Urban scenarios as policy support mechanisms

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Contents

The URBACHINA scenarios storylines
Policy relevance and backcasting:
• the “New Urbanization Plan” – DRC
• the WB/DRC and UNDP urbanization scenarios
Policy conclusions
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Policy relevance and backcasting:
• the “New Urbanization Plan” – DRC
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Policy conclusions
URBACHINA Foresight process (combining exploratory and normative)

2014
- UNCERTAINTIES ABOUT THE FUTURE OF URBAN CHINA
- POLICY RECOMMENDATIONS

Scenarios development
(exploratory & normative)

Backcasting: strategy development

2050
- SCENARIO ‘SPACE’ Scenarios for CHINA
- URBAN SCENARIOS
Workshop 1
Beijing 10/2012
• List of urbanization macro driving forces

Survey 1
03.2013
• Identification critical uncertainties and scenarios axes

Workshop 2
Kunming 06/2013
• Presentation of Scenarios spaces

Workshop 3
Beijing 11/2013
• Definition of urban variables and list of wild cards

Workshop 4
Suzhou 05.2014
• Scenarios in intermediate cities

Survey 2
05-06/2014
• Contribute to Scenarios storylines!

Workshop 5
Beijing 10/2014
• Policy recommendations

Scenarios fully developed
12/2014
4 basic Scenarios

BAU
- Urbanisation: very dense settlements, extremely high levels of urbanisation
- Laissez-faire “à la chinoise”
- Extrapolation of past economic trends
- No major institutional reform
- Serious environmental deterioration

2
- Urbanisation: dense, vertical settlements
- Strong economic growth
- Increased investment in urban services infra.
- Social and institutional reforms
- Human capital development
- Partial decoupling but environment at risk

4
- Urban decay and partial return to the countryside
- Extreme inequality
- Development at risk
- Overall slow down of the economy
- Lack of institutional reforms
- Social and environmental deterioration

3
- Urbanisation: from land to people
- Greater integration between the urban and rural territories and communities
- Major hukou reform
- Reduced economic growth
- Contained inequalities growth
- Towards environmental sustainability

Extent of socio-economic-institutional reforms

Economic Growth priorities
4 basic Scenarios

**BAU**
- Urbanisation: very dense settlements, extremely high levels of urbanisation
- Laissez-faire “à la chinoise”
- Extrapolation of past economic trends
- No major institutional reform
- Serious environmental deterioration

**Extent of socio-economic-institutional reforms**

**2**
- Urbanisation: dense, vertical settlements
- Strong economic growth
- Increased investment in urban services infra.
- Social and institutional reforms
- Human capital development
- Partial decoupling but environment at risk

**3**
- Urbanisation: from land to people
- Greater integration between the urban and rural territories and communities
- Major hukou reform
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**4**
- Urban decay and partial return to the countryside
- Extreme inequality
- Development at risk
- Overall slow down of the economy
- Lack of institutional reforms
- Social and environmental deterioration
Focusing on 2 main storylines

- the “Bamboo” storyline, featuring rapid, unregulated growth, and accelerated pace of production and consumption, constant change (preferred to systemic resilience) associated with the triumph of a global economic dimension.

- the “Ginkgo” storyline, pointing to a solid, slow and more structured growth, with strong roots in the contextual socio-economic and ecological environment, and a progressive build-up of systemic resilience, where the regulative dimension prevails as a driver.
## Scenarios storyline: Governance

<table>
<thead>
<tr>
<th>Vital signs</th>
<th>Bamboo</th>
<th>Ginkgo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of change</td>
<td>A politics committed to ‘harmonious green’ economic growth through a strong government and an efficient economy integrated in the World Economy. Lack of structural reform.</td>
<td>A politics of trust and dialogue, committed to balancing cities and local government independence with cohesion policies. Structural reforms and long term vision.</td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central government</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Central government and local/cities government</strong></td>
<td>A high level of continuity with past trends; The tax reform empowered cities to raise their own revenues - High competition between regions. Rise of East and Centre. West rises then declines.</td>
<td>Major changes in the distribution of power from the Center to new administrative regions. The federalist approach facilitates cooperation among regions.</td>
</tr>
<tr>
<td>Participation the case of community and residents committees (RCs)</td>
<td>Continuation of past trends: participation is carefully managed and limited to ‘volunteers’. RCs struggle to serve their community.</td>
<td>RCs are better paid and staffed and collaborate actively with building representatives and residents associations.</td>
</tr>
<tr>
<td>China and the world</td>
<td>China strives to maintain its role as a superpower in the global market.</td>
<td>China sets an example for a different development pathways.</td>
</tr>
</tbody>
</table>
### Scenarios storyline: Economy

<table>
<thead>
<tr>
<th>Vital signs</th>
<th>Rate of change</th>
<th>Bamboo</th>
<th>Ginkgo</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economy</strong></td>
<td>↔</td>
<td>Moderate ‘harmonious green’ growth (market economy). Consumption thrives. Partial privatizations, and partial decoupling of resources consumption from economic growth.</td>
<td>↓</td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td>↑↑</td>
<td>Significant advances driven by major investments in innovation and technology. Leading role of multinationals.</td>
<td>↑</td>
</tr>
<tr>
<td><strong>Hukou – social policies</strong></td>
<td>↑</td>
<td>Use of increasingly sophisticated measures (and technology) to direct the movement of workers, goods and services. Limited social integration; widening of income gap.</td>
<td>↑↑</td>
</tr>
</tbody>
</table>
## Scenarios storyline: Lifestyle

<table>
<thead>
<tr>
<th>Vital signs</th>
<th>Rate of change</th>
<th>Bamboo</th>
<th>Ginkgo</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lifestyle</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chinese dream</td>
<td>↑↑</td>
<td>Entertainment, material wellbeing.</td>
<td>Balanced quality of life beyond the consumerism, more equitable society.</td>
</tr>
<tr>
<td>Demographic</td>
<td>↑↑</td>
<td>Growing population; Significant international migration to compensate for ageing.</td>
<td>Stable numbers; Moderate international migration.</td>
</tr>
<tr>
<td>Culture</td>
<td>↑↑</td>
<td>Thriving individuals and lifestyles driven by digital creativity.</td>
<td>Community and regional identities and values are reinforced.</td>
</tr>
<tr>
<td>Knowledge</td>
<td>↑</td>
<td>Digital information and entertainment are pervasive dimensions of life. Top-down cultural pedagogy persists.</td>
<td>Social innovation shift citizens consumption from ownership to access, “experiencing consumption”.</td>
</tr>
<tr>
<td>Nature</td>
<td>↓</td>
<td>The relationship with Nature is indirect and primarily virtual, or contained in artificial settings (e.g. vertical gardens and farms).</td>
<td>The relationship with Nature is central to the human experience and to urban design.</td>
</tr>
</tbody>
</table>
## Scenarios storyline: City planning and life

<table>
<thead>
<tr>
<th>Vital signs</th>
<th>Bamboo</th>
<th>Ginkgo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of change</td>
<td>City Planning &amp; life</td>
<td></td>
</tr>
<tr>
<td>Social housing and house management</td>
<td>Shortage of affordable housing and deep divides for services availability among city districts, based on residents’ wealth.</td>
<td>Mix land use facilitated by the organization of the economy production in small/medium cluster. New housing policies and funding.</td>
</tr>
<tr>
<td>Ecosystem services</td>
<td>Efficiency use of resources and technology mediate a fragile coexistence between economic growth and environment. Technological solutions for energy efficiency, water reuse and air quality control.</td>
<td>Economy growth decoupled from environment. Citizens engagement toward environmental protection is reinforced by the implementation of specific regulations, standards, taxes and incentives for the environmental protection and recovery.</td>
</tr>
<tr>
<td>Rural-Urban links</td>
<td>Forced integration by land requisitioning and commercial consolidation of arable land.</td>
<td>Regional planning support the integration of rural and urban function.</td>
</tr>
</tbody>
</table>
By sector - Do you think this narrative is plausible?

The Bamboo Time - storyline plausibility

- Yes: 84%
- No: 16%

<table>
<thead>
<tr>
<th>The Bamboo Time - Plausibility</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban governance</td>
<td>92%</td>
<td>8%</td>
</tr>
<tr>
<td>Economy</td>
<td>76%</td>
<td>24%</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>82%</td>
<td>18%</td>
</tr>
<tr>
<td>City planning &amp; life</td>
<td>88%</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td>84%</td>
<td>16%</td>
</tr>
</tbody>
</table>
Scenarios Survey – summary of results

The Bamboo Time - if the current policy framework could possibly lead to such vision

- 75% Yes
- 25% No

<table>
<thead>
<tr>
<th>The Bamboo Time - if current policy framework could possibly lead to such a vision</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban governance</td>
<td>78%</td>
<td>22%</td>
</tr>
<tr>
<td>Economy</td>
<td>74%</td>
<td>26%</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>73%</td>
<td>27%</td>
</tr>
<tr>
<td>City planning &amp; life</td>
<td>76%</td>
<td>24%</td>
</tr>
<tr>
<td></td>
<td>75%</td>
<td>25%</td>
</tr>
</tbody>
</table>
Scenarios Survey – summary of results

By sector - Do you think this narrative is plausible?

The Gingko Daily - storyline plausibility

![Pie chart showing 33.25% Yes and 66.75% No]

<table>
<thead>
<tr>
<th>Sector</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban governance</td>
<td>65%</td>
<td>35%</td>
</tr>
<tr>
<td>Economy</td>
<td>61%</td>
<td>39%</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>65%</td>
<td>35%</td>
</tr>
<tr>
<td>City planning &amp; life</td>
<td>76%</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>67%</strong></td>
<td><strong>33%</strong></td>
</tr>
</tbody>
</table>
Scenarios Survey – summary of results

By sector - Do you think this narrative is desirable?

The Gingko Daily - storyline desirability

<table>
<thead>
<tr>
<th>Gingko Daily - Desirability</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban governance</td>
<td>89%</td>
<td>11%</td>
</tr>
<tr>
<td>Economy</td>
<td>82%</td>
<td>18%</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>91%</td>
<td>9%</td>
</tr>
<tr>
<td>City planning &amp; life</td>
<td>88%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>87.5%</strong></td>
<td><strong>12.5%</strong></td>
</tr>
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The 1st official plan on urbanization

National New-type Urbanization Plan (2014-2020)
Central Committee of the Communist Party of China and the State Council
Target fulfillment

- Bamboo or Gingko
- NUP 2014-2020
- Today

Backcasting for Bamboo & Gingko
<table>
<thead>
<tr>
<th>Goals/reforms</th>
<th>Bamboo</th>
<th>Gingko</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hierarchy of cities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coordination policies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban Transport and links</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greening</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green Economy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>‘Pleasant and well served’</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance and Governance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air and water</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resources and environment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban residents &amp; Migrant hukou</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Summary highlights

- NUP “on the trajectory” of Bamboo
- Gingko requires a more radical departure from current paradigm (BAU)
  - Landuse
  - Territorial governance
  - Hukou reform
- Attention to social and individual values?
Drivers of change
(Raskin et al. 2002)
Urbanization scenarios 2030

Toward efficient, inclusive and sustainable urbanization
WB&DRC 2014

China human development report 2013: sustainable and liveable cities: toward ecological urbanization
UNDP 2013
Pace of Economic Growth

Extent of socio-economic-institutional reforms

BAU WB DRC 2030

BAU UNDP 2030

Reform Scenario WB DRC 2030

MP Scenario UNDP 2030

Ricci • Bina • Giuffré • 16-01-2015
• Economic growth driving improvement of social conditions and services

• Reforms
  – Taxation
  – Land and urban planning
  – Urban development codes
  – Market based instruments

• No paradigm shift
  – long term sustainability?
  – Inequalities?
On the way to Bamboo?
On the way to Bamboo?
UNDP MMS Scenario

• Slower pace of economic growth
• More substantial social and environmental improvements
• Participatory governance
• More attention to values and needs, culture, knowledge
• Seeds in the WB Reform?
On the way to Gingko?
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Policy conclusions
Policy conclusions (1)

• All scenarios: BAU not an option
  – Governance transition
  – Policy reforms
• No decoupling of urbanization from economic growth
• Scale, speed and timing?
Policy conclusions (2)

• Can “WB Reform” lead to Bamboo?
  – Reconciling sustained economic growth with ambitious reform package
  – Long term sustainability?

• Can UNDP MMS lead to Gingko?
  – Radical reorientation of urban form/design and governance model
  – Reduction of inequalities
Policy recommendations

• A critique of state of the art of the urban-sustainability nexus, highlighting:
  – the serious shortcomings of the GELC (Green, Ecological, Low Carbon) discourse and policy measures in both EU and China
  – the interdependent dimensions of space, scale and efficiency that need to be brought at the heart of GELCs policy and practice as a matter of urgency, in order to avoid negative lock-in (notably of carbon-dependent transportation and housing)
Policy recommendations

• The identification of major policy drivers
  – pointing at reforms (their nature, pace and intensity) as the commonly agreed prevailing driver (critical uncertainty)
  – challenging the pursuance of fast pace economic growth as the prevailing policy goal (as consistently featured in recent and authoritative urbanization scenario works, such as the DRC New Urbanization Plan (NUP, 2014), WB/DRC 2014 and the UNDP 2013 reports)
  – moving beyond consumerism, towards steady state market & non-market economy
Policy recommendations

• The policy process, calling for a normative vision in order to:
  – move away (beyond) traditional planning approach (envisaging alternative futures through participatory mechanisms)
  – enable paradigm shift towards long term sustainability of urbanization
Policy recommendations

• The identification of new, sustainable urbanisation models entailing:
  – the development of network(s) of small and medium cities Vs unabated growth and multiplication of megalopolises
  – major changes in the distribution of power (central government => new administrative regions, federalism)
  – the “urbanization of people” (vs land), which calls for more ambitious goals in social sustainability (access to social services for all, massive affordable housing programs)
  – strong regulatory AND market-based measures to enhance environment protection
Thank you!