

City of Chongqing

Opportunities and Challenges of Managing Urbanization in China

Dr. Zhou Linjun, Lead Author,

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Urbanization in China: Achievements



- Rapid urbanization has been the main driver of supporting China's high growth and rapid economic transformation.
- China's urbanization rate increased from 23.4% in 1985 to 57.35% in 2016.
 - In 2015, top 60 cities with a population of 300 million contributed to almost 80% of China's total GDP and 12% of world output.
 - Nearly 300 million migrants moved from agriculture to more productive activities. Since 2012, annual increase of new jobs is 13 million.
- 500 million people were lifted out of poverty over the past 30 years.
 - Poverty occurring rate is expected to be less than 4% by 2017; the remaining should be lifted out of poverty by 2020.
- Unprecedented growth 10% for three consecutive decades (averaging 7.2% since 2012).
- With planning and management, China has avoided some common ills of urbanization, notably large scale urban poverty, unemployment, and squalor.

Urbanization in China: Challenges



- But “strains are starting to show”:
 - The urbanization is mainly characterized by “high speed” or “high quantity” instead of “high efficiency” or “high quality”.
 - High growth has been increasingly driven by investment rather than productivity.
- Urbanization of rural land is much faster than the urbanization of population.
 - The density of both population and economy especially in big cities is decreasing.
 - Urbanization has relied excessively on land conversion and land financing, causing inefficient urban sprawl, on occasion, ghost towns and wasteful real estate development.
 - Land-intensive urbanization has reduced farmland, competing for natural resources and increasing pollution.
- Social inequity:
 - Migrant workers’ unequal access to urban welfare; Increasing urban-rural income inequity.

See China's Urbanization through City of Chongqing



- Chongqing: A reflection of China's urban growth:
 - The largest city in the world: a population of 33.92 million and a territory of 824,000 km².
 - Located in the South West of China: gateway to less developed China's South Western Region and a mountain river city with its unique urban fabrics.
 - China's fourth and the youngest municipality directly under the Central Government established in 1997 after Beijing, Shanghai and Tianjin.
- But its development is at junction: can Chongqing steer away from China's "old" growth pattern toward building a city that is economically competitive, socially inclusive, environmentally sustainable, maintaining its unique urban fabrics and identity?

Where Chongqing was; Where it is now; Where it would go



Chongqing in 1930s



Chongqing in 2016

A Rapid Growing City



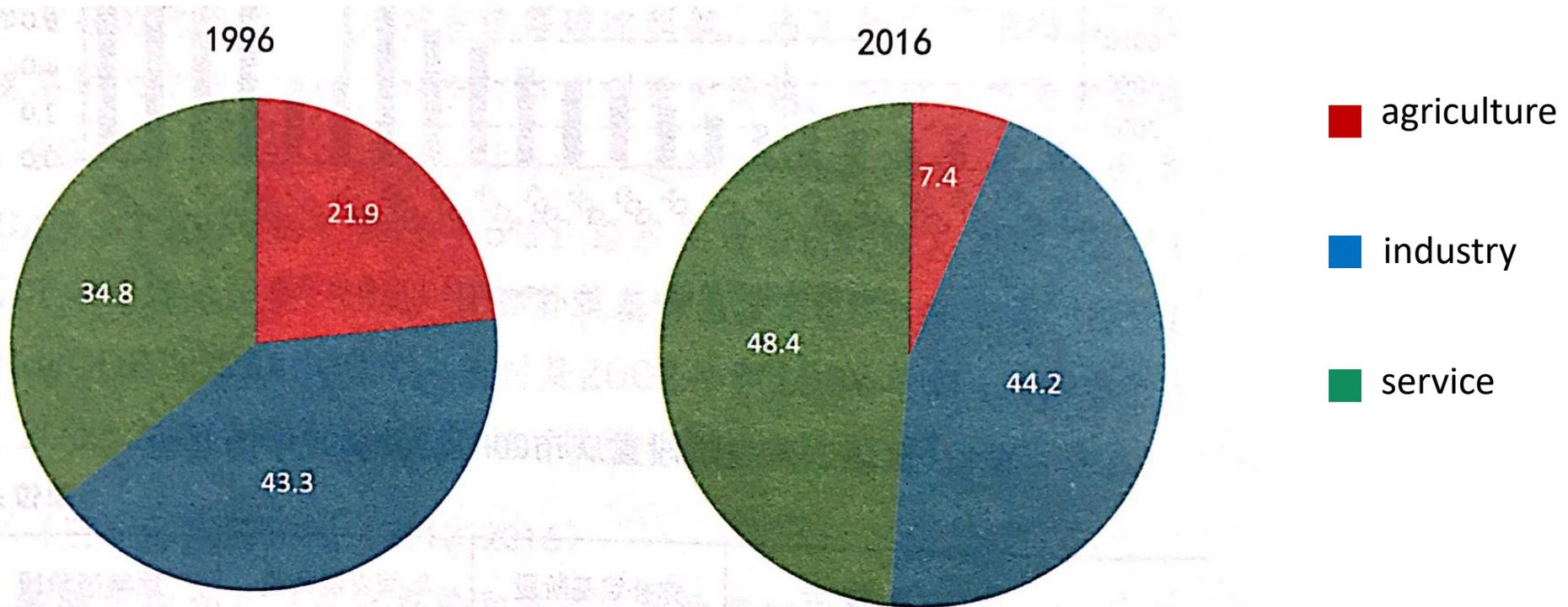
ITEM	1996	2016
Total GDP (\$ billion)	15.70	259.00
GDP per capita (\$)	544.00	8,539.00
Urbanization rate	29.50%	62.60%
FDR (\$ billion)	0.22	2.62
Treatment of urban wastewater	less 6%	95.37%
Treatment of urban solid waste	less 7%	100%

Chongqing now still keeps a record of the highest economic growth rate in China for more than 40 consecutive months since 2014.

A Rapid Growing City



- Change in economic structure:



A Rapid Growing City



- Successful transformation of old industrial base: A shift from heavy chemicals and metal making to modern manufacturing.

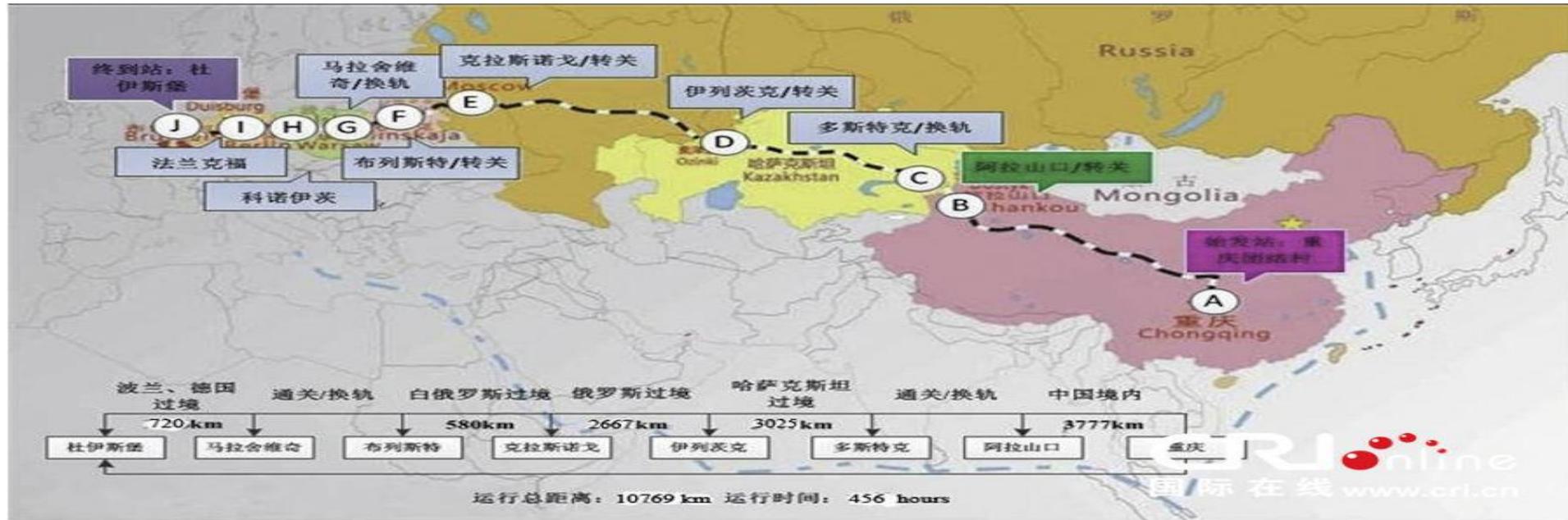
In 2016, Chongqing produced 3.15 million automobiles (1/8 of China's output), 58 million of laptops (1/3 of the world market), and 280 million of mobile phones (15% of China's output).

- Change in economic types: Diversity of economic elements and types. Growing non-state or private enterprises are playing more important role in economic growth.

	GDP (\$ billion)	State economy (SE)	% of SE	Non-state economy (NSE)			% of NSE
					individual	foreign	
1996	15.66	11.76	75%	3.90	3.41	0.49	25%
2016	258.98	100.74	39%	158.24	129.21	29.03	61%

A Rapid Growing City

- Massive investment on transport to overcome geographical barriers:
 - Express way increased 22 times: from 114 km in 1997 up to 2,828 km in 2016; High speed railway is to increase from current 356 km to 2032 km in 2030; In central city, the planned metro/light rail length is to increase from current 213km to 820km.
 - Building infrastructure for becoming a leading logistics hub.

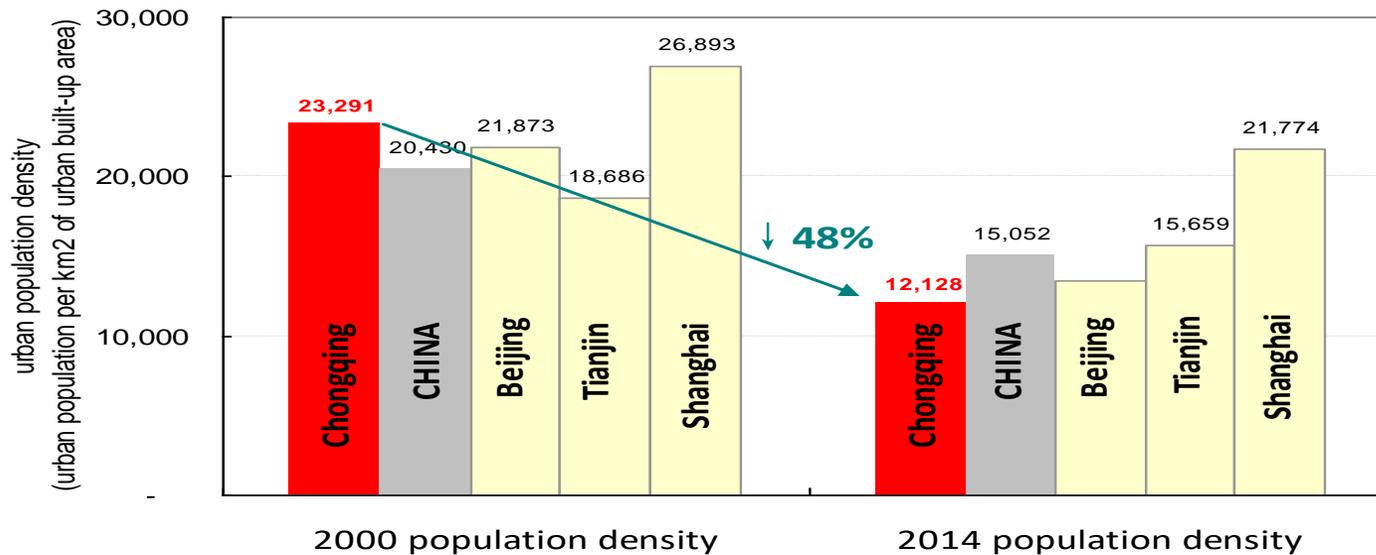


The Chongqing – Xinjiang – Europe Train, a direct railway trade link from Chongqing to Germany was established in 2010. The rail has brought Chongqing to the front-end of China’s trade with central Asia and Europe.

Chongqing's Urbanization: Challenges Ahead:



- Urban sprawl:
 - Urbanization of land is faster than that of population, causing inefficient urban sprawl, decreasing of efficiency and increasing of infrastructure cost.
 - 2000-2016, urban built-up area increased by 340%, 2.25 times of urban population growth.
 - The urban density of both population and economy is declining.



Except for old district (20.8km²), population density is significantly less than some other cities

Chongqing's Urbanization: Challenges Ahead:



- Declining Productivity
 - The increase of investment averaged 23.1% while that of labour productivity being 12.2%, showing a typical “capital accumulative ” growth rather than “efficiency improving ”. The marginal return of investment is declining.
- Need to build enabling environment in preparing for the new wave of industrial transformation and upgrading.
 - Relatively low innovative capacity.
- Although still benefiting from abundant labor, the population profit is in declining after its peak, from 0.72 in 2012 to 0.70 in 2016. A turning point in 2026: population profit turning from positive to negative (below 0.6536 standard) ,Chongqing, as most areas in China, is entering aging society.
 - Low population growth: children's dependency from 53.78% in 1984 to 23.35% in 2016;
 - Increasing of aging population: elderly dependency from 7.67% in 1984 to 17.67% in 2016;
 - Total dependency ratio: from 41.02% in 1997 to 54.21% in 2030, and 61.32% in 2040.

Chongqing's Urbanization: Challenges Ahead:



- As a city of bridges and tunnels, Chongqing is facing a constant challenge in its efforts to overcome the division by mountains and rivers, causing much higher costs when improving connectivity.
- Heavy pressure on environmental and ecological sustainability.
 - high dependency on coal in energy structure;
 - Rapid urbanization is accompanied by high “ecological foot-print (land, water, etc.)”
- Risk of losing its unique urban fabrics
 - Intensive construction and super urban blocks have created threats to the city's individual identity and traditional memory.



Super urban blocks



Changing of urban fabrics



Demininging of traditional memory

Towards 2040: Chongqing's ambition



- **Chongqing's ambition**
 - A mega city → a global city
 - China's Chongqing → World's Chongqing
- **Planning: Shifting to a compact and Transit oriented Development**
- **Development objective : A city with**
 - competitive economy
 - high innovation capacity
 - environmental sustainability
 - social inclusiveness
 - high livability
 - distinct identity and unique urban fabrics



Thanks