

THE THREE STAGES OF REGIONAL POLICY AND THE CHARACTERISTICS OF ITS ECONOMIC DEVELOPMENT SINCE THE FOUNDING OF THE PEOPLE'S REPUBLIC OF CHINA

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Summary. Since the founding of the People's Republic of China, regional policy and economic development have undergone significant transformations. This evolution can be divided into three main stages: the initial period of centralized planning and industrialization, the reform and opening-up era with a focus on eastern coastal development, and the recent phase emphasizing regional coordinated development (figure 1). Each stage reflects shifts in policy priorities and economic strategies, impacting regional disparities and overall national development.

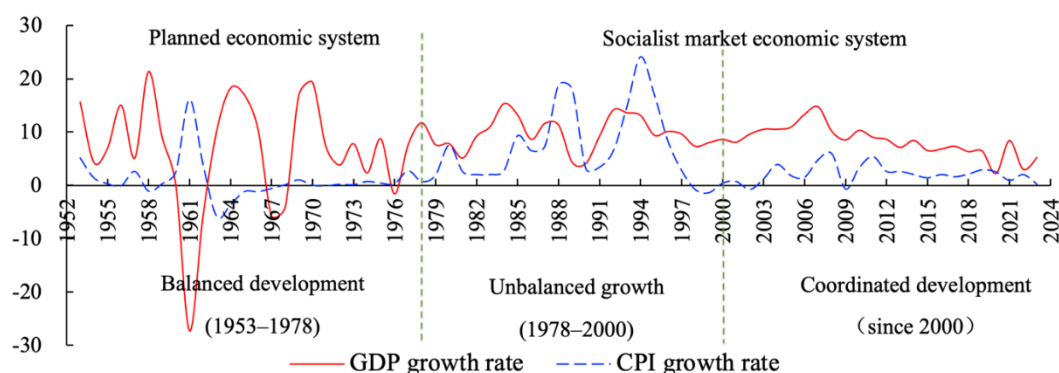


Figure 1 – China's GDP and CPI growth rates from 1953 to 2023

Note – Source: author's development based on [1].

Stage 1: Centralized Planning and Industrialization (1953–1978). In the early years following its establishment in 1949, the People's Republic of China adopted a centralized economic model influenced by Soviet-style planning. The primary focus was on heavy industry and self-reliance, with significant investments directed towards inland regions to build industrial bases. This approach aimed to reduce dependency on foreign powers and establish a robust industrial foundation. However, the emphasis on heavy industry often came at the expense of consumer goods and agricultural development, leading to imbalances in economic growth [2].

During this period, regional policy was characterized by efforts to promote industrialization in less developed areas. The government implemented various plans to redistribute resources and encourage infrastructure development in these regions. Despite these efforts, disparities between coastal and inland areas persisted due to differences in resource endowments and access to markets.

Stage 2: Unbalanced Growth under the policy of Reform and Opening Up (1978–2000). The late 1970s marked a significant shift in China's regional pol-

icy with the introduction of economic reforms under the leadership of Deng Xiaoping. The focus shifted towards market-oriented reforms and opening up to international trade, with an emphasis on coastal regions as engines of growth. Special Economic Zones (SEZs) were established in coastal areas to attract foreign investment and technology, leading to rapid economic growth and modernization.

This stage saw a strategic prioritization of coastal development as a means to spur national economic growth. The success of SEZs like Shenzhen demonstrated the effectiveness of integrating into the global economy, but also highlighted growing regional disparities. Coastal regions experienced unprecedented growth rates, while many inland areas lagged behind, prompting concerns about equitable development.

Stage 3: Regional coordinated development (2000–Present). Entering the 21st century, China's regional policy evolved once again to address the widening gap between coastal and inland regions. The government launched initiatives such as the Western Development Strategy and the Rise of Central China Plan, aiming to promote balanced regional growth by investing in infrastructure, education, and healthcare in less developed areas.

This stage emphasizes reducing regional inequalities and fostering sustainable development across all provinces. Policies have been designed to enhance connectivity between regions, improve living standards in rural areas, and support innovation-driven growth. The focus has expanded beyond economic metrics to include social and environmental considerations.

Overall, China's regional policy has transitioned from centralized planning to market-driven growth, and now towards balanced development. Each stage reflects changing national priorities and global economic conditions, shaping the trajectory of China's economic landscape. Balancing growth across diverse regions remains a central challenge as China continues to pursue comprehensive modernization.

References

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