Article

Characteristic Development Model: A Transformation for the Sustainable Development of Small Towns in China

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Abstract: In recent years, the construction of small towns in China has faced many challenges, hindering the sustainable development of small towns. This paper proposes that the traditional development model of small towns no longer meets the current demands, and it urgently needs updating. In the past two years, there has been an increase in the construction of characteristic small towns in China. This is a good beginning for the transformation development of small towns and would bring new opportunities. However, some problems have developed. One example is the emergence of the “blind town”, which means the governors cultivate a featured town blindly without objectively considering the reality of that area. These decisions have a negative impact on the future sustainable development of small towns. Therefore, the governors need to consider the basic conditions of the area, perform a scientific assessment, and present a clear cultivation strategy. This paper presents a preliminary scientific method for the characteristic development mode of small towns with “explore characteristic–evaluate characteristic–nurture characteristic” as the main line, which would be conducive to the characteristic transformation for the steady and sustainable development of small towns in China.

Keywords: small town; transformation; characteristic development; model; sustainable development; China

1. Introduction

As the world continues to urbanize, sustainable development, which may be seen as a successful attempt to reconcile the two seemingly contrasting paradigms of lasting economic growth and an efficient protection of environment and natural resources [1], depends increasingly on the successful management of urban growth [2]. The sustainability lays much stress on an effective balance of social, environmental, and economic objectives [3] and has revived discussion about urban forms in recent years [4]. Urban forms were a result of the bringing together of many elements and concepts, such as the urban pattern [5], and could directly play an influence on habitat, ecosystems, endangered species, water quality, global climate, etc. [6,7]. In terms of the challenge to lower energy consumption and lower pollution levels for certain city forms aiming at sustainable development [8,9], a number of researchers, planners, governors, et al. made much exploration of appropriate settlement forms to achieve sustainability and enable built environments to function in a more constructive way than at present. For example, Girardet summed up Sustainable Urban Living [10], Jenks et al. raised the
Compact City [11], Paulson advocated the Sustainable Community [12], Woolley et al. claimed the Green Building [13], and Edwards et al. put forward the Sustainable Housing [14,15]. However, there was little agreement about the most desirable urban form in the context of sustainability, although the compactness idea and compact city got immense attention [16,17].

Exploring the sustainable form of small towns in China has long been a critical task for the Chinese government as China is the largest developing country in the world, with a huge number of small farmers and also rapid urbanization. The development of small towns is considered as an urbanization model to face challenges in meeting the needs of its growing urban populations and to improve the lives of both urban and rural dwellers. Therefore, Chinese government emphasizes on small towns and has introduced preferential policies for them. Scholars also generalized many development paths for small towns, such as “Wenzhou mode” [18], “Jinjiang model” [19], “green ecological type” [20], and “tourism sustainable development mode” [21]. However, there are still many problems hindering the sustainability of small towns, including limited manpower, poor public service functions, and smaller population, hampering urbanization from promoting economic growth and sustainable development [22].

As a new type of urbanization in China [23], the characteristic small town might apply not only to meet those problems but also become a sustainable town form. According to Jabareen’s definition of urban form [5], town form in this paper refers to a type of town pattern. China’s traditional economic pattern is resource- and labor-oriented [24], ignoring the improvement of infrastructure and protection of the ecological environment, which is incompatible with the rising trend for sustainable growth, while featured development models are different from traditional development types in that they pay more attention to the development quality, including industries, service functions, environment, culture, and other aspects, rather than the scale. Mainly, they identify and explore local characteristics, whose advantages are given full play and cultivated into leading industries. The characteristic development model provides a transformation direction for sustainable development of small towns.

However, Chen Yajun, director of the Planning and Development Department of the National Development and Reform Commission (NDRC), pointed out some challenges existing in the development of featured small towns: The concept is not clear, their blind development leads to low quality, their losing of characteristics due to homogenization, insufficient marketization under government leadership, and so on [25]. Some researchers also summarized problems in the construction of characteristic small towns from their perspectives [26,27].

The characteristic town form works as a new engine for the sustainable development of small towns through the transformation and industry upgrade, which is receiving more and more attention in China’s academic circle (Table 1), while it is currently at an exploration and practice stage [28]. Three questions are still unclear: (i) What is the specific connotation of a characteristic small town? (ii) What are typical irrational phenomena during the construction of a characteristic small town? (iii) How do governors scientifically achieve a characteristic development model for advancing sustainable development of small towns? This paper aims to answer these questions. Through data access, on-site research, and some case studies, this paper summarizes the challenges regarding the development of characteristic small towns and proposes some rational thinking for the characteristic development models. Through in-depth analysis on the current situation of characteristic town form, this paper mainly proposes a strategy for the featured development pattern of small towns. This research provides a reference for the steady, orderly, and rapid development of Chinese characteristic small towns to promote the sustainable development of small towns.

Table 1. Number of papers on characteristic small towns from CNKI.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of papers</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>7</td>
<td>3</td>
<td>84</td>
<td>402</td>
<td>1293</td>
<td>1401</td>
</tr>
</tbody>
</table>

Description: CNKI is the short form of China National Knowledge Infrastructure, which is currently the world’s largest dynamically updated journal full-text database in China.
2. Key Literature Review

Regarding the concept of small cities and towns, there is a clear distinction among foreign countries. The concept is divided into small cities and small towns according to administrative system, but the definition of scale varies greatly in different countries. For example, the United States defines small cities as settlements with a population of less than 50,000 [29], and communities with 200 people can be set as towns. Some developing countries define settlements with inhabitants between 5000 and 20,000 as small cities [30]. The definition of small towns in China is rather vague. However, there is an academic consensus that the main bodies of small towns are organic towns, while the main controversy is whether they should include small cities, county towns, or townships. As a hub of urban and rural areas, small towns have both urban and rural attributes in terms of economic development, urban construction, industrial structure, and population size. Small cities and county-level cities lack features of rural areas, and townships or villages have almost no urban appearance. In comparison, county towns and organic towns have both “city” functions and “village” functions, which better reflects the characteristics of small towns linking cities and villages. More scholars recognize the definition of small towns as organic towns and county towns [31,32]. This paper adopted this concept. In China, organic towns and county towns are both administrative concepts, which are set by the national government according to certain indicators such as population, economy, and industry structure. The standard for setting up towns is shown in Table 2.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Type I</th>
<th>Type II</th>
<th>Type III</th>
<th>Type IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population density (person/km²)</td>
<td>&lt;50</td>
<td>Between 50 and 150</td>
<td>Between 150 and 350</td>
<td>&gt;350</td>
</tr>
<tr>
<td>Total population (person)</td>
<td>&gt;10,000</td>
<td>&gt;15,000</td>
<td>&gt;20,000</td>
<td>&gt;30,000</td>
</tr>
<tr>
<td>Revenue (million)</td>
<td>&gt;2</td>
<td>&gt;2.5</td>
<td>&gt;3</td>
<td>&gt;4</td>
</tr>
<tr>
<td>Gross industrial and agricultural output value (billion)</td>
<td>&gt;0.1</td>
<td>&gt;1.2</td>
<td>&gt;2</td>
<td>&gt;3</td>
</tr>
<tr>
<td>Inhabitants occupied proportion of the total population (%)</td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Proportion of secondary and tertiary industries in GDP (%)</td>
<td>&gt;50%</td>
<td>&gt;50%</td>
<td>&gt;50%</td>
<td>&gt;50%</td>
</tr>
</tbody>
</table>

Remark: This standard was made by the Ministry of Civil Affairs in 2000. It also includes criteria for setting up towns in special places and requirements for new towns, which are omitted here. A county town has the same setting standard as an organic town, while it has a higher administrative level.

According to the World Urbanization Prospects: The 2018 Revision, close to half of the world’s urban dwellers reside in settlements with fewer than 500,000 inhabitants [2]. It reveals the importance and prevalence of small cities and towns and also their crucial role to the implementation of the 2030 Agenda for Sustainable Development. Small towns are an integral part of the Asian urban system. In China, researchers paid much attention to the sustainable development of small towns and successively proposed various development types of small towns [33,34]. In general, those traditional development modes might only be applicable to single or certain types of small towns, although they could get many achievements for small towns. Later, according to the town’s functions, leading industries, and resource endowments, scholars have proposed other types of development modes, such as an ecological conservation and protection pattern [35], and agricultural production model [36]. Unfortunately, they fail to meet current demands, lacking promotion to small towns.

Europe is characterized by a relatively dense network of small towns, which play a vital role in national settlement systems, especially on connecting rural environments and large cities [37,38]. For example, more than 13,000 small towns exist in Germany, occupying nearly 70% of the total population. Germany also emphasizes the sustainability and spatial equilibrium of small towns [39]. The US government participates in the construction of small towns through the market [40] and adheres to the parallel development of agriculture and industry, to make small towns flourish. Australia
focuses on differentiation about urban construction, most small towns of which have unique local characteristics [41]. Japan lays stress on transformation of small towns by studying and applying new principles from other countries, such as modernizing European and American [42] and promoting small towns’ rapid development. However, small towns in Japan are partly afflicted by fast ageing and dwindling populations in recent years [39], adverse to the sustainable development of small towns.

The transformation of small towns from centrally planned to market conditions is usually the main topic of small town research in post-communist countries. For example, German colleagues [43–45] dealt additionally with the situation of East German small towns after the German reunification, which was characterized by de-industrialization, population decrease, de-urbanization, and infrastructural shrinkage. In South Africa, medium and small cities and towns achieved more urban growth during the extremely rapid urbanization in recent years [46,47]. They emphasize green infrastructure and sustainability [48].

The sustainability of small towns was a normative view combining environmental sustainability with notions of economic growth and social justice [49], indicating its three major pillars: Environmental, economic and social ones [50]. As a new type of town form, characteristic small towns are superior to promoting the sustainable development of small towns on those three aspects, compared with traditional type, and get more and more attention. Scholars have conducted many studies on the planning strategy, construction path, and development model on featured small towns, mainly based on the perspective of economic functions combined with local location and rootedness [51].

The featured development mode for small towns has strong innovation abilities and is conducive to shaping the regional industrial ecosystem and economic growth, which is of great significance in sustainable development [24].

The analysis framework of featured development type is shown in Figure 1. Firstly, the crux of development dilemmas of Chinese small towns lies in traditional development models, which have low applicability and promotion, while successful featured industry has stronger market competitiveness and comparative advantage, relying on its special functions, transformation, and upgrade. It is the driving force for the development of characteristic small towns, which could almost determine the success of featured small towns. There are many types of featured industry, mainly involving tourism, manufacturing, finance, agriculture, trade logistics, culture, etc. They all emphasize conservation of ecosystem, propelling environmental sustainability. Further, the characteristic industry would accumulate related industries, named industry agglomeration. In the process of this concentration, other inputs, such as capital, technology, labor, and other economic factors, accumulate gradually, which would advance economic sustainability. Correspondingly, these inputs would further stimulate local infrastructure investment, consumption, and other social aspects, accelerating social sustainability. Industry agglomeration promotes population agglomeration by providing opportunities for employment, which would be the core driving force for small towns to break through those development difficulties. To sum up, characteristic development model is a transformation for the sustainable development of small towns, promoting small towns into sustainable town forms.
3. Characteristic Development Model: An Emerging Type of Development Model in China

After years of practice, characteristic development model of small towns in many developed countries, including the US and Canada in North America, Germany, France, Italy, and Britain in Europe, Australia, Japan, and so on, has become one of the dominant trends [52]. In China, the featured development model is new and has gradually been promoted in recent years. This model is one of the critical drivers for Chinese rural urbanization, industrialization, and agricultural modernization in the 21st century [24].

3.1. Specific Connotation

On one hand, local features of foreign towns mainly focus on architectural style, street design, and local culture. Self-promotion and reinterpretation of local identity are becoming increasingly important in rural communities [53]. Using the theory of Castells [54], Paasi pointed out that regional identity “can be a constitutive element of localized resistance to globalization” [55] and that it is typically regarded as a productive force for regional development. Small towns in foreign countries always pay much attention to protecting local features in the development, including buildings and local cultures. Many scholars prove that the local image-building and symbolization process can build strong linkages to the place identity [56–60]. Features and territorial scope of local cultural heritage significantly determine the innovative capacity of small towns [53].

In China, few small towns lay emphasis on building features and street features, except for some ancient towns. Properties of small towns mainly refer to local special resources, environment, culture, and industry. Their outstanding features are uniqueness and non-reproducibility. Small towns in China try to develop featured industries according to local features, or directly introduce foreign distinctive industries, building themselves into characteristic small towns.

On the other hand, featured small towns in foreign countries mainly belong to administrative towns. However, many Chinese scholars believed that the characteristic small towns in China are the...
geographic type with “non-town and non-area”. This geographic type is different from the traditional organic town, industrial park or any other economic functional area [61].

In fact, Chinese characteristic small towns have two forms, including administrative town and non-administrative town. The administrative type has a distinct characteristic industry, and a certain scale of population and economy. The non-administrative type is a geographic type with “non-town and non-area”. It mainly refers to innovative and entrepreneurial platforms, which focus on developing distinctive and emerging industries and agglomerating economic production factors. The main differences between the administrative town and non-administrative town are their area types, cultivation requirements, and their operation mechanisms (Figure 2).

Figure 2. Cultivation requirements and operation mechanism of characteristic small towns in China.

From Figure 2, we can see that the two forms’ cultivation requirements have some differences, while they are both related to the three major pillars of sustainability, including environment, economic, and social issues. They are both the platform to pursue economic growth via industrial upgrade, provide people with beautiful environment through ecological preservation, and improve social functions via perfecting supporting facilities [22].

In addition, the area types, governor, functions, and features among characteristic small town, traditional organic town, key town, industrial park, economic development zone, and tourism area are different in China (Table 3).

Table 3. Differences between characteristic small towns and other districts in China.

<table>
<thead>
<tr>
<th>Districts</th>
<th>Area Types</th>
<th>Governor</th>
<th>Functions</th>
<th>Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Characteristic small town</td>
<td>Administrative town</td>
<td>Local government</td>
<td>Production, residence, ecology, and tourism</td>
<td>Developing distinctive industries, certain scale population, complete facilities, sound environment.</td>
</tr>
<tr>
<td></td>
<td>Non-administrative town</td>
<td>Enterprise</td>
<td>Production, residence, ecology, and tourism</td>
<td>Developing featured industries; small scale population, complete facilities, sound environment.</td>
</tr>
<tr>
<td>Traditional administrative town</td>
<td>Administrative town</td>
<td>Local government</td>
<td>Production, residence, and ecology</td>
<td>Traditional industries as the leading industries; significant regional differences.</td>
</tr>
</tbody>
</table>
To sum up, Chinese characteristic small town is a multifunctional area or a developed town leader with featured industries as core, which is integrating production, residence, ecology, and tourism functions to promote the economic transition for the sustainable development of a certain geographic unit or small town, through paying attention to infrastructure support, cultivation of characteristic industry and culture, environmental remediation, operation mechanism innovation, etc. Characteristic development model of small town means a kind of pattern to realize the cultivation of characteristic industry and other corresponding functions to build a characteristic small town.

3.2. Cultivation Mechanism

The generation and continuation of many featured small towns abroad, as a natural process of formation, need to accumulate and evolve over decades or even hundreds of years [62]. Chinese characteristic small towns were formed under the influence of governments in several years. As governments of small towns are, in fact, controlled by the county-level government or the next higher level government [63], Chinese featured small towns are mainly assessed and nurtured by the national or provincial governments.

The Ministry of Housing and Urban-Rural Development (MHUD) has formulated a strict training requirement from industry, environment, culture, facilities, and institutional mechanisms to check the quality of featured small towns. Additionally, a rigorous application process, scientific approval and scoring criteria, and strict supervision system have been formulated by MHUD to ensure the effectiveness of the policy. After the strict screening, the MHUD will formally announce the list of national-level characteristic small towns. Provincial governments, such as Jiangsu, Zhejiang, and Anhui, have made their own standards for cultivating provincial-level featured small towns. Their standards mainly focus on four aspects: Industry, environment, mechanism, and function, although certain differences exist in their specific criteria.

In general, assessment processes on characteristic small towns are mainly conducted in an order of county-level, provincial-level, and national-level (Figure 3). The state government emphasizes cultivating administrative towns into featured small towns, while provincial governments mainly nurture non-administrative towns. No matter what forms, the characteristic small towns should accept continuous annual assessment by the national or provincial government. If the featured small towns cannot pass the annual test, they would be disqualified from the construction of characteristic small towns by the governor.
To support the post-cultivation of featured small towns, the state government has successively introduced some preferential support policies, including “Notice of Agricultural Bank of China on Promoting Policy-based Financial Support for the Construction of Small Towns” and “Notice of China Development Bank on Promoting Development Finance Support for the Construction of Small Towns”. These policies aim to provide financial support for characteristic small towns. Under the guidance of the national strategy, various provinces and municipalities also issued relevant policies to formulate guiding opinions and training objectives on featured small towns. Shandong, Sichuan, Shanxi, Zhejiang, and other provinces have provided financial support for the construction of characteristic small towns by setting up special funds or implementing incentive systems.

4. Typical Irrational Phenomena during the Construction of Characteristic Small Towns

4.1. Development Dilemma of Traditional Small Towns in China

The development of small towns in China is not smooth [64]. At present, there are still many dilemmas going against the sustainability of small towns:

(1) A large number of small towns with a small population. In recent years, the number of small towns has reached more than 20,000, but the population size of small towns is generally small due to poor economic development, inadequate infrastructure, poor job prospects, and low wages. In 2015, there were 10,550 small towns with a population size of less than 5000, occupying 51.9% of total small towns, indicating that more than half of small towns are small in scale;

(2) Weak economic development and service functions. At present, the industrial structure in most Chinese small towns mainly focuses on only one type, such as printing, textile, or chemical. The development of these single industries is handicapped due to their small scale, limited production output, and insufficient revenue [65]. As a result, they usually have poor services on medical care, education, entertainment, providing jobs, etc.;

(3) Regional differences are significant. Due to the differences in resources, landform and geological features, and economic basis, the small towns in southeastern China have developed rapidly, and those in the northwest have fallen behind. In general, the distribution density of small towns in the southeastern part of China is larger (Figure 4), and the comprehensive economic strength is stronger than those in the northwest;

(4) Serious environmental pollution. The secondary industry of small towns in China has the largest contribution to small towns’ GDP [66], while it usually involves building materials, metallurgy, coal mines, and other manufacturing industry, where pollution is severe. At the same time, small towns do not attach importance to protecting the environment and managing pollution. In recent
years, some polluting industries in large cities have gradually moved to small towns, causing more serious pollution.

Figure 4. Spatial distribution of Chinese small towns in 2015.

4.2. Development Models Need to Be Transformed Urgently

At present, the traditional development modes of Chinese small towns include agricultural, industrial, border trade, tourism, comprehensive strength, and so on. In general, the leading industries in most Chinese small towns are single types, which have more or fewer disadvantages than ones in large and medium-sized cities whose leading industries are diversified (Table 4). For example, tourism is usually affected by the season, so economic benefits of a tourist small town will be low during tourist off-season. Furthermore, industries of small towns usually lag behind those of large and medium-sized cities in terms of industrial scale, labor quality, and application of high technology [66], so small towns’ industries are in a disadvantageous position compared with those of large and medium-sized cities. Under the market economy, where production factors flow freely, the labor, capital, technology, and other production factors are mainly concentrated in large and medium-sized Chinese cities, which have greater potential and advantages. According to the agglomeration theory, the spatial cluster of factors is a connotative spatial growth pattern, which could promote regional economic growth [67]. Therefore, small towns with few production factors have weak development force.

<table>
<thead>
<tr>
<th>Development Models</th>
<th>Leading Industries</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural model</td>
<td>Characteristic cultivation, characteristic breeding, and other characteristic agriculture</td>
<td>Agricultural products are generally low</td>
</tr>
<tr>
<td>Industrial model</td>
<td>Heavy industry, traditional light industry, and so on.</td>
<td>Cause environmental pollution</td>
</tr>
<tr>
<td>Trade model</td>
<td>Business industry and trade</td>
<td>High demand for location, much affected by trade policy</td>
</tr>
<tr>
<td>Tourism model</td>
<td>Tourism</td>
<td>Affected by the season, income is unstable.</td>
</tr>
<tr>
<td>Comprehensive model</td>
<td>A variety of leading industries coexist.</td>
<td>Leading industry lacks outstanding advantages and functions.</td>
</tr>
</tbody>
</table>
Clearly, due to weak economic returns in many Chinese small towns, the fiscal revenue would be comparatively low. Most of the fiscal revenue would not provide enough funds for infrastructure repairs, environmental governance, and protection. Because of their few industries, low salary levels, and other poor essential services, most of the small towns have extreme difficulty in attracting a population influx. The 18th Party Congress of China pointed out that it is necessary to enhance the industrial development, public services, employment, and population agglomeration of small towns. Although some successful small towns appeared in our country in the early stage, some scholars also summarized their development models. However, as time passed, the original type faced adjustment and transformation in the new period, and new models were needed to face the new environment [68].

4.3. Rapid Rise of Characteristic Small Towns

Zhao Hui, chief economist of the Ministry of Housing and Urban-Rural Development (MHUD), pointed out that the launch of featured small towns in China is an important measure to break through the current development dilemma of small towns. As an important path to explore economic transformation and upgrade [69], characteristic small towns become an important transformation direction of the sustainable development of small towns.

In recent years, the speed at which domestic featured small towns are being established is rapid. Since MHUD formally announced the first batch of national-level characteristic small towns in October 2016, there has been an upsurge in the creation of characteristic small towns throughout the country. The provincial government is actively applying for provincial featured small towns to be national ones, and is cultivating the county/city-level characteristic small towns to the provincial-level ones. In just over one year after 2016, there have been 403 national-level characteristic small towns all around China (Figure 5), and 895 provincial-level ones being created by 20 provinces and cities, including Zhejiang, Shandong, and Hebei.
4.4. Emergence of Irrational Phenomena

In recent years, the construction of featured small towns has made progress. For example, 37 provincial-level characteristic small towns of Zhejiang completed fixed assets investment of 47.79 billion RMB, generating tax revenue of 5.31 billion RMB in 2015. However, some irrational phenomena emerged, including "blind town", "false town", excessive real estate, and severe homogenization.

4.4.1. Build Characteristic Small Towns Blindly: “Blind Town”

The construction of “blind town” refers to cultivating a featured small town blindly without consideration of the objective reality of certain areas. The consequences of “blind town” are that the local government may not be able to obtain national financial support and may instead cause great economic losses. In China, characteristic small towns can enjoy some national or provincial preferential policies, such as special funds and incentive systems; these policies are conducive to attracting companies and investors. Therefore, local governments actively participate in the construction of featured small towns. However, some governments blindly and heavily invest in building characteristic small towns, regardless of the constraints of local resources or the lack of development foundations. For example, Zhong County in Chongqing is an agricultural county that mainly relies on agriculture, forestry, mineral resources, and material processing. It is a provincial-level poverty county, and its economic income ranked 23rd in 38 counties of Chongqing in 2016. The governments in Zhong County invested 1.4 billion RMB in building an e-sports-themed small town initially, and a continued investment of 4 billion to 5 billion followed, accounting for almost 1/5 of Zhong’s annual GDP. They announced that they would host the China Mobile E-Sports Games (CMEG), in Zhong County in 2017. The problem is that Zhong County lacked an e-sports industry and economic base. Moreover, its featured industry is incompatible with market rules as the number of e-sport audiences was small. As predicted, the e-sports hall has barely hosted any competition since CMEG. Not only did it not generate economic benefits, but also it caused huge losses for Zhong County government.

Xu Lin, director of Center for Urban Development of NDRC, emphasizes that featured small towns must adhere to market orientation and conform to market rules. Thus, small towns need to
comprehensively judge the characteristic development direction based on their own basic conditions and combined with market demands.

4.4.2. Build Characteristic Small Towns Falsely: “False Town”

Some governments or enterprises build the featured small towns falsely, mainly to obtain preferential funds from the country and enjoy other policy benefits. Some local governments faked their industrial parks or tourism areas into characteristic small towns through reforming some indicators to meet the threshold application requirements. On one hand, they can get special support funds and other benefits for featured small towns from national or provincial governments after being identified as a characteristic small town. On the other hand, they can attract investment by the reputation of a characteristic small town. However, their internal building mechanism and construction concepts are still the same as ones of former industrial parks or tourism areas [70].

The strategic intention of characteristic small-town policy is to promote the economic transition of small towns, instead of merely providing funding, land, and other support. What small towns should do is to take full advantage of this policy to seek transformation of development model and achieve a breakthrough for their growth.

4.4.3. Excessive Real Estate: “Ghost Towns”, “Sleeping Towns”, or “Hollow Towns”

Characteristic small towns implement creation systems instead of natural forming, which means that the national or provincial government determines the list of featured small towns through preliminary examination and then implements the annual assessment on them at a later time. The assessment involves the formulation of development plans for characteristic small towns, investment and construction of distinctive industries, governance of ecological environment, the introduction of supporting policies, improvement of infrastructure, etc. If the characteristic small towns fail to meet the requirements of the assessment indicators, their construction qualification would be cancelled.

To complete the economic task for featured small towns, such as the special annual amount of investment during the annual evaluation, local governors introduce a large number of real estate developers into the characteristic small towns. The characteristic small towns of some areas have become the first choice for real estate development; these towns have thus easily evolved into “ghost towns”, “sleeping towns”, or “hollow towns”.

The government’s testing and evaluation mechanism should be detailed, such as limiting the proportion of real estate investment, essentially eliminating this kind of opportunistic behavior to ensure the healthy and orderly development of characteristic small towns.

4.4.4. Severe Homogenization

The phenomenon of severe homogenization emerges during the construction of characteristic small towns [71]. In “Guiding Opinions on Accelerating the Construction of Beautiful Characteristic Small Towns (Cities)”, it clearly stated: “Industry is the development vitality of small towns, and features are the competitiveness of industrial development.” Properties emphasize the originality and non-replicability. However, a number of featured small towns have failed to identify their own functions, thus blindly imitate and even copy the characteristic type of other featured small towns. As a result, similar species of featured small towns appear. This phenomenon can be described as one-sidedness and homogenization.

Features without uniqueness or non-imitability would reduce or even lose their original advantages. Therefore, small towns should strive to explore their own features distinguishing from other types to make certain opportunities in market competition.

To sum up, the emergence of the “blind towns”, “false towns”, and other irrational phenomena discussed above violates the original intentions of characteristic small towns. It not only cannot help the small towns get rid of their predicaments to promote small towns into sustainable town forms but
also leads to the waste of human and material resources. Therefore, the governors must be vigilant against the emergence of these irrational phenomena in building featured small towns.

5. Cause Analysis and Case Study

5.1. Cause Analysis

5.1.1. Lack of Cultivation Experience

As it is an emerging development pattern for small towns in China, some governments or enterprises have little experience in cultivating characteristic small towns. Zhejiang is the first province to build characteristic small towns, which summarized some construction experience for the non-administrative town type. However, each province has its own unique economic and social development conditions, so other provinces cannot apply Zhejiang’s experience recklessly. They have to explore cultivation strategies that suit themselves and adjust constantly in practice. In general, most provinces’ governments or enterprises are groping for construction. Therefore, it is inevitable that some construction misunderstandings occur.

We suggest that the state or provinces should mainly pursue the construction quality of featured towns in the early stages, instead of speed or quantity.

5.1.2. Blind Pursuit of Policy “Bonus”

Characteristic small town is a new mode to encourage sustainable development of small towns under the background of Chinese new urbanization. China introduced many preferential policies to support cultivation of featured small towns, involving land, taxation, finance, technology, and other benefits. Some local governments blindly apply for the qualification of building characteristic small towns to strive for the policy “bonus”. For example, in some areas, a new industrial park has been established in the name of characteristic small towns, which results in some blind towns or false towns. The higher-level governments need to strengthen supervision and review, entrusting favored policy supports to small towns that have real needs and abilities of building characteristic small towns.

5.1.3. Unsoundness of Assessment Systems

Chinese characteristic small towns implement the “application and compliance” system, which is to apply for construction qualification first and accept the annual assessment of the government in a later period. Annual assessments on national-level characteristic small towns and provincial-level ones are both macroscopic. For example, the assessment on project and construction only involves total planning area and period, total investment, etc., while lacking restrictions on the proportion of all kinds of investments, such as infrastructure investment and real estate investment. Some governments or enterprises use this mechanism loophole to excessively introduce real estate developers, leading to the emergence of excessive real estate.

The implementation of featured small towns is mainly guided by the national and provincial governments. It is critical to improve and perfect governments’ assessment systems to ensure the effectiveness of the development of characteristic small towns.

5.2. Case Study

For China, the development of characteristic small towns promotes the process of urbanization primarily through advancing small towns. The national urbanization rate reached 59.58% in 2018, with the per capita GDP of 64,644 RMB, and the proportion of the three industries was 7.6:40.5:51.9. However, there will be some uncertainty in terms of a specific small town. Irrational and blind behavior will hinder the sustainable development of small towns, while scientific and rational cultivation play a facilitating role. Here, this paper took Wentang Town in Yichun and Donghuang Small Town in Xianyang as cases to study the featured small towns. Their locations are shown in Figure 6.
5.2.1. Scientific and Rational Cultivation: Wentang Town in Yichun

Wentang Town in Yichun has an 800-year history with its friendly environment and high-quality hot spring resources (Figure 7). There is a national-level forest park that attracts a large number of tourists every year. The most significant advantage of Wentang Town is its rich underground hot springs with rich selenium. The hot spring has more than 10,000 tons of water at sunrise, and the temperature stays at 68–72 °C all year round. The spring water has excellent quality with low sulfur and high silicic acid content [72], making the water beneficial to human health and healing. Obviously, Wentang already possesses unique advantages of featured natural resources and industrial foundation, laying a base for its characteristic development model. Market demand is another key factor. In recent years, with the emphasis on healthy living, the rehabilitation tourism industry is rapidly entering a new round of growth [73], which has a good market environment with huge development space. In 2015, domestic rehabilitation tourism achieved 40 billion RMB transaction scale, accounting for 1% of the total scale of tourism. It will show a rapid growth trend in the next period (www.qianzhan.com).

Therefore, Wentang positions its function as rehabilitation tourism industry, based on its resources and industrial advantage and the new market demand. In recent years, it has implemented scientific promotion according to cultivation requirements and operation mechanism of characteristic small towns in China. Drawing on successful experience from foreign country towns, it has fully equipped sanatoriums with hot spring baths, saunas, dance halls, large and medium-sized conference rooms, tennis courts, gymnasiums, etc. Wentang located each sanatorium in a beautiful environment surrounded by mountains and waters. Furthermore, it has established many medical departments and training centers at the provincial, municipal, and district levels, some of which have reached three-star standards. In addition, based on the hot springs resources, Wentang has built many cabins and viewing pavilions, cultural attractions, such as Zuo Jiangjun Temple and Daxiong Hall, and perfected the infrastructure of the scenic spots.

Currently, Wentang has achieved characteristic development after scientific position and rational cultivation. Its featured industry developed rapidly and had strong driving effects on the development of Wentang Town’s economy. So far, its rehabilitation tourism industry has opened five hot spring sanatoriums and 37 hot spring hotels. In 2015, Wentang attracted 4.5 million tourists, realized tourism...
revenue of 3.1 billion RMB, and its industrial production achieved 7 million RMB. In 2017, it achieved a financial income of 170 million RMB, and the per capita disposable income of residents reached 29,800 RMB.

5.2.2. Irrational and Blind Cultivation: Donghuang Small Town in Xianyang

Donghuang Small Town (Figure 8) is a typical failure case of building featured towns. In view of its location in Xianyang, a national-level historical and cultural city, it positions the local folk culture and package cultural products as its characteristics. In fact, there are already many homologous featured small towns in its neighborhood. Donghuang’s features have few advantages compared with them. However, it irrationally invested a total of 500 million RMB in building a characteristic small town. Four streets have been built: (i) Cultural and creative entertainment street, gathered with paper-cut art, shadow play, ancient calligraphy and painting, coffee shops, and other cultural projects; (ii) Silk Road-featured commodity street, mainly to trace the prosperity of the ancient merchandise trade channel “Silk Road Commercial Road” and show the historical style of the old street; (iii) Specialty snacks street, gathered with all kinds of specialty snacks from Shanxi, such as noodles, snacks, melons and fruit drinks; (iv) Traditional manual workshop street, equipped with various traditional pure hand workshops and inherited folk art, including wineries, oil mills, tofu workshops, hot pots, and powder squares.

These functions covered almost all types of markets in the Guanzhong area of Shanxi Province, and many of its ancient buildings, cultural experience projects, landscapes, specialty snacks, hand workshops, etc. are almost the same as the neighboring towns’, leading to the apparent homogenization problem. As a result, Donghuang attracted few tourists since its completion and its shops have almost closed down.

Donghuang is an obvious “blind town” and has excessive imitation. It lacks a scientific assessment on its own conditions and the market environment. Its failure indicates that irrational and blind cultivation could only waste resources and funds, instead of promotion on production factors agglomeration for improving the sustainability of small towns. Governors must take it into consideration.

Figure 7. Yichun Wentang Town.
6. Rational Thinking on the Characteristic Development of Small Towns in China

In 1960, the architectural planner Kevin Lynch’s “City Image” proposed five elements of urban composition—path, edge, district, node, and landmark [74]. He stressed that a town needs to highlight its recognizability and uniqueness from each element. The characteristic small towns in foreign countries are mostly industrial towns, whose locations often follow the industrial location theory. The themes of their industry are unique. The expansion of the industrial chain, the function of the town, and the creation of the town landscape are all around the theme product [75]. In addition, foreign characteristic small towns are formed autonomously and gradually after long-term precipitation.

While in China, featured small towns have many types and are mainly formed under the guidance of higher-level governments. They can be divided into two situations: (i) For a small town with its own characteristic, the government would further develop it and cultivate into a featured industry, taking into account the construction of culture, infrastructure, environment, and other aspects, and finally build the small town as a characteristic small town; (ii) For a small town that does not have its own feature, the government could create a featured small town by introducing a foreign feature. However, these two situations are both not straightforward and easy to operate. They must follow local functions, conditions, and corresponding support qualifications, including examination of certain underlying conditions, scientific assessment work, and clear cultivation strategies.

This study believes that the featured development of small towns should be carried out following the scientific operation method of “explore characteristic–evaluate characteristic–nurture characteristic” (Figure 9) to avoid those irrational phenomena. Firstly, the governors of small towns should explore the features of small towns, which form the basis and preconditions for the characteristic development of small towns. Not all small towns have their own functions, instead they can be characterized by introducing exotic features. Of course, this introduction should depend on a comprehensive assessment of the local conditions and external properties. In other words, small towns can be characterized through undertaking a kind of spill-over industry from neighboring cities, as long as this spill-over industry is suitable for the small town’s development.

Subsequently, the governors should assess the development potential of these characteristics. Small towns may have many kinds of features. However, it does not mean that they all can undoubtedly be developed into characteristic industries. It is unnecessary to cultivate those properties with low development prospects. Therefore, governors need to do a comprehensive qualitative analysis on the development prospects of all the identified functions in light of the socio-economic background, changes in market demand, and the resource conditions of small towns. Thereafter, governors could make a quantitative measure of features development potential by setting an evaluation index system based on pre-qualitative analysis, thereby determining one or several types of properties with the most development potential to cultivate.

Thirdly, it is required to industrialize the selected features of small towns, which is called characteristics nurturance. The core and final goal of characteristic development is to cultivate featured
industry. Governments should make full considerations based on the features and local conditions of small towns and carefully explore and cultivate distinctive industry in conjunction with public willingness. After the featured industry of a small town gets strong comparative advantage and competitive preponderance, reflected in improving product visibility and sales and enhancing product market competitiveness, it will bring about higher economic benefits for the small town than traditional industries and promote the agglomeration of industries and population.

In addition, small towns should synthetically achieve environment, infrastructure, mechanism, and other cultivation requirements, aiming at promoting the sustainable environment, economic, and social development of small towns.

**Figure 9.** Scientific operation method of characteristic development of small towns.

7. Conclusions and Discussion

The construction of small towns in China is not smooth, and it is currently facing many difficulties and bottlenecks, lowering the sustainability of small towns. The root cause lies in the fact that the traditional development pattern of small towns cannot adapt to the development demands of the new era and needs urgent transformation. As a new engine of urbanization in China, characteristic development type is an excellent choice for the transformation of small towns, facilitating small towns into sustainable town forms. However, some irrational phenomena, such as the “blind towns”, “false towns”, excessive real estate, and severe homogenization, emerged during the construction of characteristic small towns. These phenomena reflect that the realization of featured development in small towns needs a scientific method to guide, besides government’s policy support. This study proposed a strategy for featured development of small towns, with "explore characteristic–evaluate characteristic–nurture characteristic" as the main line, to help characteristic transformation for the steady and sustainable development of small towns in China.

Small towns are a link between cities and villages, development transformation of which would promote them to catch immigration flows to bigger cities, alleviating “city diseases”. At the same time, it could improve the capacity of small towns for serving their surrounding countryside and contribute to the sustainability of rural areas [37]. In addition, the development of the central and western regions in China, which is dominated by small towns, is relatively backward. The characteristic development
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models of small towns could help to encourage the sustainable development of the economy, society, and environment of small towns in the central and western regions, strengthening regional balance of China. Moreover, China is the largest developing country, whose task of urbanization is still arduous. Furthering the development of small towns would benefit the realization of in situ urbanization, which is conducive to the orderly advancement of Chinese urbanization process. This might provide some reference for other developing countries.

Unfortunately, there are still two shortcomings in this study: (i) The case study is limited. There are many different types of characteristic development mode of small towns in China. This study only selected two of them and might not represent the general status quo of characteristic development of small towns in China, (ii) The presented operation method to guide characterization is relatively rough. This study just proposed a main line of the scientific strategy and did not discuss each step in depth. In the next stage of research, we will continue to carry out relevant studies to make up for these two shortcomings.

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