rate among the cities in China.
- **In cultural aspect:** The initiative has brought about integration of regional cultures, and bridged the gap between urban and rural residents, locals and migrants. The urban and rural residents have joined hands in building the city of their own. For instance, the “Loving Heart Alliance for New Citizens’ Mutual Support” formed by the migrant farmers in Zhangjiagang City together with locals donated 22.255 million US dollars for Wenchuan of Sichuan Province where the earthquake happened on May 12, 2008. They also formed volunteer groups to offer all kinds of help to 380 students from the earthquake-hit areas who were arranged to Zhangjiagang City to stay and study for a period of time.

## Main Partners

**Public participation:** The initiative has gained enthusiastic support from the 500,000 local farmers and 600,000 migrant farmers in the City. Through newspapers, television, radio and the Internet, they get involved in the campaigns like “I discuss development with the Mayor” and “Hotline on political and trade practices” to make comments and suggestions for the government. They also organized community volunteer teams, city landscaping volunteer teams and environmental protection volunteer teams to take part in every field of improving the urban-rural settlement quality.

**International cooperation:** In order to make a scientific planning, Zhangjiagang City has conducted technical cooperation with some international organizations and companies including UN-Habitat, UNFPA, HILL Company of the United States, Obermeyer Company of Germany and others. For example, China’s first planning for the concentrative residential area in rural areas was worked out with such technical cooperation, which greatly promotes the integrated urban-rural development. Besides, a total loan of US\$68.71 million from the government of the USA and the UK was used for the projects including the No. 2 Wastewater Treatment Plant and domestic waste incineration plant of Zhangjiagang. While, the POSCO Company of South Korea donated 10 million US dollars for the Pohang School aiming to raise the rural education level in Zhangjiagang.

**Central Government support:** A series of policies and capital are provided by the Central Government for the urban and rural construction of Zhangjiagang. Every year about US\$30 million is earmarked for the irrigation and road construction. The first inland bonded area in China, Zhangjiagang Free Trade Zone was set up with the approval from the State Council, providing more development opportunities for all residents in Zhangjiagang. Meanwhile, the Central Government pays great attention to the integrated urban-rural construction in Zhangjiagang and holds several on-the-spot meetings in the city for promoting the construction experience.

**Expert consultation:** The city government retains some national and international consultants including Mr. WU Liangyong, well-known international urban planning master, for launching and implementing the Initiative. After Mr. WU visited Shuangshan Island of Zhangjiagang, which has been developed under the framework of the Initiative, he recognized it with the words “Gold is valuable, but such a treasure island is priceless” and he believed that the approach and experience in building an international city without neglecting the benefits of farmers and preserving the civilization of eco-farm is worthy to be disseminated extensively.



## Impact

**Human settlement quality improved:** The initiative has not only narrowed the urban-rural gaps and improved the rural human settlement but also improved the living quality of other residents. For example, 85% of the communities have been awarded as “Communities with Beautiful Environment”, and there is a public green space or a small park every 100 meters in the downtown area. According to statistics, 98% of the residents are satisfied with the work of the local authority and 97.5% of the residents are satisfied with the improvement of environment. 95% of university graduates and overseas learners from Zhangjiagang are willing to work and live back home.

**The city’s synthetic power intensified:** The fair and square development environment has attracted top talents both at home and abroad to Zhangjiagang, which results in a sufficient supply of skilled workers for business development of the city. At present about 8200 foreign talents work in Zhangjiagang. The accumulation of the talents not only promotes the industrial development but also increases the fiscal revenue and funds reservation for improving human settlement and enhances the comprehensive strength of the city. In 2007, the local financial revenue of Zhangjiagang reached US\$1.08 billion and the funds reservation for improving human settlement reached US\$321 million.

**The city’s investment attraction enhanced:** Due to the initiative, Zhangjiagang was appraised as the National Civilization City in 2005, which is the top honour for cities in China and in 2007, Zhangjiagang was ranked the first in the top 100 small and medium-sized cities in China. The perfect investment environment has attracted great foreign investment. More than 1,400 overseas enterprises have invested over 15 billion US dollars in Zhangjiagang, which is widely acclaimed with the highest investment value among all the cities of the country.

## Sustainability

**Enhancing economic capability:** The city has given priority to developing economy, pushed forward the upgrading of industries, built an efficient industrial system that can be compatible with international practices, carried out the economic policies like “city feeding rural areas in return” and “protecting farmers’ material interests, shortening the gap between rich and poor”. All these measures aim at providing sustainable economic capability for improving rural settlement.

**Encouraging public participation:** With the government as the leader, the city has renovated the mechanism of public participation, formed a network among the levels of the city, towns and communities, and improved rural settlement

from the aspects of residents' capability, living environment and development function.

**Improving farmers' capabilities:** The model of joint developing and common sharing has mobilized the farmers' eagerness and potential for development. The integrated urban-rural education, career training and employment systems ensure that farmers gain equal opportunities in development as urban residents. By improving capabilities, farmers have a better chance in social competition and raising their living standards. This has become a driving force to improve their settlement quality.

## **Transferability and upscaling**

**The Areas where the model is replicated:** The State Council has acknowledged and promoted Zhangjiagang's experience in improving rural settlement quality under integrated urban-rural development. Many cities in Jiangsu Province and other areas of the Yangtze River Delta, which is China's fastest-developing zone, have set the aim of "learning from Zhangjiagang and making significant changes in three years".

**The Areas where the experience is replicable:** In China, 900 million farmers need better development opportunities and public services. In the world, especially in developing nations, the issues concerning farmers have hindered each country's development. As a young medium-sized city, Zhangjiagang strives at narrowing the urban-rural gap and improving rural settlement quality. From her practices, the city has achieved tangible and measurable results. Her experience and model are believed to be worth replicating in cities of developing countries.

**Upscaling:** Since 2005, Zhangjiagang has been working on three aspects of upscaling – the upscaling of industries, functions of the city and residents' capabilities. In 2007, the city raised the strategy of constructing "harmonious Zhangjiagang", which aims at improving settlement quality continuously through sustainable policies and measures.

## **Innovation**

**Innovation on integrated urban-rural planning:** The city pioneered in China the concept of integrated urban-rural planning within and between regions, with local farmers and migrant farmers included in the planning which has achieved positive results.

**Innovation on concept and model:** The model of joint developing and

common sharing has inspired the farmers' creativity and turned them into real citizens. While improving their own living standards, farmers have become the main force in urban development and improving human settlements, thus achieving a "win-win" result in urbanization and farmers' development.

**Innovation in system and mechanism:** Zhangjiagang is the first in the country to explore the system of re-allocating urban-rural resources with the focus on building rural communities. In establishing the integrated urban-rural administration system, the governmental agencies' functions in social management and public services are extended from the city to the countryside. The infrastructure construction and management system as well as the public service and social security system have covered both urban and rural areas.

**Innovation in practices:** The city has taken the lead in applying the experiences and methods acquired from improving urban settlements to the countryside according to the specific conditions and needs of the rural area. Through practices, Zhangjiagang has found a path towards a harmonious city with urban-rural interaction and the integration of urban and rural population.

### **Recognition of the initiative**

**National awards:** In 2003, the city won the honors of China Best Practices of Human Settlement Improvement, National Advanced City in Promoting Clean Rural Toilets, and National Model City for Good Self-management by Villagers in Rural Areas. In 2004, the city won the title of National Garden City. In 2005, the city was among the first winners of National Civilization City, and it also won the Best Practices in Building a Healthy City. In 2006, the city won the China Habitat Award as well as National Landscaping Model City and National Ecological City.

**International recognitions:** In 2005, the founding committee of the WHO West Pacific Alliance for Healthy Cities accepted Zhangjiagang as its member, which was the first county-level city in China to join the alliance. In 2008, Zhangjiagang passed the WHO's field appraisal to become the world's first international hygiene port.