

RETHINKING SHANGHAI'S URBAN DEVELOPMENT MODEL

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Executive Summary

1. In the 1990s, Shanghai's outstanding economic growth had raised its status as the best showcase for other underdeveloped cities to learn and adopt. However into the new millennium, Shanghai's economy is at risk of slowing down. Coupled with a high profile political scandal, its market competitiveness was eroded when other Chinese regional economies and Asian cities caught up. This has necessitated the rethinking of its developmental model.
2. Economic growth used to be Shanghai's main benchmark for success, but it is becoming increasingly inadequate. Shanghai's developmental goals need to incorporate a wider spectrum of factors that emphasizes quality over speed of growth. These include social well-being, cultural development, political transparency and environmental protection.
3. In the past, investment used to be the main pillar of Shanghai's economic growth. In recent years, this investment-led strategy has been questioned. Many feel it is timely for Shanghai to shift toward an innovation-orientated economy.
4. For a long time, arts and culture have only played a supportive role to Shanghai's economic growth. With increased public awareness, the local government now sees "soft power" development as one of its major goals. However, many still question the merits of "social engineering" and argue that it should be achieved with greater public involvement and participation.
5. The Shanghai government had been credited with good management in ensuring a smooth economic transition in the 90s. As the city progresses to achieving metropolitan diversity, this strength has become its weakness. The creativity and vitality of a city cannot be raised if Shanghai is ruled in an authoritarian manner.