

## China's Regional Development Strategies and Regional Policies

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### 1. Background

Since the reform and opening up more than 40 years ago, China has made great achievements in economic development and realized the China Miracle. From 1978 to 2020, China's GDP grew at an average annual rate of 9.5%, establishing it as a closed and backward low-income country to the world's second-largest economy. The urbanization level has risen from less than 20% to more than 60%. As a country with a vast territory and a large population, there are great differences between different physical geography and human environment areas in China. It makes the economic development in various regions distinctive and unique, creating various types of massive economy and models. The competition and coordination relating to economic growth in various regions have become an important foundation and support for China Miracle.

### 2. Strategies and Approaches

In the early 1980s, in order to realise the strategic concept of "Two General Situations" put forward by Deng Xiaoping, China has implemented the coastal development strategy. As a result, the eastern coastal areas took the lead in development, and the gap with the hinterland has gradually widened. China's progressive economic transformation has stimulated the reconstruction of industrial geographical distribution and promoted economic growth for more than 40 years. Reshaping China's economic geography has resulted in an economic miracle in this country, and the spatial agglomeration of economic activities has been increasing over the past 40 years. At the same time, the rapid economic growth and the spatial agglomeration of economic activities



have led to the widening gap between different regions and emerging problems relating to regional development.

Since the 1990s, China decided to narrow the gap between different regions through the coordinated development of regions, and has successively implemented a series of strategies, such as the development of the western region, the revitalization of the northeast and the Rise of Central China. Since 2012, the country has put forward a series of major strategies, such as the coordinated development with Beijing-Tianjin-Hebei, the development of the Yangtze River Economic Belt, the development of the Guangdong-Hong Kong-Macao Greater Bay Area, the promotion of the reform and opening-up in Hainan Province, the integrated development of the Yangtze River Delta, the ecological conservation and high-quality development of the Yellow River Basin, to form a regional economic model led by major national strategies. In 2017, China upgraded the strategy of regional coordinated development to a national strategy. In addition, China's strategies and layout for the coordinated development of regions require support from the new urbanization strategy, the overall planning for regional and marine economic activities, the all-around opening-up strategy and the rural revitalization strategy. Finally, the country has put forward the planning of main functional areas based on different geographical spaces. The plan divides China's territory into optimized development zones, key zones for development, restricted development zones and no-developing zones.

### **3. Challenges**

China needs to achieve the goals of spatial efficiency and regional balance on the road to development. At present, the regional problems in China are mainly due to the gap between the east and the west, the gap between the north and the south, the rural-urban gap and the gap between the hinterland and border areas, and the differentiation has occurred within the Eastern China, Central China, Northwest China and Northeast China. The gap between the east and the west has narrowed while the gap between the north and the south is widening. The proportion of GDP in Liaoning, Jilin and Heilongjiang provinces has fallen by half in the past 40 years. The national economical center of gravity has further shifted to the south. The high-quality development of China has suffered various problems such as the mismatch between population resources and economic agglomeration, the mismatch between industrial layout and resources and environmental carrying capacity, the mismatch between land and economic agglomeration, regional gap, urban-rural gap and income gap. Furthermore, major changes have taken place in the spatial pattern, strategic requirements and internal and external environment of China's regional development. With the intensification of regional differentiation, the spatial way of regional development has become more complex, and regional policies are facing increasing pressure on balancing equity and efficiency.

### **4. Suggestions for the EU-China urban and regional cooperation.**

Currently, globalization requires speeding up the concentration of superior resources and enhancing the international competitiveness of developed regions. However, the regional development gap requires more support for developing regions. China and EU countries face similar situations and challenges. These challenges put forward higher requirements for the systematisms, standardization and coordination of regional policies. We need to understand the gap between different regions, solve the imbalance in

development, compare international experiences and learn from each other.

- An a. We need to compare the regional policy systems and frameworks of China and the EU, especially the refined classification management, differential regional policy system and implementation, and understand the processes and methods of regional policy evaluation.
- b. We need to take the EU's NUTS system as a reference, construct the economic regionalization in China, learn to establish the evaluation and identification methods on a small space scale, accurately identify backward areas, old industrial areas and resource-exhausted areas, implement regional policies, and better play the role of "targeted treatment" of regional policies.
- c. We need to compare the regional policy package of China and the EU, including the implementing subject, policy object, classification standard, entry and exit requirements, specific implementation rules and procedures of each regional policy instrument.
- d. We need to share and study China's successful regional policies related to poverty alleviation and reduction, rural revitalization, development zones and ecological conservation, and compare the policies on the coordinated development of regions. As many regions in China are facing transformation and upgrading, we urgently need to learn from and refer to the successful experiences of developed countries and regions.
- e. We need to select the regions and urban agglomerations in China and EU countries that are comparable in different development stages and scales and compare the development models and regional policies from the perspective of city-to-city or region-to-region cooperation, involving industry, finance, taxation, land, environmental protection, science and technology, etc.
- f. We need to compare the spatial planning system and regional coordination mechanism between China and EU countries and understand the coordination between the EU's regional policies and other policies.



g. We need to learn from relevant legislative work to promote the coordinated development of regions.

In addition, most scholars who study China's regional economy and policies understand the EU's regional policies through second-hand literature and information, and there are few opportunities for field visits and exchanges. It is suggested to strengthen communication and exchanges between Chinese and European experts and scholars to deepen mutual understanding and improve cooperation.