

Charter Cities

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What are Charter Cities?



Areas granted a
special jurisdiction
to create a new
governance system

Special Economic Zones

- Most special economic zones are limited geographic areas with specific industry focus
- The more successful zones are:
 - Larger
 - Privately developed
 - Areas with regulatory exemptions, not just fiscal incentives
- The larger they are and the more regulatory reform, the more they resemble charter cities

Charter Cities should have:

A Greenfield

New Administration

Regulatory Autonomy

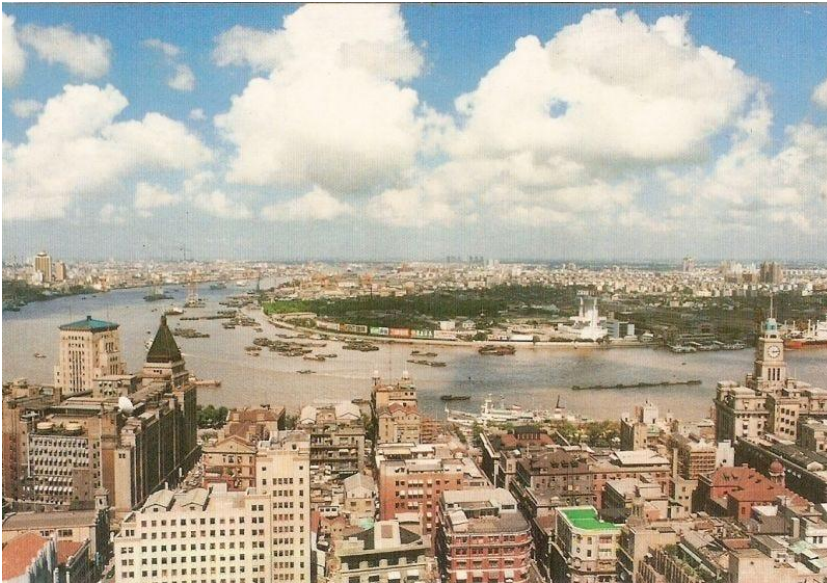
Separate Dispute
Resolution Mechanism

The Power of Economic Zones

- Attract investors with a better business climate
- Regulatory show cases
- Policy test-beds
- Incentivize better governance through decentralization

Shanghai Pudong

1990



Today



Should governments want Charter Cities?

Broader reforms better?

Charter cities as second-best options...

...and first-best options

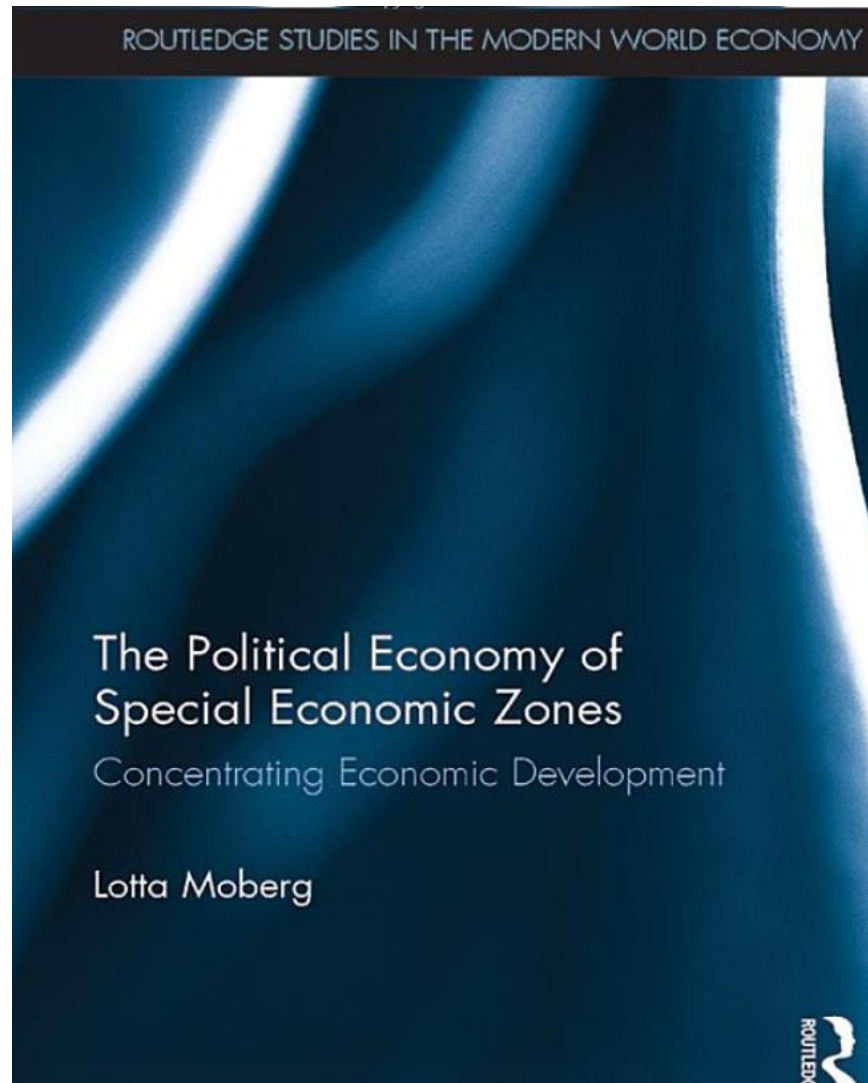
Will governments want Charter Cities?

- Take credit
- Avoid broader reforms
- Local opposition



To read more on special economic zones:

Thank you!



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