

Towards sustainability: ‘new’ urbanization, new planning

Regional Integrated Planning and Management in China

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Outline

- Introduction
- China 's Urbanization : More Than Speed
- 'Old' vs. 'new' urbanization
- Hand-in-hand planning needed
- Do Universities Matter?

1. Introduction

1. Introduction: urbanization, a global issue



Air Quality Index

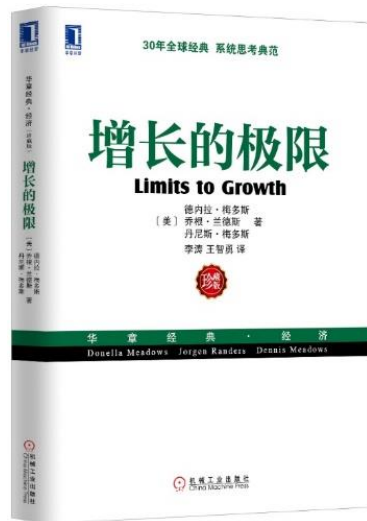


► Release 发布说明

空气质量指数(AQI)	等级	出行提示
0-50	1级 优	可正常活动
50-100	2级 良	可以接受的, 除极少数对某种污染物特别敏感的人以外, 对公众健康没有危害。
101-150	3级 轻度	轻微污染 易感人群症状有轻度加剧, 健康人群出现刺激症状 心脏病和呼吸系统疾病患者应减少体力消耗和户外活动
151-200	4级 中度	对污染物比较敏感的人群, 例如儿童和老年人、呼吸道疾病或心脏病患者, 以及喜爱户外活动的人, 他们的健康状况会受到影响, 但对健康人群基本没有影响。
201-300	5级 重度	心脏病和肺病患者症状显著加剧, 运动耐力降低, 健康人群中普遍出现症状 老年人和心脏病、肺病患者应减少体力活动
>300	6级 严重	健康人运动耐力降低, 有明显强烈症状, 提前出现某些疾病 老年人和病人应当留在室内, 避免体力消耗, 一般人群应尽量减少户外活动

1. Introduction: urbanization, a global issue

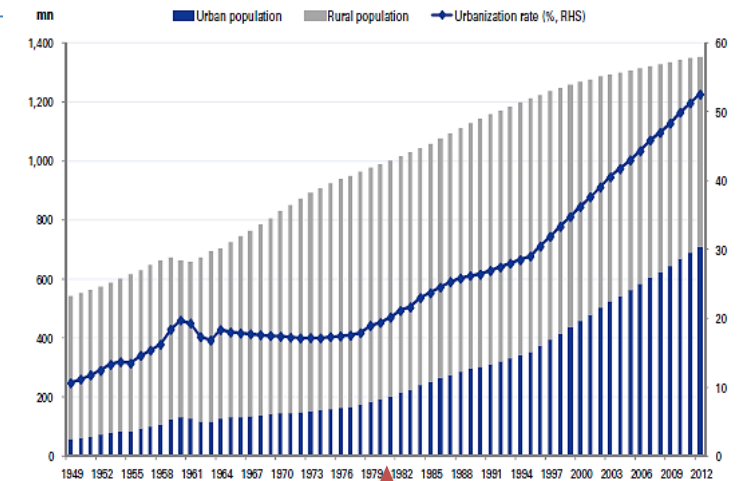
- The “sustainable development” is A Chinese dream
- The building of an “ecological civilization” in China is crucial for mankind
- In this context, the way of China’s urbanization is very essential and important



1. Introduction: urbanization, a global issue

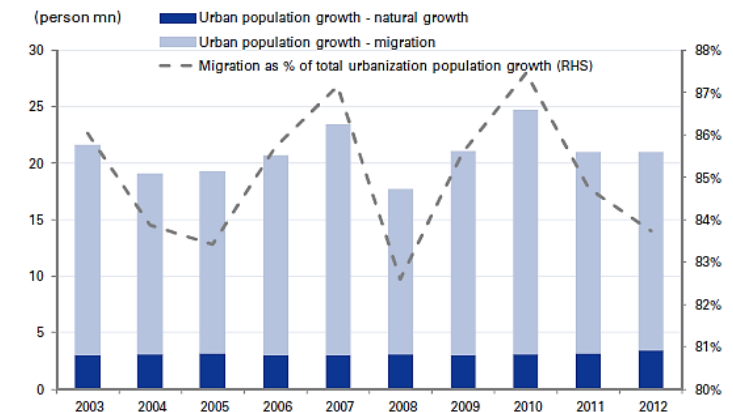
- Looking back to the long history, we can find that the history of the whole mankind is the history of cities, which has carved deeply and become a memory in the history of a country
- Today, our world is changing so fast that there is no time to delay the acceleration of China's urbanization and industrialization. Urbanization has become an important driving force in Chinese social and economic development
- As of end 2015, China's urbanization rate stood at 56%, comparable to levels achieved by the USA in the 1930s

Exhibit 1: China's urban vs. rural population shows 53% urbanization ratio



Source: CEIC, GS Global ECS Research.

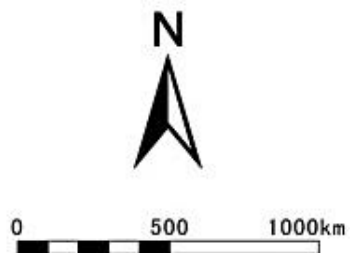
Exhibit 2: Migration is the main force of incremental urban population in recent decade



Note: Natural growth of urban population is calculated using national population natural growth rate, as urban data is not available.

Source: CEIC, NBS, GS Global ECS Research.

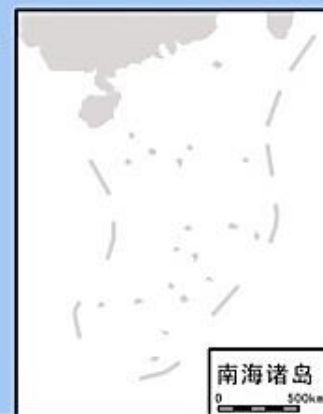
Urban Agglomeration in China



图例

城区人口(单位:万)

- 0.000001-10.000000
- 10.000001-20.000000
- 20.000001-50.000000
- 50.000001-100.000000
- 100.000001-300.000000
- 300.000001-500.000000
- 500.000001-1000.000000
- 1000.000001-2000.000000



Source: Chaolin Gu

1. Introduction: urbanization, a global issue

Megaregions of China



Economic Growth



Agglomeration



Disparity

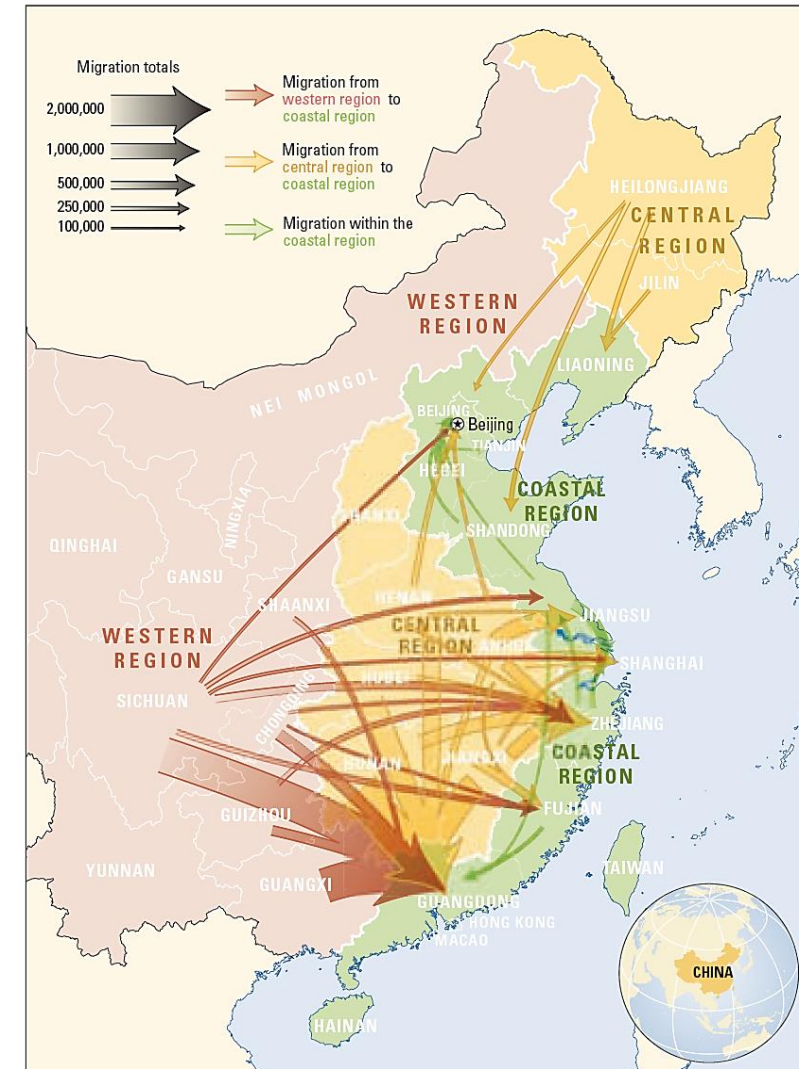


The two River Delta Regions, together with the Bohai Bay Economic Zone, accounted for almost half of China's GDP in 2007, 77 percent of its exports, and almost all of the country's inbound FDI, despite hosting just 25 percent of its population.

1. Introduction: urbanization, a global issue

- More than one hundred million people migrated to China's cities from areas that are more rural within the past twenty years
- Past experiences in Western countries show that a city of 3 million people usually takes about 100 years to grow to 10 million. But Shenzhen, a 30-year-old city, made this jump in only a decade
- Cities, migration, and trade have been the main catalysts of progress in the developed world over the past two centuries. These stories are now being repeated in the developing world's most dynamic economies such as China

Map 3 Migrating to reduce distance to density: Despite the obstacles, Chinese workers have migrated in the millions



Source: Huang and Luo 2008, using data from the population census of China.

2. Urbanization in China : More Than Speed

2. China's Urbanization: More Than Speed



- **Peri-Urbanization:** Imbalance between urbanization of population and rural-urban migrants' citizenization
 - Measuring urban population
 - Permanent urban residents (with hukou), and
 - Rural population living in cities or towns over 6 months but without identity of citizenship (urban hukou) – the floating population
 - Gap between urban population and citizens
 - More than 200 million of nonresident migrants in cities and towns
 - Real rate of urbanization is about **35%** in 2010 after deducting the 260 million (compared with 49.7% of the rate of registered urban population in 2010) (Hukou urbanization)
- peri-urbanization

What does an Urban *Hukou* Mean Now?

- Social Assistance
- Housing Subsidy
- Equal Access to Urban Public Services such as Schools

2. China's Urbanization: More Than Speed

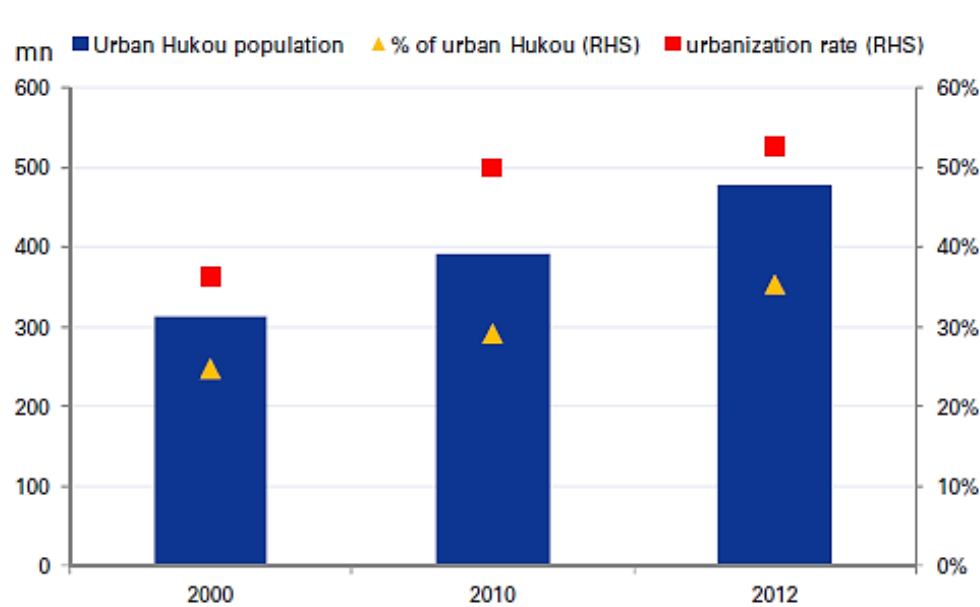


Exhibit 6: China's urban hukou population growth has been much slower than its urbanization pace

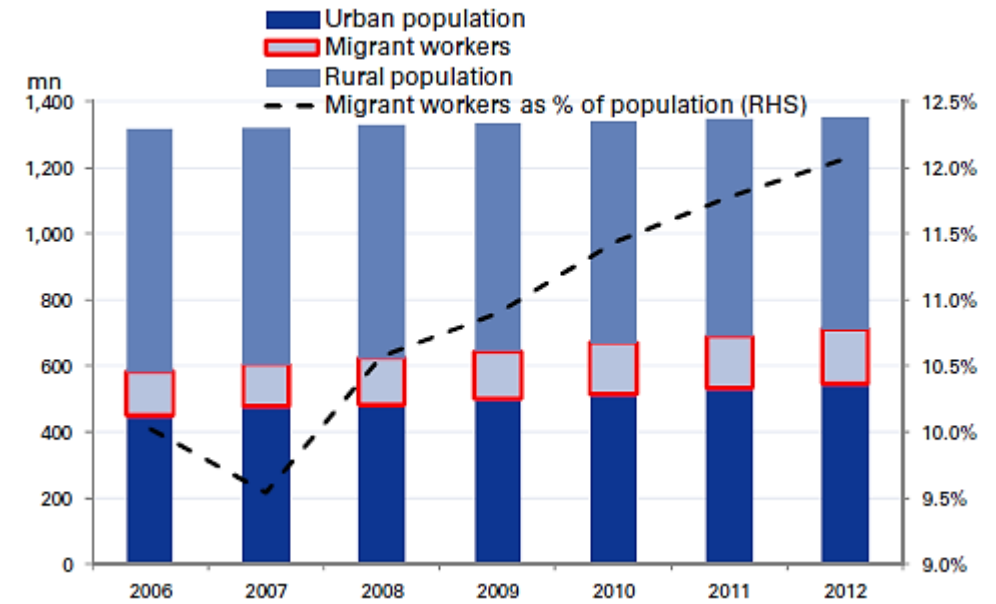


Exhibit 7: Migrant workers population residing in urban areas has been rising towards 200m

- Migrant rural workers is the largest challenge to urbanization
 - Less access to sufficient housing, health services within social security and compulsory education for their children because of their nonresidential identity
 - Separation with their family, esp. children

Source: CEIC, GS Global ECS Research.

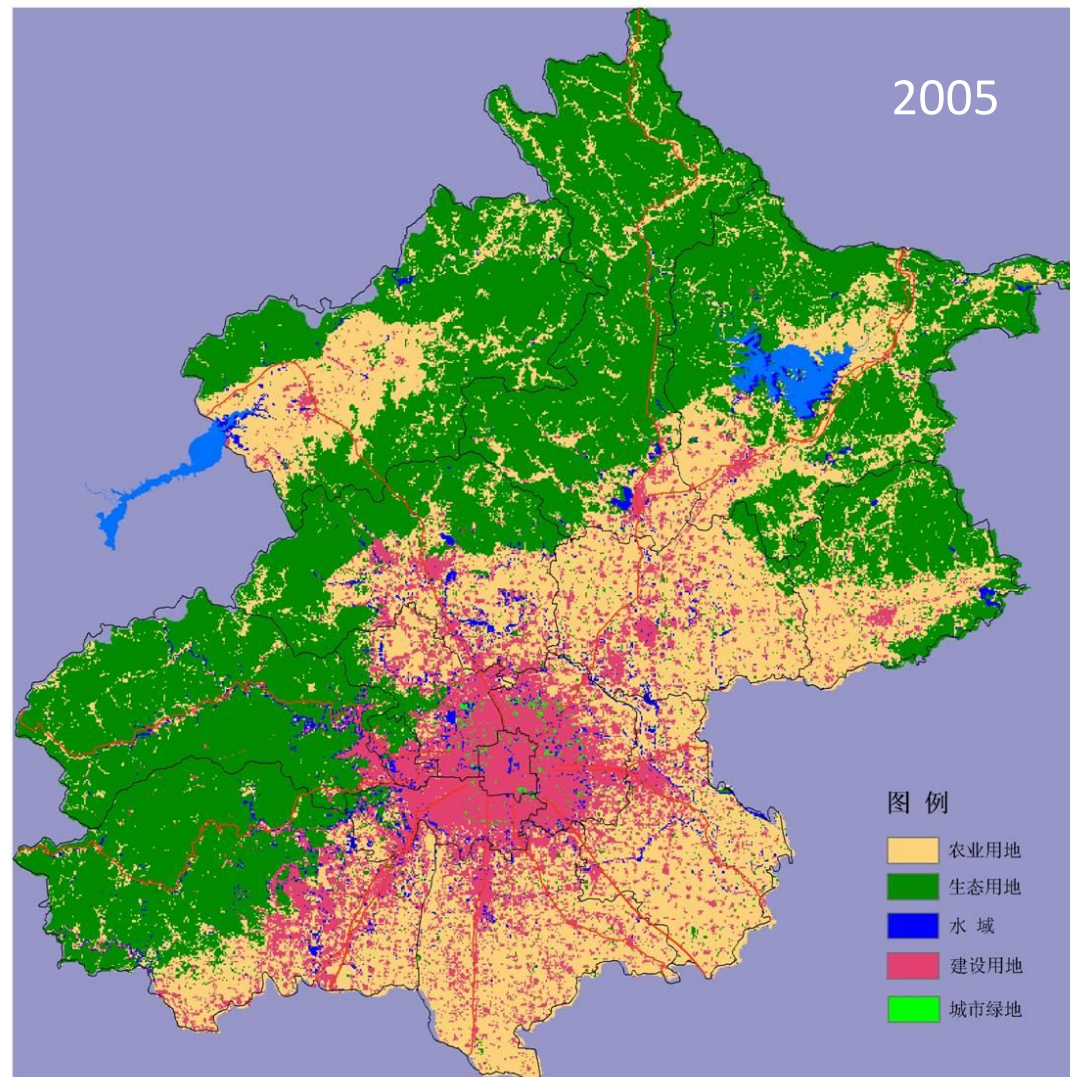
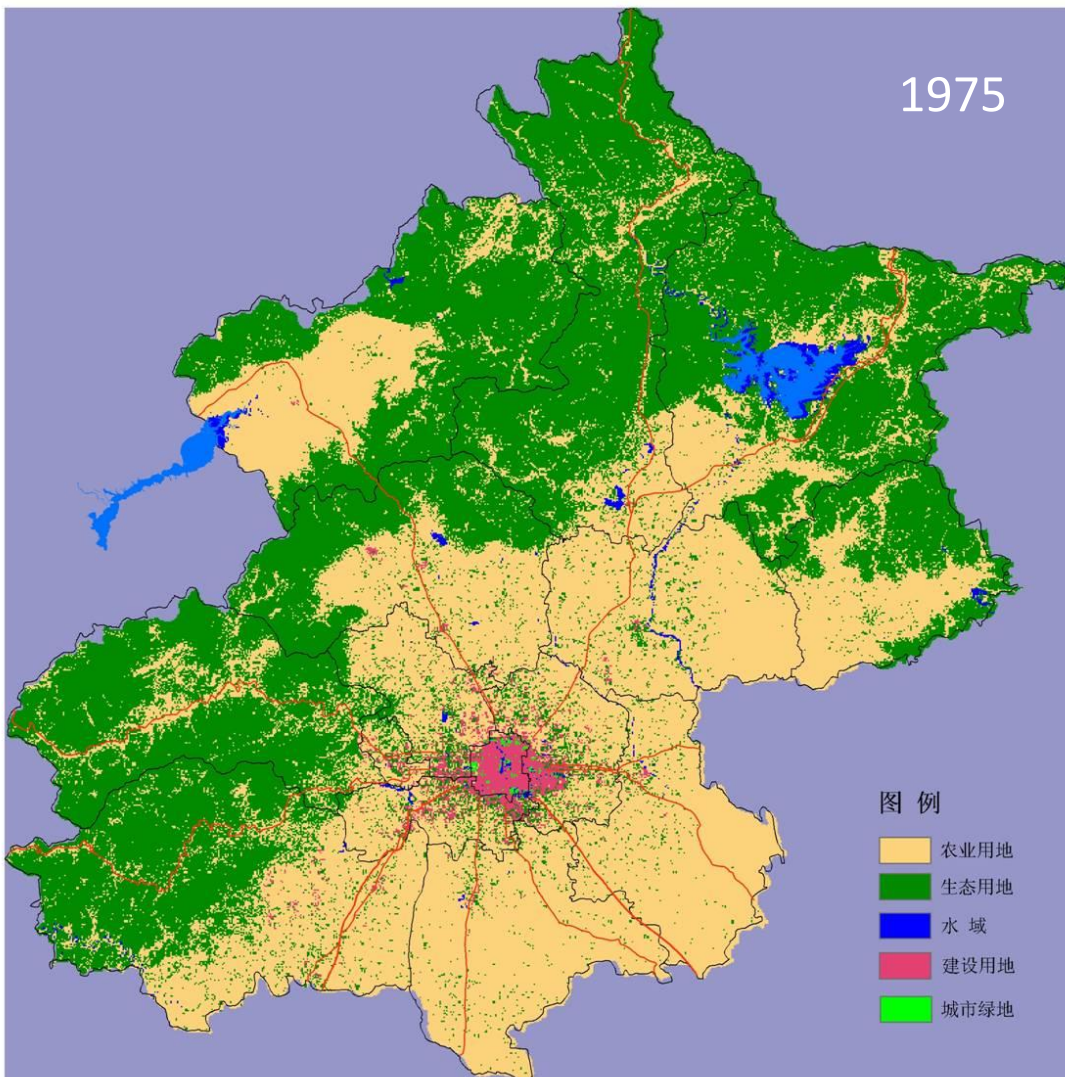


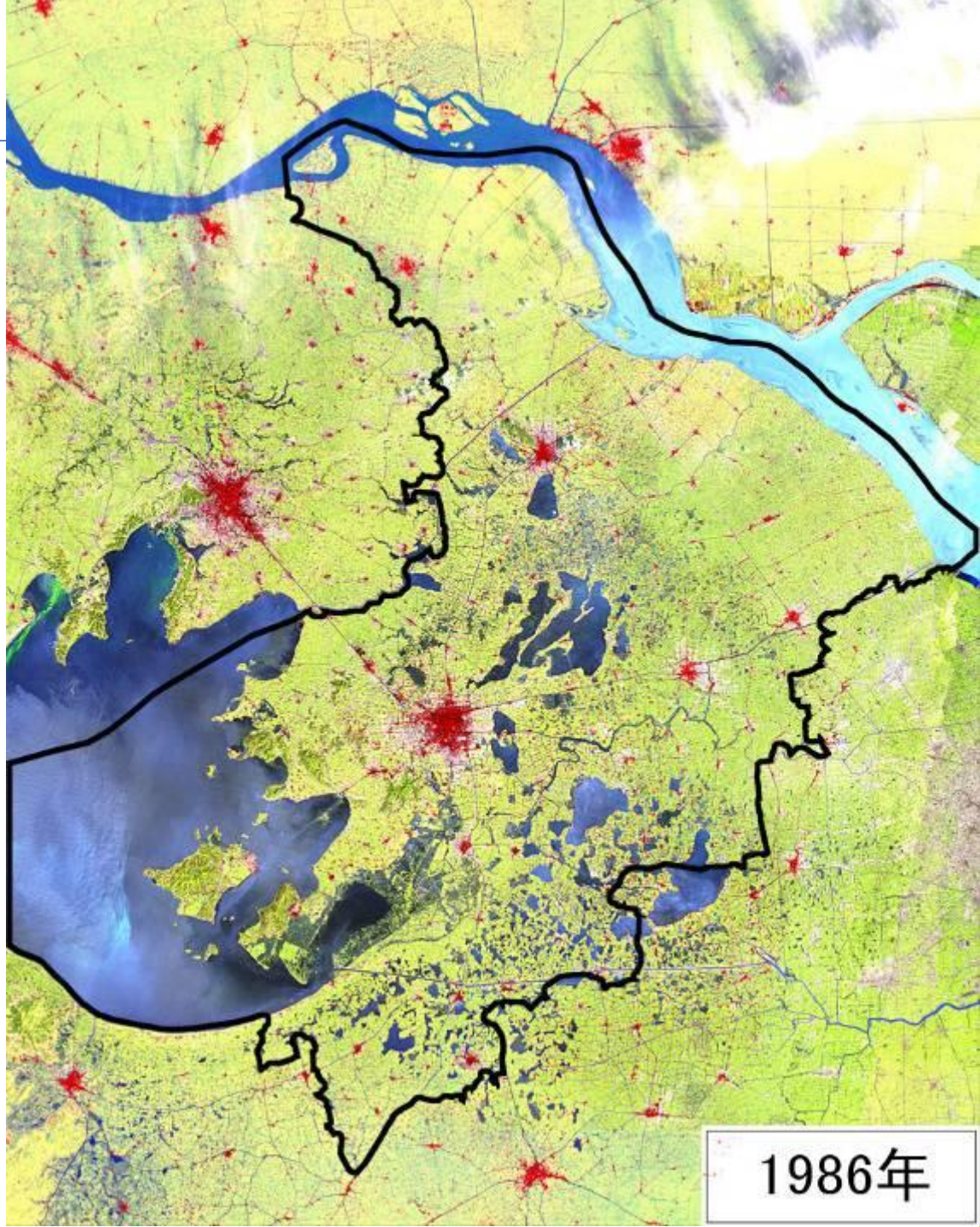
围绕全面建成小康社会，设置7个方面目标，25项主要指标，其中约束性指标13项

户籍人口城镇化率提高到 45%

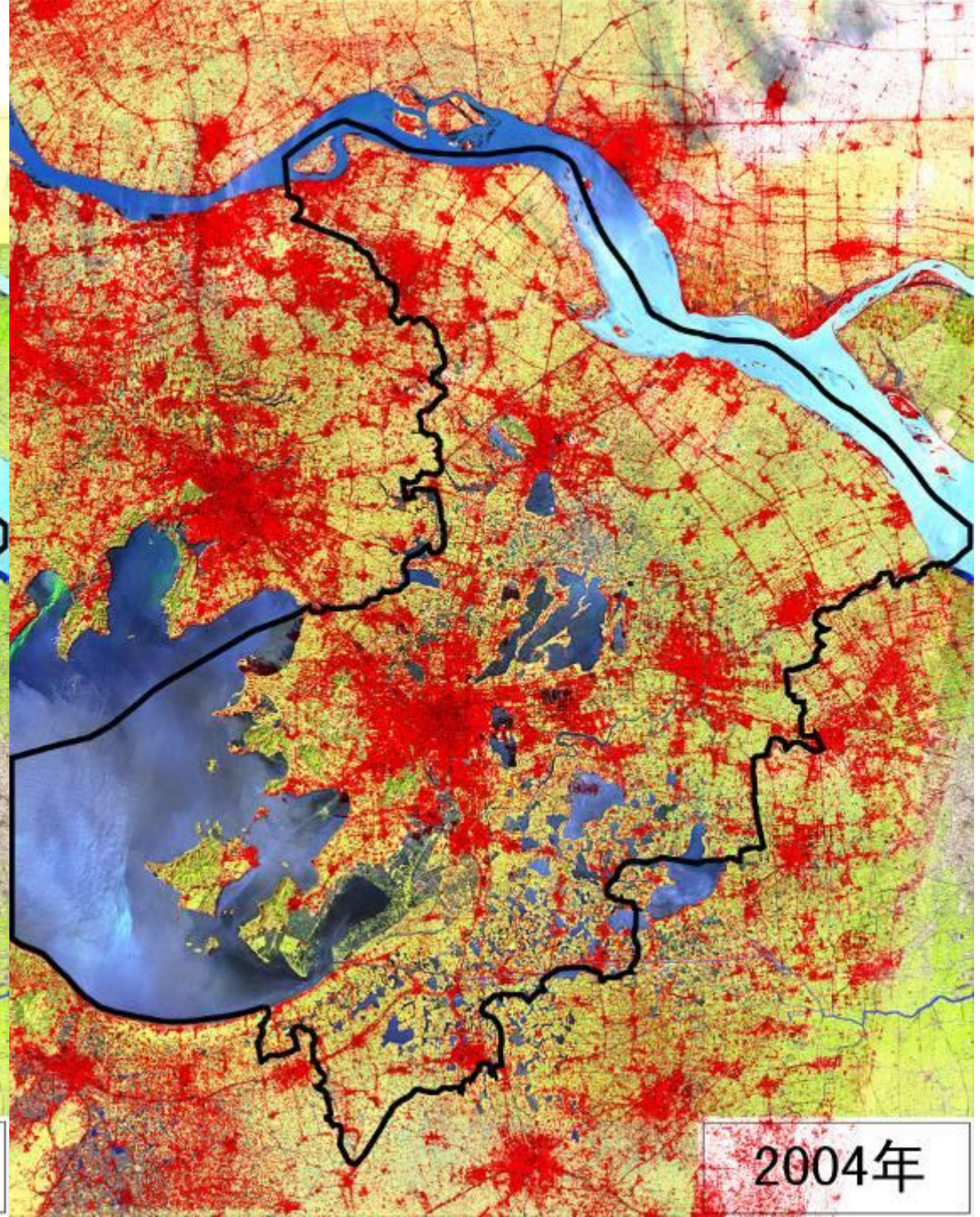
2. China's Urbanization: More Than Speed

- **Land Urbanization** more than people urbanization





1986年



2004年

2. China's Urbanization: More Than Speed

- **Land Urbanization** more than people urbanization

Land specially under pressure in China

- Losses
- Erosion
- Degradation
- Desertification
- Deepening of groundwater
- Risks for floods and droughts
-

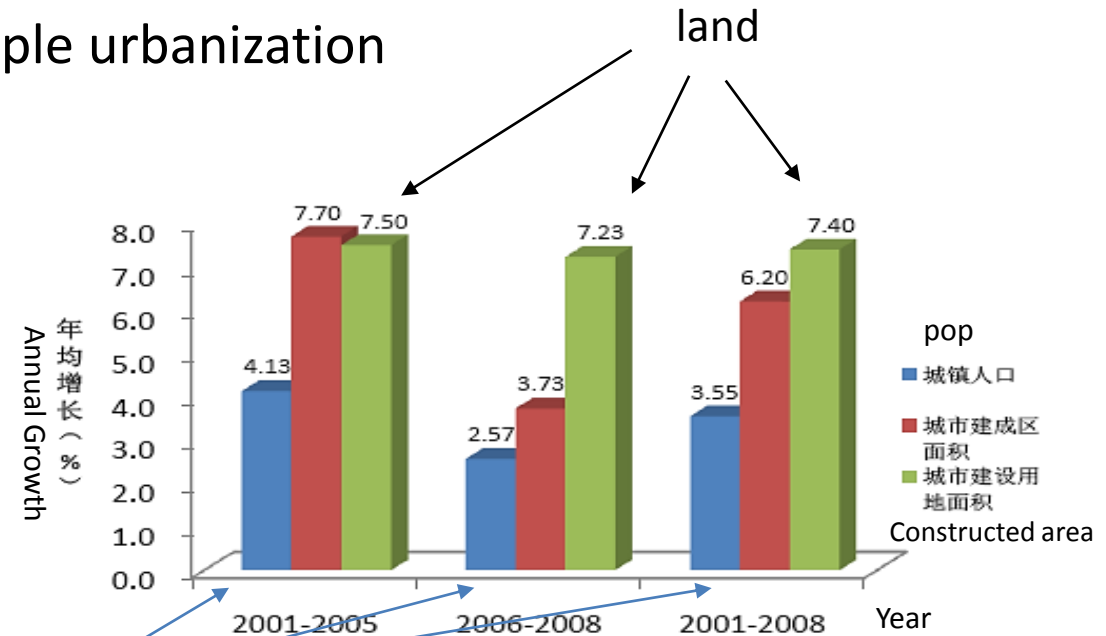


图7 中国城镇人口与城市建设用地面积年均增长比较

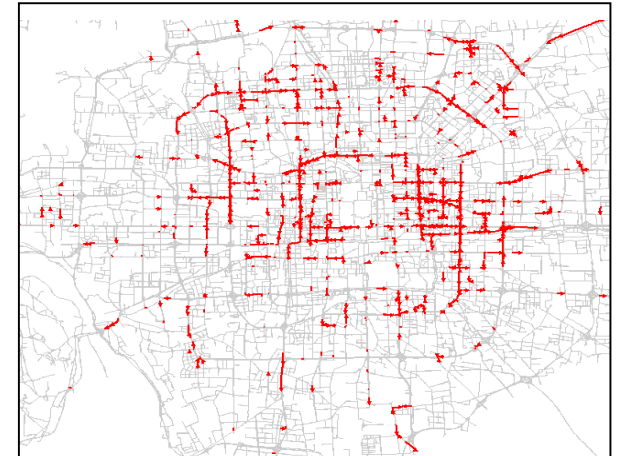
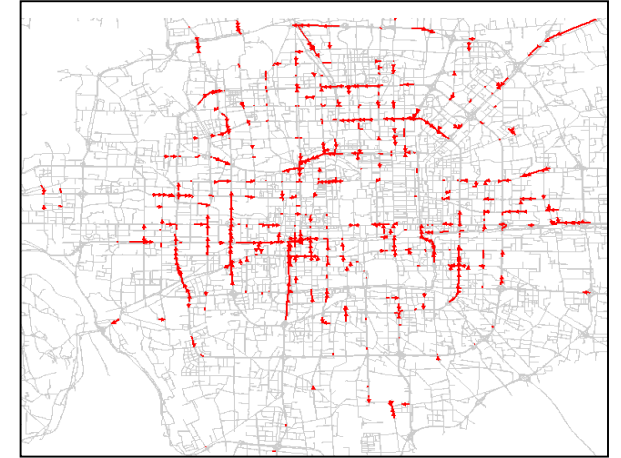
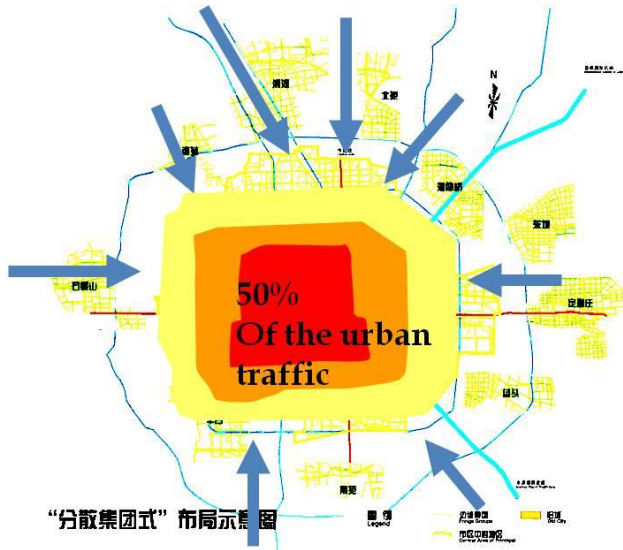
population Contrast between Population and constructed area in China

Source: Houkai Wei

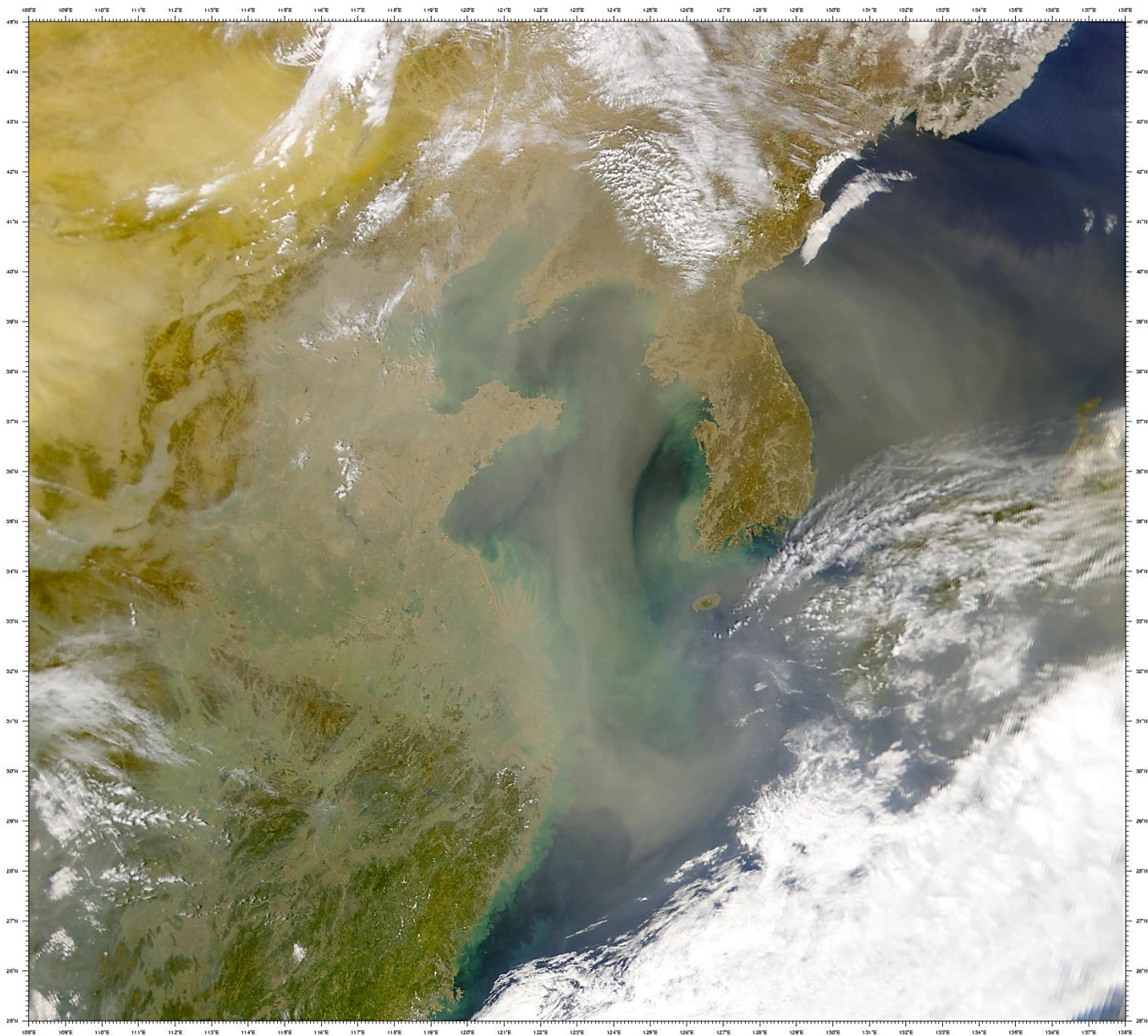
The backdrop: In recent years, China's urbanization model has been a familiar one of 'land economics' incentivized by GDP as a major key performance indicator (KPI):

2. China's Urbanization: More Than Speed

- **Diseased Urbanization:** Big city, Big Problems.....



Rush hour



2. China's Urbanization: More Than



Haze and smoggy bowl...

2. China's Urbanization: More Than Speed



Fighting against city disease!

3. 'Old' vs. 'new' urbanization

3. 'Old' vs. 'new' urbanization

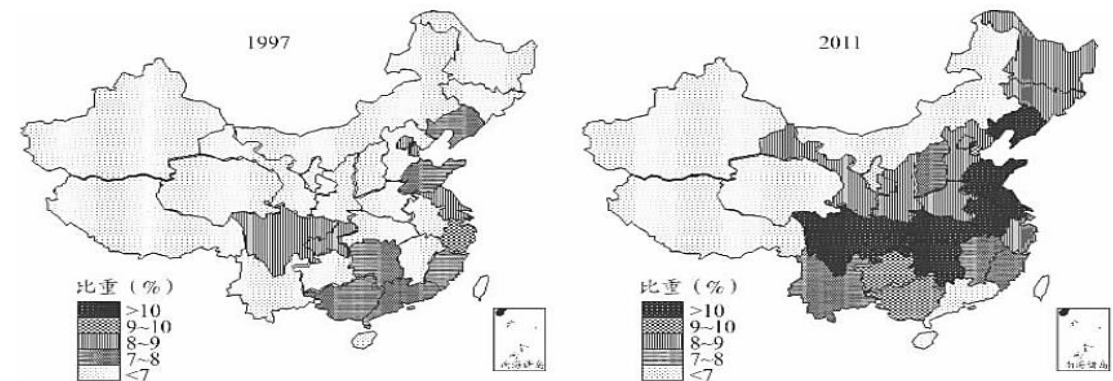
The good old days are gone: “scale dividend” and “urban sprawl” waning

- Population aging & deceleration of urbanization
- Rise in price of production factors (labor, land, resources, technologies, etc.)
- Market reform and price deregulation of production factors
- Over-drafted globalization and global rebalancing
- Slowdown of China's potential growth rate
- Environmental pollution
- Ecological disaster

Middle Income Trap

图1 1997 和 2011 中国老年人口比重的空间分布

Figure 1 Spatial Distribution of the Elderly Population Share in China, 1997 and 2011



注:1997 年的数据来源于《中国人口统计年鉴》,2011 年的数据来源于 2012 年《中国统计年鉴》,并整理计算绘制所得。

3. 'Old' vs. 'new' urbanization

- **Old Story:** Land Urbanization more than people urbanization

The backdrop: In recent years, China's urbanization model has been a familiar one of 'land economics' incentivized by GDP as a major key performance indicator (KPI):

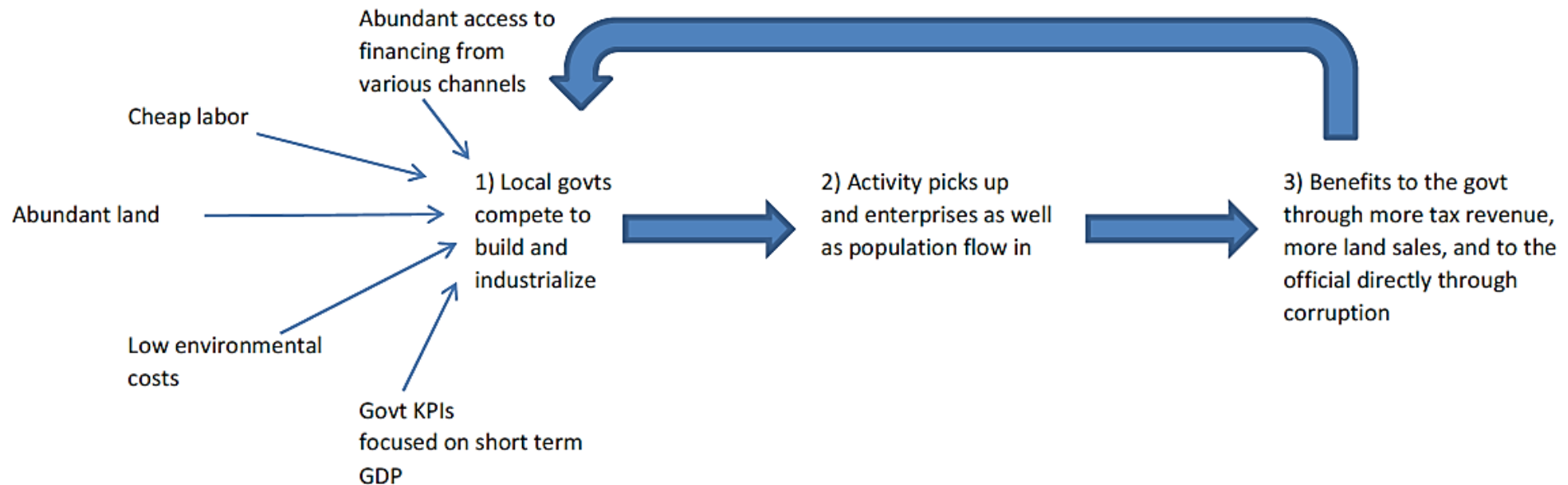
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- 1) **Local governments aim for GDP growth by investing in local infrastructure and industrial parks**, borrowing traditionally from banks (and more recently from shadow banking, corporate bonds and other channels), often with land as the key collateral.
 - 2) **Local governments attract enterprises** and associated employment/population to boost local economic development.
 - 3) **Greater investment, activity and population** allows local governments to:
 - a. raise more tax revenue;
 - b. sell residential land to developers at high prices; and
 - c. benefit officials personally through corruption, given their close and direct control of resources (construction contracts, land sales, etc).
 - 4) **To close the loop**, greater tax and land revenue are used to repay borrowings, and to circle back to (1) above. This creates a seemingly 'virtuous' cycle of faster urbanization and industrialization, from which many have indeed benefitted (be it enterprises, governments or individuals).



3. 'Old' vs. 'new' urbanization

- **Old Story:** Land Urbanization more than people urbanization

Exhibit 10: The 'old' economic model was built on the foundation of some prerequisites, which may not always be available

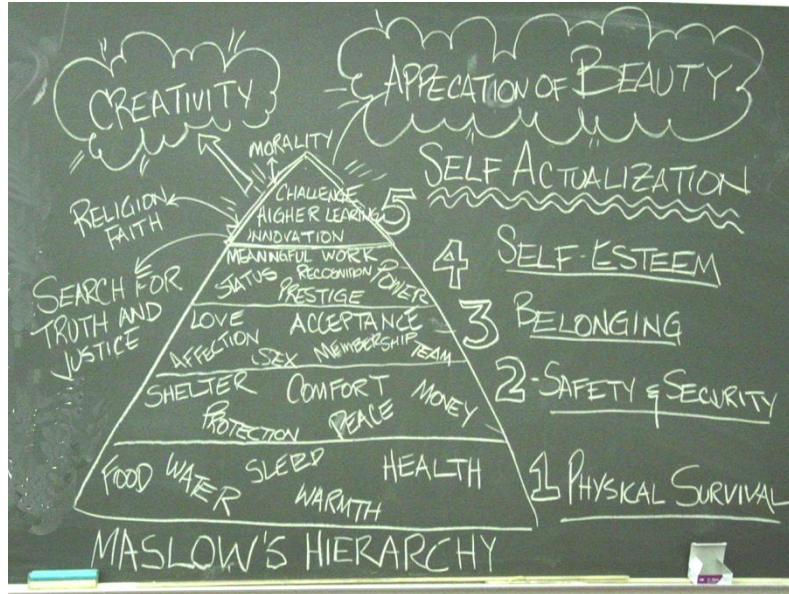


Source: GS Global ECS Research.

3. 'Old' vs. 'new' urbanization

• Low Quality and Efficiency Urbanization

- Land
- Housing
- Resources
- Health
- Environment
- Safety
- ...



CCTV 新闻
检出三聚氰胺婴幼儿配方乳粉企业

序号	标称的企业和产品名称	抽样数	不合格数	三聚氰胺最高含量 (mg/kg)
1	石家庄三鹿集团股份有限公司生产的三鹿牌婴幼儿配方乳粉	11	11	2563.00
2	上海熊猫乳业有限公司生产的熊猫可宝牌婴幼儿配方乳粉	5	3	619.00
3	青岛圣元乳业有限公司生产的圣元牌婴幼儿配方乳粉	17	8	150.00

CCTV.com



High-energy-input, High-land-input, High-water-input and low output model

'Old' vs. 'new' urbanization – it's not just about the investment or the size anymore

- China's growth relies too much on factor inputs, especially capital and land inputs.
- The contribution from **TFP** has been very low. Other indicators, such as energy and material consumption, technology innovation and patent registration, shows that China underperforms the international benchmark.
- The theme for the next 30 years is to achieve endogenous growth through improvement of human capital, technical innovation (including resource utilization) and the upgrading of industrial structure from low value-added to high value-added.

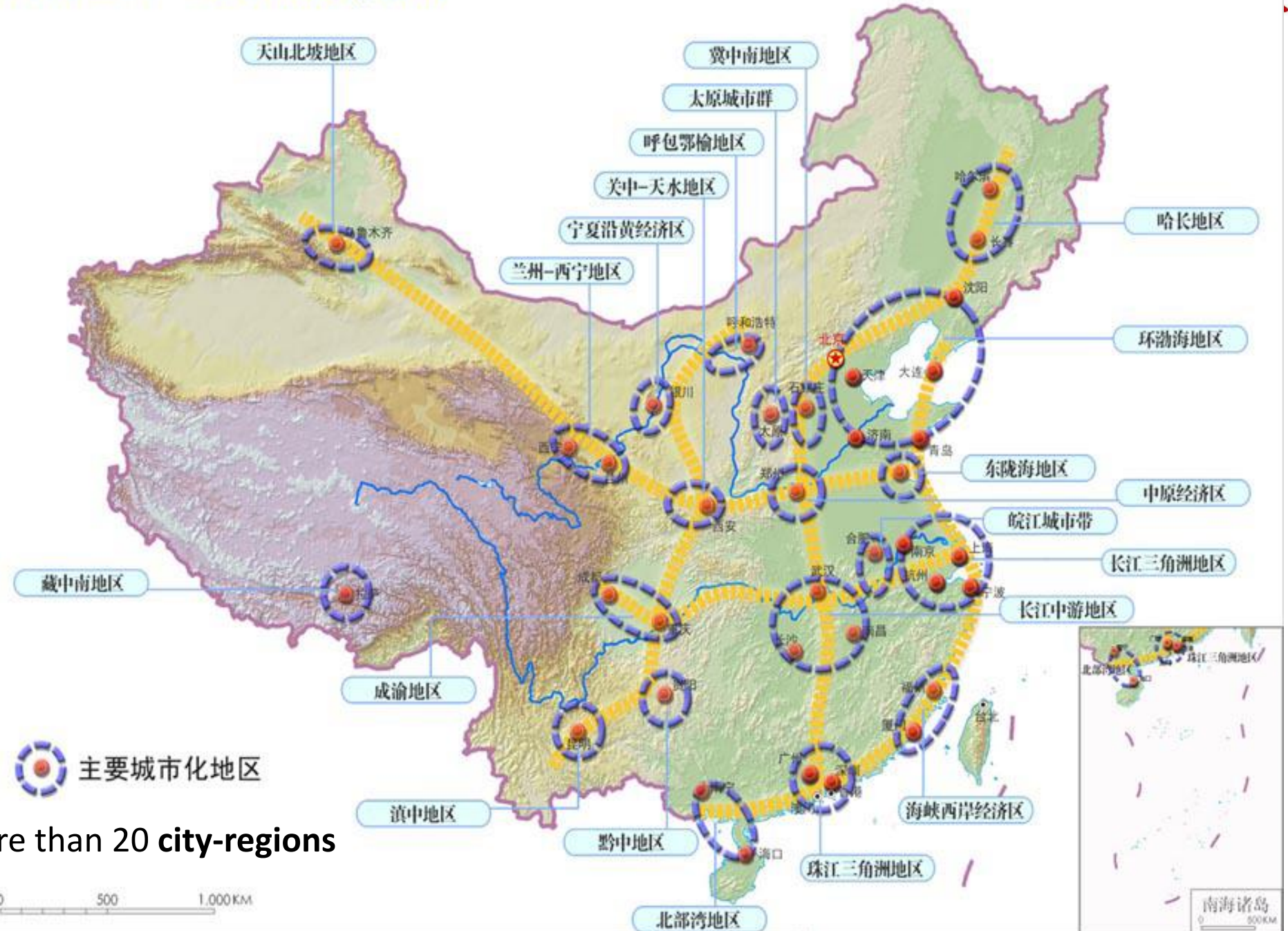
But urbanization is not just about expanding square footage. Premier Li Keqiang has said that urbanization 'is not simply increasing urban population ratio, nor expanding urban square footage⁵,' and that we should not simply 'build more cities⁶.'

4. Hand-in-hand planning

“两横三纵”城市化战略格局

We need regional planning not just city planning

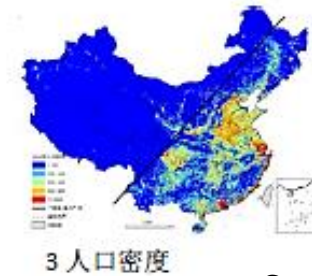
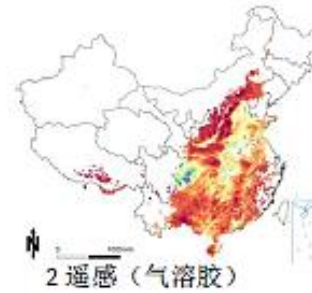
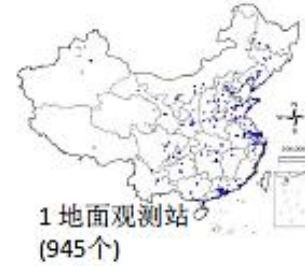
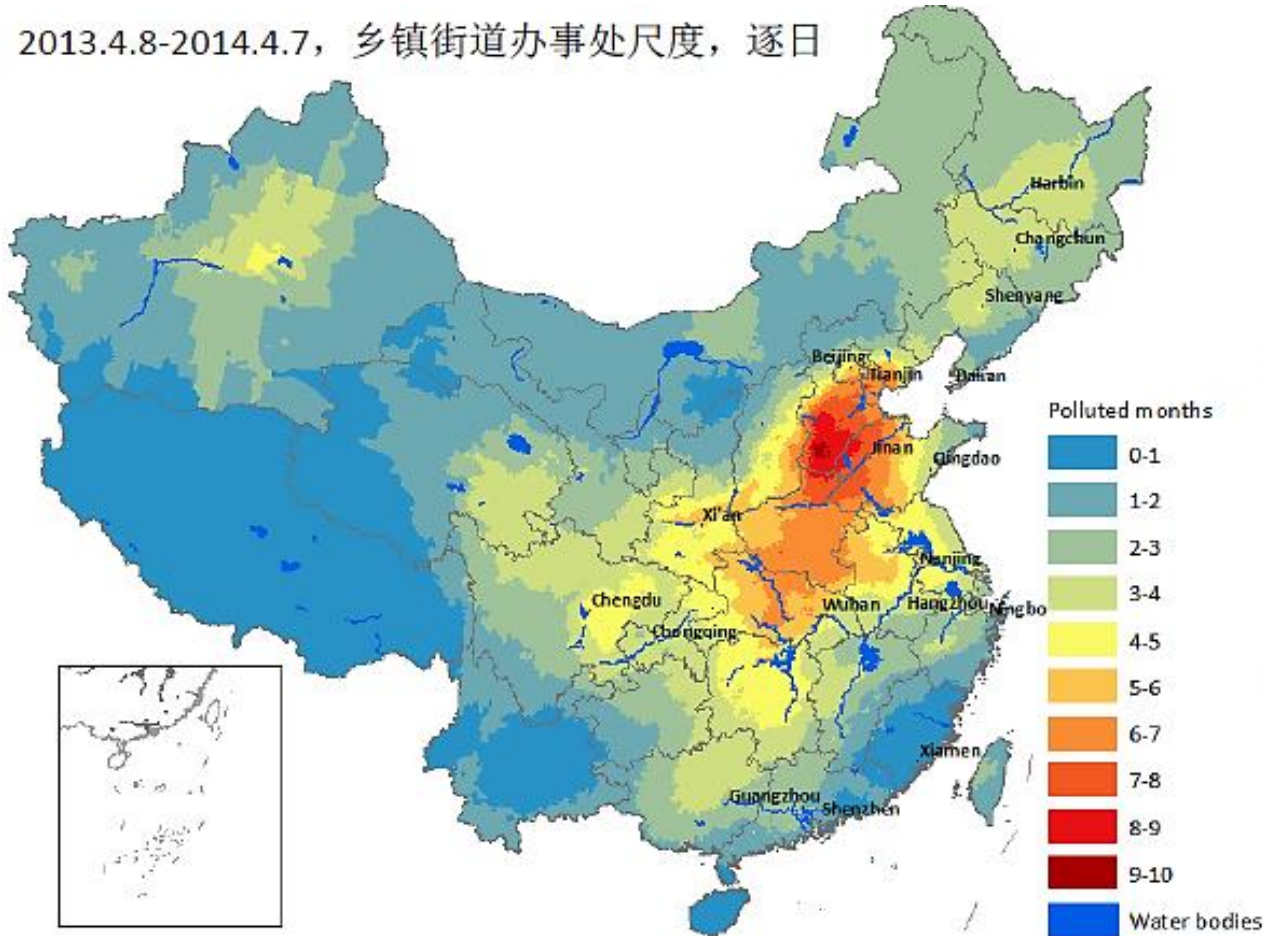
4. Har



To build more than 20 city-regions

4. Hand-in-hand planning

2013.4.8-2014.4.7, 乡镇街道办事处尺度, 逐日



Projected Premature Annual Deaths due to Urban Air Pollution, Total and by Economic Group or Region, 2001–2020

Region	Premature Deaths (thousand per year)
Established market economies	20
Former socialist economies	200
China	590
India	460
East Asia and the Pacific	150
Latin America and the Caribbean	130
South Asia	120
Middle East Crescent	90
Sub-Saharan Africa	60
World	1,810

Source: World Bank.

Source: BCL

Air Polluted area in China

It's not just a matter of single city, but a regional problem

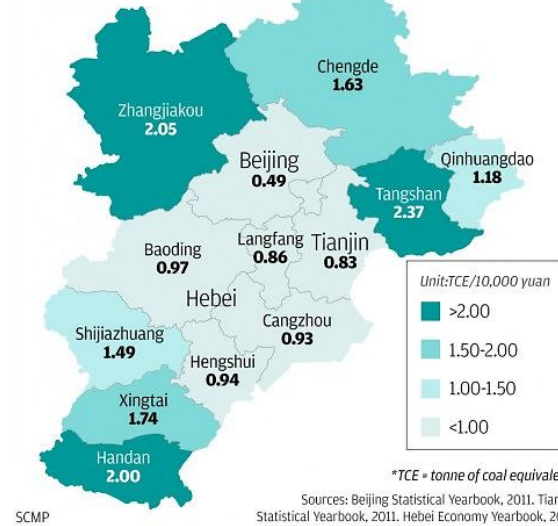
We need regional planning not just city planning

4. Hand-in-hand planning



Energy efficiency

The amount of energy consumed (in tonnes of coal equivalent) by the cities of Beijing-Tianjin-Hebei to produce 10,000 yuan of gross domestic product. Higher numbers indicate lower efficiency and greater pollution

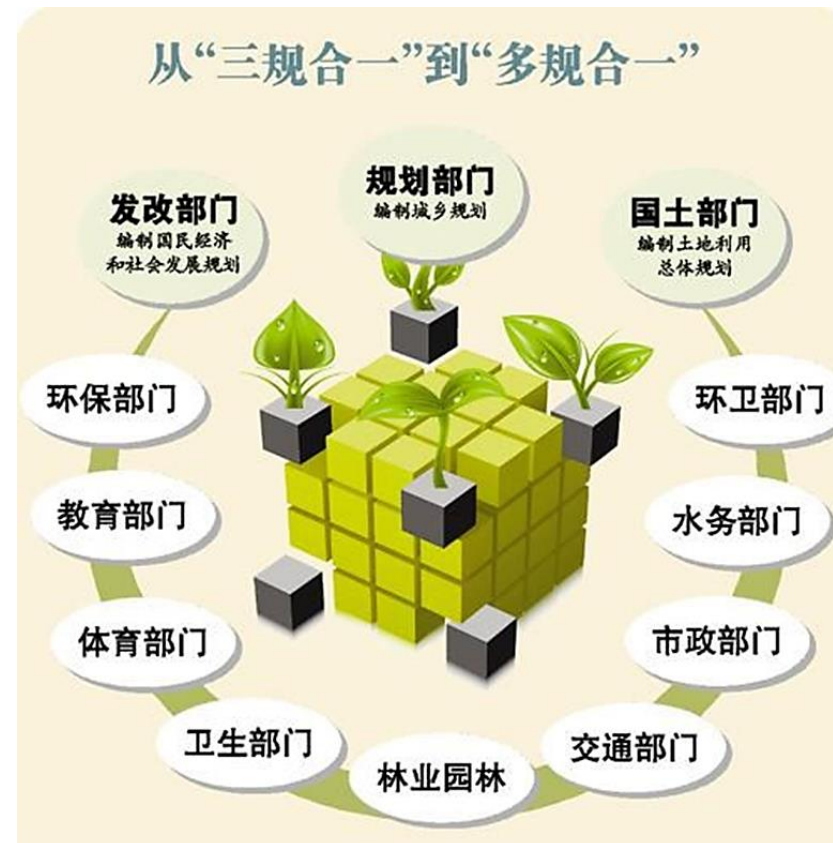


We need regional planning not just city planning

4. Hand-in-hand planning

- **Very comprehensive national and regional planning system in China**
- Fragmented management and decision making; Lack of government communication and coordination

- City planning
- Economic planning
- Land use planning
- Transportation planning
- Environment planning
-



Different ministries and departments in different administrative levels

4. Hand-in-hand planning

- **Very comprehensive national and regional planning system in China**

- **Poor enforcement and implementation**

- Lack of basic and accurate information
- Lack of scientific analysis
- Lack of transparency and accountability
- Lack of public participation and monitoring
-

Urban planning in Jing-jin-ji region

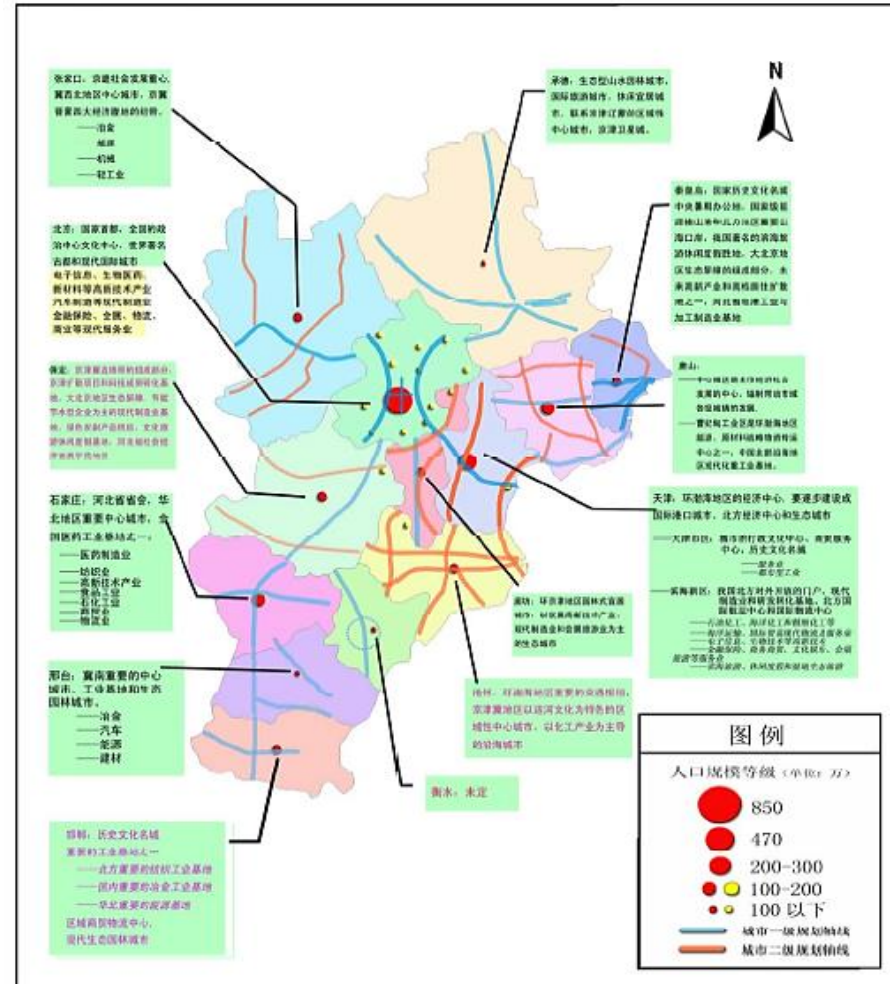


图 2 基于各城市总体规划的京津冀产业发展蓝图
资料来源: 京津冀各城市总体规划

4. Hand-in-hand planning

Awakening the new “institutional dividend”



5. Do Universities Matter?

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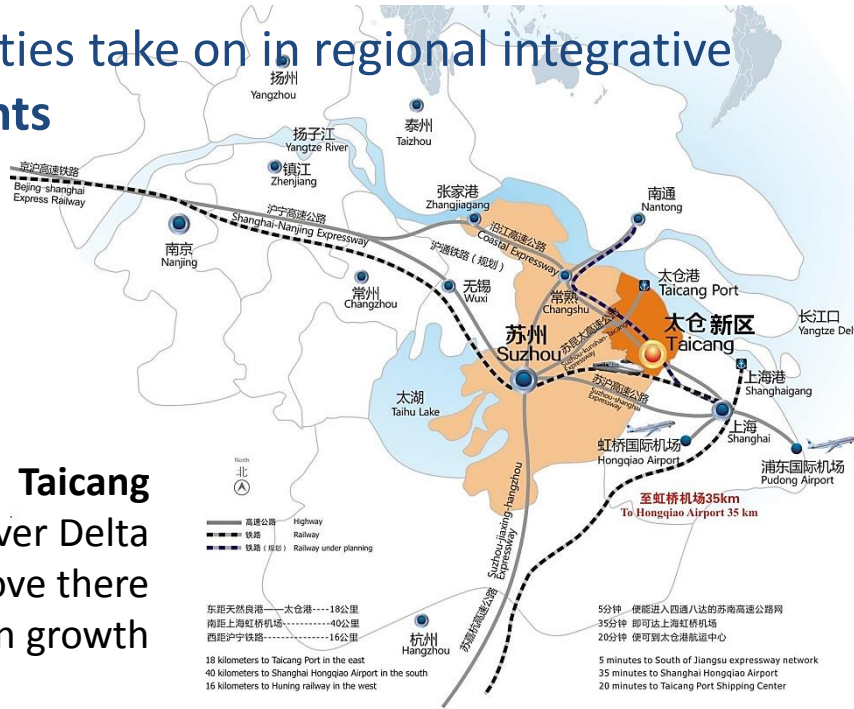
The role of universities:

- knowledge and thoughts Creation
- knowledge and ideology dissemination
- Social services and integration
- Cultural and civilization inheritance



5. Do Universities Matter?

The role that universities take on in regional integrative planning as **consultants**



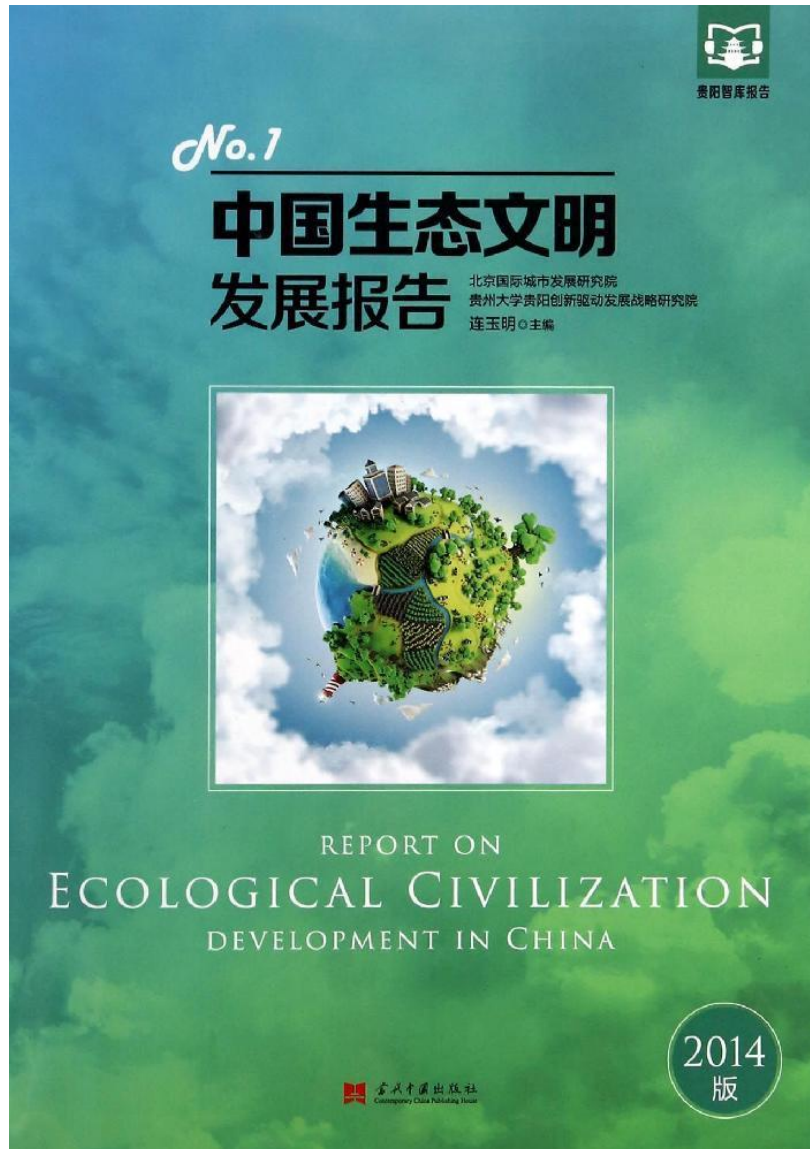
5. Do Universities Matter?



The role that universities take on in regional integrative planning as **scholars to influence different people**

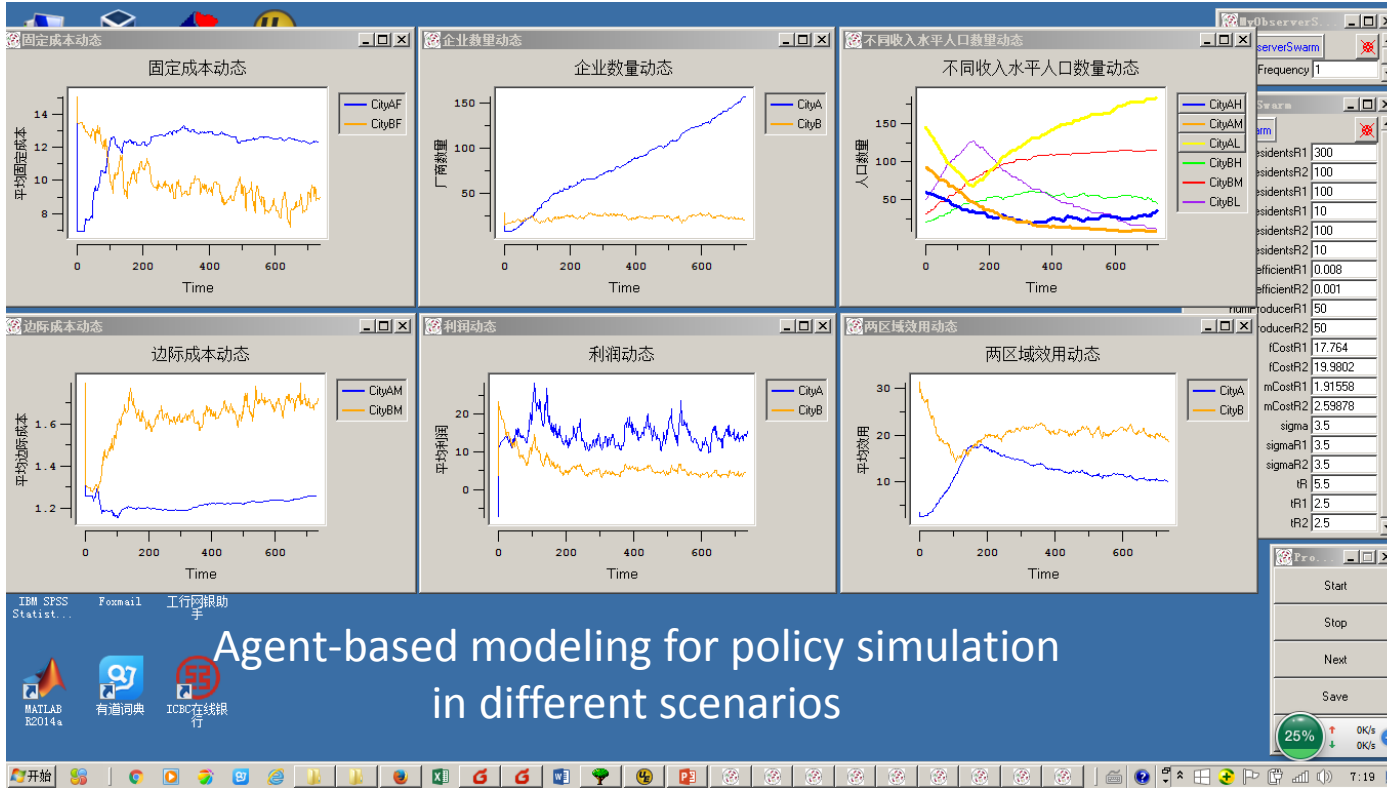


5. Do Universities Matter?



The role that universities take on in regional integrative planning as **scholars for institutional innovation**

5. Do Universities Matter?



The role that universities take on in regional integrative planning as **scholars for theological innovation**

The next 30 years: How will it be?

- The next 30 years **will not be an extrapolation of the past**, but rather a new era with new characteristics:
 - from **high speed back to normal**
 - from “**scale dividend**” to “**institutional and productivity dividend**”
- China’s urbanization has experienced its “high growth” phase, and is entering a new phase that will **be healthier, more balanced, and more sustainable.**
- **Focus more on Quality and People towards sustainability !**

Urbanization: Brighten China SMILE

Towards sustainability

Service: 发展服务业，满足挑剔的消费和生产需求；

Market: 以市场观念注入服务业；

Inno-value: 以创新和效率提高服务业附加价值；

Life: 以服务增进生活品质 and 地区品质；

Environment: 以服务改善生态环境，促进可持续发展



Do you LOHAS today?

LOHAS

Lifestyles
Of
Health
And
Sustainability

End of the Presentation

THANK YOU!

XUE Ling

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