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Megacounties and County-Level Modernization in China — Scale Breakthrough, Spatial Concentration and Functional Upgrading

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Abstract: This article examines the rise of China's "megacounties", county-level jurisdictions with annual GDP exceeding RMB 100 billion, as a distinctive pathway of county-level modernization. Based on 62 megacounties in 2024 and 77 in 2025, it develops a framework linking scale capacity, spatial concentration, industrial organization, urban-rural integration and adaptive governance. The evidence shows that megacounties have moved from isolated breakthroughs by a few leading counties to a tiered system of head leaders, strong middle performers and newly emerging counties. In 2025, they generated 8.9% of the national GDP on only 1.6% of China's land area. Their rise reflects not merely a GDP threshold, but the combined effects of rooted industries, development platforms, market connectivity, county-town functions and governance capacity. The paper argues that the next stage should shift from scale competition to functional upgrading, with greater emphasis on industrial resilience, public services, risk governance and inclusive prosperity.

Keywords: Megacounty; County-level economy; China's modernization; Urban-rural integration; Functional upgrading

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1. Introduction

County-level jurisdictions occupy a strategic position in China's modernization. They connect cities and villages, organize industrial and agricultural resources, absorb population movement and translate national strategies into local practice. The report to the 20th National Congress emphasized rural revitalization, regional coordination and people-centered urbanization [1]. The Decision of the Third Plenary Session of the 20th CPC Central Committee identified urban-rural integration as an inherent requirement of Chinese modernization [2]. The proposals for the Fifteenth Five-Year Plan further highlighted county economies with distinctive characteristics [3]. The 2025 Government Work Report, the new urbanization action plan and the policy on county-town urbanization jointly strengthened the strategic status of county economies [4–6].

The rise of counties with annual GDP above RMB 100 billion provides a focused lens for observing this transformation. National statistical materials and county yearbooks show that county areas carry a large share of China's population, land space and industrial base [7,8]. Industrial economy reports also indicate that county manufacturing remains a key foundation of employment and production capacity [9]. In 2024, China had 62 such jurisdictions, with a combined

GDP of about RMB 10.5 trillion and 7.8% of national GDP [10]. In 2025, the number increased to 77, with a combined GDP of about RMB 12.5 trillion and an average of RMB 161.84 billion; these counties generated 8.9% of national GDP on 1.6% of China's land area [11].

This phenomenon is theoretically important. In many economies, growth concentrates in core cities while peripheral areas lose industry and population. China's experience is more complex. A group of counties has become competitive economic nodes by deepening industries, building development zones, fostering private firms, linking markets and improving county-town functions. Megacounties are therefore not only a ranking category. They are stage markers of county-level modernization and institutional samples of how a large country strengthens economic depth beyond metropolitan cores.

2. Literature, framework and method

Research on county economies has shifted from agricultural development, county industrialization and fiscal capacity to county-town carrying capacity, urban-rural factor flows and public-service equalization. Existing work on county economic upgrading and urban-rural integration shows that county development is moving from scale expansion toward functional improvement [12,13]. Regional spatial theory further suggests that growth is shaped by transport corridors, market access, industrial networks and institutional capacity rather than by geography alone [14].

This paper advances a functional-upgrading perspective. Functional upgrading means a transition from GDP-centered scale growth to broader improvement in industrial organization, population absorption, market connectivity, urban-rural integration and risk governance. Crossing RMB 100 billion is only the visible outcome; the deeper question is whether a county has developed rooted industries, efficient platforms, wider market links, stronger county-town services and adaptive governance.

The empirical object includes counties, county-level cities and banners whose annual GDP reached or exceeded RMB 100 billion, with particular attention to the 62 megacounties in 2024 and the 77 in 2025. The study uses official statistical communiques, government reports and public county-level materials. Because annual GDP data may be affected by release schedules and accounting revisions, the analysis prioritizes public sources, compares nominal scale and structure cautiously, and uses case evidence only when facts are explicitly reported.

The method combines descriptive statistics, structural decomposition, regional comparison and case-based explanation. Quantitative analysis identifies changes in scale, tier structure, spatial output intensity and provincial concentration. Qualitative analysis interprets mechanisms through cases such as Kunshan, Jiangyin, Jinjiang, Yiwu, Changsha County, Shenmu and Renhuai. The purpose is not to claim a universal model, but to explain how different counties convert endowments, institutions and market access into functional upgrading.

Table 1. Key indicators of China's megacounties

Year	Number	Combined GDP	Average GDP	Land share	GDP share	Density index
2024	62	RMB 10.5 trillion	RMB 169.35 billion	1.3%	7.8%	6.00
2025	77	RMB 12.5 trillion	RMB 161.84 billion	1.6%	8.9%	5.56

Source: Compiled from official communiques and public county-level government materials [10,11].

3. Empirical findings

First, megacounties expanded in both number and aggregate scale. Between 2024 and 2025, their number increased by 15, or 24.2%, while combined GDP rose by about RMB 2 trillion, or roughly 19.0% [10,11]. This indicates that county-level economies have become a thicker support for the national economy. Expansion is not simply the growth of a few leaders;

it reflects the entry of more jurisdictions into a new scale stage.

Second, megacounties show high output intensity within limited land space. In 2024, 62 megacounties generated 7.8% of national GDP on 1.3% of land area, producing a spatial output density index of 6.00. In 2025, the expanded group generated 8.9% of national GDP on 1.6% of land area, with an index of 5.56 [10,11]. The slight decline mainly reflects the inclusion of newly emerging counties close to the threshold; the group's output intensity remains far above the national average.

Third, the tier structure is pyramid-shaped. In 2025, 48 megacounties were in the RMB 100-150 billion range, 16 in the RMB 150-200 billion range, 7 in the RMB 200-300 billion range, 4 in the RMB 300-500 billion range and 2 above RMB 500 billion [11]. Megacounties have moved from isolated breakthroughs to a tiered system of initial entrants, strong middle performers and head leaders. The next challenge is to help the large RMB 100-150 billion group move upward through chain extension, platform upgrading and deeper integration with city clusters.

Fourth, spatial concentration remains strong, but central-region expansion is accelerating. In 2025, Jiangsu had 23 megacounties, Zhejiang 15, Shandong 9 and Fujian 7. These four provinces accounted for 54 of the 77, or 70.1% [11]. The eastern coast remains the main arena of high-quality county development. At the same time, counties in Hubei, Hunan, Henan and Anhui are expanding through industrial relocation, metropolitan spillovers and transport improvement. Western and northeastern cases show breakthroughs based on energy, resources and frontier openness, but their sustainability needs closer monitoring.

4. Mechanisms of functional upgrading

The rise of megacounties can be explained by five mechanisms. First, industrial rootedness creates long-term competitiveness. Successful counties do not share a single industry; they develop leading sectors that fit local endowments, market radius and regional division of labor. Kunshan relies on electronics and advanced manufacturing, Jinjiang on private-sector brands, Yiwu on trade markets and digital commerce, Renhuai on liquor, and Shenmu on energy and chemicals. The key is to turn comparative advantage into competitive advantage.

Second, development platforms improve industrial coordination. Industrial parks, development zones, specialized towns and professional markets become platforms for factor sharing, public services, innovation diffusion and supply-chain coordination. They allow county economies to move from project accumulation to ecosystem competition. Third, market connectivity expands the boundary of county development. Local demand alone cannot support an economy above RMB 100 billion. Megacounties succeed when they connect to the national unified market, city-cluster division of labor, digital platforms and global supply chains.

Fourth, county-town functions translate industrial growth into urban-rural integration. County economies differ from isolated industrial-park economies. Their development must create employment, improve public services, connect farm products with processing and logistics, and strengthen county towns as population and service centers. Fifth, adaptive governance releases endogenous vitality. Effective county governance provides stable expectations, fast public services, factor support, risk monitoring and institutional credibility.

5. Theoretical contribution and policy significance

Megacounties reinterpret the role of counties in national modernization. Counties are not merely agricultural hinterlands or peripheral spaces of large cities. They can function as nodes of advanced manufacturing, open trade, resource conversion, specialty consumption and urban-rural integration. They are foundational units in the restructuring of city clusters, industrial chains and urban-rural relations.

From the perspective of productive-force layout, megacounties provide spatial carriers for a modern industrial system. A country of China's size cannot rely only on a few large cities to host manufacturing and supply-chain capacity. Strong

counties support a multi-level division of labor: central cities provide research, finance and advanced services; counties provide manufacturing and market organization; rural areas provide resources, labor, ecological products and agricultural supply.

From the perspective of urban-rural integration, megacounties offer a practical route for reducing dual structures. Population movement within a county involves shorter distances and lower social costs than migration to distant metropolises. This makes counties suitable for nearby urbanization, public-service equalization, rural asset activation and county-level consumption systems. National policy on integrated urban-rural development further supports this direction [15].

From the perspective of common prosperity, GDP cannot be the final criterion. The quality of a megacounty depends on whether economic strength becomes stable employment, household income, public-service access and inclusive opportunity. Future evaluation should move from aggregate ranking toward functional performance, including industrial resilience, innovation vitality, public services, ecological performance and income growth.

6. Risks, priorities and conclusion

Crossing the RMB 100 billion threshold is not an endpoint. It may reveal deeper constraints. Resource-based counties face price cycles and path dependence. Traditional manufacturing counties face external-demand volatility, rising costs and technological substitution. Trade-oriented counties face changes in global trade rules and platform governance. If earlier advantages are not converted into innovation, public services, green transition and industrial diversification, the threshold may become a source of complacency rather than renewal.

Regional divergence also remains significant. Coastal counties generally possess stronger industrial chains, better access to metropolitan markets and more complete service systems. Many central and western counties still face weaker industrial foundations, fiscal pressure, population outflow and public-service gaps. Policy should avoid a single target for all counties. Manufacturing counties should deepen chain control and green upgrading; agricultural counties should strengthen processing, cold-chain logistics and brands; resource-based counties should develop deep processing, circular economy, clean energy and replacement industries.

A further risk is the illusion of scale. The demonstration effect of megacounties may encourage some jurisdictions to chase GDP thresholds mechanically, build duplicative parks, pursue fashionable industries or rely too heavily on large projects. Functional upgrading should therefore become the core policy orientation. Counties should be assessed by what they do in the national and regional system, not only by how large their GDP is.

The expansion of China's megacounties is a concentrated expression of county-level modernization. The development logic can be summarized as industrial rootedness, platform coordination, market connectivity, urban-rural integration and adaptive governance. These mechanisms are not mechanically replicable. Each county must build on its endowment, industrial base, location and market radius. During the Fifteenth Five-Year Plan period, county-level development should shift from scale competition to functional upgrading: distinctive industries should become wealth-generating industries; development platforms should become innovation platforms; open channels should become market channels; county towns should become public-service hubs; and differentiated governance should become the basis for long-term resilience.

This study is limited by the availability of comparable public county-level data. It relies mainly on macro indicators such as number, scale, tier structure and provincial distribution, and does not yet provide a full econometric test using variables such as innovation expenditure, household income, fiscal quality, public services and ecological performance. Future research should build a long-term county-level panel dataset and use spatial econometric and causal-inference methods to identify the mechanisms and policy effects of county-level high-quality development more precisely.

Disclosure statement

The author declares no conflict of interest.

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