



## TALKING POINTS

Asan Plenum 2013: “New World Disorder”  
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**Panel:** The Impact of Crisis on Asian Capitalism (Grand Ballroom I )

**Date/Time:** Tuesday, April 30, 2013 / 12:30-13:45

**Talking Points for:** Yang Xuedong, Deputy Director and Senior Research Fellow, Center for Global Governance and Development, CCTB

The global financial crisis forced local governments in China to accelerate its own reform, especially to adjust its relationship with capital and market. Three models of local developmental states appeared due to different situations. The first model exists in Fujian and Zhejiang. Local governments mobilize family network to attract capitals originating locally to reinvest in their hometowns. The second model is mainly used in Guangdong and Jiangsu. Local governments apply industrial policies to force enterprises with intensive labor or high consumption of energy and resources to leave. The third model is widely adopted in the middle and west of China. Local governments are hungry for investment without setting any criterion. Although three models all aim for economic growth, societal interest is considered different. The former two models seem to balance societal interest and local capitals while the last model puts more emphasis upon meeting requirements of capital.

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