

Spatial "Three Major Circuits" for Advancing Urban Modernization with Chinese Characteristics: Theoretical Interpretation, Implementation Pathways, and Planning Transformation

Authors

ZHANG Jingxiang, HAN Bijun

Abstract

Since reform and opening up, one of the deep drivers of China's rapid urban growth has been the "capitalization of space". This mode of development has supplied powerful momentum for urbanization and city building, but it has also generated increasingly severe spatial crises. As China enters a new stage oriented toward urban modernization with Chinese characteristics, urban development must move beyond its path dependence on the capitalization of space. Grounded in China's local practice and institutional context, this article proposes "spatial circuits" as an analytical lens for understanding and promoting the transformation of Chinese cities. It argues that space plays an unusually proactive regulatory role in China's urban development. A theoretical and practical shift is therefore needed from "capital circuits" to "spatial circuits", through the coordinated advancement of three major circuits: urban-rural integration, regional coordination, and the global system. Under this orientation, spatial planning must also transform from "planning of space" to "planning with space as the strategic lever". The article offers a new perspective for building a localized theoretical system of Chinese planning, advancing Chinese urban modernization, and promoting a paradigm shift in spatial planning.

Keywords

urban modernization with Chinese characteristics; spatial circuits; urban-rural integration; regional coordination; global system; planning transformation

Since reform and opening up, China's economy and society have undergone rapid development and profound transformation, and the level of urbanization has made a historic leap [1]. National strategies and policy orientations have played a decisive role in urban planning, construction and governance [2]. After China's urbanization rate crossed the milestone of 50%, the central government convened national conferences on urbanization and urban work in 2013 and 2015, setting out the overall blueprint for future urbanization and urban development. China's urbanization rate now exceeds 67% and is expected to enter a high plateau of 75%-80% around 2035, when the urban-rural population structure and spatial structure will become broadly stable [3]. How the remaining roughly ten percentage points of urbanization unfold will determine whether China can achieve leapfrog socioeconomic development and join the ranks of developed countries. In this context, the central government convened a new urban work conference in 2025, explicitly calling for "a new path of urban modernization with Chinese characteristics", thereby establishing a basic direction for China's urban development.

For many years, China's "growth miracle" has been an undeniable fact worldwide [4-5]. Its major achievements cannot be explained only by the opportunities created by globalization and informatization. They are also rooted in China's distinctive institutional advantages [6], which, in the field of urban development, are most clearly embodied in the land system with Chinese characteristics and its associated arrangements [7]. At present, amid profound changes in the international environment, tightening domestic resource and environmental constraints, demographic change, and

weakening traditional growth momentum, the urban development paradigm based on large-scale investment and incremental expansion is no longer sustainable. Yet a new paradigm led by new quality productive forces and stock-based upgrading has not been fully established. Chinese cities are therefore in a crucial transitional period in which the old model has been broken but the new one has not yet fully taken shape.

Unlike the institutional environment of Western urban development, one of the core elements driving China's rapid urban growth over the past several decades has been land, or space. The success of future urban transformation will also depend on how effectively this tool is used [8-9]. To achieve urban modernization with Chinese characteristics, China must answer several questions: how can indigenous theories of urban development and planning be developed from national conditions; how can "space" be used as a lever to resolve urban development crises; and how can spatial planning shift from passive adaptation to active self-transformation?

1 The Spatial Logic and Spatial Crisis Embedded in China's Urban Development

1.1 The Spatial Logic Embedded in the Evolution of Chinese Urban Development

If China's achievements over the past several decades are attributed simply to general factors such as globalization, the dividend of industrialization or the latecomer advantage of developing countries, it is difficult to explain why many developing countries and economies facing similar external conditions and possessing similar latecomer advantages have not achieved comparable results. New institutional economics offers a more convincing explanation: institutional changes laid the foundation for economic, social and technological transformation [10]. In urban development, the land system centered on "public ownership plus marketized use rights", together with its continuous adjustment and improvement, has been the key advantage and the most important instrument behind China's urban growth miracle [11-13]. In this sense, a spatial logic is deeply embedded in the overall trajectory of Chinese urban development.

From the perspective of adjustments to the top-level design of the land, or spatial, system, Chinese urban development since reform and opening up has passed through four broad stages: institutional loosening, capitalization-led growth, risk accumulation, and governance restructuring (Table 1).

1.1.1 Market Exploration Under the Loosening of the Spatial System (1978-1989)

The Third National Urban Work Conference in 1978 confirmed the important status and role of cities in national economic development. In the same year, the Third Plenary Session of the 11th Central Committee of the Communist Party of China made the historic decision to shift the focus of the Party and the state to economic construction and to implement reform and opening up. Against this background, urban land, or space, began to move from being a passive carrier used free of charge and without economic value under the planned economy toward exploratory market-based use. On the one hand, special economic zones and national economic and technological development zones functioned in practice as experimental grounds for land marketization. On the other hand, reforms related to the urban spatial system continued to advance. The 1988 amendment to the Constitution stipulated that "the right to use land may be transferred according to law", significantly loosening the rigid and singular traditional land system at the level of the basic law. Thereafter, rapid spatial expansion became an important means for Chinese cities to accumulate capital.

1.1.2 Rapid Urban Development and Expansion Under the Capitalization of Space (1990-2011)

The 1990 Interim Regulations on the Assignment and Transfer of the Right to Use State-Owned Urban Land established a concrete path for the paid use of urban land. With the 1994 tax-sharing reform between central and local governments, the 1998 housing system reform, and China's accession to the WTO in 2001 and subsequent deep integration into the global economy, land and space became increasingly marketized and commodified. This process ultimately formed the "land finance" model with Chinese characteristics: land became the largest asset and most effective collateral of local governments, while land-conveyance revenue became an important component of local fiscal income [14]. On the one hand, municipal governments treated land as their most important capital factor and used it to leverage large-scale investment, providing strong momentum for urban construction and urbanization. On the other hand, they treated land as a key factor of production and attracted industrial capital through low land prices and large-scale land supply, thereby accelerating industrialization. Under conditions of intense development competition, the capitalization of space became the most important driver of rapid urban growth and expansion in China.

1.1.3 Intensifying Urban Problems Under Accumulated Capitalization Risks (2012-2021)

As the capital attribute of urban land and space was continuously magnified, a tendency toward overaccumulation was inevitable [15]. After the 2008 global financial crisis in particular, sharply contracting external demand combined with mounting internal fiscal pressure deepened municipal governments' dependence on the capitalization of space. On the surface, urban growth driven by the capitalization of space continued: from 2012 to 2021 China's urbanization rate rose from 52.57% to 64.72%, an average annual increase of about 1.35 percentage points, while cities' dependence on land finance also increased. In substance, however, risks such as social stratification, mounting financial pressure, homogeneous urban form and worsening urban problems continued to accumulate. Against this background, the report to the 18th CPC National Congress in 2012 proposed a path of new urbanization with Chinese characteristics, indicating at the level of top-level institutional design that urban development should move toward a new stage centered on people and qualitative improvement. The 2015 Central Urban Work Conference further emphasized respect for the laws of urban development and the coordination of five major relationships, aiming to correct an urban development model excessively reliant on spatial capitalization.

1.1.4 Transformation of the Urban Development Model Under Spatial Governance Restructuring (2022-Present)

As both international and domestic development environments have changed rapidly, China's real estate market has undergone major structural adjustment since 2022, "land finance" has become difficult to sustain, and the urbanization rate has exceeded 65% while growth has slowed markedly. The urban development model driven primarily by the capitalization of space can no longer continue; spatial governance must therefore be restructured and development momentum reshaped. The report to the 20th CPC National Congress in 2022 called for "accelerating the transformation of the development modes of megacities and large cities". In 2025, the central government again convened an urban work conference and called for the construction of modern people's cities that are innovative, livable, beautiful, resilient, civilized and smart, identifying urban renewal as a comprehensive and pivotal instrument of urban transformation. Together, these measures actively respond to the need to transform the urban development model. At this point, China has formed a strategic and

implementation sequence for spatial development consisting of regional coordination, urban renewal and rural revitalization.

Table 1 Stages in the evolution of Chinese urban development since reform and opening up

Development Stage	Development Background	Main Challenge	Characteristics of Urban Spatial Development
Initial market exploration under the loosening of the spatial system (1978-1989)	Reform and opening up released institutional vitality; cities became centers of economic growth.	How to remove institutional barriers constraining urban development.	The land system was loosened and market-oriented practices in land and space were initially explored.
Rapid development and expansion under spatial capitalization (1990-2011)	Globalization and intense competition; market-oriented reforms in real estate, taxation and related systems.	How to obtain momentum and capital for urban development under intense competition.	Spatial capitalization increasingly drove urban growth and accelerated spatial expansion.
Intensified urban problems under accumulated capitalization risks (2012-2021)	Global financial crisis and economic downturn; the crisis of spatial capitalization intensified.	How to move beyond dependence on the traditional growth path while maintaining development momentum.	Rapid and uneven growth inertia persisted, and urban problems became increasingly severe.
Transformation of the urban development model under spatial governance restructuring (2022-present)	Dramatic shifts in the international environment; changes in China's development stage and goals; transformation of economic drivers.	How to support Chinese modernization through high-quality urban development.	Urban renewal became a key lever, and development gradually shifted toward people-oriented, innovation-driven, coordinated and sustainable qualitative growth.

1.2 The Spatial Crisis Facing Chinese Urban Modernization

Human society cannot develop without concrete spatial support. Marx argued that "space is an element of all production and all human activity". International urban planning research grounded in the theory of the social-spatial dialectic has long upheld the position of "reorganizing space to improve society" [16], revealing the important role of space in promoting and improving socioeconomic development. Yet it must also be recognized that contemporary globalization is one intensified by the hegemony of a small number of financial capital interests [17]. Urban spatial production is likewise profoundly shaped by the logic of capital and has become a major site of capital investment and accumulation.

As noted above, "space" has always been embedded in Chinese urban development since reform and opening up. Spatial capitalization has been the most powerful driver of urban development [18], and to a large extent Chinese urban development has been a process of deepening spatial capitalization. Compared with ordinary capital factors, space has geographical fixity and a long use cycle. Once urban space is planned and built, it is usually not demolished, transformed or rebuilt in the short term. This conforms to the logic through which capital seeks more surplus value, but it also causes urban spatial use to lag behind the practical needs of urban transformation. As the crisis of overaccumulation caused by spatial capitalization gradually becomes explicit, once spatial expansion reaches a certain turning point the model increasingly reveals internal contradictions such as imbalanced goals, disordered values, spatial mismatch and resource waste, becoming a major obstacle to urban transformation.

The critique of the crisis of urban spatial capitalization can be traced to Marx's work on land and his critique of modernity. Later, neo-Marxist scholars such as Lefebvre and David Harvey further analyzed spatial production, capital operation and social alienation [19-20]. Harvey's account of the three circuits of capital offers an important explanatory tool for understanding the relationship between urban spatial production and the logic of capital circulation [21-22]. Harvey [23] argued that crises of capital overaccumulation and value loss can be absorbed through geographical expansion and spatiotemporal displacement. "Spatial fix", centered on geographical expansion and restructuring, is capital's response to crisis. In this process, crisis is temporarily transferred, delayed and materialized in space, producing multi-scalar exploitation and struggle between "center" and "periphery", manifested in the relations between city and countryside, regional core and regional periphery, and the First World and the Third World. In a sense, China's development model of urban spatial capitalization is a localized practice of capital circulation and spatial fix theories, with clear reflections at the urban-rural, regional and global levels (Figure 1).

First, in urban-rural development, urban growth has long depended on extracting rural resources and surplus value. Since 2000, a series of policy adjustments and institutional reforms have gradually narrowed China's urban-rural gap, but rural aging, hollowing and fragmentation remain pronounced. The imbalance between urban and rural development has not been fundamentally changed, and rural development still largely follows a linear path of catching up with cities [24].

Second, in regional development, central cities exert a strong siphoning effect on peripheral areas. The concentration of resources and factors in regional growth poles is an inherent tendency for achieving economies of scale and improving economic efficiency. Under China's administrative and fiscal systems, cumulative circular causation between central cities and peripheral areas is further amplified, leaving many peripheral areas facing development difficulties such as stagnant economic growth, slow industrial upgrading and weak overall resilience [25].

Third, in global development, China has long occupied lower-end segments of industrial chains, innovation chains and value chains. Since joining the WTO, China has been deeply integrated into global trade and labor division systems. Yet within an international economic and trade order dominated by Western developed countries, China has long played the role of a passive adapter in rule-making and technological leadership and has, to a significant extent, served as a place to which developed countries transfer the institutional costs of global crises [17].

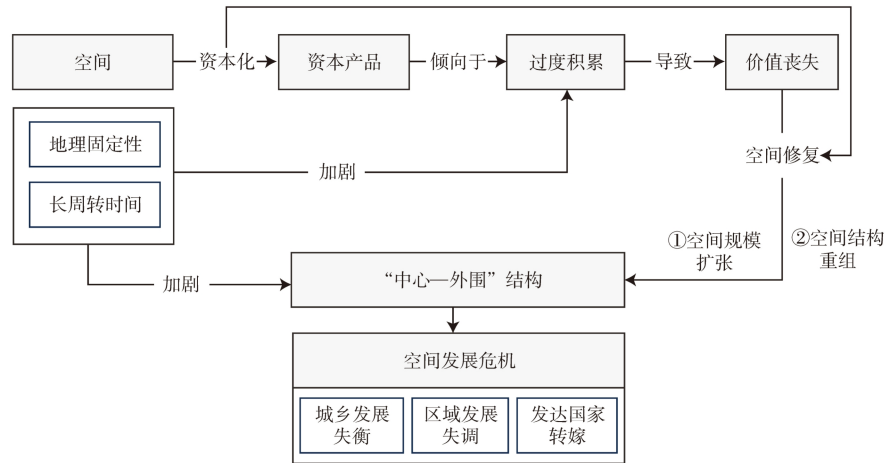


Figure 1 The spatial development crisis facing Chinese cities under the "capitalization of space"

2 Beyond Capital Circuits: Spatial "Three Major Circuits" and Their Interaction Logic

2.1 From "Capital Circuits" to "Spatial Circuits"

The Marxist conception of space holds that space is both the material carrier and the outcome of socioeconomic activities [23]. From the practice of Chinese urban development, spatial capitalization has been both an important driver of rapid urban growth and a key cause of multiple urban crises. After reform and opening up, especially through several rounds of large-scale spatial production, including development zones, real estate development and new town and new district construction, land became a key lever through which municipal governments attracted investment and accumulated capital. Spatial capitalization strongly promoted China's industrialization and urbanization. In recent years, however, as the international environment and China's internal development stage have changed, the spatial fix that transferred crises of capital overaccumulation through geographical expansion and spatial restructuring has gradually lost effectiveness. Meanwhile, stock spatial assets carrying large amounts of debt and financial risk have strong geographical fixity and use inertia, making it difficult to adjust existing spatial structures and producing structural ruptures in spatial use.

Both Western theories of capital circulation and crisis displacement and China's local practice of spatial capitalization contain an implicit call for spatial reorganization and governance restructuring. The transformation of the logic of spatial operation will determine the efficiency and quality of China's future urban transformation. Compared with many Western countries characterized by private land ownership and local democratic self-government, the Chinese government in fact holds strong authority over the allocation of spatial resources [26]. It can therefore intervene effectively in socioeconomic development through the release and allocation of spatial resources [27]. The regulatory function of spatial resources must not be underestimated. Space should be treated as a crucial governance tool for adjusting and calibrating the direction of urban development in a timely manner and for actively shaping a new development pattern [28]. For the goal of urban modernization with Chinese characteristics, the crucial question is how to use space as the lever for exploring pathways of urban transformation.

Harvey [29] argued that the specific spatial forms adopted by capital at different stages of urban development are not only means of resolving internal contradictions, but also routes through which contradictions and crises are transferred. Yet because spatial fix is only a temporary response, it

ultimately produces new contradictions and imbalances across a wider field, requiring capital to enter new circuits in order to address crisis. The theory of the three circuits of capital thus describes the transfer path through which capital eases the pressure of overaccumulation and seeks new profit growth. Space and its production function as important carriers for absorbing surplus capital and improving investment returns. Under China's institutional conditions, however, the state can dynamically adjust the functional positioning, scale structure and governance system of spaces at different scales, translating national strategies into local practice [30] and directly intervening in and regulating regional and urban-rural development. Therefore, an important breakthrough in resolving China's urban development crisis is to move beyond the city itself and seek pathways within broader urban-rural, regional and global systems. Space should become a circulation platform that promotes efficient interaction, optimized allocation and value regeneration among resources and factors across these systems. This is the shift from "capital circuits" to "spatial circuits". Building a sound spatial circuit system can not only repair the regional-urban-rural ruptures caused by excessive spatial capitalization, but also help explore a more inclusive and sustainable path of urban modernization with Chinese characteristics.

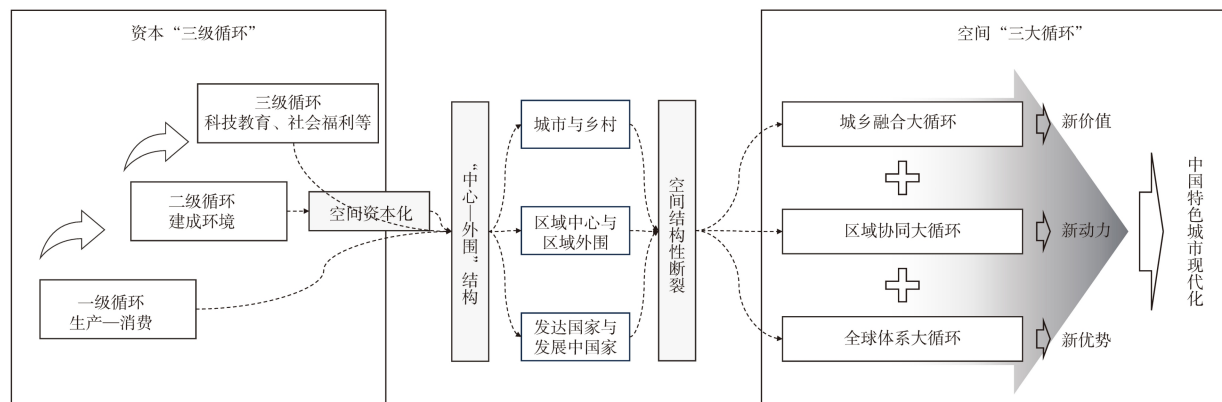


Figure 2 From "capital circuits" to "spatial circuits" and their supporting system

2.2 The Three Dimensions of the Spatial Circuit System and Their Interaction

In response to the multiple spatial crises currently facing Chinese urban development, the spatial circuit system can be understood as consisting of three major dimensions (Figure 2).

2.2.1 The Urban-Rural Integration Circuit

In the processes of rapid industrialization, urbanization and marketization, China's urban-rural relations have increasingly been shaped by market mechanisms and capital logic [31]. Rural areas have faced factor outflow and decline, and have also become important material carriers for urban expansion and the transfer of capital crises. Since 2000, China has implemented major strategies such as new urbanization and rural revitalization, but the imbalance between urban and rural development has not been fundamentally changed. As China's urbanization rate gradually enters a high plateau, the future dividend of urbanization must shift from past "urban centrism" toward discovering and making explicit "rural value". Traditional practices that prioritize cities over villages and divide urban and rural governance can no longer meet the needs of the new development environment. The key to the urban-rural integration circuit is to break the habitual thinking that treats cities and villages as two separate systems for planning, construction and governance. Urban and rural resources and factors should be

incorporated into a unified circulation system so as to promote rational flows and optimized allocation, advance urban-rural symbiosis and value realization, and inject strong new momentum into urban development.

2.2.2 The Regional Coordination Circuit

The spatial agglomeration of production factors is the core feature distinguishing the modern economy from the traditional agricultural economy [32]. Yet the imbalance between siphoning and spillover effects often produces uneven development within regions. Under the influence of China's administrative-region economy and related factors, vicious competition among cities is further intensified, and phenomena such as beggar-thy-neighbor practices and repetitive construction remain common. Facing the severe situation of industrial decoupling, supply-chain disruption, containment and blockade by Western countries, China must break down administrative barriers and reshape the national economic spatial pattern. Regional coordination should be used to reconstruct industrial chains, supply chains and innovation chains, thereby supporting the construction of a unified national market. In regional coordinated development, cities can obtain more development opportunities and resources while optimizing functions and upgrading their development level.

2.2.3 The Global System Circuit

Modern Western countries accumulated development capital rapidly through the plunder and oppression of colonies. A Western-centered rule order still exists today, increasingly expressed through the control of the global economic order by financial capital hegemony and the transfer of enormous costs and risks to developing countries [17]. Since reform and opening up, China has deeply integrated into the global trade division of labor and achieved economic take-off by drawing on low-cost, large-scale land and labor markets. Yet while benefiting from globalization, China has also borne substantial costs and risks transferred by developed countries [33], facing serious challenges such as excessive resource consumption, core-technology lock-in and slow improvement in social welfare. Under the influence of the 2008 global financial crisis and Trumpism, the traditional global trade division system is rapidly disintegrating and being reshaped, requiring China to respond proactively. The core of the global system circuit is to promote China's transformation from a passive participant in global economic, trade and governance systems into an active shaper of the new international economic and trade order and governance system, thereby reshaping the global development pattern and the logic of value distribution. Through active participation in the new global system circuit, Chinese cities can gain broader development arenas and more opportunities, continuously climbing within the global urban system and global value chains.

It should be emphasized that the spatial "three major circuits" are not isolated self-circulations, but dynamically constructed relations that reinforce one another and advance in coordination (Figure 3). Specifically, the urban-rural integration circuit provides the other two with broader factor and consumer markets, while rural space will become a carrier for emerging industries and new lifestyles. The regional coordination circuit gathers more diverse and larger-scale resources and factors for the other two circuits. Functionally coordinated regions will accelerate the construction of a unified national market and the realization of urban-rural value, while becoming important spatial units for participating in global competition. The global system circuit introduces more opportunities, demand, and higher-quality, higher-end production factors into the other two circuits, compelling urban-rural and regional systems to raise their development level. In this way, the three circuits form a systemic force of mutual

influence and mutual reinforcement, enabling spaces at different urban-rural and regional scales to shift from "passive repair" to "active growth", discover new value, build new momentum and shape new advantages for urban modernization with Chinese characteristics.

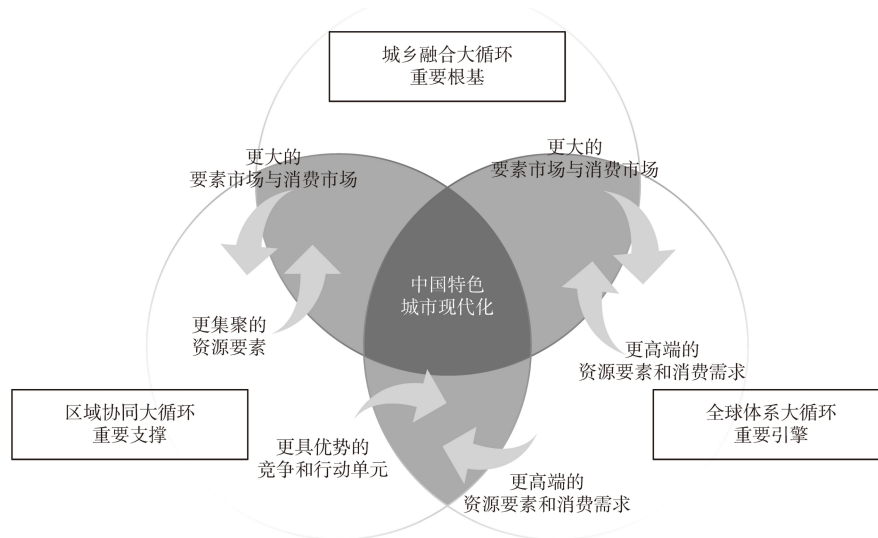


Figure 3 Interactive relations among the three major circuits of spatial circulation

3 Implementation Pathways Through Which Spatial Circuits Support Urban Modernization with Chinese Characteristics

3.1 Urban-Rural Integration Circuit: Removing Policy and Institutional Barriers and Accelerating Two-Way Factor Flows

In the face of profound changes in the international situation and the domestic transition of urbanization, dismantling the dual structure of urban-rural institutional separation, differentiated governance and divergent development is the fundamental precondition for releasing urban-rural development potential and stimulating new development momentum. The urban-rural integration circuit aims to remove policy and institutional barriers that impede the free flow and efficient allocation of factors between cities and villages, and to build a relatively equal and positive relationship of urban-rural interaction [34].

First, policy and institutional reform should be deepened. Policy coordination and institutional supply adapted to the trend of urban-rural integrated development should be strengthened. Supporting reforms in land, household registration, social security and other systems should be advanced, and unified urban-rural factor markets, consumer markets and public service systems should be established [35]. Second, innovation in implementation mechanisms should be strengthened. A system of institutional transmission, coordination and control should be established that covers the whole urban-rural territory, links vertically and connects horizontally. Concrete pathways should be explored for connecting urban-rural resources, linking governance and regenerating value. Finally, the role of county seats in urban-rural integrated development should be emphasized. China is a vast country with enormous internal differences. Urban modernization with Chinese characteristics cannot be centered only on a small number of megacities and large cities; it must be a broad-spectrum development process that includes towns and cities at all levels. County seats are important "transitional spaces" in which

urban and rural resources and factors flow frequently and interact closely, and they are an important pathway for making the urban-rural integration circuit operate smoothly.

3.2 Regional Coordination Circuit: Clustered and Networked Development to Improve Overall Development Quality

Facing profound changes unseen in a century and the dual-circulation development strategy, it is essential to move beyond the single city, integrate regional advantageous resources across a broader scope and make full use of comparative advantages. This is an important measure for responding proactively to the restructuring of global industrial and supply chains, strengthening development security and resilience, and accelerating the construction of a unified national market. The regional coordination circuit aims to build a regional spatial structure and governance system with complementary functions, embedded industries and rational layouts; accelerate the optimized allocation of regional resources and factors and the iterative upgrading of industrial structures; and cultivate and release the competitiveness and growth momentum of regions and cities to the greatest extent.

First, clustered development should promote the nearby reorganization of regional industrial chains, supply chains and innovation chains. The radiating and driving role of central cities should be brought into play, and urban agglomerations and metropolitan areas should become key carriers of the national productive-force layout and global industrial competition. Second, networked development should strengthen connections among cities within regions, enhance factor linkage, industrial coordination and planning integration, and use regional spatial restructuring to address "big-city diseases" arising from excessive agglomeration in central cities, while also supporting the growth of surrounding cities and raising the overall level of regional development. Finally, a regional governance system with Chinese characteristics should be established and improved. China's institutional environment means that urban modernization is not a process of self-realization by individual cities. A sound system of regional cooperation and governance can substantially empower the development of both cities and regions.

3.3 Global System Circuit: Leading the Formation of New Rules and Promoting the Upgrading of Urban Status and Value Chains

The ranking of the Globalization and World Cities Research Network (GaWC) shows that since 2000 Chinese cities have steadily increased their control and influence in the global urban system. The number of Chinese cities at Gamma level or above rose from six in 2010 to thirty in 2024. However, as deglobalization intensifies, trade frictions increase, international competition and cooperation become increasingly uncertain, and domestic overcapacity and economic transformation pressures remain severe, China needs to redefine its role in the international community.

First, China should actively lead the making of international rules. It should further deepen institutional opening, participate in and even lead the formulation of rules for international competition and cooperation, and cultivate more gateway international hub cities capable of participating in and leading international economic and trade activities. Second, China should continue to climb global value chains [36]. Cities should strengthen independent industrial innovation and the development of new quality productive forces, move steadily toward the high end of global value chains, and enhance China's capacity to organize and allocate important global production factors and innovative technologies [37]. Finally, China should accelerate the cultivation of a group of high-level global cities. Competition among countries is increasingly manifested as competition among core cities. As a global economic and trade

power and the only country with a complete industrial chain, China's urban modernization cannot be achieved within a closed domestic system. It must be deeply integrated into, and help reshape, the global urban system, while continuously raising the level and status of many Chinese cities.

4 Transformation of Spatial Planning Thinking Oriented Toward Spatial Circuits

To realize urban modernization with Chinese characteristics, it is necessary to further activate the function of space as a proactive regulatory force and key governance instrument, and to shift the paradigm of spatial planning, or urban planning, from "planning of space" to "planning with space as the lever". Oriented toward the spatial three major circuits, the corresponding modes of spatial planning thinking must undergo systematic transformation.

4.1 Open, Connected and Holistic Planning Thinking

Urban development depends not only on a city's own organizational and operational capacities, but also on its ability to exchange factors with the external environment. The practice of reform and opening up shows that the rapid growth of Chinese cities has been inseparable from global markets and the export-oriented economy, and future high-quality urban development will also be achieved under more open conditions. Spatial planning needs to think about urban development from a higher dimension, a broader perspective and a deeper level, establishing holistic planning thinking based on active openness and internal-external linkage. Cities should be understood and planned within the overall framework of the global urban network and domestic-international dual circulation. Their functional positioning and upgrading pathways within global industrial networks and the global urban system should be actively planned. Spatial planning should also strengthen its coordination of multiple development goals, including economic, social, ecological and cultural goals, respond promptly to changes in internal and external environments, and enhance cities' resilience and adaptability in a complex development environment.

4.2 Integrated Urban-Rural Planning Thinking

The Third Plenary Session of the 20th CPC Central Committee stated that integrated urban-rural development is an inevitable requirement of Chinese modernization. Spatial planning must reverse the long-standing path dependence of urban centrism and establish an integrated planning mindset for urban-rural development, treating cities and villages as a symbiotic system that is closely connected while retaining distinctive characteristics. It should establish the development concept of "equal value between urban and rural areas". On the basis of respecting differences in urban and rural development, cities and villages should be placed on an equal footing for coordinated planning. Unified urban-rural factor markets, consumer markets and industrial linkage systems should be accelerated to improve the quality of urban-rural economic and social development. In policy and institutional design, greater attention should be given to villages, actively responding to localized demands of rural revitalization and promoting the introduction of new factors, new populations and new business forms into rural areas. Spatial planning should break the dual pattern of separated urban and rural governance, abandon static and rigid control thinking, and continuously optimize urban-rural spatial structure and factor allocation in response to the practical needs of socioeconomic development.

4.3 Dynamic Planning Thinking for Spatial Value Realization

China's urban development is currently shifting from large-scale incremental expansion to a new stage centered on improving the quality and efficiency of existing stocks. Spatial planning should respond to this shift and develop dynamic planning thinking oriented toward realizing spatial value. It is necessary

to reverse the habitual idea that "growth" equals "development". The purpose of spatial development should not be confined to the economic dimension; rather, the multiple values of space in promoting industrial upgrading, social stability and governance restructuring should be recognized. In response to changes in the stage of Chinese urban development, urban renewal should be used as a powerful means for adjusting urban spatial structures and realizing spatial value. A whole-process coordination mechanism of spatial planning, construction, operation and management should be established to accelerate the resolution of the large debts and risks embedded in urban stock assets. Facing the new requirements of new quality productive forces, dynamic and flexible mechanisms for spatial supply and control should be constructed, practical pathways for mixed development, composite use and sustainable operation of urban space should be explored, and the excavation and manifestation of spatial value should be actively promoted.

4.4 Path-Oriented Planning Thinking for Spatial Institutional Design

In the face of new development environments and requirements, spatial planning cannot stop at traditional models of blueprint-style ideal target setting, static functional zoning and indicator-based control. It must also answer process-related questions: who will realize the goals of spatial planning, how they will be realized, and when they will be realized. Spatial planning should therefore strengthen path-oriented planning thinking for spatial institutional design, using flexible and dynamic adaptive spatial institutional supply to respond to the complexity and uncertainty of urban development. According to planning goals, the pathways of implementation and the related spatial institutional design should be studied, and the dynamic calibration of institutional supply should be strengthened. Spatial institutional design is not a simple one-off process of determination and release; it is a complex undertaking that must be continuously explored and updated in the course of socioeconomic development and planning practice. Governance mechanisms involving government, market and society should be built, so that spatial planning truly becomes an important public policy that builds social consensus and promotes shared governance among multiple actors.

5 Conclusions and Discussion

Since reform and opening up, changes in the land, or spatial, system and its planned use have, to a considerable extent, shaped and influenced China's urban development. Spatial capitalization has produced decades of rapid growth, but it has also embedded deep risks and severe crises in sustainable urban development. Compared with the institutional environments of Western countries, space plays an extremely important proactive regulatory role in Chinese urban development. Using space as an instrument to leverage urban transformation is therefore both necessary and feasible. To build urban modernization with Chinese characteristics, China must move beyond capital circuits, fundamentally transform the past development mode of spatial capitalization, establish a system of spatial three major circuits with Chinese characteristics, actively explore the pathways of the urban-rural integration circuit, regional coordination circuit and global system circuit, and adaptively transform spatial planning thinking.

Western planning theory and practice once provided important references for China's urbanization and urban development during the stage of rapid growth. However, because China and the West differ profoundly in basic national conditions, institutional mechanisms and development stages, Western theories cannot fully fit the realities of Chinese urban development and are even less able to meet future needs. Chinese cities are now at a critical juncture of transformation, and the state has proposed

the goal of urban modernization with Chinese characteristics. It is therefore urgent to construct a localized planning theory system and practical pathway. The spatial three major circuits proposed in this article are, in a sense, an attempt toward that goal. Although such an attempt may not yet be fully mature, continuous efforts will eventually accumulate into a robust indigenous system of Chinese planning theory and practice, and will also contribute a Chinese approach to urban development and governance for the wider Global South.

Notes

1. Research by Academician Wu Zhiqiang shows that when a country's urbanization rate reaches 50%, national development paths begin to diverge; after the urbanization rate reaches 70%, two main paths emerge. One is "intellectual urbanization", which relies on high value-added factors such as innovation and technology. The other is "physical urbanization", which continues to rely on low value-added factors such as energy, resources and inexpensive labor.

References

- [1] Liu Xinghua. Main characteristics, evolutionary trends and realization modes of the transformation and upgrading of urbanization in China [J]. *Frontiers*, 2025(4): 67-78.
- [2] Yao Shangjian, Huang Linjun. Task distribution and policy layering in urban change: From the perspective of the proactive state [J]. *Social Science Research*, 2025(6): 104-114.
- [3] Chen Xiwen, Li Peilin, Cai Fang, et al. Review and prospects of reform and development in key fields of agriculture, rural areas and farmers in China: Authoritative experts celebrate the 40th anniversary of Chinese Rural Economy [J]. *Chinese Rural Economy*, 2025(1): 3-25.
- [4] Lin Yifu, Cai Fang, Li Zhou. *The China Miracle: Development Strategy and Economic Reform* [M]. Shanghai: Truth & Wisdom Press, 2012.
- [5] Prasad E S. Has China's growth gone from miracle to malady? [R]. National Bureau of Economic Research, 2023.
- [6] Zhao Feng, Tan Xuan, Zhao Yuanyuan. The socialist basic economic system and China's long-term growth miracle [J]. *Study and Exploration*, 2022(2): 108-116.
- [7] Liu Kai. How the land system with Chinese characteristics affects China's economic growth: An analysis based on a multi-sector dynamic general equilibrium framework [J]. *China Industrial Economics*, 2018(10): 80-98.
- [8] Zhang Jingxiang, Wu Fulong, Ma Runchao. Institutional transition and the restructuring of Chinese urban space: Toward an institutional framework of spatial evolution [J]. *City Planning Review*, 2008(6): 55-60.
- [9] Lu Ming. The crux of China's economy is spatial mismatch [J]. *Journal of Shenzhen University (Humanities and Social Sciences)*, 2019, 36(1): 77-85.
- [10] Yang Decai. *New Institutional Economics* [M]. Beijing: Renmin University of China Press, 2019.
- [11] Jiang Xingsan, Liu Shouying, Li Qing. Land system reform and national economic growth [J]. *Management World*, 2007(9): 1-9.
- [12] Zhao Yanjing. Why is "land finance" a "great institutional innovation"? [J]. *Urban Development Studies*, 2019, 26(4): 6-16.
- [13] Liu Shouying, Xiong Xuefeng, Zhang Yonghui, et al. Land system and the Chinese development model [J]. *China Industrial Economics*, 2022(1): 34-53.

- [14] Li Wen. China's path of urbanization: Also on the top-level design of the Central Urban Work Conference [J]. *Contemporary China History Studies*, 2025, 32(5): 4-18.
- [15] Yang Hao, Zhang Jingxiang. Mechanisms and effects of land-finance-driven urban spatial production: A case study of Nanjing Hexi New Town [J]. *Urban Planning International*, 2018, 33(1): 68-74.
- [16] Wu Fulong, Ma Runchao, Zhang Jingxiang. *Transition and Restructuring: Multidimensional Perspectives on China's Urban Development* [M]. Nanjing: Southeast University Press, 2007.
- [17] Wen Tiejun. *Eight Crises: China's Real Experience, 1949-2009* [M]. Beijing: Oriental Press, 2013.
- [18] Chen Jianhua. The capital logic of China's urban spatial production and spatial justice [J]. *Academic Monthly*, 2018, 50(7): 60-69.
- [19] Harvey D. The urban process under capitalism: A framework for analysis [J]. *International Journal of Urban and Regional Research*, 1978, 2(1-3): 101-131.
- [20] Kosík K. *The Crisis of Modernity: Essays and Observations from the 1968 Era* [M]. Lanham: Rowman & Littlefield, 1995.
- [21] Zhou Yuxuan, Li Xun, Shen Long. The mechanism of urban spatial structure evolution from the perspective of capital circulation: A case study of Haizhu District [J]. *Human Geography*, 2018, 33(4): 68-75.
- [22] Yang Lingfan, Luo Xiaolong, Ding Ziyao. A logical framework and policy recommendations for innovation-oriented transformation of development zones from the perspective of capital and power [J]. *Planners*, 2022, 38(4): 50-57.
- [23] Harvey D. *The Limits to Capital* [M]. Translated by Zhang Yin. Beijing: CITIC Publishing Group, 2017.
- [24] Zhang Jingxiang, Shen Mingrui, Zhao Chen. Rural renaissance: China's rural transformation under productivism and post-productivism [J]. *Urban Planning International*, 2014, 29(5): 1-7.
- [25] Zhao D, Song Y, Zhang M. Research on the resilience enhancement and spatial spillover effect of urban agglomeration construction [J]. *Sustainable Cities and Society*, 2025: 106964.
- [26] Lan Xiaohuan. *Inside the System: Chinese Government and Economic Development* [M]. Shanghai: Shanghai People's Publishing House, 2021.
- [27] Zhang Jingxiang, Yin Jie, Luo Xiaolong. Urban spatial development and evolution under entrepreneurial local government [J]. *Human Geography*, 2006(4): 1-6.
- [28] Zhang Jingxiang. Promoting high-quality transformation and development of Chinese cities through innovation in spatial governance [J]. *Frontiers*, 2025(11): 17-25.
- [29] Harvey D. *The Urbanization of Capital* [M]. Oxford: Blackwell, 1985.
- [30] He Yanling, Jing Yichen. The great state and the great city: Changes in Chinese urban governance from a national perspective (1978-2025) [J]. *Journal of China West Normal University (Philosophy and Social Sciences)*, 2026(1): 1-20.
- [31] Chen Jianhua. A spatial political economy study of China's urban-rural relations during accelerated urbanization [J]. *Contemporary Economic Research*, 2025(4): 60-69.
- [32] Zheng Xinye, Zhang Youguo, Zhao Zhongxiu, et al. Promoting high-quality development and laying a solid foundation for basically realizing socialist modernization: Written discussion on studying and implementing the spirit of the Fourth Plenary Session of the 20th CPC Central Committee [J]. *Economic Perspectives*, 2025(11): 5-22.

- [33] Zhang Bing, Wang Kai, Wang Guangtao, et al. Academic discussion on the introduction and local development of concepts and methods in Chinese urban planning [J]. Urban Planning Forum, 2025(4): 1-9.
- [34] Wu Zhiqiang, Yan Juan, Xu Haowen, et al. Ten key annual issues in the development of the urban and rural planning discipline (2024-2025) [J]. Urban Planning Forum, 2024(6): 8-11.
- [35] Duan Jin, Zhang Tingwei, Yin Zhi, et al. Academic discussion on Chinese-style urban-rural modernization: Connotations, characteristics and development pathways [J]. Urban Planning Forum, 2023(1): 1-10.
- [36] Wu Zhiqiang, Wang Guangtao, Yang Baojun, et al. Academic discussion on "lifting Chinese modernization through cities: pathways and missions" [J]. Urban Planning Forum, 2025(3): 1-8.
- [37] Wang Kai, Zhao Yanjing, Zhang Jingxiang, et al. Academic discussion on new quality productive forces and urban-rural planning [J]. Urban Planning Forum, 2024(4): 1-10.

AI-assisted translation