

Policy Pilot to Institutional Demonstration Under Progressive Reform - The Case of Shenzhen Special Administrative Region

Jie Wang¹

¹ Public Administration, School of Politics and Public Administration, Xinjiang University, Urumqi, China

Correspondence: Jie Wang, Master of Public Administration, School of Politics and Public Administration, Xinjiang University, Urumqi, Xinjiang, China.

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Abstract

Policy pilot is a unique policy experiment and innovation mechanism in China's progressive reform. Since the reform and opening up, China's economic and social development has benefited from the gradual development of policy pilots, and various policy pilots in the form of pilot projects and experimental zones have blossomed all over the country, whether in special economic zones or in the recently promoted pilot free trade zones, policy pilots have been an important way of innovation in local and regional governance. From policy pilot to system demonstration, the Shenzhen Pilot Demonstration Zone has assumed the important role of national strategic reform and leading reform. The launch and construction of the policy pilot to demonstration zone reflects both the governing resilience of the CPC and the governance resilience of the Chinese government, and also shows that the SEZ is a booster of the country's transition from development to governance.

Keywords: progressive reform, policy pilot, institutional demonstration, demonstration zone, special economic zone

1. Introduction

Policy pilots are a kind of policy testing and innovation mechanism unique to China's social governance practice, including various forms of pilot projects and experimental zones (Yao, S.-J., & Liu, M.-Q., 2020). Generally speaking, the connotation of "policy pilot" includes a broad connotation and a narrow connotation, and the narrow connotation refers to "policy testing", which refers to a small-scale experiment conducted by the party committee and administrative organs to test the rationality and accuracy of a policy program and to obtain specific implementation details of the program. In a narrow sense, it refers to the small-scale experimental activities carried out in a certain space and time. The broad connotation is different from the local scope of policy experiments, mainly for the purpose of seeking global policy solutions through local experiments to achieve institutional innovation. It generally refers to those conducted to seek new institutional innovation or policy solutions, including policy pilot activities and practical activities initiated by localities themselves.

In terms of form, policy pilots can be divided into pilot projects, pilot areas, etc. First, pilot project is the most typical and common type of policy pilot in China's policy process, which focuses on the choice of time and space and generally refers to localized policy experiments, exploration and implementation activities within a certain time and space (a specially designated geographical area, a certain government department or certain enterprises and institutions). Secondly, like comprehensive pilot zones, specialized pilot zones and various forms of pilot zones such as special zones, new zones, development and opening zones, demonstration zones, cooperation zones, etc., it focuses on spatial selection, which usually selects a geographical area to explore or test new policies and systems in a particular or a certain area (Kang, Z., 2020).

2. The Local Policy Pilot - Shenzhen

As an excellent representative of the Special Economic Zone, Shenzhen's establishment and development implies multiple historical significance. Looking back, it has been 40 years since the establishment and development of special zones. In today's critical period of development in the new era, the development of such a policy pilot as a special economic zone cannot be developed without the strong support of the Party and the government and their attentive exploration and precise grasp of the road to socialism with Chinese characteristics. At the early stage of reform and opening up, Shenzhen and other special economic zones

assumed multiple roles and responsibilities. Looking back at the historical trajectory of the establishment and development of special zones, we can see that the establishment and development of policy pilots such as the special zone mechanism, which has become an institutional model, has shown that China has formed a "point-to-point" approach between "special zones first" and "deepening reform internally". "From point to surface", "from experiment to system", and other horizontal multi-level and vertical multi-path intertwined synchronous integration construction mechanism (Zhuang, G.-Y., 2020).

Shenzhen, as the front position of China's reform and opening up, represents China's firm position and determination to reform without stopping and opening up without stopping. In August 2019, the Central Committee of the Communist Party of China and the State Council explicitly supported Shenzhen to build an early demonstration zone of socialism with Chinese characteristics. On October 11, 2020, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council released to the public the "Shenzhen Building an Early Demonstration Zone of Socialism with Chinese Characteristics Comprehensive Reform Pilot Implementation Plan (2020-2025)", which means that the future development of Shenzhen in the national context will stand at a higher starting point and level, oriented to higher goals, and grasp the country's right to speak and prioritize reform in key areas and key links (Liu, R., 2019).

The year 2020 marks the 40th anniversary of the establishment of the Shenzhen Special Economic Zone, the earliest predecessor of Shenzhen being Baoan County. Since the establishment of New China, Shenzhen has benefited from the reform and opening-up policy and the great success of its development today. It has proved to the whole China and the whole world that China's policy pilot is very much in line with China's national conditions and can bring a strong development momentum to China's economic and social development. In the future, Shenzhen, as the leader of the development of special economic zones, should not only continue to run, but also run better and more qualitative.

Table 1. Development history of Shenzhen Special Economic Zone

Time	Events
July 1979	The central government decided to establish a special zone in Shenzhen
August 26, 1980	The central government approved the establishment of a special economic zone in Shenzhen
March 1981	Shenzhen was upgraded to a sub-provincial city
February 1984	Deng Xiaoping first visited Shenzhen and pointed out that the establishment of Shenzhen Special Economic Zone was correct
November 1988	The State Council approved Shenzhen to have economic management authority at the provincial level
Feb. 1992	The National People's Congress granted Shenzhen the power to make local laws and regulations
February 2018	State Council Agrees to Build a National Sustainable Development Agenda Innovation Demonstration Zone in Shenzhen
August 2019	The CPC Central Committee and the State Council clearly support Shenzhen to build a pioneering demonstration zone of socialism with Chinese characteristics
October 11, 2020	The CPC Central Committee and the State Council issued a comprehensive reform pilot in Shenzhen to build a pioneer demonstration zone of socialism with Chinese characteristics

3. Institutional Improvement of Progressive Reform

Since the reform and opening up, our development in China has followed a gradual development logic. In China, reform is the self-improvement and development of the socialist system. Unlike the radical reform paths of other countries, China's reforms emphasize stability and gradualism.

3.1 Preconditions for Progressive Development

Influenced by the historical culture and the real national conditions, China's path of reform and opening up has to choose a gradual and stable development path. From the perspective of historical conditions, China's reform and opening-up path of gradual development was closely related to the national conditions at that time. Since the mid-1970s, when the international socialist situation was complicated and turbulent, China's Party and government still had governmental credibility and prestige, and no serious international political crisis emerged.

However, at this time, China was also in a difficult situation, so we must be prepared for danger in times of peace and choose a gradual reform path suitable for our own development. Furthermore, from the perspective of the basic national conditions, at the beginning of reform and opening up, that is, in the late 1970s, China at that time was deeply affected by the planned economic system, with insufficient social vitality, low productivity level and extremely low marketization, which seriously affected economic development and the life of the general public. The development at this time was extremely inadequate and unbalanced between urban and rural areas, between regions and between different industries (Li, Z.-C., 2019). Finally, the reality of urban-rural dual structure, unbalanced regional development and unbalanced industrial structure determines that China's market-oriented reform cannot be achieved in one step, but must take the road of gradual development, combining China's regional conditions, adopting policy pilot, developing first, analyzing specific situations, summing up the development experience and lessons learned, and then promoting from point to point. China is a vast country, in the face of the reform needs of different regions, in the face of the degree of reform in different regions, in the face of the speed of change in different regions, to meet different requirements, which is also the realistic conditions for the reform to take a gradual development (Liu, R., 2019).

3.2 The Path and Logic of Progressive Development

"Experiment first, then promote" is the characteristic experience of China's choice of a gradual reform and development path. Such a policy pilot mechanism can effectively control risks, reduce reform costs, and improve the success rate of reforms (Zhao, H., 2019). As mentioned earlier, the reality of China's uneven economic and social development does not allow us to carry out reforms in a bold and unified manner across the country. Shenzhen and other four special economic zones were set up, typically embodying the characteristics of piloting first, moving from point to point, and spreading across the board from a spatial scope perspective. Policy piloting is an important way to modernize China's national governance system and governance capacity and develop policy innovation, and is the key to China's comprehensive and stable development in a complex internal and external environment. At the same time, local governments actively use their own advantages to fight for the pilot "pilot first", local governments to do their own responsibility, the central government behind the support.

The development of the policy pilot should be based on such realities as urban-rural dual structure, uneven regional development and unbalanced industrial structure, and face up to the differences in regional development and the disparity in conditions of development levels. Looking at the world, country-specific development differences are huge, how can China be based on the real situation of differentiation between individuals, regions and even countries, the use of non-balanced and focused breakthroughs in the progressive development path, the Party and the government approved special policies under the strong support to form a local advantage effect. In the face of the dilemma of changing the track of development to find a breakthrough, and then be influenced by the aggregation effect of the "locomotive" effect, to progressively promote reform and development, resulting in the development effect of the special zone. Finally, the experience and resources of the special zone will be used to feed the development of other regions and to promote how other regions can learn from successful development experiences according to their local conditions, so as to realize our policy vision of helping the rich first and the rich later. Under such a policy pilot model of special economic zones, the unbalanced development strategy of making full use of regional advantages and policy advantages steadily promotes a progressive reform and development path.

4. Conclusion and Discussion

Under the perspective of progressive development theory, the development trajectory and logic of policy piloting with Chinese characteristics is explored with the Shenzhen Special Economic Zone as an example. From policy pilot to institutional demonstration, the Shenzhen Special Economic Zone has taken a development path that the nation is proud of. In the construction of the pilot demonstration zone, Shenzhen has gradually produced a unique wisdom of urban governance. Not long ago, the promulgation and implementation of programs such as "Shenzhen Internationalized City Construction Key Work Plan" and "Internationalized Neighborhood Construction Key Work Guidelines" further promoted Shenzhen's spearheading development in community governance and urban governance and other related fields. Immediately after, the introduction and

implementation of the country's first "Rule of Law Government Construction Index System" in Shenzhen means that the Shenzhen government has also taken the lead in the development of government management. It is worth mentioning that Shenzhen, as one of the pilot cities of "digital government" comprehensive reform in Guangdong Province, makes full use of big data, artificial intelligence and blockchain and other technologies to lead the development of digital government in China. Shenzhen has developed from a special economic zone to a demonstration zone, fully reflecting the progressive development path of reform and opening up in its construction and development process. Both from the practice of livelihood governance and social governance, it can be seen that the socialist system with Chinese characteristics is full of rationality and wisdom, and under the leadership of the Party and the government, Shenzhen always keeps in mind self-examination and always serves the people. In terms of mechanism innovation at the strategic level, Shenzhen has made a good model for the development of the whole country.

Since the founding of New China, especially after the reform and opening up, from point to point, from local experiments to overall promotion, from piloting to full-scale promotion, the Chinese government has always insisted on "starting from the actual situation", based on its own national conditions, and practice-oriented exploration of the progressive development path. In the future, in the face of the complex domestic and international situation full of uncertainties, and in order to ensure the development of the national governance system and the modernization of governance capacity, the historical experience and wisdom of the policy pilot can still provide valuable reference value for the government in future decision-making. A timely summary of some systemic and successful policies and experiences serves as a normative institutional system, which is both a systematic summary of China's reform and opening-up and can also serve as a reference solution for the country's sustainable development in the future. This is a "good prescription" for China's national governance and policy innovation, as well as a "good prescription" for the Chinese government's resilient governance in the face of the complex domestic and international situation.

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