

The City Development Strategy in Shenyang, China

The city of Shenyang is the fourth largest city in China with a population of 7 million people. It is the economic, industrial and political centre of northeast China, and enjoys economic growth and a very low incidence of urban poverty (estimated at 2.2% of the urban population). Poverty in China is characterised by inadequate incomes to meet basic needs, insufficient quality and quantity of food and no access to recreation and cultural amenities. At the same time, the poor are reported as having adequate housing, with 100% of the population in the urban core with access to basic services.

China is increasingly recognising the important role and contribution of its cities to national economic growth. Within the framework of national policies and laws, cities have been granted powers over urban infrastructure development, including the planning and implementation of social and economic development strategies based upon local conditions.

Shenyang is currently functioning under what is termed an “open space” – one of limited state control – but at the same time receiving less state capital investment and subsidies than cities that are under stricter control from the state. One result of this has been the closure of some state-owned enterprises and the resulting increases in unemployment. There have been reports that these closures are leading to an increase in the numbers of urban poor. Shenyang, therefore, needs to finance its own development while at the same time creating strategies for the absorption of labour back into the workforce.

Shenyang, China		
Background	Process	Outcomes
<ul style="list-style-type: none"> Population 7 million, Fourth largest city in China Major manufacturing center, economic output \$ 14 billion with an annual growth of 10.3% FDI of over \$ one billion, expected to rise after induction of China in WTO. Exports to 133 countries from Shenyang Very low poverty incidence – 2% of city's population Major issue relates to unemployment created by privatization of SOEs CDS based on follow-up to SCP consultations CDS initiated in August 2000 	<ul style="list-style-type: none"> CDS process seen as a part of the city's five-year development plan exercise CDS provided a framework for inclusion of more participants in the process, as compared to previous exercises Civil society groups included workers' union, women's federation, overseas Chinese association, and federation of disabled persons. Industry and business federation, along with the city government were key drivers of the process State Planning Commission and provincial governments also involved in the process 	<ul style="list-style-type: none"> The CDS completely 'owned' by the city Focus on economic restructuring and modernization Establishing a social guarantee system for the poor and unemployed. Unemployment insurance scheme and new social security tax Urban Agricultural development through 'green food production bases Establishing a governance system with a reduced role of city government and increased participation of private sector in decision making process CDS completed October 2001

It was within this framework that the City Development Strategy in Shenyang was initiated. The major focus of the CDS was on a redefinition of the 'social' role of the city government and the promotion of economic growth through public-private decision-making processes. The CDS received strong and high-level support from the Shenyang Municipal Government. The city's chief operating officer, the Secretary General, was assigned as the main focal point responsible for the Shenyang CDS. This showed the high level of interest and commitment in the CDS process from the city government.

At the same time, Shenyang was in the process of preparing its newly updated Tenth Five Year Plan. The outcomes of the CDS were incorporated into this development plan exercise and in fact went a long way towards enhancing it.

The principle objective of the Shenyang CDS was to provide a comprehensive development framework for Shenyang, one that would improve its livability, competitiveness, bankability, governance and management capacity. This was achieved through a broad based participatory process involving the city government, the Provincial Government of Liaoning Province and national government agencies as well as private and the civil society partners.

The outputs of the Shenyang CDS were as follows:

- A comprehensive development framework for Shenyang: a participatory analysis of the principal strategic needs of the city economy and its people was undertaken, representing the consensus of the participating parties. Specific outputs were a list of key stakeholders in the city and their current and possible future roles and responsibilities in shaping city's development and a comprehensive development framework listing priority areas/sectors and assigned responsibilities of various government agencies and other stakeholders. A specific poverty profile was not prepared, although poverty was considered in a general way (reflecting the local perspective on urban poverty).
- A Strategic Action Plan detailing, within the framework of the city's budgeting and programming, the priority actions to be taken over the next five years. This strategic action plan included a long term vision, key issues, constraints and opportunities. Another component called the City Assistance Program was also developed, to elaborate immediate priorities and longer-term activities.
- The Shenyang CDS was incorporated into the city's Tenth Five-Year Plan, which was recently approved by the Shenyang People's Congress. This signifies very concretely that the action plans contained in the Shenyang CDS have been adopted by city authorities, and are therefore an integral element of the official plan that will guide Shenyang's development in the next five years.

The City Development Strategy process built on the interest and commitment of city of Shenyang and the earlier successes of the Sustainable Shenyang Project¹ and the Shenyang Urban Planning Project², both of which used participatory processes to achieve their goals. This previous history made it easier to introduce and move forward with the CDS. Considerable time and effort was spent finding the most suitable local partner institution, and ultimately the Shenyang International Engineering Consultancy Centre (SIECC) was selected, based on its working relationship with city officials and the fact that it was already involved in updating the Five-Year Plan.

The CDS was initiated with the establishment of the CDS Steering Committee, and with the Secretary General of Shenyang Municipal Government as the Chair. Within this Committee, a core group was formed from the Shenyang Planning Commission, the Shenyang Urban and Rural Construction Commission, the Shenyang Environmental Protection Bureau and the Shenyang International Engineering Consultancy Centre. This core group then prepared the work plan and identified other stakeholders. Working groups were further established, and meetings held to discuss issues and strategies. The reports of all these groups were consolidated into a comprehensive document, with was discussed at a broad review workshop.

The process was able to involve a wide variety of stakeholders. The city government was very involved and quality of involvement was high. The Secretary General of the SMG was the driving force, and even provided continuity when a new mayor was elected midstream. Civil society groups actively participated in the CDS during the working group meetings and final review workshop. While no particular distinction was given to the urban poor, civil society involvement was successful in the level of participation and enthusiasm for contributing suggestions and ideas. Private and business sector interest was also high, due to the issues being discussed in the CDS. Comprehensive media coverage also served to motivate the private sector. And higher levels of government took part (for example, the State Planning commission and the Liaoning Provincial Planning Commission participation in the final review workshop).

¹ The SSP is a part of the UN-HABITAT/UNEP Sustainable Cities Programme

² The SUPP is an EU-support activity

The success of the Shenyang CDS can be attributed to the personal interest and motivation from the Mayor and the Secretary General of the Shenyang Municipal Government. The work of the partner institution, SIECC, was also critical. The convergence of CDS activities with updating the city's Five-Year Plan was also a great bonus. It meant data collection and analysis could be applied to both activities. Most importantly, the CDS outcomes were incorporated into the plan. Finally, the continuous publicity and media coverage, and particularly the social and economic issues that were under discussion, provided excellent overall exposure.

Evaluation and Lessons:

The CDS process was clearly owned by the city, and in turn, so were the outputs. While institutionalization of the participatory processes were not formalized, the change in thinking and attitude among government officials on the role and contribution of the private sector and NGOs to the city's planning and investment decision-making system was apparent. This attitudinal change, fostered by the CDS, has generated broad interest and enthusiasm among non-government stakeholders, many of whom had never been involved before in such a manner. Having been provided this opportunity to actively participate, these stakeholders are likely to pursue similar opportunities in the future.

In reflecting on the CDS process in Shenyang, it is clear that adaptation to the local circumstances has led to certain adjustments and compromises in order to achieve the objectives. For instance, Shenyang government officials have their own definitions for "stakeholders", "participation", "consultation" and "governance". These definitions do not always coincide accurately with those generally used by external support agencies. Thus, a higher priority was given to local ownership, while a compromise was established with regard to operationalizing stakeholder participation. In Shenyang, as elsewhere in China, the mechanism for people participation is primarily the People's Congress and its various committees. The Shenyang CDS, therefore, built upon this but expanded the involvement of other stakeholders through the CDS working groups and their deliberations.

The objectives, principles, and procedure of the CDS were agreed right at the beginning, and the commitment to these by the municipal government was formally established through a Memorandum of Understanding with UMP. These objectives have been substantially achieved and the expectations of the municipal government have been met. It is not clear however, whether the expectations of non-government stakeholders have also been met entirely, although they actively participated in the working groups' deliberations and stakeholders' consultation workshops. From informal conversations with these stakeholders, they expressed great appreciation for having been given the opportunities to share their views on critical issues, and getting their concerns reflected in the final recommendations that have been incorporated into the city's official development plan.

Undertaking the process in Shenyang also involved language difficulties, as CDS objectives, and guidelines had to be translated from English to Chinese. And, obviously, the entire CDS process was conducted in Chinese, and all its original outputs and reports were in Chinese. More explicit guidelines and tools would help the analysis, including more intensive technical advice. Ideally, for cities like Shenyang which are new to participatory and comprehensive decision-making processes such as the CDS, the approach should be more training-oriented. For example, the CDS process could be used as the curriculum for on-the-job training, and the CDS expected outputs are produced by the participants as "assignments" of the training course. And as in other CDS activities, the time frame was seen as too short to properly address the intricacies of the task.