

Regional Policy Experimentation: Central-Local Relations and Sustainable Development in China

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Backgrounds

- ▶ The global governance of SDGs is not a domestic but rather a global governance issue.
- ▶ The Chinese government has made ambitious commitments on sustainable development to the international community. In 2016, President Xi Jinping made his remarks at the UN headquarters, vowing China will make a concerted effort to realize SDGs.
- ▶ The Chinese government is faced with multiple objectives that can conflict with one another: economic development and environmental protection.



Questions

- ▶ How does China encourage local governments to actively implement environmental governance without fundamentally changing the incentive to maintain fast economic growth?



Vs.



Central-Local Relations and SD Schemes

- ▶ The forms of sustainable development implemented worldwide
 - ▶ Mandatory schemes in unitary systems
 - ▶ UK: proposes mandatory national mid- and long-term targets of greenhouse gas emission reduction.
 - ▶ Japan: “low carbon societies”— the government provides a national plan that covers all areas and is implemented in the entire country
 - ▶ Voluntary programs in federal or confederative systems
 - ▶ North America and the European Union: self-organized voluntary programs (e.g. Sustainable Energy Action Plans initiated by the European Commission in 2009)
 - ▶ Competitive regional pilot schemes
 - ▶ China

The competitive regional pilot scheme: Distinctive strategy of sustainable development in China

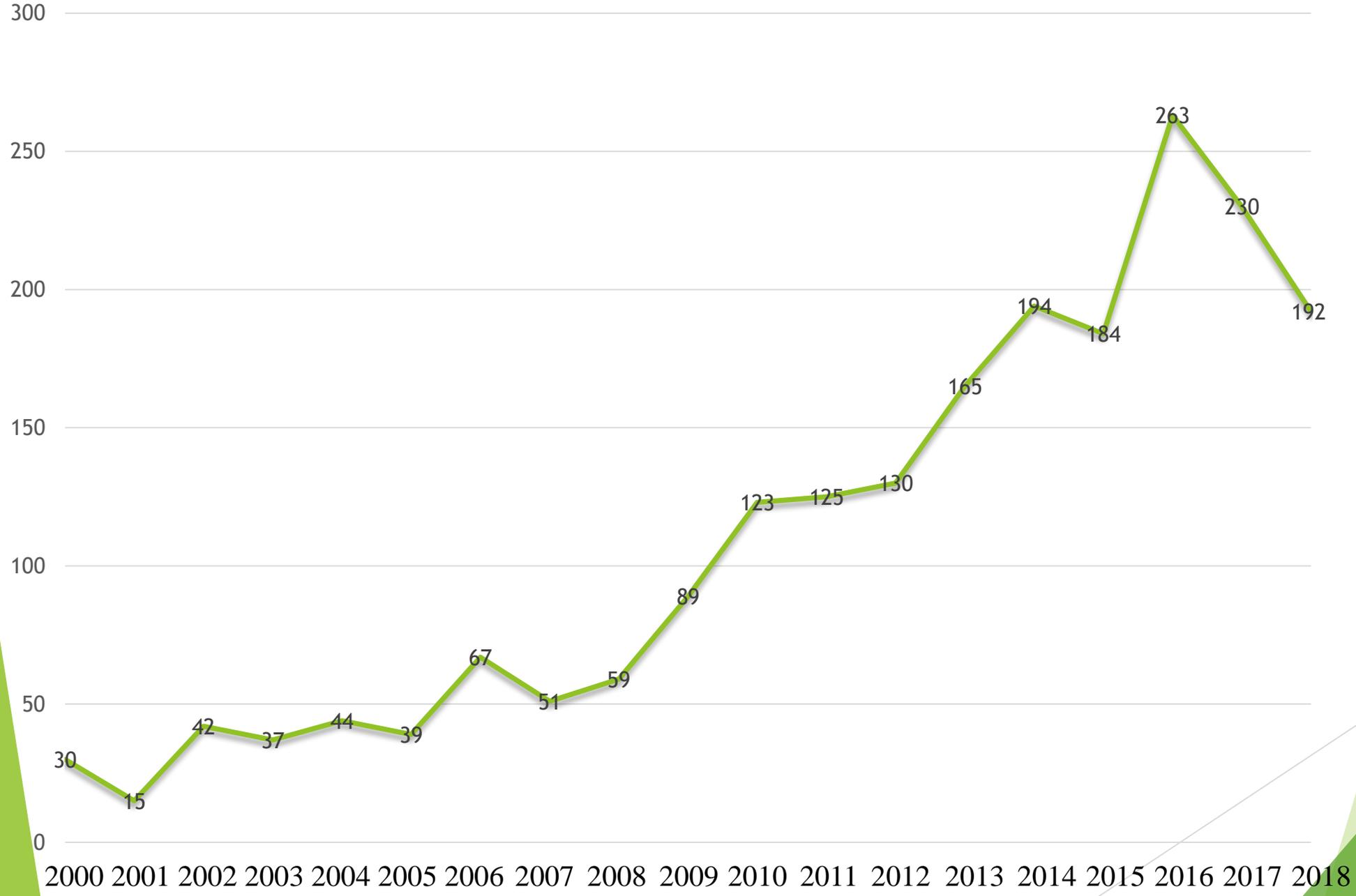
▶ The central government

- ▶ Determines the national goals, sets the regional sustainable pilot scheme and dominates the process of selecting pilot areas.
- ▶ Provides fosterages or assigns tasks in specific areas to help pilot areas to achieve their sustainable development goals.
- ▶ Site selection by the central government based on various factors, including accessible resources, regional conditions and previous achievements.

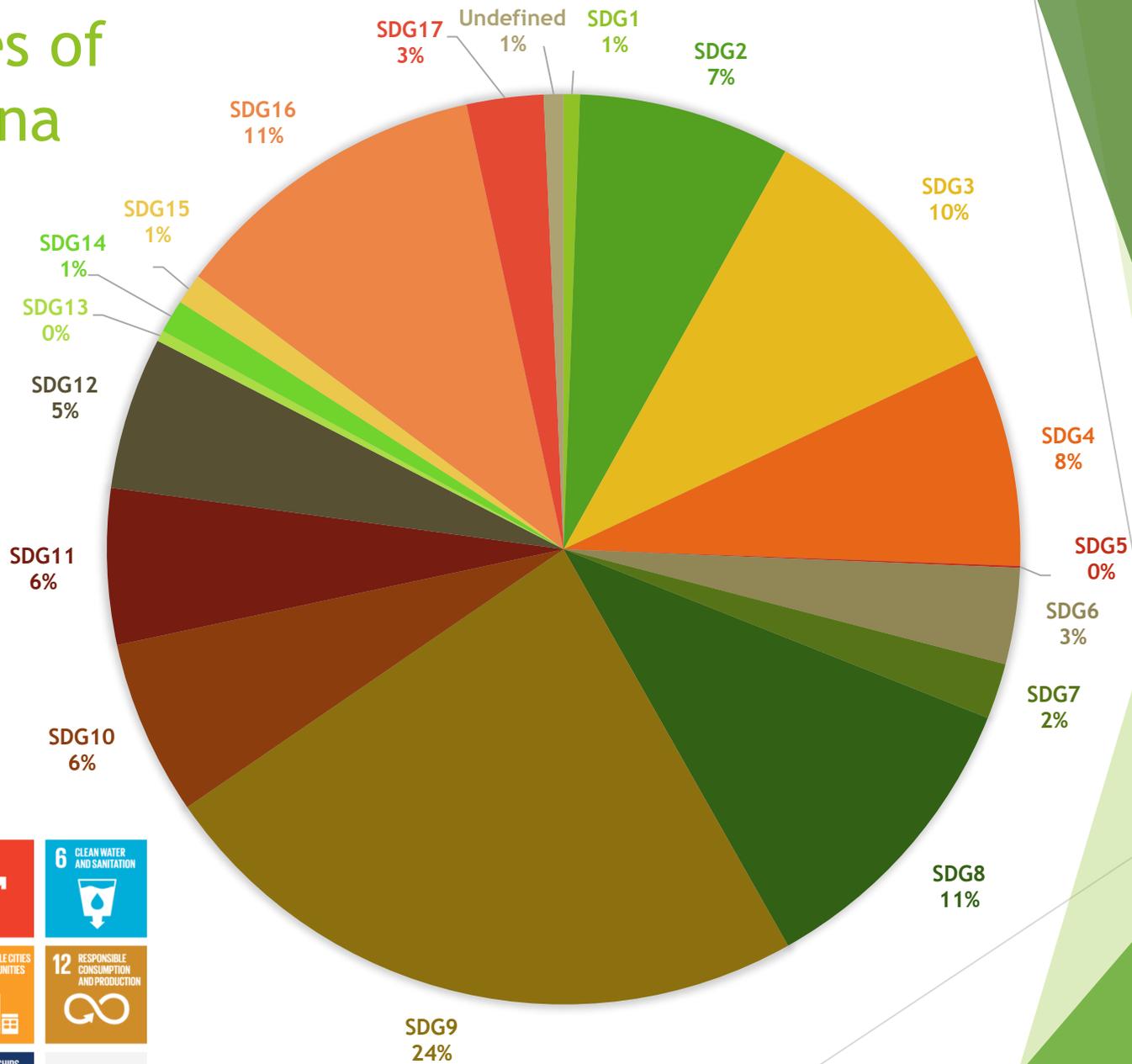
▶ Local governments

- ▶ Apply to the central government and compete to become a sustainable pilot area.
- ▶ Invite experts to guide local governments to draft their sustainable plans.
- ▶ These schedules are then implemented through innovative policy instruments, such as tax incentives, technology promotion and funding provisions.

National Policy Pilots conducted in China per Year



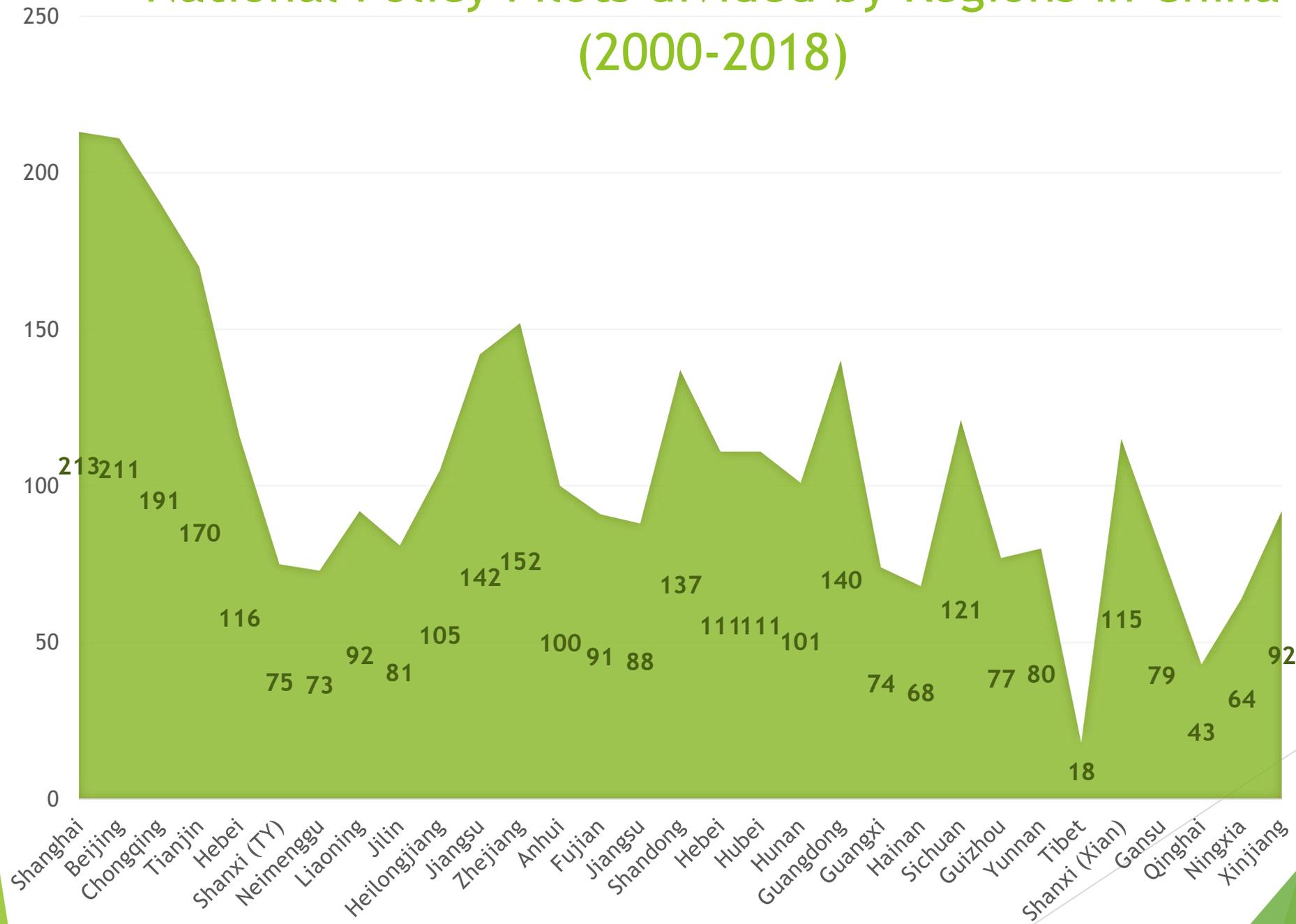
SDGs related Themes of Policy Pilots in China



Typical cases of competitive pilot schemes

Name of Pilot Scheme	Initiating Ministry	Starting Year
National Sustainable Development Experimental Zone	State Council and National Committee for Science and Technology	1986
Low-carbon province and city (LCPC) pilot	National Development and Reform Commission (NDRC)	2010
Circular Economy Pilot Scheme	State Environmental Protection Administration (SEPA) and other four ministries	2005
Ecological Civilization Pilot Scheme	Ministry of Environmental Protection (MEP)	2008
Green Low-Carbon Key Small Towns Demonstration Scheme	Ministry of Housing and Urban-Rural Development (MOHURD) and Ministry of Finance	2011
China's Innovation Demonstration Zone for the implementation of the 2030 Agenda for SDGs	Ministry of Science & Technology (MOST)	2018

National Policy Pilots divided by Regions in China (2000-2018)



Advantages of this strategy

- ▶ First, the central government can largely direct and influence local government behaviors to achieve SDGs.
- ▶ Second, the strategy resolves the problem of incentive shortages for local officials who are resistant for SDGs, Without fundamentally changing the incentive to maintain fast economic growth. A certain local government's successful application for regional pilot is an important performance of local officials
- ▶ Third, this strategy considers of regional conditions and previous achievements of localities.
- ▶ Fourth, expansion of the pilot schemes can promote the diffusion of innovative local practices on a national level.



Thanks!

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