



Promotion incentives for local officials and the expansion of urban construction land in China: Using the Yangtze River Delta as a case study



Zhigang Chen^{a,b}, Jing Tang^a, Jiayu Wan^a, Yi Chen^{a,b,*}

^a School of Geographic and Oceanographic Sciences, Nanjing University, 163 Xianlin Avenue, Nanjing 210023, China

^b Key Laboratory of Coastal Zone Exploitation and Protection, Ministry of Land & Resources of China, 58 Shuiximeng Road, Nanjing 210017, China

ARTICLE INFO

Article history:

Received 25 November 2016

Received in revised form 26 January 2017

Accepted 26 January 2017

Available online 5 February 2017

Keywords:

Promotion incentive

Local officials

Urban expansion

Construction land

China

ABSTRACT

China's promotion incentive is the main motivation behind local officials' decisions regarding the expansion of urban construction land, and is therefore crucial to understanding the mechanism behind the expansion of urban construction land. This paper discusses the promotion incentive's theoretical influence on urban construction land expansion. Then, using 25 cities in the Yangtze River Delta region (including Shanghai and prefecture-level cities in the provinces of Jiangsu and Zhejiang) as samples, we estimate two econometric models that reflect the relationship between local officials' characteristics and changes in the scale and efficiency of urban construction land to test the specific influence of different local officials on the expansion of urban construction land when driven by the promotion incentive. Our results show that the promotion sources of local officials and their terms in office significantly impact changes in the urban construction land scale and utilization efficiency. We also found that the ages of local officials significantly impact the efficiency of urban construction land use, but have an insignificant impact on the expansion of urban construction land. Considering China's unique administrative system, the promotion incentive has a definite but divergent influence on mayors and municipal party secretaries regarding urban expansion. This paper concludes with policy proposals to improve the administrative management system and regulation on urban construction land expansion.

© 2017 Elsevier Ltd. All rights reserved.

1. Introduction

The rapid urbanization of China has become a worldwide research topic, spanning an extensive range of issues (Hsing, 2010; Wei and Ye, 2014; Bai et al., 2014). In the last 30 years, China's urbanization rate (the proportion of urban residents to total population) increased from 23.01% in 1984 to 54.77% in 2014, an average increase of about one percentage point per year (NBSC, 2015). This continuous urbanization is clearly accompanied by a rapid expansion in urban construction land (Huang et al., 2015). According to the *China City Statistical Yearbook*, in 1984, the total construction land area in 295 cities across China was only 8,842 km² (less than 30 km² per city). However, by 2014, the number of cities had increased to 653 and the construction land area to 39,478 km² (an average of over 60 km² per city) (NBSC-USEID, 1986

and 2000–2015), indicating an annual growth rate as high as 16.3% (MURCEP-BF, 1985; MOHURDC, 2014–2015).

It is widely recognized that land urbanization is much faster than population urbanization in China's urbanization process (Liu et al., 2014). That said, it is odd that as a large number of rural residents have moved to cities over the past few years, both urban and rural construction land have increased (Tan and Li, 2013). China is a country with a large population but less arable land. As such, urbanization has raised a greater threat to food security and the ecological environment (Tan et al., 2005; Xie et al., 2015). This phenomenon is more prevalent in economically developed areas like the Yangtze River Delta. According to the official data, construction land in the two provinces and one city (Jiangsu Province, Zhejiang Province, and Shanghai) that make up the Yangtze River Delta accounted for more than 17% of the total land area in 2014, compared to only 13% 10 years ago (MLRC, 2016). It has been a major and pressing challenge for the Chinese government to effectively control the expansion of urban construction land, provide reasonable guidelines for urbanization, and improve the efficiency of urban construction land use.

* Corresponding author at: School of Geographic and Oceanographic Sciences, Nanjing University, 163 Xianlin Avenue, Nanjing 210023, China.

E-mail addresses: zgchen@nju.edu.cn (Z. Chen), yichen@nju.edu.cn (Y. Chen).

The key to a solution begins with an in-depth explanation of the trends and driving mechanisms of China's recent expansion in urban construction land. Many scholars explored this, revealing the principal means of urban construction land expansion (Gao et al., 2013). These studies use remote sensing images or statistical data and deploy CA modeling, GIS technology, or statistical methods to explore the rate, intensity, spatial patterns, and evolution of Chinese urban construction land expansion (Xiao et al., 2006; Yue et al., 2013; Ye et al., 2013; Jiao, 2015; Tong and Hu, 2016). In general, research in this field investigates the expansion of urban construction land from the perspective of economic and social development and changes in institutional policies. It is generally accepted that the expansion of urban construction land in China is affected by economic growth, demographic changes, industrialization, industrial structure adjustments, and so on (Deng et al., 2008; Wu and Zhang, 2012; He et al., 2014). Regarding institutional policies, the development of the Chinese land market, land finance, taxation, and other factors are often deemed to play a significant role (Cao et al., 2008; Long et al., 2008; Chen et al., 2015). During China's transitional stage, especially in the context of decentralization reform, local governments often regulate local economic developments by monopolizing the primary land market and setting limitations on the secondary land market. Land is not only a source of revenue for local governments, but also a major tool for attracting foreign investments and promoting economic growth (Lin and Ho, 2005; Tian and Ma, 2009; Tao et al., 2010; Ding and Lichtenberg, 2011; Huang et al., 2015).

It can be concluded that previous research has provided enough theory and empirical evidence to understand the current rules of urban construction land expansion and its internal mechanisms. However, given China's current transitional period, these are very complex issues and the motivations behind the expansion are more than superficial. We believe that population growth and economic development, for example, are only external factors driving the expansion of urban construction land and that the influence of local governments in light of these factors may be more important. The governance of Chinese cities dictates that local officials have a dominant influence in decision making regarding urban land development and utilization policies (Ding and Lichtenberg, 2011). They are therefore likely to establish these policies to further their own interests and career development. In China, the occupational development of local officials is generally confined to the administrative system, and it is difficult for them to seek better ways for development. In the pyramid-type bureaucracy organization of the cadre system, career development is usually equivalent to promotion to a higher position (Xu and Wang, 2011). Therefore, aspiring for promotions is one of the interests local officials pay the most attention to. To realize this objective, they usually cater to the preferences of and execute various commands of their superior government, referred to as the promotion incentive. It is therefore essential to systematically explore how the expansion of urban construction land is driven by local officials' incentives towards promotion.

The structure of this paper is as follows: In the second section of this paper, we provide a general introduction to and analysis of the theoretical logic behind the relationship between the promotion incentive for local officials and the expansion of China's urban construction land¹ during this transitional period. We explore the

correlation between local officials' characteristics and behavioral differences and the expansion of urban construction land, concluding with three research hypotheses. In the third section, based on the theoretical framework and research hypotheses from Section 2, we establish two econometric models that reflect changes in two areas, namely the change in scale and utilization efficiency² of urban construction land in relation to various characteristics of local officials motivated by the promotion incentive. In the fourth section, we use 25 important cities in the Yangtze River Delta (including Shanghai and other prefecture-level cities in the Jiangsu and Zhejiang provinces), all of which are undergoing rapid urban development, as research samples to conduct an empirical test of our hypotheses and analysis. The final section presents our conclusions and policy implications.

2. Theoretical analysis and research hypotheses

2.1. Theoretical logic

The "growth machine" theory, presented by Logan and Molotch in *Urban Fortunes: The Political Economy of Place* (2007), describes cities as machines for increasing wealth, with politicians the key operators. During the decision making process, local officials always account for the interests of the merchants who support them, since this also benefits them. It is well known that local officials and merchants are the main members of the coalition that makes up the urban growth machine. The growth machine theory not only reflects urban development under Western political systems, it also to a certain extent explains the driving mechanisms of urban construction land expansion in China. In addition to benefiting "people with common interests" (e.g., industrial investors, real estate developers, etc.) (Logan and Molotch, 2007), the promotion incentive for government officers plays an important role in local officials' decision making, encouraging them to pursue their own interests. This is consistent with the hypothesis of the "public choice theory," which regards government as a "self-interested economic individual" (Tullock et al., 2002). This paper employs the same hypothesis. Of course, unlike in Western governments, Chinese local officials are more likely to be held "accountable to higher authorities," rather than voter appeal.

Although China's economy has transformed from a centrally planned system to a market economy, the administration continues to operate under a top-down control model (Mertha, 2005). The appointment and promotion of local officials is still at the absolute discretion of higher-level government entities, which usually approve the political promotion of local officials based on an assessment in which economic performance plays a main role—the so-called "promotion tournament" (Bake et al., 1988; Yao and Zhang, 2013). It should be said that this system is an outcome of the combination of China's traditional "centralism" and the objective of "taking economic construction as the center" since the reform and opening up (Xu et al., 2007). In the traditional centralized system, the superior has the right to decide the appointment and demission of inferior officials, and decides whether to promote inferior officials based on a set of assessment systems they developed. Therefore, considering their own career development, inferior officials pay much attention to the superior's assessment and evaluation of them (Xu and Wang, 2011). After China's development strategy turned to "taking economic construction as the center" since the 1980s, local economic performance has become a

¹ The "urban construction land" herein mainly indicates the area of various lands except for water areas and agricultural lands among those in urban areas. In accordance with the definition in the *China Urban Construction Statistical Yearbook*, urban construction land includes land for residence, land for administration and public services, land for commercial and business facilities, land for industries, land for logistics and warehousing, land for road and transportation, land for municipal utilities, and land for green spaces and squares.

² Utilization efficiency (or land use efficiency) in this study is a concept in a narrow sense, indicating the economic output of urban construction land, and represented by "the GDP per urban construction land of research areas" in the model estimation section of this paper.

Download English Version:

<https://daneshyari.com/en/article/6460996>

Download Persian Version:

<https://daneshyari.com/article/6460996>

[Daneshyari.com](https://daneshyari.com)