

1,200
sq km

area of Liangjiang New Area, the third national development area approved directly by the State Council

20.4
percent

Liangjiang's GDP growth in 2012

100,000

number of highly skilled workers required by Liangjiang New Area

8
million

number of migrant workers from Chongqing

113
companies

number of Fortune 500 members in the new area

400,000
jobs

number of jobs on offer in the new area by 2015

Chongqing: Starting the rise of the west

FROM PAGE 1

The image Chongqing displays is the message the city wants to deliver to the world — that it can become one of the growth engines of the globe's second-largest economy during the next few decades.

That ambition was put into practice in 2010, when a 1,200-square-kilometer area across from the north bank of the Yuzhong peninsula was pinpointed as the "New Area," a pilot zone to test new policies, introduce foreign investment and drive future growth.

The district, known as Liangjiang New Area, was the third national development area approved directly by the State Council after Shanghai's Pudong New Area and the Binhai New Area in Tianjin. So far, it's the only one of its kind situated in an inland province.

According to the State Council's approval document for the establishment of the new area, Liangjiang, which means "two rivers" in Chinese, has been designated for development into a base for advanced manufacturing and modern services, a regional financial and innovation center, and an important door for opening-up inland China.

There's almost a sense of déjà vu, given the similarities with Pudong 20 years ago, albeit 2,000 km away on the upper reaches of the Yangtze. But how easy will it be to reproduce the Pudong miracle?

Challenges

"The timing for us is not as good as Pudong's when it was developed during the 1990s," said Tang Zongwei, deputy director of the Liangjiang administrative committee.

"At that time, although Pudong was short of capital and technology, China's vast potential market and low costs were so attractive that it attracted investors from around the world."

"But now, the country faces the problems of industrial overcapacity and excessive liquidity and the challenge for us is how to identify the new market," said Tang.

Despite his concerns, data show Liangjiang has done a good job in the years since it was founded.

According to the 2012 development report, Liangjiang achieved annual GDP growth of 20.4 percent, outpacing the 20.1 percent recorded in Binhai, and Pudong's 10.4 percent and far outstripping the national average of 7.8 percent.

However, that growth was mainly the result of surging fixed-asset investment, which has risen by 30.3 percent annually, and booming foreign trade, which has rocketed 200 percent year-on-year.

Liangjiang is aiming to maintain annual GDP growth of 20 percent during the next eight years to drive development of China's vast, underdeveloped western region, said Tang in an earlier interview in March.

"The first three years have been easy and smooth because we received a great deal of support from the central government, but now we must shift from developing the fundamentals to developing the functions," he said. Tang expressed concern that the goal will be hard to achieve if growth in the western region simply replicates the experiences of the eastern areas. "Now everybody else is already in position, it will not be an easy task for us to gain a foothold in the market, no matter how much we invest," he said.

To find a niche market, Liangjiang must have high-tech products, Tang said, adding that to do so the area must find ways of attracting more foreign investors over the next few years, but the quality of investment will be given a much higher priority than the quantity.

According to the New Area's blueprint, electronic information, automobiles, high-end manufacturing, aviation, and biomedicines have been identified as the region's five pillar industries.

The region needs to attract around 100,000 highly skilled workers to sustain its development. Some 400,000 jobs will be on offer by 2015, according to Tang.



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DEPUTY DIRECTOR OF THE LIANGJIANG ADMINISTRATIVE COMMITTEE

"Overall, we are dealing with more challenges than opportunities here," he added.

Unique advantages

The city also has unique advantages.

The costs of power and resources for industrial development remain relatively low in Chongqing. For example, the cost of 110kV electricity is 20 percent lower than in Shanghai and natural gas is 40 percent cheaper.

Chongqing is also home to 8 million migrant workers, although half of them are working away in coastal cities. The local government is using every means to bring them back, including the construction of affordable housing projects and the provision of free training programs.

In addition, the local authorities have taken a series of measures to simplify the approval process for businesses, according to Lin Hai, deputy director of the department of government affairs with the Liangjiang administrative committee.

"The law requires that company registration takes no longer than 70 days, although normally it only takes around 30 days to complete the procedure."

"However, in our department, it takes less than three days to register a foreign-funded business," he said.

"These favorable conditions have seen the area attract 113 Fortune 500 companies, with 44 of them coming from the United States and Europe, and 19 from Japan and South Korea."

The US high-tech giant Honeywell, a global leader in advanced manufacturing, is among those to have expressed confidence in the future development of Liangjiang.

The company's 23,000-square-meter plant in Liangjiang produces friction materials. It's the biggest facility of its kind in China, and more than half of its space is still unoccupied.

"Only production cells No 1 and No 2 have been put into operation so far, but a third cell will be in place at the end of the year," said plant manager Patrice Fortier, adding that more production capacity is in the pipeline.

Fortier said the decision to set up a plant in Liangjiang was made because of the ease of access to raw materials and the convenience of waterborne transport to ship the final products to customers, mainly foreign automakers based in China.

Although Fortier is confident about the plant's future development, he admits there is still much work to do before Liangjiang will become as attractive to foreigners as Beijing and Shanghai.

"Generally, life is OK for a foreigner in China, but that's not yet the case in Chongqing, because not many people here speak English," said Fortier, adding that he flies to Shanghai or Guangzhou at weekends to relieve his feelings of loneliness.

Seeking a breakthrough

The entrance to Liangjiang's government building features a statue of a horse within a gate, a symbol of the Chinese character *chuang*, which means "to seek a breakthrough."

It has taken courage and a creative approach by the decision-makers to find a way out for the inland city, but they seem to have found one — the Chongqing-Xinjiang-Europe International Railway.

The 11,000-km route between Asia and Europe, known as "the modern Silk Road," began operations in 2011. Starting in Chongqing, the railway

travels through Russia, Belarus and Poland before arriving at Duisburg in Germany.

The journey takes an average of 16 days, less than half the time of the sea-going route, and is changing Chongqing's role from that of an inland city to that of a bridgehead for China's gateway to the West. In addition, customs and tariff procedures have been simplified to make international trade more convenient.

In 2011, trains ran just once a month. Now they run every day and the number of departures is expected to rise to three per day by 2015.

"The consuming power of the western regions is still relatively low compared with that of the coastal provinces, therefore development still relies on external demand," Tang said, adding that the railway was a major contributor to the tripling of foreign trade volume in 2012.

But while shipping laptops and other products to the European market, the railway still has to deal with relatively high freight costs, as there are few China-bound goods. However, Tang is confident the situation will improve as China adopts more measures to boost domestic consumption.

"Medical equipment, spare parts for high-end automobiles and luxury goods are the things all European countries are looking to export to China."

"Initially, the railway will certainly receive government subsidies, but they will not be necessary once the transport volume increases," said Tang.

The cost of each wagon to Europe is \$8,000, but Tang said the figure is expected to fall to around \$5,000 to \$6,000.

To facilitate trade with Europe, the Liangjiang area is building a logistics center and an e-commerce center to better serve transnational trade. In early May, three logistics companies from the US, Italy and Australia invested 5.4 billion yuan (\$880 million) in Liangjiang to tap the potential opportunities.

Tang said the United Kingdom has come up with a plan to extend the railway to Britain, while several Eastern European and Central Asian cities have also expressed a willingness to establish freight terminals along the line.

"Every country would like to have its name on the list," he said.

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Vehicle shells in storage at the workshop of Changan Automobile Company in Liangjiang New Area in Chongqing.

PHOTOS BY WANG JING / CHINA DAILY



Former farmers attend a course on baby care, part of a 'Urban Skills School' program, initiated by the administrative committee of Chongqing Liangjiang New Area.



CHINA DAILY



Zhang Junbi, 65, in her new home in Minxinjiayuan community in Chongqing.



Residents of Hehe community shop in a newly opened supermarket in the neighborhood.

Leaving the fields behind, villagers become city slickers

By WANG HAO, TAN YINGZI and LUO WANGSHU in Chongqing

"When I leave the apartment, I will always remember to turn off the gas," said Xu Chaozhui in a serious voice.

Xu is not a 5-year-old in the process of learning household safety. Rather, she is a 63-year-old former farmer who has spent most of her life on a farm on the northeastern outskirts of Chongqing, the huge municipality in Southwest China.

Before September, Xu had never cooked with gas, but when her family moved into an apartment in a 20-story building, she changed from farmer to new urban citizen.

To better adapt to her new identity, Xu, along with 1,686 neighbors, signed up for a citizenship program in the community where they learned the do's and don'ts of urban living. Home safety, including how to use the gas properly, is one of the new skills she has had to learn.

Like Xu and her neighbors, millions of Chinese farmers are being granted urban residence permits, known as *hukou*, during the process of urbanization. However, it's difficult for the middle-aged and seniors to adapt smoothly to life in the city, so the local government encouraged the new communities to offer citizenship training in an attempt to aid the transition.

'Urban skills school'

The intensive, week-long "Urban Skills School" program Xu attended in Hehe community was initiated by the administrative committee of Chongqing Liangjiang New Area.

The topics included safety in the city, counseling to help the new residents adapt to the change in lifestyle, health and financial management.

The program started in October and lasted until June, providing guidance for 1,687 new urban residents. Each student was given a subsidy of 30 yuan (\$5) for attending the program and the sponsor, Longxing Construction Investment Cooperative, spent 200 yuan on each student, investing 340,000 yuan in total.

Many towns and communities in a number of provinces and regions have offered similar programs to new urban citizens.

In 2010, the central government called for an improvement in rural residents' skills and abilities to help provide the human resources for urbanization.

Farmers have left their land and single-story homes, given up their old lifestyles and moved into high-rises. Now they buy their food and groceries at supermarkets and dress like city dwellers. However, the surface change has been easier to achieve than entrenched habits and identities.

"Like me, my neighbors had never lived in a high-rise before. Some

stored items on their balconies and sometimes things accidentally fell off. It was very dangerous, and people were likely to get hurt. But, as we weren't aware of the dangers, we simply didn't consider them," said Xu.

For Yang Daguo, a 69-year-old Hehe community resident, the change in lifestyle was initially baffling. "I lived in a village for nearly 70 years. I am used to throwing my household trash out onto the land and I paid little attention to a specific bucket or trash can."

Zhu Yang, dean of the continuous education and management department at Chongqing Nanfang Translators' College at Sichuan International Studies University, was one of the teachers at the community program. He delivered lectures on civic civility and harmony, and incorporated examples into the training.

"Some cases can be trivial. A student told me that he and his family almost had a fight with the property management staff over a problem with the gas. I discovered that they just lacked experience in dealing with property management. They had never before shared a general switch for gas or electricity with a dozen other residents. On their farms, the switch was for their use alone, so it took time for them to understand that other people were also allowed access to the communal switch," he said.

"During the first session, I went to



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XU CHAOZHUI
A 63-YEAR-OLD FORMER FARMER

the restroom next to the lecture hall only to find that all the toilet paper was missing. I shared that with my class, telling the students that in public bathrooms, people usually only take one sheet of toilet paper at a time. These are basic values for city dwellers, but few of the new urban residents had ever used a public restroom before," he said. When he later saw one student attempting to dissuade another from grabbing all the toilet paper, urging him to leave some for the next user, Zhu was pleased to see his message had started to hit home.

He also taught the students to prepare financial plans. The farmers made a lot of money when they sold their land to the government. However, as most of them had never had a large amount of cash before, they had to be taught how to use it wisely.

Subsidy

Hehe community is home to nearly 100,000 new urban citizens, all from the same area. They were each paid around 86,000 yuan for their land. Each member of the same household was entitled to buy 30 square meters of a new apartment, meaning that a family of four could buy a 120-sq-m apartment in the community or two 60-sq-m apartments.

The government provided a subsidy of 2,400 yuan for each sq m, and residents can buy apartments in Hehe community at 1,900 yuan per sq m.

That means each farmer made 101,000 yuan, even after buying an apartment.

"They don't know how to manage their assets. Some may go wrong by gambling or visiting prostitutes. To keep them away from temptation, I told them to make proper investments, such as small businesses," Zhu added.

Wu Guihai, a government employee who has 13 years' experience of working with farmers, taught the new residents how to adapt to their new urban identities.

"I know their needs. Middle-aged and senior new urbanites mostly live on social assistance grants. They need to work for a living, but they don't have the skills required for city life. I try to show them how important it is for them and their children to work, instead of sitting at home and receiving social benefits forever. I don't want them to feel useless," he said.

Meanwhile, few of the former rural residents had ever seen an elevator. Yang Zhuhui, 41, showed them how to use one safely.

'The small cabin'

"One lady in her 80s, who lived on the 18th floor, didn't know how 'the small cabin' could carry her up and down. She told me that she felt dizzy when she used it and so I always accompanied her in the elevator until she got used to it."

After the training the community became tidier, said Jiang Xinquan, a 70-year-old resident, who used to own a small business in a nearby village.

He said he was quite content with the training he received. "For an old man like me, studying was very difficult. But the teachers were very patient, and I learned a lot, such as how to handle relationships with my neighbors, how to eat healthily and how to care for the local environment."

When he moved into the community in September 2012, the area was full of garbage because the new resi-

dents had no idea about keeping the place clean and tidy.

"After the training program, the environment in the community was much improved," he said.

These citizenship programs, to some extent, help to smooth and accelerate the transition process from rural to urban citizens, said Wang Guixun, a professor at Fudan University who specializes in urbanization.

However, he believes that the psychosocial and identity issues — the farmers have experienced great difficulties in reconciling themselves to their new urban identities — have been formed over a long period.

"On the one hand, farmers should learn to be urban social civilians. On the other, native urbanites should be more tolerant of their new neighbors. Instead of labeling and discriminating against them, new urban citizens should learn to see the new residents as part of the city," Wang said.

Yuan Guilin, professor of rural education at Beijing Normal University, said it's important to judge the value of the training by its real-life effect.

"How the new urban citizens behave after the training is the key to evaluating it," he said.

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Ji Jin in Chongqing contributed to this story.



Residents play cards in a newly built residential community in Chongqing's Yubei district.

WANG JING / CHINA DAILY