

On the Thought of Interactive Development of Industrialization and Urbanization Formed During the Initial Stage of New China (1949~1956)

Shanyue Li

School of Economics, Sichuan University, Chengdu, Sichuan, China

Keywords: The Initial Stage of New China; Industrialization; Urbanization; the Thought of Interactive Development of Industrialization and Urbanization.

Abstract: During the initial stage of new China, the authorities were facing the lack of theoretical systems, low social and economic development levels, as well as the serious and complicated international and domestic situations. Under these conditions, the thought of interactive development of industrialization and urbanization was formed with the main contents of "recovering and developing production in cities and towns" and "promoting urbanization through the development of industrialization". The thought was the wisdom crystallization of government decision-makers in exploring the practice of social and economic development. Under the guidance of this thought, China had made great achievements in the development of industrialization and urbanization. However, it failed pay enough attention to the coordinated development of industrialization and urbanization. After a brief period of common development, urbanization progress lagged behind the development of industrialization for a long time, resulting in severe adverse effects on social and economic development.

1. Introduction

Under the influence of agglomeration economics and scale economy effects, the nature of the relationship between industrialization and urbanization is mutually promoted and restricted. The coordinated development of industrialization and urbanization can promote the development of society and economy, and vice versa. In the early days of the new China, after a brief period of common development, urbanization progress lagged behind the development of industrialization for a long time, resulting in severe adverse effects on social and economic development. Based on the historical background of the special period, this paper analyzes the main contents, formation process, important characteristics and practical results of the thought. From the perspective of the history of ideas, this paper discusses the fundamental reasons for the transformation from the common development of industrialization and urbanization to the long-term stagnation of urbanization development in the early stage of new China.

2. The Historical Background of the Thought of Interactive Development of Industrialization and Urbanization Formed During the Initial Stage of New China

From the historical background of the early stage of new China, main factors that influence the formation of the thought of interactive development of industrialization and urbanization are as follows.

2.1 The lack of theoretical systems as reference

During the early period of New China, decision makers learnt theories about industrialization and urbanization development from the industrialization and urbanization concepts proposed by classical writers such as Marx and Engel, and the theories about industrialization and development put forward by modern Chinese scholars who tried to make the country rich and its military force efficient. There was no specialized theory on the interactive development of industrialization and urbanization. Classical writers, such as Marx and Engels, did not mention the interactive development of

industrialization and urbanization. But the idea was embodied in their theories about industrialization and urbanization, since they mentioned that the large scale of industrialization could promote the centralization of urban population, while the urbanization could promote the development of industrialization. The modern China was in poverty and backwardness. People of insight, such as Fu-cheng Xue, Hong-zhang Li, Zhi-dong Zhang, Zhong-shan Sun, Wen-hao Weng and Jing-chao Wu, expounded the idea of promoting industrialization in cities and towns. They thought that only the transformation from agricultural country to industrial country could truly help Chinese people to realize the prosperity of country.

2.2 Low social and economic development levels

According to statistics data, total product of society of our country in 1949 was only 55.7 billion yuan. The total agricultural output value accounted for 58.5%; the total industrial output value accounted for only 25.2%. The ratio of light and heavy industries was 7:3. [1] There were only 136 cities and 2000 towns in China. The urban population was 57 million 650 thousand, accounting for 10.6% of the total population. [2] Consumption towns were dominant. Most towns had poor infrastructure and weak economic functions. The development of industrialization and urbanization was still in its initial stage. The development of urbanization could not drive the development of social economy forcefully; the social and economic development was supported almost exclusively by the development of industrialization. Therefore, the methods of concentrating advantageous resources to promote the development of industrialization, and promoting the development of urbanization through industrialization, were in line with the objective reality in the early stage of new China.

2.3 Complicated international and domestic situations

At the beginning of new China, our country faced very severe international and domestic environments. On one hand, the new China was likely to be involved in wars at any time. It was necessary to vigorously promote the development of national industrialization, in order to establish a relatively complete industrial system, lay a solid foundation for the development of national economy, and build the new political power. The country had to lay the focus on industrialization. On the other hand, the new China was isolated and blocked by western countries for the socialism road we taken. The economic construction was quite difficult to be carried out. In the absence of related experience, the only way of China was to imitate the industrialization process of the former Soviet Union. Without understanding about experience and lessons from western countries, during the social and economic development process, it was easy for China to take the industrialization development as the main driving force, and to regard the urbanization development as an auxiliary force.

3. The Main Contents of the Thought of Interactive Development of Industrialization and Urbanization Formed During the Initial Stage of New China

The formation of the thought can be divided into two stages: the period of recovering national economy (1949~1952) and the period of large-scale economic construction (1953~1956). The first stage focused on the thought of restoring and developing production in towns and cities; the second stage focused on the thought of urbanization driven by industrialization.

3.1 Recovering and developing production in cities and towns

Both Marx's thought of industrialization and urbanization and the thought of promoting industrialization in cities and towns formed during the Modern China took cities and towns as the main carrier of industrialization. Moreover, almost all industries were concentrated in urban areas in modern times. Therefore, after the victory of the revolution, nation's leaders first implemented the strategy of recovering and developing national economy through the recovery and development of industrial production in cities and towns. Early in 1948, at the Jin Sui Staff Meeting, Ze-dong Mao proposed that basic materials for production and life should be preserved, so as to facilitate the rapid recovery of agricultural and industrial production. At the second plenary meeting of the Seventh

Central Committee of the Communist Party of China held in 1949, he further pointed out that the focus of work must be moved from countryside to urban areas to "restore and develop the production", especially the production of state-owned industries, private industries and the handicraft industries in cities. [3] The idea was endorsed by other leaders. Fu-chun Li also believed that after the shift of working center from countryside to urban areas, "we should take production and construction as the center, and all other works should be carried out around this center." [4] En-lai Zhou thought in cities, the development of industry should be focused, since "the industrial development in urban areas offers us with the power to lead the countryside and fulfill our political tasks." [5] The core idea of these suggestions was to recover and develop industrial production in cities and towns, in order to prepare for the development of industrialization.

3.2 Promoting urbanization through the development of industrialization

In the modern history of China, many people with lofty ideals tried to change the country from an agricultural country to an industrial one. It was also the main task facing the Chinese Communist Party after the victory of revolution. After three years' recovery and development after 1949, large-scale economic construction was launched to promote the development of socialist industrialization. Ze-dong Mao proposed that in order to accomplish industrialization, "heavy industry and national defense industry should be the most important, since they can promote the development of light industry and agriculture." [6] En-lai Zhou also believed that heavy industry was the foundation of national industrialization. Industries like metallurgy, fuel, electricity, machinery and basic chemistry should be vigorously developed to guarantee national security and consolidate national defense, and to build powerful economic forces. The development of these industries could provide material basis and technical conditions for the development of agriculture and light industry, and promote the growth of national economy as well as people's living standards. [7] On the relationship between industrialization and urbanization, Ze-dong Mao explained in 1951. "During the construction of urban areas, we should implement the thinking of serving for production and workers". [8] An editorial in People's Daily at 1954 further pointed out that, "industry is the most basic and important" material for urban development. In the process of socialist construction and development, urban construction was affiliated with industrial construction. The speed of industrial development determined the speed of urban development; urban construction must serve for the development of industrialization. [9] To this end, the focus of urban construction and development was "new industrial cities with important projects"; the internal planning of cities "should also serve for industrial production directly". [10] These views clearly reflected that at that time, urbanization should be promoted by the development of industrialization; urbanization must serve for or obey to the development of industrialization.

4. The Evaluation of the Thought of Interactive Development of Industrialization and Urbanization Formed During the Initial Stage of New China

For the idea of interactive development of industrialization and urbanization formed during the early stage of new China, we can evaluate it from perspectives of characteristics of its formation, as well as its practical effects and historical influence.

4.1 Characteristics of its formation

There are three characteristics of the formation of this thought. First, it absorbed the industrialization and urbanization theories of Marxism, and theories about industrialization formed during modern China. Due to the influence of historical environment, related western theories were not used as reference. Second, it advocated that urbanization should be promoted by the development of industrialization. It was in line with the general law of the interactive development of industrialization and urbanization. But under the international and domestic situations, as well as the social and economic development levels at that time, it emphasized too much on the development of heavy industry, and required urban construction to serve for the development of industrialization. Third, it was the wisdom crystallization of government decision-makers in exploring the practice of

social and economic development. The economic development theories proposed by Ze-dong Mao and others played a decisive role in its formation.

4.2 Practical results

In the early days of new China, industrialization and urbanization made great progress. For the development of industrialization, according to data from 1949 to 1957, the total industrial output value calculated by comparable price increased 1.65 times; the proportion of light industrial output value to total industrial output value decreased from 73.6% to 57.6%; the output value of heavy industry rose from 26.4% to 42.4%. [11] The proportion of industrial output of coastal areas to total industrial output decreased from 71.5% to 67.9%; the ratio of industrial output of the mainland increased from 28.5% to 32.1%. [12] During the "First Five Year Plan" period, a large number of new industrial sectors, such as aircraft, automobiles, new machine tools, power generation equipment, metallurgy and mining equipment, were established on the basis of 156 Key Projects. For the development of urbanization, a large number of heavy industrial cities were built, expanded and rebuilt. From 1949 to 1957, the urbanization rate rose from 10.64% to 15.4%. [13] The total number of cities in China increased by 1.6 times from 69 to 176. The average annual growth was 12.42%. [14] The distribution of urban area became reasonable. The proportions of cities in eastern, central and western regions changed from 50.4%, 40% and 9.6% respectively to 41.5%, 41.5% and 17%. [15]

4.3 Historical influence

Due to the limitation of productivity development level, the thought of industrialization and urbanization formed during the early period of new China emphasized too much on the development of industrialization. It did not pay enough attention to the promotion effects of urbanization on social and economic development. Some people even thought that the development of urbanization would divert resources from industrialization. Thus, the development of urbanization was limited by the progress of industrialization. In the early stage of industrialization and urbanization development, it was reasonable to emphasize the driving effect of industrialization over urbanization. However, when the society and economy develop to a certain stage, it is necessary to attach importance to the coordinated development of industrialization and urbanization. Otherwise, the unbalanced development will bring serious adverse effects on social economy. Since the relationship between industrialization and urbanization was not properly handled, after a brief period of common development, urbanization progress lagged behind the development of industrialization for a long time, resulting in severe adverse effects on social and economic development.

References

- [1] China Statistical Yearbook, 1988.
- [2] F.Z. Yu, Urbanization and Construction of Small Towns, Heilongjiang Science and Technology Press, Harbin, 2007.
- [3] Selected works of Mao Zedong, fourth volume, People's Publishing House, Beijing, 1991.
- [4] Selected works of Li Fuchun, China Planning Press, Beijing, 1992.
- [5] [7] Selected Economic Papers of Zhou Enlai, Central Party Literature Press, Beijing, 1993.
- [6] [8] Selected works of Mao Zedong, sixth volume, People's Publishing House, Beijing, 1999.
- [9] Implementing the strategy of city construction (an editorial from People's Daily in August 11, 1954), in: The Selection of Important Documents since the Founding of the People's Republic of China, fifth volume, Central Party Literature Press, Beijing, 1993, pp. 439-441.
- [10] F.C. Li, Report on the First Five Year Plan for the Development of National Economy (July 5 and 6, 1955), in: The Selection of Important Documents since the Founding of the People's Republic of China, sixth volume, Central Party Literature Press, Beijing, 1993, pp. 311-312.

[11] China Statistical Yearbook, 1984.

[12] H.B. Wang, The History of Industrial Economy of China, Economy and Management Publishing House, Beijing, 1994.

[13] China Statistical Yearbook, 2015.

[14] Q. Li Qiang, et. al, Diverse Urbanization and China Development: A Study on Strategies and Propelled Patterns, Social Sciences Academic Press (CHINA), Beijing, 2013.

[15] Y.M. He, M.C. Zhou, 156 Key Projects and the development of industrial cities in new China, J. Contemporary China History Studies. 2 (2007).