

Early Warning System

# ADB-49279-001

## Creating Enabling Environments for Gradual Rural-Urban Migration and Urban Settlements Development

# Creating Enabling Environments for Gradual Rural-Urban Migration and Urban Settlements Development

## Quick Facts

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| **Countries** | China |
| **Specific Location** | Chuxiong Yi Autonomous Prefecture |
| **Financial Institutions** | Asian Development Bank (ADB) |
| **Status** | Active |
| **Bank Risk Rating** | B |
| **Voting Date** | 2016-11-25 |
| **Borrower** | Government of the People's Republic of China |
| **Sectors** | Infrastructure, Law and Government, Technical Cooperation |
| **Investment Type(s)** | Grant |
| **Investment Amount (USD)** | $ 0.40 million |
| **Project Cost (USD)** | $ 0.40 million |

## Project Description

The integration of rural migrants in urban areas as permanent urban residents is one of the priorities to achieve people-oriented urbanization as set forth in the National Plan on New Urbanization (2014 -2020) and the Thirteenth Five-Year Plan, 2016- 2020. This priority reflects that the PRC lags behind in urbanization, compared to developed countries when they attained per capita incomes similar to the PRC. In 2014, the PRC's urbanization rate was 54.8%. However, when rural migrants in urban areas without urban hukou (household registration) were discounted, the urbanization rate was only 36.7%. The majority of rural migrants about 236 million in 2013, predominantly males and single females in their 20s or 30s reside in urban areas in the short term (less than 6 months) or long term (more than 6 months) without becoming permanent urban residents (with urban hukou), while leaving married women, children, and the elderly in their home villages. Against this background, the the PRC Government aims to (i) grant urban residencies to about 100 million rural migrants living in urban areas with rural hukou, (ii) rebuild urban villages for another 100 million people, and (iii) develop small towns and cities for 100 million more people in the poor central and western regions during the plan period 2016 -2020.

Chuxiong Yi Autonomous Prefecture, located in central Yunnan Province, forms part of the PRC's poverty-stricken western region. It is the home of several ethnic minority groups (the largest is the Yi), which in 2015 accounted for more than 35% of the population. The prefecture is mountainous, with only 8.3% of the land area classified as flatland. It is prone to natural hazards such as landslides and floods, which severely hit poor rural areas. The per capita income of rural households in the prefecture was CNY8,327 in 2015, barely one-third of that of urban households (CNY26,763), and well below the rural per capita income at the national level (CNY11,422). Because of its sociogeographic characteristics and poor transport infrastructure, which are also common to other poor prefectures in the PRC's central and western regions, the prefecture lags in economic development and industrialization, which negatively affects the urbanization rate (40.4% in 2015, lower than Yunnan Province [43.3%] and the PRC [56.1%]). Even labor-intensive, resource-based manufacturing with low entry barriers remains underdeveloped and has generated little stable employment for rural migrants. The prefecture is, therefore, trapped in a vicious circle low industrialization leads to slow rural urban migration and urbanization and, consequently, slow progress in poverty reduction.

In 2010, the Chuxiong Prefecture Government's Policy Research and Legislative Advisory Office conducted a study to develop policy recommendations promoting gradual migration of the rural population to urban areas: first, rural rural migration from mountainous areas to semi-mountainous and flatland areas; second, rural urban migration without the change of household registration (long-term rural migrants in urban areas); and third, rural urban migration with the change of household registration (permanent urban residents). Some of the recommendations were incorporated in the prefecture government plan documents, such as the Chuxiong Prefecture New Type Urbanization Plan, 2014 -2020, and the Chuxiong Prefecture Rural Poverty Reduction Plan, 2011- 2020. The study also had impacts beyond Chuxiong, providing a reference for other similar prefectures in the central and western regions. Since the study, however, policy and economic environments have changed, requiring a new study of rural migrants and returnees.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

The TA supports the government's efforts to safeguard and improve living standards through people-centered urbanization. It is directly linked to ADB's country partnership strategy, 2016 2020 for the PRC, which emphasizes inclusive economic growth by reducing poverty and inequality. The TA will create synergy with the ongoing loan in Chuxiong Prefecture, and complement other TA projects in the PRC for urban rural linkages and balanced urban and regional planning, and more efficient land use in small cities and towns, as well as ADB's urban sector knowledge work on balanced urbanization for inclusive cities development.

CONSULTING SERVICES

A total of 4.5 person-months of international and 18.0 person-months of national consulting services will be required to ensure

## Investment Description

- Asian Development Bank (ADB)

## Contact Information

ACCOUNTABILITY MECHANISM OF ADB

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**Bank Documents**

- Creating Enabling Environments for Gradual Rural-Urban Migration and Urban Settlements Development i [Original Source]
- Project Disclosure PDF