Growth, Population and Industrialization and Urban Land Expansion of China

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Abstract
China is experiencing urbanization at an unprecedented rate over the last two decades. The overall goal of this paper is to understand the extent of and the factors driving urban expansion in China from the late-1980s to 2000. We use a unique three-period panel data set of high-resolution satellite imagery data and socioeconomic data for entire area of coterminous China. Consistent with a number of the key hypotheses generated by the monocentric model, our results demonstrate the powerful role that the growth of income has played in China’s urban expansion. In some empirical models, the other key variables in the monocentric model—population, the value of agricultural land and transportation costs—also matter. Adapting the basic empirical model to account for the environment in developing countries, we also find that industrialization and the rise of the service sector appear to have affected the growth of the urban core, but their role was relatively small when compared to the direct effects of economic growth. We also make a methodological contribution, demonstrating the potential importance of accounting for unobserved fixed effects.

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