

Open Up the West – China's Regional Development Policy International Conference

Hamburg, May 8-10, 2003

From May 8-10, 2003 the Institute of Asian Affairs (Institut für Asienkunde, Hamburg), in cooperation with the *China Quarterly* magazine (London) and the Institute for International Studies (Sydney), hosted an international conference on China's new Regional Development Policy for developing the Western provinces. The conference was sponsored by the Volkswagen Foundation, and Mayor Ole von Beust of the Free and Hanseatic City of Hamburg welcomed 36 leading experts from Germany, Australia, the United Kingdom, the Netherlands, USA, Sweden, and Hong Kong.

The "Great Western Development" campaign (*Xibu da kaifa*), initiated by Jiang Zemin and Zhu Rongji in 1999, focuses on the twelve provincial-level units of Xinjiang, Tibet, Ningxia, Qinghai, Gansu, Shaanxi, Sichuan, Yunnan, Guizhou, Inner Mongolia, Guangxi, and Chongqing, which cover over 70% of China's total area. This Western region includes not only most of China's ethnic minorities and poor, but also most of its rich natural resources. The region was left behind by the preferential policies of the reform era, which allowed the eastern coastal provinces to boost their economies first. But the expected spillover effects were far from sufficient, and the strategy resulted in alarming regional disparities between East and West. Besides these interregional disparities, there also exist tremendous differences among and within the twelve western provincial-level units.

The aim of the conference was to assess and analyze the impact of the Opening up the West Policy by investigating the changes since its implementation in 2000 and to enable the scholars to exchange their research findings. Taking into account the various conditions in the West, the conference addressed different aspects in each of the single provinces.

A general overview of the central-level policy-making process was given by Heike Holbig (Institute of Asian Affairs, Hamburg), who pointed out the difficulties of measuring the extent and level of the different factors that have had an impact on this process, e.g. academic input, provincial-level units lobbying, central government initiative. She concluded the policy has never been a clearly delineated strategy with a complete set of goals and consistent measures to achieve these goals.

Margot Schüller (Institute of Asian Affairs, Hamburg) shed light on the fiscal redistribution mechanism necessary to finance this ambitious plan by comparing the Chinese approach with the German system for the "Aufbau Ost" Programme. Finding some similarities in the implementation, Schüller believes China's West suffers especially from unclear expenditure assignments of the redistributed funds, ignoring acute problems like the state pensions. As the financial budget is not sufficient, redistribution towards the West through the revenue-sharing system and through the Great Western Development Policy is limited, and it is necessary for the central and provincial governments to find other sources of funding, e.g. foreign direct investment.

For Qinghai David S.G. Goodman (Institute for International Studies, UTS, Sydney) ascertained an increase in the flow of financial resources to the region since the implementation of the policy. The policy has evoked mixed feelings, however, because many people fear becoming even more dependent on central government subsidies, and that eastern provinces could benefit more from new infrastructure projects in the West. A big challenge for Qinghai's future will be its ability to integrate different existing "ideas of civilization" within the framework of the Western Development Policy.

Investigating the Autonomous Region of Tibet, Susette Cooke (Institute for International Studies, UTS, Sydney) also emphasized the cultural dimension of the policy. She showed great concern the policy might be used to dilute the unique Tibetan culture and disperse Tibetans in the larger Han Chinese population.

According to Nicolas Becquelin (Human Rights in China, Hong Kong) there has been no policy shift in the Autonomous Region of Xinjiang since the 1990s. Investment in infrastructure dominates the development strategy in China's biggest province in an effort to extract its rich resources in oil, gas, and coal and channel them to the East, e.g. through the East-West-Pipeline. Another strategic goal of the central government is to secure unity and obtain social stability, which has been threatened by separatist movements.

By analyzing the sectoral data from the late 1990s Eduard B. Vermeer (Chinese Studies, Faculty of Arts, Leiden University) revealed large restructuring efforts in Shaanxi, e.g. reducing the influence of state-owned enterprises. Following the measures of the Great Western Development strategy, which promotes investment in infrastructure as a means for economic development, Xi'an is being built up as a new transportation hub.

Richard L. Edmonds (Department of Geography, King's College, University of London) investigated the smallest provincial-level unit in the West: the Autonomous Region of Ningxia, which is likely to be overlooked because of its size and its lack in natural resources. In recent years efforts have been made to raise the educational level and strengthen tourism in the 'land of the Hui'-minority.

Ralph Litzinger (Department of Cultural Anthropology, Duke University, Durham/NC) conducted field research on the cooperation of local authorities with transnational environmental organizations in Yunnan. He argues that though these groups still show too much consideration for state interests, their ability to influence local agendas has increased.

Regarding the implementation of the new policy in Sichuan, Christopher A. McNally (East-West Center, Honolulu) saw two main results. First, the province receives freer and greater financial resources for big environmental and infrastructure projects, and second, it actively enhances the conditions for obtaining direct foreign investment. Despite these positive changes, the intra-regional development gap has not yet been narrowed.

As the only provincial-level city in the West, Chongqing has benefited from strong central financing since the launch of the policy. Hong Lijian (Chinese Studies, Faculty of Arts, Monash University, Melbourne) argues, this was partly due to the Three

Gorges Project, which is of national interest, and to the fewer administrative levels of the municipality, enabling the central government to have better control of the use of funds. Although the central government's fiscal policy has proved successful so far, it will be crucial for Chongqing's future economic development to obtain additional financial resources for it to overcome its dependency on central funding.

Gansu's main function within the Great Western Development is, according to Dru Gladney (School of Hawaiian, Asian and Pacific Studies and Department of Anthropology, University of Hawaii, Manoa), to serve as a transportation corridor to the western province of Xinjiang and the East.

Tim Oakes (Department of Geography, University of Colorado, Boulder) drew his conclusion from his field research on the West-East-Electricity Transfer Project in Guizhou, one of the key infrastructure projects in the Great Western Development Policy: The central government uses the policy for nation-building and reducing the political and economic autonomy of the region. Though the local government in Guizhou welcomes the strategy in general, it is also well aware of these critical issues.

Its southern neighbor, the Autonomous Region of Guangxi, is the only provincial-level unit of the West with access to the sea. Relying on this geographic advantage while omitting restructuring of the local industries has led to economic failure in the past. Now the central government's new campaign has forced the local government to readjust its economic-development strategy. Hans Hendrichske (Department of Chinese and Indonesian, University of New South Wales) believes that Guangxi will strongly benefit from the transport network and economic restructuring.

The above descriptions of the different inter-disciplinary approaches highlights only some of the many factors playing major roles in the Great Western Development Strategy. Because the campaign is still new the evaluation has to be limited, and its impact has to be observed in a longer timeframe. In their discussion the academics agreed that many more aspects of the policy need to be addressed in the future.

The presented papers and additional essays will be published in a special edition of *The China Quarterly* in 2004 and as a monograph by Oxford University Press. Both volumes will be edited by Julia Strauss (The China Quarterly, London) and David S. G. Goodman (Institute of International Studies, UTS, Sydney).

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Der Konferenzbericht der DGA-Tagung vom 22.-23. Mai 2003 in Berlin erscheint im nächsten *ASIEN* (89).