Changing Role of Central Government in City Planning

石楠 Shi Nan
中国城市规划学会 副理事长兼秘书长
《城市规划》执行主编
Secretary General, Urban Planning Society of China
Executive Chief Editor, CITY PLANNING REVIEW
Decentralization: division of power
Capital Division of Power

Enabling legislation → Statutory Plan → National Ministry

ESDP’s Shift to spatial dimension in 1990s

The Constitution

Urban and Rural Planning Act

Land Administration Act

Economic & Social Development Plan (ESDP)
- Economic & social Development
- development priority zone plan

City Plan (CP)
- Human habitat
- Land use

Comprehensive Land Use Plan (CLUP)
- national territory
- preservation of arable lands

The inauguration of Authority of Land and Resource in 1980s
MOHURD’s Duties in Planning

- Urban-rural planning administration...promote healthy urbanization
- National policy and rules for urban-rural planning
- National urban system planning
- Review the submitted city master plan and provincial urban system plan for State Council’s approval
- Planning supervision
- Participate review of comprehensive land use plan
- National policy for small town and village construction
- Department of Urban-Rural Planning
NDRC’s Duties in Planning

• Planning for key projects, distribute productivity
• Development priority zone planning
• Regional development coordination
  – The Western development
  – North-east traditional industrial base revitalization
  – The rising of Central China
• Urbanization strategy and major policies
• Sustainable strategy
• Department of Development Planning
• Department of Regional Development etc.
MLR’s Duties in Planning

- Territorial planning, comprehensive land use planning etc.
- Review of local comprehensive land use plan
- Participate review of city master plan
- Land cadastre
- Land supervision
- Planning Department
- Department of Land Use Administration etc.
Planning System: a historical evolution

1950s
City plan deals with the spatial aspect of economic plan, together as the foundation of political system

1980s
City planning challenged by both market forces and departmental interests, marginalized from political arena of the central government

2000s
City planning employed by the central government for macro economic control, challenged by intergovernmental competition of local authorities
Human Settlements Areas, 1996-2004

Decentralization: fiscal
Fiscal decentralization

• Taxation system reform in 1994
  – Streamline the taxes based on governmental responsibilities and establish stable fiscal relationship between government levels
  – Taxes for central government, Taxes for local government, and Taxes shared by both
  – Tax return and transfer payments
  – Unbalanced fiscal revenue for local government
  – Deficit covered by immense land leasing, resulted in planning failure
Based on Wenzheng: THE GOVERNANCE DIVISION BETWEEN THE CENTRAL AND LOCAL GOVERNMENTS, 2008
Fiscal expenditures & transfer payments

Based on Wenzheng: THE GOVERNANCE DIVISION BETWEEN THE CENTRAL AND LOCAL GOVERNMENTS, 2008
Fiscal revenue from land leasing

- 13,000 billion in 2007, 9,600 billion in 2008, 14,239.7 billion in 2009
- National audit office (based on survey of 40 cities): 674.81 billion, 20.1% of total land leasing revenue in 11 cities have not been included in city budget.

<table>
<thead>
<tr>
<th>City</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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</thead>
<tbody>
<tr>
<td>Hangzhou</td>
<td>646</td>
<td>312</td>
<td>1,054</td>
</tr>
<tr>
<td>Shanghai</td>
<td>803</td>
<td>382</td>
<td>1,043</td>
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<tr>
<td>Beijing</td>
<td>438</td>
<td>503</td>
<td>928</td>
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<tr>
<td>Tianjin</td>
<td>388</td>
<td>439</td>
<td>732</td>
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<tr>
<td>Guangzhou</td>
<td>323</td>
<td>122</td>
<td>489</td>
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<tr>
<td>Ningbo</td>
<td>52</td>
<td>68</td>
<td>488</td>
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<tr>
<td>Chongqing</td>
<td>314</td>
<td>117</td>
<td>440</td>
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<td>Wuhan</td>
<td>267</td>
<td>81</td>
<td>361</td>
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<tr>
<td>Foshan</td>
<td>216</td>
<td>68</td>
<td>332</td>
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<tr>
<td>Chengdu</td>
<td>396</td>
<td>66</td>
<td>324</td>
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</tbody>
</table>
## Incomplete budget

### National Revenue structure 1991-2004

<table>
<thead>
<tr>
<th>年份</th>
<th>预算内收入 (亿元)</th>
<th>预算外收入 (亿元)</th>
<th>预算外占预算内%</th>
<th>制度外收入 (亿元)</th>
<th>制度外占制度内%</th>
<th>非预算内收入总和 (亿元)</th>
<th>非预算内占预算内%</th>
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<tbody>
<tr>
<td>1991</td>
<td>3,149.48</td>
<td>3,243.30</td>
<td>102.98</td>
<td>1,491</td>
<td>47.34</td>
<td>4,734.30</td>
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<td>1992</td>
<td>3,483.47</td>
<td>3,854.92</td>
<td>110.66</td>
<td>2,187</td>
<td>62.78</td>
<td>6,041.92</td>
<td>173.45</td>
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<td>1993</td>
<td>4,348.95</td>
<td>1,432.54</td>
<td>32.94</td>
<td>3,141</td>
<td>72.27</td>
<td>4,573.54</td>
<td>105.16</td>
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<td>1994</td>
<td>5,218.10</td>
<td>1,862.53</td>
<td>35.69</td>
<td>4,971</td>
<td>95.26</td>
<td>6,833.53</td>
<td>130.96</td>
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<td>1995</td>
<td>6,242.20</td>
<td>2,406.50</td>
<td>38.55</td>
<td>5,366</td>
<td>85.96</td>
<td>7,772.50</td>
<td>124.52</td>
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<td>1996</td>
<td>7,407.99</td>
<td>3,893.34</td>
<td>52.56</td>
<td>5,980</td>
<td>80.72</td>
<td>9,897.34</td>
<td>133.28</td>
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<td>1997</td>
<td>8,651.44</td>
<td>2,826.00</td>
<td>32.67</td>
<td>7,213</td>
<td>83.38</td>
<td>10,039.00</td>
<td>116.04</td>
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<td>1998</td>
<td>9,897.95</td>
<td>3,082.00</td>
<td>31.14</td>
<td>7,845</td>
<td>79.26</td>
<td>10,927.00</td>
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<td>1999</td>
<td>11,444.08</td>
<td>3,385.17</td>
<td>29.58</td>
<td>9,008</td>
<td>78.71</td>
<td>12,393.17</td>
<td>108.30</td>
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<tr>
<td>2000</td>
<td>13,395.23</td>
<td>3,826.43</td>
<td>28.60</td>
<td>8,355</td>
<td>62.38</td>
<td>12,181.43</td>
<td>90.94</td>
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<td>2001</td>
<td>16,386.04</td>
<td>4,300.00</td>
<td>26.24</td>
<td>-</td>
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<tr>
<td>2002</td>
<td>18,903.64</td>
<td>4,479.00</td>
<td>23.70</td>
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<tr>
<td>2003</td>
<td>21,715.25</td>
<td>4,566.80</td>
<td>21.03</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>2004</td>
<td>26,396.47</td>
<td>8,292.22</td>
<td>31.41</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Decentralization: participation
Case I: Plan Amendment

- Planning bureau publicized the amendment proposal as the Act requests
- 358 responses from the public, with 189 pros and 91 cons and 78 comments
- With 3 cons among original 12 bidders
- Planning bureau refused the application and case terminated
Case II: Land adjustment

- From Residential use to hospital: public interests?
- Over 500 families and 9450 sq meter Class II Housing affected
- The validity of the application widely questioned by local residents
- Planning bureau refused issuing permit
Case III: best practice

**Government**: public investment, policy incentives, administration etc

**Residents**: participants of regeneration, scheme of overall plan, local cultural identities, public spaces, traditional building technology, etc.

**Planner**: expression and presentation of public wills in professional way, technical assistance to both decision maker and general public

Courtesy of Shen Chi, CAUPD
Who dominates city planning

Enterprises
Participants
Market experiences
investment

Government
Organizer
Policy resources
Incentive & catalyst

Planner
Participant
Professionalism

Citizen
Participants
Social awareness

1950s
1980s
1990s
Centralization: regional planning
Regional Plans by Central Government: 2008

• **Baibu Gulf**
  – Gateway to ASEAN
  – Regional cooperation

• **Pear River Delta**
  – Pioneer in reform
  – National economy engine
  – Sustainable development

• **Yangtze Delta**
  – Locomotive for the national economy
  – Global competence
  – Sustainable development
Regional Plans by Central Government: 2009

- Cooperation across the Taiwan Straits
- Regional infrastructure
- Urban/rural integration
Regional Plans by Central Government: 2009

- Upgrade the industries
- Costal development
- Bridge the regional divide
- Regional infrastructure
- Transfer to middle and western regions
Regional Plans by Central Government: 2009

• Revitalization of traditional industrial bases
• Upgrade the industries
• Costal development
• Gateway to North-East Asia
• Regional infrastructure
• Ecological rehabilitation
Regional Plans by Central Government: 2009

- Pivot for the national economy
- Center for manufacture, energy, grain production, etc.
- Revitalization of traditional industrial bases
- Regional infrastructure
Centralization: state monitoring
City Planning Supervising System

• Covers:
  – All Provincial capital cities
  – All Sub-provincial level cities
  – All National Historic Cities except Municipalities

<table>
<thead>
<tr>
<th>Year</th>
<th>Cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006 (6 cities)</td>
<td>Nanjing, Hangzhou, Zhengzhou, Xi’an, Kunming, Guilin</td>
</tr>
<tr>
<td>2007 (12 cities)</td>
<td>Shijiazhuang, Taiyuan, Shenyang, Dalian, Xining, Lanzhou, Wuhan, Changsha, Guiyang, Nanning, Fuzhou, Xiamen</td>
</tr>
<tr>
<td>2008 (17 cities)</td>
<td>Hohhot, Changchun, Harbin, Hefei, Nanchang, Jinan, Qingdao, Suzhou, Ningbo, Guangzhou, Shenzhen, Haikou, Chengdu, Chongqing, Lhasa, Yinchuan, Urumqi</td>
</tr>
<tr>
<td>2009 (17 cities)</td>
<td>Handan, Baoding, Datong, Jilin, Daqing, Wuxi, Xuzhou, Changzhou, Zibo, Tai’an, Kaifeng, Luoyang, Anyang, Xiangfan, Jinzhou, Zhuhai, Liuzhou</td>
</tr>
</tbody>
</table>
Major aspects of supervision

• City master plan:
  – formulated, adjusted and submitted for approval within the statutory jurisdiction and procedures;
  – in conformity to requirements of the provincial urban system plan;
• Secondary plans: in conformity to the compulsory requirements of city master plan;
• Planning permit: in conformity with statutory procedures and compulsory requirement of the city master plan
• Green space, water area, infrastructures, historic preservation etc.
• Implementation of historic preservation plan
Land Supervising System

National Chief

Regional Bureau

Supervising Provinces & Cities

Beijing

Shenyang

Shanghai

Nanjing

Jinan

Guangzhou

Wuhan

Chengdu

Beijing
Tianjin
Hebei
Shanxi
Inner Mongolia

Liaoning
Jilin
Heilongjiang
Dalian

Shanghai
Zhejiang
Fujian
Ningbo
Xiamen

Jiangsu
Anhui
Jiangxi

Shandong
Henan
Qingdao

Guangdong
Guangxi
Hainan
Shenzhen

Hubei
Hunan
Guizhou

Chongqing
Sichuan
Yunnan
Tibet
Centralization: plan approval
1950s

• In 1953, the central government requests “city plan for major industrial cities should be formulated and submitted to the central government for review”
• In 1954, “Interim Decree for City Planning Review for New Industrial Cities” issued by the State Planning Commission
• In 1956, “Interim Decree for City Plan Formulation” issued by the State Construction Commission
  – Approval checklists
  – Approval procedure
  – Meeting and referring
1980s

• In 1980, “Interim Decree for City Plan Formulation and Approval” issued
  – Plan of cities with over 1 million residents be approved by the central government
  – Plan be reviewed by the Standing Committee of City People’s Congress before submitted to the central government

• In 1984, City Planning Regulation adopted by the State Council
  – Municipalities
  – Provincial capitals
  – Cities with over 1 million residents
  – Other designated cities

• 1980-1986, 38 city plan approved by the State Council
### 38 Cities Approved by Central Government

<table>
<thead>
<tr>
<th>Municipalities (3)</th>
<th>Beijing, Shanghai, Tianjin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provincial Capital Cities (26)</td>
<td>Wuhan, Shenyang, Guangzhou, Harbin, Nanjing, Xi’an, Chengdu, Changchun, Taiyuan, Jinan, Zhengzhou, Kunming, Lanzhou, Changsha, Hangzhou, Shijiazhuang, Guiyang, Nanchang, Fuzhou, Hefei, Xining, Yinchuan, Nanning, Hohhot, Urumqi, Lhasa</td>
</tr>
<tr>
<td>Designated Cities (9)</td>
<td>Tangshan, Chongqing, Fushun, Anshan, Qingdao, Dalian, Guilin, Suzhou, Ningbo</td>
</tr>
</tbody>
</table>
1990s

• In 1996, the State Council: “plans for cities with over 500 thousands non-agricultural population should be approved by the central government” (80 cities)

• In 1999, A Rule for City Master Plan Approval adopted by the State Council
  – Joint meeting chaired by MOC with other 14 Ministries
  – Checklists and requirements for plans
  – Procedure
  – 86 cities subject to the central government approval
86 Cities Subject to Approval

<table>
<thead>
<tr>
<th>Cities with Local Legislation Power (53)</th>
<th>Municipalities (4)</th>
<th>Provincial Capital Cities (27)</th>
<th>Larger Cities (18)</th>
<th>Designated Cities (33)</th>
</tr>
</thead>
</table>
20 cities added to the list in 2000s

Qinhuangdao, Panjin, Nantong, Yangzhou, Zhengjiang, Taizhou(JS), Wenzhou, Taizhou(ZJ), Jiaxing, Shaoxing, Ma’anshan, Dongying, Weihai, Dezhou, Nanyang, Nanyang, Dongguan, Foshan, Foshan, Huizhou, Zhongshan
Why State Approves

• Government Plan subject to State Council Approval:
  – Covers the whole country
  – Drafted by a Central Government Departments

• City Master Plan
  – Covers city planning area
  – Drafted by city government
  – Yet:
    • Majority of GDP
    • Major land resource consumer
    • National Interests

Beijing Master Plan (2004-2020)

• Dec. 2002, Strategic Studies
• Mar. 2004 Master Plan revision
• May 2005 State Council Approval
Checklists of State Approval

- Planning area
- Objectives/aims
- City nature/identities
- City size: population, land
- Requirements from upper level plans
- Layout/spatial structure
- Traffic and transportation
- Environmental and ecological concerns
- Infrastructures and city safety
- Historic preservation
- Planning implementation, etc.

- Public absent
- Mixing details of checklists
- Complicated procedure
- Inefficiency
- Unbalanced duty/power
- No cost-benefit/feasibility evaluation
- Everything is nothing
- Is plan approvable
- Wag the tail of development
15 Years for Plan Version XV of Guangzhou

- Start revision, 1989
- Primary draft, 1992
- City government review, Feb. 1993
- 2nd draft refer to departments, Apr. 1994
- City People's Congress Review, Mar. 1993
- City Political Consultative Conference Review, May 1994
- Pearl Delta Group, Sept. 1994
- City PC Review, Nov. 1994
- MOC, Prov. COC Joint review, Jan. 1996
- Provincial Review, Dec. 1996
- 3rd draft Submit to MOC, 1999
- Suspended by State Council, Nov. 2001
- Submit to State Council, Oct. 2000
- 4th draft Provincial review, Jan. 2005
- Submit to State Council, Mar. 2005
- State Council Approval, Dec. 2005

Based on Lin Sengmu et al., *Planning Guangzhou*, 2006
Challenges & Debates
Growth vs. Devide

GDP increase in China 1978-2008

我国城镇化率与工业化率（1978-2007）

城镇居民家庭人均可支配收入/元 农村居民家庭人均纯收入绝对数/元

中国1978-2006年国内总生产中
消费支出结构（%）

Courtesy of Ye Yumin
Social Segregation

- Social segregation resulted from the housing marketization and failure of planning control.
- Based on a survey on prices and locations of 1,000 housing estates in Beijing.

Courtesy of Lu Qin, CAUPD
Planning failure

City Built-up Areas in China, 1993-2006

- Prior to the ban announced by the State Council in 2004, 176 golf courses built, among which 10 obtained land permits from government.
- In 5 years, over 400 new courses appeared, none permitted.
- Beijing is predicted 370 golf courses in future.

- There are 40 million land-expropriated farmers.
- Another 40 million will appear in 10 years.
- By 2020, more than 1 billion.
Same city, different plans

- City Master Plan approved by the State Council (May 6, 2008):
  - Population: 5.28 Million
  - Urban Construction Area: 490 sq Km

- Regional Plan proposed by NDFC and endorsed by the State Council (June 10, 2009):
  - Population: 10 Million
  - Urban Construction Area: 800 sq Km
Debate I: Unitary vs. Power Division

• Planning system in China is a combination/result of political centralization and economic decentralization.
• At the national level, separated government planning is a result of historic evolution, but never should be taken granted.
• Decentralization means more powers delegated to local government and integration of departmental planning at national level.
• Central government approval proved a failure mechanism, it can be replaced by identifying national interests which shall compulsorily carried out by local planning.
National interests

• National interests: political coherence, social stability
  – National defense;
  – Planned energy, transportation and water conservancy infrastructures with national priority;
  – Public services of science and technology, education, culture, health, sports, environmental protection and resources conservation, heritage preservation, civic facilities etc.;;
  – Rental housing and affordable housing for low incomers by government;
  – Urban renewal by government to improve the living conditions of citizens;
  – Government office buildings;
  – Other public interests stipulated by laws, legislations and the State Council.

  Housing Expropriation and Compensation Regulation (draft, 2009)
3 in 1: Integrated Strategic Plan

- 3 governmental plans:
  - economic and social development plan (development priority zone plan)
  - city master plan
  - comprehensive land use plan
- Regional plan: Urban and rural sectors
- Sustainability, livability

Courtesy of Wang Guoen etc. Guangzhou Planning Bureau
Towards Regional Planning

Courtesy of Nanjing University Institute of Urban Planning and Design
Debate II: Political vs. Technical

• Planning is basically a local affair. But the decentralization in planning lies with the overall democratization process of the civic society.

• Political legitimacy is far more important than technical rationality in a transitional society like China.

• Supervision by Provincial Authority, City People’s Congress and general public is vital while the central government should be vested with policies and guidelines for urbanization.
Debate III: a free hand vs. hands off

• Central government usually do no planning except in following areas:
  – Environmental issue
  – National infrastructure

• Regional planning can only be initiated by provincial or regional governments. Central government should not be entitled to draft such plan on behalf of regional government.
# Conclusion

<table>
<thead>
<tr>
<th>Decentralization</th>
<th>Centralization</th>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital division of power</td>
<td>Regional planning</td>
<td>Overlapping and ambiguous</td>
</tr>
<tr>
<td>Fiscal decentralization</td>
<td>Planning supervising</td>
<td>Wider divide</td>
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<tr>
<td>Public participation</td>
<td>Plan approval</td>
<td>Planning failure</td>
</tr>
</tbody>
</table>

[Diagram showing Supervision, Integration, Delegation, Political Legitimacy, National Interests]
Conclusion

• Those affairs evolves the whole country and trans-provincial affairs are vested in Central Government’s responsibility, while those evolves only local administrative regions vested in local government. (CCCPC, Oct. 14, 2003)

• Most important issue in central-local relationship is identifying national interests rather than the approaches to accomplish such interests.