Mind the Gap – Regional Disparities in China

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Introduction

Regional policies aim to mitigate regional disparities and contribute to the equality of living conditions among citizens. This goal is enshrined in the German constitution and is intrinsically tied to the principles of the social and ecological market economy. The relevant principles are equal opportunity, distributive justice, and the principle of solidarity. China too is striving to provide more equal opportunities for its citizens or – to use the Chinese phrase – to build up a “harmonious society.” However, the previous attempt of the Chinese Government to achieve that goal triggered economic development in the coastal region, which led not only to a relative regression of the interior provinces in terms of employment, income, resources, and education, but also to massive environmental degradation. The current policies embraced by the Chinese Government to counterbalance regional disparities between the coastal and interior provinces and between urban and rural areas, as well as to promote social cohesion and environmental protection, consequently show clear similarities to the basic principles of the model of a social and ecological market economy.

Recent Chinese policies in this area demonstrate a fundamental shift in the country’s regional development approach, from temporarily counter-balancing regional disparities by means of subsidies and the redistribution of income, towards policies convergent with the strategies in the European Union (EU) and the Organization for Economic Cooperation and Development (OECD) member countries. Based on observations in China and the EU as well as on surveys conducted by the OECD, this paper will raise some of the regional policy issues discussed on both sides and thereby identify a corridor where the EU, the OECD, and China can enter into a policy dialogue and a process of mutual learning. It will then draw some conclusions for German technical cooperation for regional development in China.

The European Commission has already been conducting a dialogue with China on regional policy for several years. The Sino-German Economic & Structural Reform Program, supported by the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH on behalf of the German Federal Ministry for
Economic Cooperation and Development, officially launched a component on Sustainable Regional Development in January 2008. Within this project, GTZ is also cooperating with the OECD, in particular with the Territorial Development Policy Committee.

**Background**

**From Subsidies to Investments**

In recent years, regional policies of the EU as well as of OECD member states have increasingly focused on the exploitation of a region’s endogenous assets and its under-utilized potentials. Rather than providing direct government subsidies to particular sectors, these policies facilitate investment that strengthens regional competitiveness and mobilizes the region’s latent capacity to provide a sound business environment, relying on local potential to attract and maintain firms and labor.

The comprehensive character of this approach, however, requires policies to respond to the respective region’s characteristics (problems and potentials). Regional competitiveness results from a multitude of complementary factors, going beyond what is commonly conceived as a factor of production. In this context, Kitson et al. identify the factors infrastructural capital, knowledge/creative capital, productive capital, human capital, social-institutional capital, and cultural capital (Kitson et al. 2004). It is suggestive to add geographical capital to this list, referring to climate conditions, proximity to natural transportation opportunities (rivers, ports), soil fertility, etc. All these factors define a region’s development potential and determine the best policy to strengthen regional competitiveness. There are many “soft” assets which play a decisive role in “the bundle of actions to increase the performance of local firms and to improve the attractiveness of a region as a place to work and to invest” (Davies 2004).

We can leave open the question whether this way of thinking about regional development is true rocket science and justifies the talk of a “new” approach or even a “paradigm shift.” What it does stand for, however, is a renunciation of abstract redistributive and sectoral policies defined at the national level and an embrace of a more holistic approach that takes account of local conditions and a proactive involvement of the private sector. It expresses a turn away from top-down policies – often adopted by states and development organizations – which effectively propose the same measures for every country and every region. In this recent approach of the EU and OECD member states, sectoral policies

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1Exemplified by the Lisbon Strategy (European Commission 2005) and observations of OECD (OECD 2005).
are still an important element, but they are better integrated into comprehensive strategies for regions.

**Challenges in Regional Development in EU and OECD Member States**

Based on observations from the OECD, various persistent and newly emerging problems can be identified with regard to different types of regions: rural, intermediate, and metropolitan.

As a result of an increase in productivity in the agricultural sector during the last decades, employment in rural areas dramatically decreased. Because most industries settle in or near urban regions or industry agglomerations in intermediate locations, rural regions are often faced with the problem of insufficient employment opportunities. These conditions, amplified by a lack of sufficient educational and cultural facilities, induce younger people to migrate to other regions – thus leading to an aging society. In turn, rural regions fail to provide the required business infrastructure necessary to attract firms.

The link between rural and metropolitan regions is set up in small and medium-sized towns (SMTs), where economic activities are mainly conducted by small and medium-sized enterprises (SMEs). Although these intermediate regions are able to provide a more comprehensive business environment than predominantly rural regions through the provision of the required physical infrastructure and services, there is a noticeable decline in economic development and a fall in the employment rate due to industrial restructuring. Intermediate regions often fail to provide the training facilities necessary to retrain the highly specialized, yet laid-off workforce that is increasingly common in these areas. Shortages of finance often prevent SMEs from conducting research in order to increase innovative capacities. Firms in existing clusters are often unable to utilize the advantages of agglomerations, such as spillover effects, access to modern infrastructure, and common learning by networking as well as through sharing services or outsourcing them to other companies. However, these advantages are crucial to dealing with the challenges of globalization and increasing competition from new emerging nations that build their competitiveness on low labor costs but also on strong innovative capacity. Furthermore, a lack of tertiary education facilities in SMTs often results in out-migration of younger people and thus in the inability to provide skilled labor.

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1 In order to enable comparisons between regions, the OECD established a standard typology separating (predominantly) urban, (predominantly) rural, and intermediate regions. The classification is based on the share of the population living in rural communities. For rural regions, the share is higher than 50%; for urban regions, less than 15%; and for intermediate regions, the share is between 15 and 50%. See OECD 2006, p. 36. There is, of course, an extensive discussion of alternative ways to define a region, but we cannot embark on this discussion here.
As regards metropolitan regions, they face competition from other major cities on the regional, national, as well as the international level. Metropolitan regions have to make sure that they prevent labor from migrating to proximate intermediate regions, and attract further investments and labor to the area. This is crucial in order to maintain their roles as economic hot spots, centers of decision making, attractive places for headquarters of multinationals, as well as logistic gateways for international trade.

In summary, industrialized countries are confronted with specific challenges. Their economies face competition from “new emerging countries” such as China, India, Brazil, and Russia, which are able to produce at lower costs and ever higher quality. In order to maintain economic growth, rural regions must overcome a lack of required services for business and the resulting scarcity of employment opportunities. Intermediate regions, in turn, have to increase support to existing and potential agglomerations, providing an attractive basis for the regional economy. Metropolitan regions, on the other hand, have to strive for inimitability in national and global competition by distinguishing themselves from other metropolitan areas.

Disparate Regional Development in China

Since China embarked on reforms opening the country to international trade and investment in 1978, it has been able to generate unmatched economic growth. As a result, China has caught up with other nations and has improved the overall situation of its population. Nevertheless, the strategies implemented in the past also had the result of creating extensive disparities at the sub-national level: The economy of the coastal region in eastern China developed at an extremely fast pace, due to its advantageous geographic location and the supporting preferential policies. The interior provinces, on the other hand, had to support the economic rise of the east. In the process of ongoing internationalization, the interior region was additionally burdened with an unprofitable industrial structure. Expected spill-over effects failed to appear, which resulted in the inland provinces lagging even further behind the coastal region (Demurger et al. 2002).

The Chinese Government has long understood the risk that economic growth may not be sustainable if regional disparities continue to increase. Since 2000, the Chinese Government, therefore, in a first step, implemented a strategy aiming to develop China’s west and subsequently introduced an equivalent strategy for northeast China. However, because they failed to build up the business environment

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1In terms of the Human Development Index (HDI) of the United Nations Development Program (UNDP), China improved from 0.525 (1980) to 0.755 (2003), ranking 85th among 177 assessed countries (UNDP 2005).
necessary to attract domestic and foreign investment, these policies have not been sufficient to help the regions catch up with the coastal region thus far.

One of the reasons that inland provinces failed to become competitive and make use of their comparative advantages is the lack of coordination among the different bodies and levels of government responsible for drafting and implementing the policies. As a result, the regional gaps in terms of income, poverty, education, health care, and employment continue to increase (UNDP 2005). Taking this flip side of the economic boom period into account, China’s spectacular growth rates have to be revaluated. Against the background of the short-term character of China’s previous approach, the constant transfer of fiscal funds necessary to counterbalance disparities is significantly holding back the national economy, as the subsidies are merely used to plug and camouflage existing holes instead of providing a sustainable solution. Furthermore, compensation for environmental pollution is confronting China with enormous economic losses.4 One may well argue that the best use for China’s current huge foreign exchange surplus would be investment in policies to reduce regional imbalances and environmental degradation. After all, it is in the interest of the Chinese and the entire international community to ensure sustainable social, economic, and ecological development in China.

The latest strategy papers of the Chinese Government, namely the 11th Five Year Plan (FYP) and the findings of the 17th Congress of the Communist Party of China (CCPC), consequently represent a shift in the approach of Chinese regional development policy away from the previous persistent major focus on overall economic development towards support of the different regions’ potentials. By including reforms such as improving access to education, promoting environmental protection, utilizing cultural amenities, improving social cohesion, restructuring the administration, and encouraging public participation as well as more involvement of the private sector, the new approach tackles the problem of regional and social inequality with a view to more balanced and comprehensive development, resulting in the building of a “harmonious society.”5 However, the directives are formulated very vaguely and neither a comprehensive overall regional development strategy nor the modes of implementing the vision are available to date.

4In 2005, China became the second largest producer of greenhouse gases in the world. Twenty-five percent of Chinese territory suffers from acid rain and, consequently, suffers huge economic losses from environmental pollution (Beech 2005).

Methodology

Observations in Developed Countries

Both the EU and OECD have developed and evaluated concrete strategies to cope with the regional problems that member countries are struggling with. As strategies have to be developed according to the respective requirements of a region, integrated solutions must focus on the nature of the problem as well as on the respective region’s characteristics.

Implications for Rural Regions

As illustrated above, a region’s ability to improve its economic performance is dependent on the availability of the factors of regional competitiveness. In the case of rural regions, the OECD, in particular, specifies i) (natural/man-made) amenities, ii) transport facilities, and iii) cultural identity as the factors crucial to an enhancement of competitiveness. Furthermore, the survey identified four main modes that have a positive impact on regional development (Pezzini 2003):

- Amenity-focused development (for example, scenery landscapes, a high quality environment or rich cultural heritage) in order to create new employment opportunities and increase the quality of life in a region. Although employment is constantly declining in rural areas, it plays a very important role in maintaining rural amenities.

- Diffusion of industries is a necessary step towards independence from proximity to markets. Enterprises in certain fields (for example, information and communication technology) do not rely on being close to markets. The regional standard of living consequently plays an increasing role for such firms when deciding where to locate their business. It remains very difficult to create agglomerations of industries and improve networking, because rural regions often cannot offer the necessary proximity to consumers and suppliers, as well as the education and training facilities that favor industrial diffusion.

- Exploitation of natural, but unfortunately often non-renewable, resources (for example, gasoline, coal, and natural gas).

- Public expenditures (using the area as a location for superficially unfavorable facilities, such as waste dumps, prisons, power plants, etc.).

As the latter two of the given approaches are not sustainable, OECD policy recommendations focus on close linkages between amenity-focused development and the creation of industrial clusters for most rural regions, together with the promotion of agro-tourism and environmental protection.
Implications for Intermediate Regions

In order to respond to the challenges caused by globalization, firms in intermediate regions have to move from price competition to competition based on quality, creativity, and skills. The creation and design of business agglomerations is thus crucial. The benefits of such networks are shared R&D facilities and services and therefore the ability to increase innovative capacity without increasing costs. To stay flexible and be able to react to changes in markets as well as to innovations in technology, intermediate regions have to put considerable weight on intangible (non-physical) assets through:

- deregulation of SME investments;
- business training;
- programs to promote and support start-up companies;
- encouraging cooperation and networking among SMEs; and
- encouraging inter-city networks to offer common services and skilled labor.

Implications for Metropolitan Regions

Urban regions can enhance local competitiveness by applying policies aimed directly at specific “commodities” (such as investment, tourism, labor, national funding, etc.) as well as comprehensive actions focusing on improving a region’s competitiveness by a system of tangible assets (for example, physical infrastructure) and also intangible assets (such as human resources, networking, and innovation capacity). Nevertheless, experience shows that marketing strategies, incentives, and other policies aimed merely at obtaining such specific commodities will not be successful if a region is not able to provide an attractive business environment. Against this background, OECD policy recommendations provide four areas of activities in urban regions to support private and public investments for the creation of regional competitiveness (Dubarle 2003 and Kamal-Chaoui 2003):

- Promotion of clustering and specialization to exchange knowledge through common learning, to reduce costs and to develop new markets and therefore overcome challenges caused by a strong economic dependence on traditional but declining sectors.
- Increase of innovative capacity and mobilization of labor skills by linking learning and widening labor markets. The latter is an often applied means to prevent brain drain (outflow of skilled workers) and bottlenecks. The concept of learning regions also includes the idea of knowledge spillovers between public institutes (education and research facilities) and private enterprises.

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*See Kamal-Chaoui (no date) and Pezzini (2003).*
• Strengthening physical infrastructure, including accessibility of assets like cultural and recreational facilities, to ensure the accessibility of a region. Nevertheless, physical infrastructure cannot drive economic growth on its own.
• Strengthening the social capital to ensure social harmony. Since globalization additionally furthers diversity, policies have to counter these problems (such as unemployment, crime, drugs, poverty, and even racism) by integration activities to prevent a strong loss of quality of life.

Implications for Governance

Up to now, development theories have often focused on central government policies of investment in specific sectors or geographical areas. With the aim of spreading the benefits and thus helping other areas (“trickle-down effect”), these policies are often drafted without consulting local governments or stakeholders. As a consequence, back-wash effects – resources and capital flowing back from the periphery to the core – were generated, contrary to the original intention.

In contrast to traditional top-down approaches, assessments conducted in EU and OECD countries show a transfer of responsibilities to governments on the regional or local level (bottom-up approach). Well-organized vertical cooperation among the different levels of government consequently plays a crucial role in this process. Given the higher complexity, horizontal cooperation is also essential in order to utilize local knowledge and improve collaboration with the private sector. Furthermore, the provision of public goods and services is a challenging task for governments (OECD 2005, 69 ff.).

In addition, many of the tasks and responsibilities of the government are transferred to the private sector (for example, the production of certain goods and provision of specific services), as this often increases the access of the more disadvantaged social groups. Despite this more liberal approach, the state still bears the responsibility of providing common goods (such as education, water, etc.), and, moreover, is accountable for the final outcome of the policies. According to the subsidiarity principle, the state merely fulfills those tasks that cannot be performed by the private sector.

China’s Rocky Road to Regional Balance

Since the 1980s, China’s unbalanced economic development policies were mainly focused on the promotion of the coastal region’s development, encouraging some regions to get rich first. Aware that the interior provinces were lagging behind, the Chinese Government began to concentrate on counterbalancing these disparities in the second half of the 1990s. The approach was based on the
perception that the differences among provinces were not caused by stagnation in development, but by a different speed in the regions’ growth.

The 9th FYP (1996-2000) stressed the importance of coordinated regional economic development in order to narrow the gap between the different regions (Wang Xinhuai 2006). This should be done by policies focusing on supporting the interior provinces through:

- preferential treatment concerning resource allocation;
- improvement of infrastructure;
- price optimization for resource-based products; and
- increase in financial support by reforming the central fiscal transfer system.

In the beginning of the twenty-first century, the Chinese Government committed itself to a plan to establish a “moderately well-off society” (xiaokang shehui) by 2020. This expression refers to a society that is not really wealthy, but possesses all the necessities for a decent standard of living (food, clothing, education, health, etc.). As the population in the coastal areas is already quite prosperous, the task to be fulfilled, therefore, was to improve the standard of living in the inland area (Jiang Zemin 2002).

Earlier strategies divided China into the coastal and interior regions. The opening-up process and market-oriented reforms allowed for the separation into east, central, and west China. The recent approach of the Chinese Government provides for four zones, the coastal, the northeastern, the central, and the western regions, in which the Chinese Government began implementing the following strategies by 2005:

The Great Western Development Strategy

Launched in January 2000, this strategy focuses on increasing international trade and foreign direct investment (FDI) in the area, raising the living standard of the population, and counterbalancing interregional disparities through:

- the construction of infrastructure facilities;
- the improvement of the ecological environment;
- the improvement of the investment environment;
- the promotion of specific industrial sectors (primarily energy, minerals, tourism, and human resources; and
- ensuring access to education (China Internet Information Center 2007).

Revitalization of Northeast China

As China’s rust-belt, the region has to cope with the problems of unprofitable
state-owned enterprises (SOEs), a poor management structure, and nearly depleted resources. Efforts to reform the SOEs have resulted in a large number of laid-off workers, raising the unemployment rate above the national average. As a consequence, the Strategy for Revitalizing Northeast China and Other Old Industrial Bases launched in October 2003, focuses on the following measures:

- transforming and restructuring resident SOEs;
- pushing forward the opening-up (internationalization) of the region;
- developing the private sector;
- expanding the labor market;
- supporting the agricultural sector; and
- improving the social security system (World Bank 2006).

Rise of the Central Region

At the end of 2004, the Chinese authorities started to discuss a strategy aimed at the central region of China, which was less and less able to keep up even with the western region. The central region is characterized by the predominant role of agriculture and heavy industry – primarily SOEs in the field of energy resources – and its geographical location in between China’s different regions. The topic was put forward throughout 2005 and was finally also strongly represented in the 11th FYP, focusing on:

- investments in infrastructure;
- enhancing the region’s comparative advantages (resources, skilled labor, and geographic location);
- modernizing the agricultural sector with special focus on grain production;
- strengthening key industries (energy, mineral extraction, production materials);
- promoting the foundation of high-tech industries;
- modernizing the market system;
- creating a circular economy;
- restructuring the SOEs;
- increasing the positive effects of urban areas on the development of the surroundings; and
- enhancing inter-regional cooperation (Wu Xinmu 2006).

Although there was a discernible positive impact of the strategies aimed at western and northeastern China (mainly in the field of infrastructure), assessments of the strategies have shown a number of deficits (Wei Houkai 2006 and Wang Shengijn 2006):
• **Lack of coordination**
The strategies lack a conductive major orientation that clarifies goals, indicators, modes, and most importantly, the role and responsibilities of the different levels of government. Critics thus fear that the lack of coordination and the policies deriving from different administrative levels focused on their own respective advantages will weaken the strategies’ success.

• **Lack of industrial support and innovative capacity**
The basis for industrial development still has to be improved extensively. In this context, policies will have to encourage firms to increase investments in R&D, cooperate with other companies and research institutions to produce technology-intensive products, increase development potentials, and build up supplier networks, while at the same time promoting low-technology and labor-intensive industries.

• **Large state projects fail to integrate the local economy**
Companies from the west and northeast often are not able to compete with coastal firms in the process of bidding for implementation of the projects. Consequently, the projects’ multiplier effects impact economies of other areas.

• **Insufficient participation of private investors**
The share of FDI in western and northeast China is continuously falling, as the regions fail to provide an attractive business environment. Companies located in the coastal region tend to invest in neighboring provinces instead of shifting towards the western and northeastern regions.

Both, the latest 11th FYP and the findings of the 17th CCPC try to tackle the existing problems and the deficits of the prevailing regional development strategies by placing a great deal of importance on comprehensive and balanced development based on international expertise (scientific view of development), sustainability in terms of balanced economic, social, and ecological development (development in four aspects, including culture as one factor)) and innovative capacity (innovative country) in order to create socialism with Chinese characteristics.

However, due to their vague character, the plans of the Chinese Government fail to provide answers to questions essential for future (regional) development. In this context, the following issues must be resolved (Mang 2006):

• **Lack of an overall regional development strategy**
The 11th FYP as well as the 17th CPCC is more of a rough idea of how to proceed during the next years than a strategy in this case. However, a comprehensive and coherent national regional development strategy is crucial for the coordination of regional development. As the hitherto conducted approach is too general to respond to the different needs of the sub-regions
(rural, intermediate, and urban), the definition of regions and sub-regions has to be reconsidered. Furthermore, comparable and detailed information on the respective regions’ characteristics have to be compiled and evaluated through an analysis of regional strengths and weaknesses.

• Lack of coordination

The prevailing lack of coordination not only prevents synergies among the different public and private actors, but also causes new problems and thus is counterproductive to the development of regional competitiveness. As a consequence, obscurities concerning the existing strategies must be eliminated, and explicit indicators, goals, and tools necessary for the implementation of the strategies must be defined. Also, there is no general administrative body responsible for coordination of the respective offices and departments. However, such a body is necessary to guarantee the implementation of an overall strategy, with the different offices cooperating instead of competing. The existing institutional arrangement thus has to be improved and optimized.

Against the given background, it is not possible to prevent duplication in the regions, as they seek to achieve competitiveness. The instruments applied by one region to make its business environment more attractive to investors, therefore, are not guaranteed exclusivity. As a result, the implemented instruments might fail to provide a local competitive advantage. Instead of building unique competitive regions, such a diluting process causes homogeneity.

Implications for German Technical Cooperation

The recent EU and OECD approach in regional policies and China’s current reform agenda for regional integration are, by and large, compatible. To be sure, China’s less developed regions are further behind than any region within OECD countries has ever been; its rural, intermediate, and metropolitan characteristics are unique; and the scale of social and environmental challenges necessitates reforms barely feasible in the context of OECD member states. But there is a strong drive on both sides to embark on a process of policy dialogue and mutual learning. After all, China’s development has a significant effect on the opportunities and troubles of rural, intermediate, and metropolitan regions in European and other OECD member states. China, in turn, can benefit from the good and bad practices of regional integration elsewhere and the policy instruments employed in the context of German reunification, as well as from the experience of integrating new member states into the EU, which may be even more relevant.
Germany is in the best position to play a major role in this dialogue between China, the EU, and other OECD member states. More than any other country, Germany is associated with the principles of the social and ecological market economy, which fit so well with the reform agenda in China. In line with these principles, Germany can both provide abundant experience from its own history and build the bridges to expertise from other European countries. Among the topics in this dialogue are:

- integration of social and ecological aspects into economic development strategies;
- (public) participation of non-government stakeholders in the decision-making process and implementation of sustainable development strategies (for example, social partnership);
- transparent and accountable governance; and
- solidarity-based transfer of financial and human capital.

This dialogue takes place by cooperating with various German government bodies at the national, Länder (states), and municipal level. The main modes of delivery in this context are fact-finding missions, expert hearings, and workshops. The main topics include:

- regional development and structural planning;
- revitalization of old industrial areas;
- rural-urban development;
- transformation to a knowledge-based economy;
- local governance;
- local economic promotion;
- counterbalancing regional disparities; and
- interregional cooperation.

To deal with these topics, partnerships have been established at the national level with the Federal Ministry of Economic Cooperation and Development (BMZ), the Federal Ministry of Economy and Technology (BMWi), and the Federal Ministry of Transport, Building, and Urban Affairs (BMVBS). At the state level, respective partnerships have been built up with the Ministries of Economy as well as the Ministries of the Environment in Bavaria, Baden-Württemberg, and Saxony. In order to convey local experiences and expertise, cooperation with various municipal governments and respective bodies (such as agencies for economic promotion, start-up services, etc.) in numerous German cities has been established. Furthermore, experts from German research institutions and universities frequently contribute to program activities, either in Germany or China.
What, then, is the particular opportunity for German technical cooperation? First of all, GTZ has been present in China for more than 20 years, under both easy and difficult conditions for technical cooperation. During this time, Germany has proven itself a reliable partner and has gained access to high-ranking institutions, often as the only bilateral or multilateral donor organization.

For the optimal profile of Sino-German technical cooperation on regional policies, this background has a couple of implications:

- Given the access to high-ranking decision-making institutions, technical cooperation is expected to facilitate a policy dialogue between China, Germany, and other OECD member states.
- Cooperation with relevant German federal ministries and other high-ranking international bodies like the OECD Directorate for Public Governance and Territorial Development or the Directorate General for Regional Policy of the European Commission is indispensable, because this is where policy dialogue takes place and where the required technical expertise is available.
- Technical cooperation is becoming part of a more general dialogue between China and Germany. Recognizing that China and Germany have mutual interests, for example, in China’s social stability and environmental protection, is essential for the cooperation. Once again, collaborating with German federal ministries like the Ministry of Economics and Technology and the Ministry for the Environment, Nature Conservation, and Nuclear Safety is not a nice “add on,” but indispensable to the success of this dialogue.

To sum up, German technical cooperation in the field of regional development, in particular based on the principles of the social and ecologic market economy, has great potential to facilitate sustainable regional development and, consequently, to narrow interregional gaps in China by bringing German and European expertise into this field. In return, negative global economic and environmental impacts of disparate development in China could be massively reduced.

Nevertheless, there is no “one-size-fits-all” way to achieve regional competitiveness. Although China shares the problem of regional disparities with numerous other countries, the respective solution has to be in line with China’s specific conditions (economic, social, environmental, but also geographical, political, and institutional) in order to achieve sustainable development in the long run.
References


