# Chapter 3 International and Domestic Discourses of China's Special Economic Zones: An Instrument for New Projects

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# **ABSTRACT**

Although China's Special Economic Zones (SEZs) have already been widely known, they are understudied, and the existing literature is missing certain topics such as the study of official discourses on these SEZs. What this study attempts to address are these questions: Does the Chinese political discourse on SEZ development change in both the domestic and international contexts? How does the Chinese discourse adapt to the domestic and international audiences and adjust to their conjuncture? The authors search and analyze official five-year plans for discrepancies between discourses and interpretations from ministry to ministry, and between the Chinese and English versions of the official discourse. The aim is to introduce discourse analysis to this topic, contributing to the discussion a broader description and analysis of SEZ dynamics, as well as an overview of their adjustments in accordance with the everevolving Chinese political and economic projects.

# INTRODUCTION

Since the 1990s, the number of special economic zones (SEZs) worldwide has continued to increase significantly. As of 2019, there were approximately 5,400 SEZs in the world, and "at least 500 more zones (approximately 10 per cent of the current total) have been announced and are expected to open

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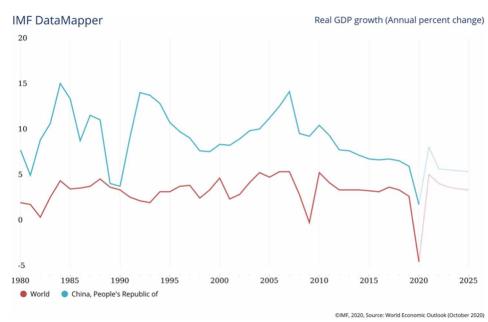


Figure 1. Real GDP growth - Annual percent change Source: Retrieved on 20 March 2021, from https://www.imf.org/external/datamapper/NGDP\_RPCH@WEO/CHN/GNQ

in the coming years" (UNCTAD, 2019, p. 128). The concept of SEZs can be broadly understood as a framework, of which there are different types, various names, specific roles that they play, and corresponding modes of operation. SEZs have five main positive effects: (1) they stimulate exports to promote the economic development of a region or an entire country; (2) they attract foreign investment through special fiscal or non-fiscal policy incentives; (3) they expand the labour market and provide more employment opportunities; (4) their spillover effect can drive the development of relatively backward areas; (5) they reduce the development cost of enterprises through agglomeration, which also facilitates the development of these enterprises and improvement of their performance (World Bank, 2017, pp. 15–27).

In 1978, the third Plenary Session of the 11<sup>th</sup> Central Committee of the Communist Party of China (CPC) marked the beginning of the "reform and opening up" policy. Meanwhile, the decision to shift the CPC's focus to economic construction was made. Soon after, China took the lead to establish SEZs in Shenzhen, Zhuhai, Shantou, and Xiamen as windows for China to "open up." As a result, China's economy has developed rapidly since 1980, with its real GDP growth staying positive throughout and always besting the world average (Figure 1). In a speech that marked the 40<sup>th</sup> anniversary of the establishment of the Shenzhen SEZ, President Xi Jinping (2020) said that Shenzhen and other SEZs have accumulated valuable experience in the 40 years on reform and opening up, thus not only must SEZs continue to develop, they must also do better and perform at a higher level. Table 1 shows this process, divided into four phases, and lists different types of SEZs and major development strategies that China has proposed in recent years. In fact, after the establishment of the first group of SEZs, China has constantly experimented with and expanded opening up. No matter from the coastal cities, along the Yangtze River, towards the inland, or from the border and cross-border cities to overseas economic and trade cooperation zones, China has set up various types of SEZs at different times, in conjunction with national development strategies to promote economic development and reform.

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