## CHINA IN SEARCH OF A NEW DEVELOPMENT MODEL: GUANGDONG OR CHONGQING?

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## **Executive Summary**

- 1. China has so far made little progress in political reform despite the general consensus that it is both necessary and urgently required. The Chinese leadership is divided over where the country is heading. Most provinces are cautious and conservative about political reform before the change of guard at the 18th Party Congress.
- 2. Only Chongqing and Guangdong have forged ahead with eye-catching and standard-setting reforms under the dynamic leadership of their respective party secretaries Bo Xilai (薄熙来) and Wang Yang (汪洋).
- 3. The Chongqing model is often simplistically branded as "singing red, striking black" (唱红打黑) but in fact it consists of six innovative programs. Its central thrust is "sharing prosperity" (共同富裕), i.e., to narrow the income gap and promote equality, especially between rural and urban residents.
- 4. The more liberal "Guangdong model" has three main components: the rule of law, more political openness, and social development. It is designed to suit the province's more complex society and higher level of economic development.
- 5. China's market-driven socioeconomic transformation has outgrown the party-state's old structure of social control. New classes, interests groups, and social conflicts have emerged. Re-integrating society under a more effective governance structure, accommodating rising demand for political participation, and regaining social justice are challenges faced by all local governments.
- 6. Chongqing has opted for strengthening the existing structure by reviving the Maoist massline while Guangdong, where the civil society is getting stronger, more organized and autonomous, has responded with expanding grass-roots

democracy, broadening political participation, improving governance and promoting the rule of law.

- 7. The Guangdong approach is milder in form but more radical in essence. It changes the existing political order and threatens the many interests vested in it. It emphasizes social development as it needs the support of societal forces to sustain its momentum.
- 8. The Chongqing model is effective in the short run but precisely because of this, it is likely to reinforce the existing political structure and strengthen the kind of political force that may further delay the necessary social and political reforms.
- 9. Both models are nationally relevant. They address some key problems faced by the nation and provide alternative policy options for other provinces. The reform experiments in these two localities promise to break the present stalemate and launch the next round of Chinese reforms.
- 10. However, the Guangdong and Chongqing models are by no means the only choices. China's size and diversity are capable of more local "models", possibly infusing elements of these two. There is no evidence that these two models are mutually exclusive either.