ABSTRACT

Title: “Same Lab, Different Experiment: Shenzhen’s New Role as a Testing Ground for China’s Political Reform”.

In 1980, Chinese government established four Special Economic Zones (SEZ) in Guangdong and Fujian provinces, to experiment with market-oriented economic policies. The most high profile of them was Shenzhen, adjoining Hong Kong. Over the past two decades, Shenzhen has grown from a small fishing village into one of China’s biggest cities with a population of nearly 5 million and the highest per capita GDP in the country. In the first few years of its establishment, Shenzhen played an important part in introducing market-oriented economic policies and became a magnet for foreign direct investment from all over the world, particularly from Hong Kong and Macao. But as more flexible economic policies were extended to other coastal cities and provinces during the 1980s, Shenzhen lost some of its lustre as a special zone, although it was still favoured by many Chinese and foreign companies looking for modern infrastructure, superior investment climate and proximity to Hong Kong.

Shenzhen has once again been thrust into the limelight with the central government’s decision to use the SEZ as a testing ground for political reforms. In December 2002, Chinese media reported that Shenzhen local government was being asked to trial a new administrative system in which the powers for ‘policy making, execution and supervision’ will be separated. Under the proposed reform, the Communist Party is to lose its executive administrative powers, with its role being reduced to ‘drawing up the overall economic development strategy for an area and setting some other important policies’. If successful, this system may be extended to other cities in China.

This paper argues that the proposed reform is an attempt to improve the Party’s image by bringing greater transparency and administrative efficiency into the functioning of the government, but it would be a mistake to see it as an inchoate attempt to create a pluralist political system. It further argues that unlike the economic reform measures pioneered by Shenzhen, and later rolled out in other cities and provinces in China, the results of political reform being tried out in the SEZ may not be as easily replicated in the rest of the country. The paper lists a number of reasons for that, including: (1) the central government support for political reform is unlikely to be as strong as was the case with economic reform; (2) the local and provincial enthusiasm for economic reform, motivated as it was by rich rewards for the participants, is unlikely to be repeated for political reform which may in fact subject local officials to greater scrutiny; and (3) bureaucratic caution, especially as mistakes made in the process of political reform are likely to attract harsher penalties than during economic reform.