China’s Pro-growth Urban Planning in Rapid Urbanization

– Resource mobilization and responsiveness to market change

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Background

- **Rapid urbanization** – gradual economic reform towards the market economy since 1978 – release of pent-up urbanization – rapid urbanization since 1990 – strong demand for land

- **Supply-side constraints** – state-owned land resources locked by the centrally-controlled planned system; by existing land holders

- **Market economy** – from plan-controlled allocation to market mobilization of resources – capricious market change
Questions

• Is urban planning able to promote local economic growth in this context?
• How is land use planning linked with local growth?
Conceptual constructs

• 1. The role of urban planning is of passive regulation and governance.
  - Land use planning serves the purposes of spatial coordination of land uses and provision of supportive infrastructure for local growth, while development control based on master plans or zoning maintains order in the development of urban built environment through internalizing externalities according to the system of land owners’ property rights.
– Planning should be effective in maintaining status quo interests.
– Land use plans and development control provide order and certainty to the land development market.
• 2. Urban planning promotes local growth through redistribution.
  – Regional planning intends to coordinate a balanced regional development either by allocating public resources to designated deprived areas more than their fair shares or by restricting developments in prosperous localities, and thus the former could have a chance to receive investments which might otherwise not come without development controls exerted in the latter.
• 3. China’s pro-growth urban planning – a component of the responsive land rights regime – unique and unpredictable market situations due to gradual reform
  – Promotion and land mobilization
  – Flexible development control – responsive to market change
promotion and mobilization
Strategic Development Plan
responsive to market change
Result: rapid urban development

- 1982 – 2000: 254 m population urbanized
- Shanghai housing stock: 44.0 m sqm (1980) – 352.1 m sqm (2004)
- 1982: public housing 100.0%
- 2004: public housing 9.8%
Pro-growth planning paradigm

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<thead>
<tr>
<th>Conventional planning</th>
<th>Pro-growth planning</th>
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<tr>
<td>for the status quo interests</td>
<td>for future interests</td>
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<tr>
<td>order</td>
<td>spontaneity</td>
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<td>certainty</td>
<td>flexibility</td>
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Relevance to other developing countries

- Tackle supply-side constraints; make resources available for development
- The anti-commons phenomenon in the land markets of high-density Asian developing cities – scarce land resources are held by landed status quo interests, not available for more efficient redevelopment to accommodate incoming residents
- The role of the state in mobilizing land resources in the setting of high population density (East Asian paradigm of the developmental state)
- Responsiveness to rapid market change