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## Policy Confusion: A Study on the Alienation of Characteristic Town Policies

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**Date:** 2025-03-03T20:38:04+00:00

### Abstract

The characteristic town policy originated in Zhejiang Province; the characteristic towns it promotes serve as innovation and entrepreneurship platforms for industrial transformation and upgrading, providing important reference for supply-side structural reforms in other provinces and regions. During the nationwide diffusion of the characteristic town policy, the policy in some regions deviated and distorted, attracting widespread media attention. Previous research has mostly explained the deviation and distortion of the characteristic town policy from the perspective of policy implementation, neglecting the policy itself. Retrospective comparative analysis of public policies reveals that the characteristic town policy is confused with a similar public policy—the characteristic small town policy—in multiple aspects; although this has been corrected to some extent, its impact continues to this day. The key to the alienation of the characteristic town policy lies not in implementation deviation, but in policy confusion; although the characteristic town policy and the characteristic small town policy differ by only one character, a tiny discrepancy leads to a huge difference. This study provides a novel explanation for the so-called characteristic towns’ phenomenon of “rushing in en masse, dispersing en masse,” with a more comprehensive and detailed policy analysis that helps present a panoramic view of the characteristic town policy and can “clear up the source and rectify the flow” for the characteristic town policy. Looking forward, the characteristic town policy needs to further specify its policy objectives to provide more precise policy foundations for the standardized and healthy development of characteristic towns.

### Full Text

#### Preamble

Policy Obfuscation: A Study of Policy Alienation in Characteristic Towns  
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## Abstract

The characteristic town policy originated in Zhejiang Province, which promotes characteristic towns as innovative and entrepreneurial platforms for industrial transformation and upgrading, providing an important reference for supply-side structural reforms in other provinces and regions. During the nationwide diffusion of this policy, the characteristic town policy in some regions has deviated from its intended course, triggering widespread media attention. Previous research has largely explained this deviation from the perspective of policy implementation, overlooking the policy itself. Retrospective comparative public policy analysis reveals that the characteristic town policy has been confused with a similar policy—the characteristic small town policy—in multiple respects. Although this confusion has been partially corrected, its impacts persist to this day. The key to the alienation of the characteristic town policy lies not in implementation deviations, but in policy confusion. Despite differing by only one character, these two policies are worlds apart in their actual effects. This study offers a novel explanation for the phenomenon of characteristic towns “rushing in and rushing out,” providing a more comprehensive and detailed analysis that helps present a panoramic view of the characteristic town policy and “sets the record straight” regarding its true nature. Looking ahead, the characteristic town policy needs to further refine its objectives to provide a more precise policy foundation for the standardized and healthy development of characteristic towns.

**Keywords:** characteristic town; characteristic small town; policy alienation

## 1. Problem Statement

Over its decade-long development, the characteristic town policy has evolved from a local initiative to a national strategy. In 2014, the policy originated in Zhejiang Province, where then-Governor Li Qiang proposed it as a development platform integrating “industry, city, culture, and people,” emphasizing industrial distinctiveness, functional agglomeration, refined form, and institutional innovation. In 2015, central leadership affirmed the importance of characteristic towns and small towns for economic transformation and new urbanization. National policies were subsequently introduced starting in 2016, and by 2017-2018, characteristic towns had rapidly spread across the country with fruitful results, though policy deviations also began to emerge. In response, the state undertook corrective actions to strictly control the real estate orientation of characteristic towns. Following these interventions, characteristic towns entered a high-quality development phase that emphasized quality over quantity, with non-compliant towns being delisted. This “rushed implementation followed by rapid collapse” represents a typical case of policy alienation.

In public policy studies, “policy alienation” describes a phenomenon where policy outcomes diverge sharply from original intentions. While public policies aim to enhance social welfare, those designed to solve human problems may instead

cause harm [1]. Some well-functioning policies become “similar in form but different in spirit” after diffusion [2], possessing only superficial form without substantive content. The characteristic town policy has experienced alienation during its diffusion process [3]. Its original purpose was to promote economic transformation and upgrading, yet implementation has shown real estate tendencies. Some so-called “real estate towns” that nominally develop characteristic industries but actually develop property projects have failed to promote economic transformation and instead created excess capacity [4], while also failing to advance new urbanization and instead producing empty towns and “sleeping towns” in bulk [5]. Even as the policy marks its tenth anniversary, media reports about policy alienation continue to appear [6,7]. The persistent question troubling the characteristic town policy is: Why do characteristic towns “rush in and rush out” ? What has caused this policy alienation?

Most studies examine the causes of characteristic town policy alienation from the perspective of policy implementation. Research from public administration shows that excessive pressure from higher-level governments during policy diffusion [8], lack of long-term planning by local governments [9], and grassroots governments’ attempts to “compile plans and tell stories” to secure project funding [10] explain the rapid but low-quality promotion of the policy. Studies from business management argue that inappropriate business strategies by implementation entities constitute the root cause, with developers seeking quick profits rather than demonstrating entrepreneurial innovation spirit [11], blindly copying successful characteristic towns in terms of resource endowments and value positioning [12], resulting in homogeneous competition that ultimately leads to market elimination. Perspectives from rural development contend that social participation is key to policy success, with most implementations failing to achieve joint construction and sharing among government, market entities, and social actors, leading to misallocation of social resources and cultural-tourism and real estate products that lack rural consumer bases, transforming “liquid capital” invested in characteristic towns into “dead capital” that cannot be circulated or liquidated [13,14].

These explanations overlook the policy itself—and its heterogeneity. China actually has two distinct policies: the characteristic town policy and the characteristic small town policy. Previous research has either conflated them conceptually or merged their data sources. For instance, Cong Haibin, author of *Research on the Sustainable Development of China’s Characteristic Towns*, states that “characteristic towns can be regarded as a type of characteristic small town in many respects, or as the latest form evolved from characteristic small towns and a new extension beyond the broad concept” [15] 19. Similarly, Zhang Chewei et al., authors of *Research on China’s Characteristic Towns: Theory, Practice, and Policy*, indiscriminately merge data from characteristic small towns into the category of characteristic towns when analyzing their current status [16]. In fact, characteristic small towns and characteristic towns are not synonyms. According to policy documents, characteristic small town projects should, in principle, be applied for by administrative towns—that is, towns in the usual

sense—whereas characteristic towns are not towns but rather “innovation and entrepreneurship platforms that agglomerate characteristic industries on several square kilometers of land, integrate production, living, and ecological spaces, and differ from administrative towns and industrial parks” [17], representing an essential difference from characteristic small towns.

This study retrospectively examines policy documents, notices, guidelines, and criteria regarding characteristic towns and characteristic small towns issued by central and local governments, finding that the concept of characteristic towns in public policy evolved from vague and confused definitions to quantitative and precise ones. The earlier the issuance date, the greater the confusion between the two policies; the later the date, the more precise the distinction. Throughout the policy cycle of characteristic towns and considering the lag effects of public policy, policy alienation was more severe during the confusion period (2017-2019) and has been initially addressed during the conceptual clarification period (2020-present). Therefore, this study proposes the hypothesis that policy confusion is the cause of characteristic town policy alienation.

The article consists of five sections. First, it raises the issue of characteristic town policy alienation and proposes the hypothesis that policy confusion leads to alienation. Second, it constructs a research framework and presents the methodology. Third, it compares the differences between characteristic town and characteristic small town policies across policy subjects, objects, objectives, and instruments. Fourth, it derives the problem of characteristic town policy alienation from policy confusion. Finally, it presents conclusions, policy implications, and research prospects.

## 2.1 Analytical Framework

In public policy studies, public policy is deconstructed into several components: policy subjects, policy objects, policy objectives, and policy instruments [27]. Inspired by these components, this study constructs a four-dimensional public policy analysis framework encompassing subjects, objects, objectives, and instruments.

### 2.1.1 Policy Subjects Dimension

Policy subjects are organizations that formulate and implement policies, typically government agencies or departments, but also including other influential organizations or groups. The formulation of characteristic town and characteristic small town policies involves diverse public policy subjects, including public sectors such as the Ministry of Housing and Urban-Rural Development, the National Development and Reform Commission, and local governments, as well as social organizations and groups such as state-owned banks, enterprise federations, entrepreneur associations, and urbanization promotion associations. The implementation subjects of characteristic town policy are primarily enterprises, with the government guiding social organizations to participate in character-

istic town construction under the principle of “market-led, enterprise-based, government-guided.”

### **2.1.2 Policy Objects Dimension**

Policy objects are the targets or domains of public policy, including specific social problems, particular populations, or specific economic activities. Since the characteristic town policy is a public policy aimed at building characteristic towns, its policy object is characteristic towns. Similarly, the policy object of characteristic small town policy is characteristic small towns.

### **2.1.3 Policy Objectives Dimension**

Policy objectives are the specific purposes or effects that policies aim to achieve, formulated to solve certain problems, promote development in certain fields, or realize certain social goals. The characteristic town policy originated in Zhejiang Province with the primary objective of promoting industrial transformation and upgrading and high-quality economic development. The characteristic small town policy is a national public policy whose objective is to advance new urbanization and rural revitalization.

### **2.1.4 Policy Instruments Dimension**

Policy instruments are the specific means and methods to achieve policy objectives, with policymakers selecting appropriate instruments based on specific circumstances. Foreign scholars have conducted in-depth research on policy instruments, categorizing them into supply-side, demand-side, environmental, voluntary, compulsory, and hybrid types [18,19]. However, the public policies studied in this paper do not perfectly fit these classifications. This is because while characteristic towns appear to be environmental and voluntary policies, national policy also sets quantitative targets for the number of “characteristic towns,” giving them supply-side and compulsory characteristics that foreign theories cannot explain. This paper follows the internal logic of characteristic town and characteristic small town policy instruments, dividing them into three aspects: creation instruments, management instruments, and evaluation instruments.

## **2.2 Research Methods**

### **2.2.1 Policy Document Selection**

This study uses public policies on characteristic towns as analytical materials. Public policy refers to a series of action plans, rules, procedures, and principles formulated by governments or public institutions to solve social problems, meet public needs, and achieve specific goals, manifested as laws and regulations, administrative provisions or orders, oral or written instructions from national leaders, and government plans. At the central level, between 2016 and

2022, the State Council, the National Development and Reform Commission, the Ministry of Housing and Urban-Rural Development, and other ministries issued more than twenty administrative regulations and rules regarding the selection, standardization, and management of characteristic towns. At the local level, between 2014 and 2018, over twenty provincial governments including Zhejiang, Hainan, Fujian, and Chongqing issued government plans, administrative regulations, and work notices on characteristic town construction in their provinces and municipalities (the nationwide “characteristic town fever” began to subside in 2019, so local policy analysis is limited to 2018). Additionally, some development reports, academic monographs, and online resources serve as supplementary materials for this study. Unless otherwise specified, all policies cited in this paper are retrievable from the PKULaw Database.

### 2.2.2 Retrospective Comparative Public Policy Analysis

Retrospective comparative public policy analysis combines “retrospective policy analysis” and “comparative policy analysis.” Retrospective policy analysis, also known as *ex post* policy analysis [20], differs from prospective analysis that provides alternatives and decision-making references for policymakers. It traces the entire lifecycle of public policy from formulation and diffusion to management and change, focusing on what results and performance the policy has achieved, and is commonly used to provide *post hoc* references for policy evaluation and optimization. Comparative policy analysis is widely used for policy differentiation, as different public policies have different subjects, objects, objectives, and instruments, and comparing multiple dimensions can reveal the essence and connotation of policies. Retrospective policy analysis is suitable for this study conducted on the tenth anniversary of the characteristic town policy, as only a *post hoc* retrospective perspective can reveal that China actually has two distinct policies—characteristic town and characteristic small town policies. Comparative policy analysis further reveals the differences between the two policies, confirming the findings of retrospective policy analysis. This paper combines these two methods as retrospective comparative public policy analysis.

## 3. Policy Differentiation and Comparison

Characteristic town and characteristic small town policies are not the same entity but have their own policy components. National ministries have repeatedly issued documents emphasizing differences in policy objects: characteristic towns are neither administrative towns nor traditional industrial parks, while characteristic small towns are administrative towns [17,21,22]. In fact, the differences extend beyond policy objects to include policy subjects, objectives, and instruments.

### 3.1 Characteristic Town Policy

**3.1.1 Policy Subjects** Characteristic town policy subjects can be divided into policy formulation subjects and implementation subjects. The formulation subjects are diverse, including both public sectors such as central ministries and local governments, and social entities such as state-owned banks and entrepreneur associations [23,24]. Unlike typical public policies where administrative forces play a decisive role in formulation, participation, and supervision, characteristic town policy implementation is market-driven, with government playing only a guiding role. The policy adheres to a service-oriented government model of “government builds the stage, enterprises perform,” providing a spatial platform for enterprise innovation and entrepreneurship. Consequently, characteristic towns represent “a community or social governance model with multiple participation, open systems, and collaborative sharing” [25], free from dependence on vested interest networks and without the burden of traditional path dependence, representing a breakthrough and transformation of the development zone governance model after economic and social development has reached a certain height [26,27].

**3.1.2 Policy Objects** The policy object of characteristic town policy is, as the name suggests, characteristic towns. The Zhejiang Provincial Government defines characteristic towns as “development space platforms that are relatively independent from urban districts, have clear industrial positioning, cultural connotations, tourism functions, and certain community functions” [28]. The National Development and Reform Commission, Ministry of Land and Resources, Ministry of Environmental Protection, and Ministry of Housing and Urban-Rural Development define them as “innovation and entrepreneurship platforms that agglomerate characteristic industries on several square kilometers of land, integrate production, living, and ecological spaces, and differ from administrative towns and industrial parks” [17]. The National Development and Reform Commission and Ministry of Natural Resources, along with eight other ministries, define them as “micro industrial agglomeration areas with planned land areas generally of several square kilometers” [24]. While early policy diffusion emphasized the “spatial platform” attribute and recent policies emphasize the industrial attribute, all these definitions stress that characteristic towns are “neither traditional administrative towns nor traditional industrial parks” and are limited to “several square kilometers” in area.

**3.1.3 Policy Objectives** The primary objective of characteristic town policy is to promote industrial transformation and upgrading, which is linked to its “neither town nor zone” constraints and “several square kilometers” area limitation. Since China’s reform and opening up, almost every county-level unit and even township in Zhejiang has developed unique characteristic industries or products, such as Haining leather, Yiwu small commodities, and Wenling water pumps. Zhejiang’s geographical environment of “seven parts mountain, two parts water, and one part field” has led to the clustering of county and township industries

into distinct blocks, an economic pattern vividly summarized as “block economy” [29]. As market demands continuously change, traditional block economies face the threat of relocation to overseas low-cost areas, and extensive development models urgently need transformation and upgrading. High-end industrial factors such as capital, talent, and technology play crucial roles in this process, and traditional enterprises need to provide free space for the spontaneous formation of “industrial clusters” and offer superior production and living spaces for high-end talent. To promote industrial transformation and upgrading, Zhejiang introduced the characteristic town policy, granting free action space for land use quotas, fiscal and tax support, and talent preferential treatment in block economy transformation, aiming to create an innovation and entrepreneurship functional platform. The “neither town nor zone” feature means characteristic towns can avoid constraints from administrative forces in traditional towns and industrial parks, while the “several square kilometers” area limitation actually connects to the characteristics of block economies that occupy little land and relatively intensive land use for entrepreneurship platforms.

In terms of specific objectives, characteristic town construction follows market principles, with the state setting no quantitative targets.

**3.1.4 Policy Instruments** Examining characteristic town policy documents reveals three main policy instruments: creation instruments, management instruments, and evaluation instruments.

The creation instrument features free competition and survival of the fittest characteristic of entrepreneurship platforms. Characteristic towns implement a broad-entry, strict-qualification, dynamic elimination system with four stages: application, creation, assessment, and designation. In the application stage, construction entities submit project applications to higher-level management departments, explaining their existing industrial foundation, industrial planning, and expected benefits. In the creation stage, selected projects are included in higher-level management lists and initially enjoy preferential policies in land, fiscal and tax, and finance. In the assessment stage, higher-level management departments evaluate characteristic towns based on indicators such as characteristic industry development, investment intensity, land use, population, and ecological conditions. In the designation stage, characteristic towns that pass assessments during the three-to-five-year cultivation period are granted the title of “Characteristic Town.” Those that fail assessments receive warnings, rectification orders, or removal from the creation list. Delisted creation objects must return previously granted policy resources. In the 2016 assessment of the first batch of 37 Zhejiang characteristic towns, four towns received “warnings” or “downgrades” [30]. In the July 2019 rectification campaign, 385 “problem towns” were eliminated or rectified nationwide [31]. When Yunnan Province announced its 2018 list of characteristic towns receiving provincial fiscal rewards, it declared that six delisted towns would have their 10 million yuan startup funds reclaimed [32].

The management instrument is the “list management system,” administered by provincial development and reform commissions [33]. Since 2020, provincial development and reform commissions have regularly published management lists of characteristic towns in their regions, with only listed towns qualifying as provincial characteristic towns and those outside the list prohibited from claiming the title. Provincial announcements show that characteristic towns are mainly divided into “creation-stage” and “designated” characteristic towns, with the former still immature and the latter having matured after three-to-five-year cultivation periods. Currently, development varies significantly across regions. Leading provinces like Zhejiang have designated seven batches of provincial characteristic towns [34], while some provinces have not continued after the first batch, and others regularly publish annual management lists. According to incomplete statistics, at least 1,180 characteristic towns are currently under list management nationwide (source: official websites of provincial development and reform commissions).

The evaluation instrument is the relevant indicator evaluation system. China currently uses the *Evaluation Index System for Characteristic Town Development Level* (released in 2022) to assess characteristic town development. Based on typical experiences from characteristic towns nationwide, this system evaluates development from four aspects: industry, function, form, and mechanism [35]. Before the 2022 national standard, the first local evaluation standard was Zhejiang’s *Characteristic Town Assessment Norm* released in 2018. Additionally, different types and regions of characteristic towns have corresponding evaluation indicator documents.

### 3.2 Characteristic Small Town Policy

**3.2.1 Policy Subjects** Characteristic small town policy has similar subjects to characteristic town policy (diversified formulation subjects and enterprise-based implementation subjects). Notably, the implementation subject—enterprises—is a broad concept, and the specific industries they engage in determine the future direction of characteristic industries. In theory, the specific industries of policy-participating enterprises can be inferred from the types of characteristic industries in characteristic small towns. Most characteristic industries in characteristic small towns are not advanced manufacturing or modern service industries. As previous research has noted [16], among the 403 nationally selected characteristic small towns, 60% have health and leisure characteristic industries and 16% have modern agriculture, suggesting that most enterprises implementing characteristic small town policy are engaged in cultural tourism, health and elder care, sports and leisure, and modern agriculture.

Around 2017, the enterprise subjects of characteristic small town policy showed a tendency toward real estate developers. During the characteristic small town construction boom, real estate enterprises eagerly participated. Between 2016 and 2017, companies such as Country Garden, Greentown, Times Property, CFLD, Greenland, and OCT ventured into characteristic small towns. How-

ever, these real estate developers developed property projects under the banner of developing characteristic industries. Since real estate is excluded from industrial planning in provincial characteristic town policies, their actions cannot be considered responses to characteristic town policy. Real estate development aligns more closely with urbanization construction goals (increasing urbanization rates), leading this paper to argue that characteristic small towns—not characteristic towns—showed a tendency toward real estate developer implementation subjects.

**3.2.2 Policy Objects** The policy object of characteristic small town policy is characteristic small towns. The preceding concept of “small towns” connects large and medium-sized cities with rural society. Without small towns serving as political, economic, and cultural centers for rural areas, the countryside would lose its “legs for walking on the ground,” inevitably resulting in agricultural production simplification and loss of commodity circulation functions [36]. Characteristic small towns are upgraded versions of small towns that have risen on the coattails of characteristic towns. Characteristic small towns are administrative towns, with typical conditions being “towns with resident populations reaching certain scales, strong capacity to drive rural revitalization, and formation of core competitive administrative town pacesetters and upgraded versions of economically developed towns” [22].

**3.2.3 Policy Objectives** The primary objectives of characteristic small town policy are to promote new urbanization and rural revitalization. As China’s urbanization accelerates, the urban-rural gap continues to widen, threatening rural society with decline. The rural revitalization strategy emerged to reverse this trend and promote integrated urban-rural development. Characteristic small town construction represents an important intersection of new urbanization and rural revitalization [22], facilitating on-site urbanization for farmers and adapting to the trend of citizens moving to the countryside to recreate “new rural gentry” and “new rural worthies” and reshape social governance subjects.

**3.2.4 Policy Instruments** The policy instruments of characteristic small towns are similar to those of characteristic towns, including creation instruments, management instruments, and evaluation instruments. However, the specific content of these instruments differs. The creation instrument is not a dynamic elimination system but rather a “selection system.” The management instrument is not list management but “dynamic monitoring.” The evaluation instrument is not a development level evaluation system but a “standard system.”

The creation instrument is a “selection system.” The Ministry of Housing and Urban-Rural Development and other ministries jointly issued the *Notice on Carrying Out Pilot Work for Characteristic Small Town Cultivation* [21], which clearly states that “characteristic small towns are selected from administrative towns.” The selection criteria include six aspects: good development foundation, advantageous location, strong economic strength, complete service facili-

ties, beautiful town appearance, and cultural heritage. The selection process involves local government application, provincial housing and urban-rural development department recommendation, and expert review by the Ministry of Housing and Urban-Rural Development. The selected characteristic small towns are then included in the national characteristic small town list and receive key support.

The management instrument is “dynamic monitoring.” The Ministry of Housing and Urban-Rural Development and other ministries jointly issued the *Notice on Standardizing the Cultivation of Characteristic Small Towns* [22], which clearly states that “characteristic small towns are subject to dynamic monitoring.” The monitoring content includes six aspects: industrial development, population agglomeration, cultural heritage, ecological environment, government services, and system innovation. The monitoring process involves annual reporting by characteristic small towns, provincial department review, and Ministry of Housing and Urban-Rural Development spot checks. Characteristic small towns that fail monitoring are warned, rectified, or delisted.

The evaluation instrument is a “standard system.” The Ministry of Housing and Urban-Rural Development and other ministries jointly issued the *Notice on Carrying Out Pilot Work for Characteristic Small Town Cultivation* [21], which clearly states that “characteristic small towns should meet the standards.” The standard system includes six aspects: industrial development, population agglomeration, cultural heritage, ecological environment, government services, and system innovation. The standard process involves self-assessment by characteristic small towns, provincial department review, and Ministry of Housing and Urban-Rural Development verification. Characteristic small towns that meet standards receive recognition and rewards.

## 4. Policy Alienation Derived from Policy Confusion

Policy confusion between characteristic town and characteristic small town policies has led to policy alienation. The confusion manifests in three ways: conceptual confusion, implementation confusion, and evaluation confusion.

### 4.1 Conceptual Confusion

Conceptual confusion refers to the mixing of the two policies in academic research and media reports. As mentioned earlier, some scholars conflate the two policies conceptually, while others merge their data sources. Media reports also frequently confuse the two policies, using “characteristic town” and “characteristic small town” interchangeably. This conceptual confusion has led to misunderstandings about the true nature of characteristic towns, with many people believing that characteristic towns are simply upgraded versions of small towns or new forms of urbanization.

## 4.2 Implementation Confusion

Implementation confusion refers to the mixing of the two policies in practice. During the characteristic town construction boom, many local governments applied characteristic small town selection criteria to characteristic town creation, focusing on population scale, infrastructure, and town appearance rather than industrial distinctiveness and innovation capacity. This implementation confusion led to the proliferation of “real estate towns” and “tourism towns” that lacked industrial foundations and innovation capacity, ultimately resulting in policy alienation.

## 4.3 Evaluation Confusion

Evaluation confusion refers to the mixing of the two policies in assessment. During the characteristic town evaluation process, many evaluation indicators focused on urbanization rates, infrastructure completeness, and population scale rather than industrial transformation and upgrading effects. This evaluation confusion failed to effectively identify and eliminate non-compliant characteristic towns, allowing policy alienation to persist.

## 5. Conclusions and Policy Implications

This study reveals that the alienation of the characteristic town policy stems not from implementation deviations but from policy confusion with the characteristic small town policy. Despite differing by only one character, these two policies have fundamentally different policy subjects, objects, objectives, and instruments. The characteristic town policy is an industrial transformation and upgrading policy with enterprises as implementation subjects, characteristic towns as policy objects, industrial transformation and upgrading as policy objectives, and dynamic elimination as the policy instrument. The characteristic small town policy is a new urbanization and rural revitalization policy with enterprises as implementation subjects, characteristic small towns as policy objects, new urbanization and rural revitalization as policy objectives, and selection systems as the policy instrument.

Policy confusion has led to conceptual, implementation, and evaluation confusion, ultimately resulting in policy alienation. The “rush in and rush out” phenomenon of characteristic towns reflects not implementation failure but policy design flaws. To address this policy alienation, the following recommendations are proposed:

First, clarify policy concepts. The central government should clearly distinguish between characteristic town and characteristic small town policies in policy documents, specifying their respective policy subjects, objects, objectives, and instruments to avoid conceptual confusion.

Second, standardize implementation procedures. Local governments should strictly follow the characteristic town policy’s dynamic elimination system

rather than applying characteristic small town selection criteria, ensuring that characteristic towns truly become platforms for industrial transformation and upgrading.

Third, improve evaluation systems. Evaluation indicators should focus on industrial transformation and upgrading effects rather than urbanization rates and infrastructure completeness, ensuring that evaluation effectively identifies and eliminates non-compliant characteristic towns.

Fourth, strengthen policy publicity. The government should increase public awareness of the differences between characteristic town and characteristic small town policies, guiding media and academic research to correctly understand and disseminate policy concepts.

This study has limitations. First, it relies primarily on policy document analysis, lacking quantitative data support. Future research could incorporate quantitative analysis to verify the impact of policy confusion on policy alienation. Second, it focuses on national-level policy analysis, lacking in-depth case studies. Future research could select typical provinces for comparative case analysis. Third, it examines policy alienation from the perspective of policy confusion, without considering other potential factors. Future research could integrate multiple perspectives to provide more comprehensive explanations.

Despite these limitations, this study offers a novel explanation for the “rush in and rush out” phenomenon of characteristic towns, providing a more comprehensive and detailed analysis that helps present a panoramic view of the characteristic town policy and “sets the record straight” regarding its true nature. Looking ahead, the characteristic town policy needs to further refine its objectives to provide a more precise policy foundation for the standardized and healthy development of characteristic towns.

*Note: Figure translations are in progress. See original paper for figures.*

*Source: ChinaXiv – Machine translation. Verify with original.*