

# Research on Urban Economic System in China —— Based on Modern Urban Economic Data

Si Changyu

School of Humanities, Xinxiang University, Xinxiang 453003, Henan, China

email: xxsichy@126.com

**Keywords:** Urban Economic System, Modern Cities, Urban Growth

**Abstract:** The functional structure of Chinese traditional cities is mainly reflected in military defense and political center, so the ancient city connection is a vertical structure lacking horizontal connection. Before the industrial revolution, although cities existed for more than 4,000 years, their development speed was rather slow, and the industrial revolution made great development of productive forces. From the perspective of modern urban economic data, this paper discusses the development and development of commodity market, the relationship between modern industry and market development, the transformation of urban main functions and economic structure, and analyzes the growth and decline of urban economic development factors such as geographical location, hinterland, transportation and economic conditions in modern regional economic competition. According to the general law of urban system evolution and the current situation of China's urbanization, it is predicted that China's large-scale cities will still grow at a relatively fast speed, and the urban system will be further optimized, and the key to achieving this goal is to strive to reduce the migration cost.

## 1. Introduction

The evolution direction of urban system will affect the efficiency of economic growth [1-2]. However, in different countries, there are great differences in the dynamic mechanism to promote the evolution of urban system, which leads to significant differences in the evolution direction of urban system. Economic development determines the change of population, but the change of population also has important reaction and sometimes decisive influence on economic development. The promotion of industrialization to cities is mainly manifested in two aspects. Industrialization promotes the living form of human beings from decentralization to centralization, the population shifts from rural areas to cities, the urban population increases, the scale expands, and the urban system constantly improves [3]. The relationship between cities is mainly a kind of administrative subordination, and its link is administrative instruction rather than commodity circulation. There are few exchanges between different administrative divisions in politics, economy and life culture. This paper takes the economic data of modern cities as an important aspect of China's urbanization, analyzes the level of China's economic development, obtains the relationship between them, and puts forward policy suggestions on the establishment of established cities.

## 2. Urban Growth and Economic Growth in Modern China

### 2.1. General Situation of Urban Growth and Economic Growth in Modern China

From 1840 to 1895, that is, from the outbreak of the Opium War to the signing of the treaty of shimonoseki between China and Japan, the overall trend of regional inter-city ties in this period can be summarized as gradually from weak to strong. Especially, with the development of sea routes, some port cities have quickly become the centers of commodity circulation and trading, and the market has expanded overseas under the impetus of the state. Port cities have become the hubs of opening up the world market, and on this basis, an international trade network with modern characteristics centered on port cities has been bred. In order to consolidate its rule, the

Westernization Group in the Qing government also set up a number of military factories, such as civilian enterprises. On the eve of the Sino-Japanese War, foreign capitalists set up 103 factories in China with a total capital of more than 26 million yuan, 100 national capital factories with a capital of 2 million yuan, and 44 westernization enterprises with a capital of about 20 million yuan. Most of these factories are distributed in trading ports [4].

The evolution process of the number and scale of modern cities from 1840 to 1949 is shown in Table 1, from which it can be found that in the early and middle stages of urbanization from 1840 to 1949, the development speed of large cities with more than 1 million people far exceeded that of small and medium-sized cities in both quantity and population scale. This indicates that the urban system will evolve towards disequilibrium in the early and middle stages of urbanization.

Table 1 Evolution trend table of urban quantity distribution in modern cities

Urban population size	1840 Population (10,000)	1860 Population (10,000)	1920 Population (10,000)	1949 Population (10,000)
100,000 ~ 200,000	84	94	105	121
200,000 to 500,000 yuan	47	61	92	104
1-5 million	10	19	21	31
5 million and above	-	-	-	2

With the continuous growth of immigrants and the improvement of population density, Shanghai's consumer market has been expanding and developing. However, the thought and theory of modern urban planning is not a simple superposition of traditional urban planning and western urban planning, and it has always been greatly influenced by modern culture in the same period. The main content of spatial-temporal evolution analysis of urban growth focuses on three aspects: the main characteristics of economic growth of cities of different scales, spatial aggregation and dependence, and spatial convergence. With the deepening of China's opening to the outside world, China has been forcibly drawn into the world capitalist circle, and China has also started the process of industrialization, modernization and urbanization. The role of economy in social development has become more and more prominent, and economy has become an important lever for urban development, and the law of preferential growth of economic central cities has been formed.

## 2.2. Comparative Analysis of Modern Urban Growth and Economic Growth

In modern China, the rapid rise of big cities is a historical trend, but not all cities can become big cities, and not all big cities can give priority to development, which is conditional. There are capital and labor input, knowledge spillover effect of technological progress and other general factors of urban economic growth, as well as special factors such as city location and natural endowment, which also depend on special factors such as city primacy. At the end of the 19th century and the beginning of the 20th century, the domestic trade of cotton cloth, cotton yarn, tea silk and rice no longer flowed through Suzhou, which used to be the largest grain distribution center in China, but at this time, it has neither entered nor left [5]. A number of port cities have sprung up along the coast, which has started the process of urban modernization in China. However, in the half century before the Sino-Japanese War of 1894-1895, due to the influence of imperialist aggression and war, and the characteristics of China's own economic development, the development of modern port cities and its role in promoting economy were not obvious.

In the theory of urban economics, the spillover effect within cities and between cities in urban agglomerations is the source power of agglomeration economy. Facing the urgent realistic pressure in modern China, choosing to learn western urban culture to solve the problems of domestic urban management and construction has become a shortcut for developing China. However, if this man-made subjective action factor is inconsistent with the action factor of economic law (higher or lower), the negative disturbance effect on urban growth (and urbanization) will appear.

### **3. Path and Characteristics of Urban Transformation in Modern China**

#### **3.1. Urban Functions and Urban Social Structures have Changed**

Urban system is an interdependent and interactive urban combination. The growth and development pattern of a country and region is constructed by urban system, and at the same time, the spatial characteristics of this pattern are formed. The emergence of modern industry not only concentrated capital, technology and talents in cities, but also brought about remarkable changes in the social structure and function of cities. With the establishment of Shanghai's position as the center of international trade and domestic trade, and becoming the main investment place of national industry and foreign investment in modern China, Suzhou's position as the traditional economic center was completely lost. This spatial form of economic development is actually in a polarized state. Through the development of polarized regions, it causes a series of multiplier-effect growth to the surrounding areas. The population growth of big cities is faster than that of small and medium-sized cities [6]. Due to the shortage of land resources in our country, in the future, the national urban construction should make intensive use of land, focusing on expanding the scale of urban population, rather than expanding the quantity.

#### **3.2. The Urban Management System and Management Organization Model have Changed**

Just as the regional economic center in the middle and lower reaches of the Yangtze River moved from Suzhou to Shanghai, China's foreign trade center moved from Guangzhou to Shanghai. The migration of similar economic centers also occurred between Macao and Hong Kong, which caused the urban economy of Guangzhou and Macao to decline to a certain extent in modern times. Since the reform and opening up, in order to achieve rapid economic growth, the state has formulated a series of special policies to promote the rapid development of the eastern coastal areas. Therefore, cities with the conditions of economic growth poles will have polarization effect and diffusion effect, and thus get priority development. Since the 1960s, Shanghai Concession has successively promulgated a series of regulations, such as road charter, garbage dumping regulations, advertising management, street vendor management, housing donation collection, highway construction, banning scavenging, and supervision over patrol. The promulgation and implementation of these urban management systems have enhanced the public awareness of citizens and made urban management increasingly orderly and efficient. From modern urban planning, we can find the root of some problems faced by modern urban culture and urban planning culture, and find the relationship and similarities and differences between modern urban planning, which can provide beneficial enlightenment and reference for the improvement of modern urban planning thought and theoretical system and the implementation of urban construction.

#### **3.3. Modernization of Urban Municipal Infrastructure**

The thoughts and theories of modern Chinese urban planning mainly come from traditional urban planning culture and western modern urban planning culture. In the practice of municipal construction, it obviously has the color of modern municipalities in western countries. From the project establishment, fund-raising to cost accounting, it must be included in the annual budget of the authorities in accordance with the concession laws and regulations, and can be implemented only after being reviewed and approved by the general meeting of overseas Chinese taxpayers in the concession. During this period, the motivation of the formation of urban market and the connection between regional cities mainly came from the thrust of external commercial trade. The development of foreign trade, the modernization of cities and the strengthening of ties between regional cities are mutually causal and promote each other. In addition to the original commodities such as grain and cotton, cotton cloth has become the main variety of north-south trade, and the trade volume of salt and tea has also increased greatly. During this period, the industrial development broke through the scope of trade ports. With the construction of railways, the expansion of shipping and the excavation of mines, some transportation hubs and mineral-rich areas also became the gathering places of new industries and gradually developed into cities.

#### **4. Policy Suggestions on the Establishment of Established Cities in China**

##### **4.1. Ensure the Steady Development of Urban Growth and Overcome the Blind Growth of the Number of Cities**

In particular, we should overcome the blind catching-up mentality in the process of urban growth and urbanization, and realize the steady development of urban growth under the macro-control of the scientific law of the relationship between city and economy. The development of modern urban industry not only changed the original economic structure and production mode of the city, but also further strengthened and expanded the connection between the city and the outside due to the large-scale flow of raw materials, equipment, capital and technology caused by industrial production. No matter how much western urban culture influences China, traditional planning culture always has deep-rooted influence on Chinese people. So far, this influence seems to be enormous. However, this kind of influence is always subtle, which is rarely manifested as direct design theory and method. Therefore, when urbanization enters the later stage, the growth rate of big cities slows down, the growth of small and medium-sized cities accelerates, and the urban system is increasingly balanced, which will present a coordinated development trend of large, medium and small cities.

##### **4.2. Adhere to the Adaptation of Regional Urban Growth to the Level of Regional Economic Development**

It can be said that modern utopian urban social ideal is one of the important driving forces for the development of modern and even modern urban planning in China, which is related to the ideological root of modern urban planning and has ideological and cultural value for modern urban planning and construction. For example, Guohua Co., Ltd., which was established in 1942 and mainly deals in export goods, was formed by the joint investment of business circles in Chongqing and Chengdu. In addition, many companies are also engaged in industry and commerce in different places. Driven by the reform of modern sea transportation and land transportation tools, the unequal trade mainly based on import and export trade has become the main content of commodity markets in various trading port cities. Foreigners build concessions or open commercial ports in China, objectively implanting western advanced urban concepts into China, and providing Chinese people with a model of urban construction that can be emulated and operated, which plays a role of historical initiative in opening up Chinese people's wisdom. Whether it is ahead of or behind the level of economic development, it is unreasonable for economic growth and urban growth, and even harmful to national political and economic life and urbanization development.

#### **5. Conclusion**

To sum up, the development of commodity production and the expansion of commodity circulation in China since Ming and Qing Dynasties promoted the increase in the number and scale of commercial and handicraft towns. On the one hand, due to the weakening of agglomeration effect and the decline of leading industries, the economic strength of cities has declined greatly; On the other hand, the rapid rise of new economic center cities in the region is in sharp contrast to its decline. The nature, scale, structure and function of cities have undergone profound changes, and the status of cities in regional economy has become increasingly important, thus laying a deep foundation for inter-city economic interaction between inland and coastal areas. The fact that the rural capitalist economy is very small has caused the rural areas in modern China to fail to provide a solid economic foundation for industrialization and urbanization, which is the fundamental reason for the low level of urbanization in modern China.

#### **References**

[1] Jin, Yi., Guo, Jianke., Han, Zenglin., et al. Research on the offset growth and gravity center coupling between the port system and its urban economy in the Bohai Rim region. *Geography and Geo-Information Science*, vol. 33, no. 1, pp. 117-123, 2017.

- [2] Wang, Jian. On the relationship between urban economy and postal marketing system construction . Modern Economic Information, no. 015, pp. 3, 2016.
- [3] Liu, Li. Modern Transportation Reform and Urban Structure Changes: Taking Northeast Cities as Examples (1860-1931). Zhejiang Academic Journal, 2016.
- [4] Ren, Rong. Research on the evaluation system of the impact of high-speed railway on urban economy and society. Engineering Economics, no. 8, pp. 52-56, 2016.
- [5] Yan, Shumei., Duan, Peihe. Looking at the development of Yangzhou's innovative tourism economy from the construction of the park city system. Operation and Management, no. 011, pp. 142-144, 2018.
- [6] Chen, Hongwei. Urban economic system reform and taxation legal system. Postgraduate Journal of Peking University, vol. 2, no. 1, pp. 58-60, 2017.
- [7] Hu, Xiaohui., Zhang, Wenzhong. Institutional evolution and regional economic resilience: a comparison between two resource-exhausted cities. Geographical Research, vol. 37, no. 007, pp. 1308-1319, 2018.