

# The Sky is the Limit

## The Economic Globalization of Beijing

Research >  
China

Since opting for reform in the late 1970s, China has opened its doors to the opportunities and vicissitudes of the world economy. Opening up to foreign capital and technology impacted heavily on the development trajectories of China's cities, which in the last decades of the twentieth century grew at an unprecedented rate. In the 1990s Beijing's population increased from 10.8 to 13.6 million, its urban area from 395 to 490 square kilometres. Concurrently the city's economic base shifted from manufacturing to services, spawning a new division of labour and transformations in the use of urban space.

By Huang Shizheng

Following the creation of special economic zones along the coast, the Pudong area of Shanghai was declared open for development in April 1990, the first such area within the limits of a large city. This opening-up ran counter to the hitherto dominant planning imperative of limited urban growth. Since then, China's large cities have grown to compete with Singapore and Hong Kong as 'regional central cities' in the world urban hierarchy. Responding to the new opportunities, city governments revised their mid-term strategic plans. Beijing in its 1993 master plan announced its intentions of becoming 'a modern international city': planners unveiled visions of a metropolis with world-class infrastructure and important financial and economic functions in the Asia-Pacific region.

### Industry to services

There were no modern industries in the court city of Beijing before 1949. By the end of the 1970s, large-scale indus-

trial development had transformed Beijing into the centre of northern Chinese heavy industry and the country's leading economic centre. With the onset of market forces in the era of reform, the traditional sectors of the state-owned economy, especially manufacturing, fell into decay. In the 1990s, around 620,000 Beijing residents lost their jobs in the manufacturing sector.

The tertiary sector was the main beneficiary of the changing economy: its contribution to GDP in the Beijing urban area (excluding counties) reached 59.6 per cent in 2000. While Beijing's economic growth lagged behind Shanghai and Tianjin, sectoral shifts in the economy were more pronounced in the capital than in the coastal cities. During the period 1990-2000, the service sector – including social services, scientific research and technical services, real estate, banking, and insurance – spawned 500,000 new employment opportunities.

Contemporary Beijing developed on the foundations of the ancient city of the Ming-Qing Dynasty. Since 1949, the urban area has expanded around

the old city following the 'ring upon ring' (concentric zones) model. Prior to the 1980s, the institute and college districts made up the north-western suburbs while the industrial areas comprised the south-eastern suburbs. Commercial institutions were mostly located in the old city. While a Central Business District as such did not exist, three historically important retail centres and a number of lesser ones became the nodal points for a growing network of roads around the Forbidden City. In the 1980s, new retail and business districts were built along the third ring road.

### Top-down transformation

In the late 1980s Beijing launched a large-scale urban renewal programme extending to the outer suburbs. The business sector was the key beneficiary of this process. While new housing estates were built, poorer residents were forced to relocate to the suburbs. Retail, business and financial centres sprung up in concentric zones of the city. By the end of the 1980s, a wooded green belt and ten newly built regions

along a planned fifth ring road encircled the central city.

In the 1990s, the newly constructed urban pattern was composed of the traditional central area, transformed into a service area; four sub-centres (the CBD, Zongguancun Core, Olympic Park, and Financial Zone); and two industrial belts (see diagram). Of the two industrial belts, one is a high technology belt along the fifth ring road, the other a modern manufacturing belt along the sixth. Manufacturing moved to the 'satellites' and now forms a new belt surrounding the central city. Zongguancun Science Park, China's 'silicon valley', expanded into 'one zone of five parks' surrounding the central city. In the outer-suburbs, nine development areas, including the seven square kilometre Beijing Economic Technology Development Zone, were set up along the sixth ring road in 2000.

Beijing's far-reaching spatial transformations are the result of government policies emanating from both the municipality and district or county levels of the administrative hierarchy. As the planned urban transformations

mainly aimed to accommodate economic development and modernization, they gave rise to additional grave spatial adjustments elsewhere. The recession in the traditional manufacturing sector brought about rising unemployment and poverty. As manufacturing dwindled in the city centre, it relocated to the suburbs. As new sub-centres grew up on the outskirts of the city core, the urban area swelled, following the 'ring upon ring' model. Meanwhile in the old city, urban renewal efforts often impede or annul preservation efforts as economic concerns prevail over socio-cultural and historical ones. ◀

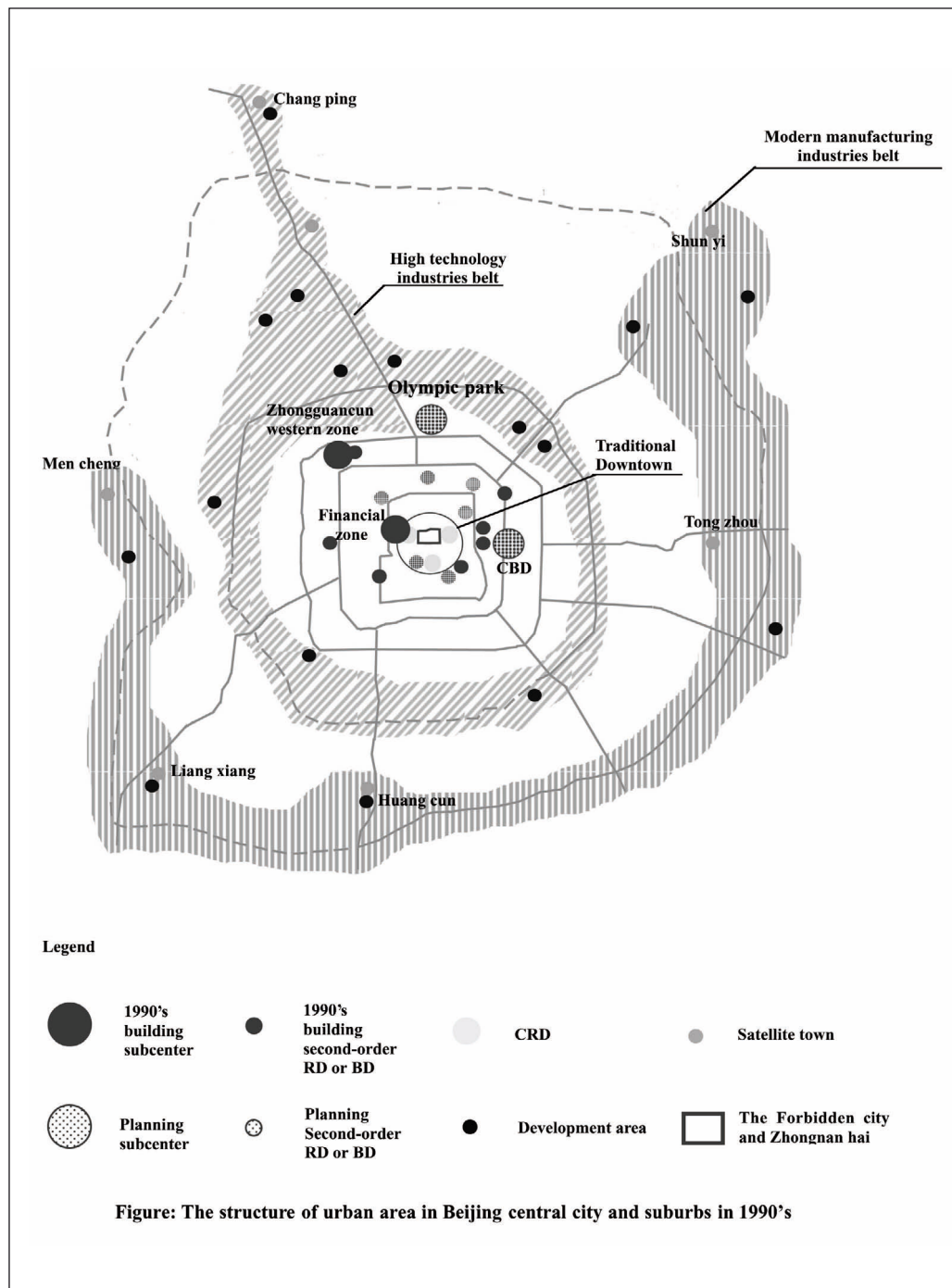
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### Author's note >

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Beijing: the city centre and its suburbs in the 1990s