

CHINA PICTORIAL

An Economic Miracle 70 Years in the Making



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Saihanba is a cold alpine area in northern Hebei Province bordering the Inner Mongolia Autonomous Region. It was once a barren land but is now home to 75,000 hectares of forest, thanks to the labor of generations of forestry workers in the past 55 years. Every year the forest purifies 137 million cubic meters of water and absorbs 747,000 tons of carbon dioxide. The forest produces 12 billion yuan (around US\$1.8 billion) of ecological value annually, according to the Chinese Academy of Forestry.



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by Huang Jingwen/Xinhua



Forging High-quality Global Economy

June 28, Osaka, Japan: Chinese President Xi Jinping poses for a group photo with other leaders attending the 14th Group of 20 (G20) summit.

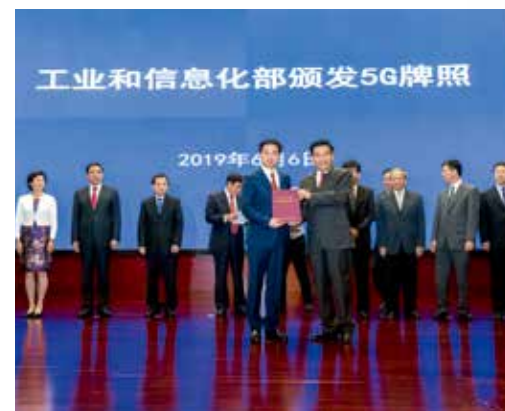
When addressing the summit, Xi called on the G20 major economies to explore driving force for growth, improve global governance, remove development bottlenecks, properly address differences, and join hands in forging a high-quality global economy.

Xi also pledged that China will further open up its market, proactively expand imports, continuously improve its business environment for foreign enterprises, and press ahead with negotiations on economic and trade deals.

Green Light on Commercial 5G →

June 6, Beijing: Chinese Minister of Industry and Information Technology Miao Wei (right, front) grants a 5G license for commercial use to Ke Ruiwen, chairman of China Telecom. China officially approved 5G commercial services, marking the dawn of a new era for the country's telecommunications industry. China Telecom, China Mobile, China Unicom and China Broadcasting Network were the first batch of companies to obtain 5G licenses in China.

China welcomes enterprises at home and abroad to actively participate in the construction, application and promotion of its 5G network and share the sector's development dividends, according to the country's Ministry of Industry and Information Technology.



by Shen Bohan/Xinhua

First Offshore Rocket Launch ↓

June 5, Shandong Province: A Long March-11 solid propellant carrier rocket blasts off from a mobile launch platform in the Yellow Sea, sending two technology experiment satellites and five commercial satellites into space.

It was China's first space launch from a sea-based platform and the 306th mission of the Long March carrier rocket series. The seaborne launch technology will meet the growing launch demand for low inclination satellites and help China provide launch services for countries participating in the Belt and Road Initiative, according to experts.



VCG

A Tough Draw ↓

June 17, Le Havre, France: Chinese players greet the audience after the Group B match between China and Spain at the 2019 FIFA Women's World Cup. The match ended in a 0-0 draw that ensured both sides progress to the Women's World Cup final 16.

China managed only one goal attempt, which came in the 51st minute, compared to 24 for Spain throughout the game. "It was a difficult draw, even without a single score," exclaimed Jia Xiuquan, coach of the Chinese women's national team.

Due to the goalless tie, Spain finished second behind Germany with China in third after Germany completed a 4-0 rout over South Africa in a simultaneous match in Montpellier.



by Zheng Huansong/Xinhua

Full-force Rescue →

June 18, Yibin, Sichuan Province: Rescuers search for people trapped in Shuanghe Township, Changning County, after an earthquake.

A 6.0-magnitude quake struck Changning at 10:55 p.m. on June 17. President Xi Jinping ordered all-out efforts to organize relief work and rescue operations for the injured. Over 3,100 people including fire fighters, armed police and volunteers joined search and rescue work.

As of 4 p.m. on June 19, a total of 13 people had died and 220 were injured due to the earthquake. Among the injured, 153 people received treatment in hospitals. Around 243,880 people were affected, and more than 52,000 people were relocated from quake-hit areas.



VCG

Self-defeating Proposition

Text by Hu Zhoumeng

Abuse of political power won't solve problems plaguing the U.S. economy, but it may poison the country and the global economy at large.

U.S. President Donald Trump unexpectedly escalated his trade war against China in May 2019. The United States hiked tariffs on US\$200 billion of Chinese goods from 10 percent to 25 percent and threatened to apply the same rate to the remaining imports from China worth about US\$300 billion. China hit back with tariffs on US\$60 billion of U.S. goods, mainly targeting agricultural products, starting on June 1.

Contrary to his claims, Trump's trade policies do not help the balance sheet of the United States. After a long period of wrestling with major trade partners, the U.S. goods trade deficit reached a record high of US\$891.3 billion in 2018, up 10.4 percent from 2017 according to the U.S. Census Bureau. But what about the American trade deficit with China, the major target of the tariffs? The 2018 number was US\$419.2 billion, up US\$43.6 billion year-on-year.

Amid tit-for-tat exchange of tariffs, pains have arrived long before any glimmer of hope for a "good deal" that would satisfy President Trump. Bearing the brunt are American farmers who are losing foreign buyers to increase demand

for soybeans, corn, pork and other commodities. The White House does have an effective solution to curb the effect—it just announced an aid package of US\$15 billion to farmers, a government payout to cover the wound after the US\$12 billion bailout last year.

"Short-term, stair-stepped subsidies are a poor remedy for trade," declared a statement released by the Iowa Soybean Association. "They stimulate production but not sales and therefore do little to undo the long-term log jam caused by not selling soybeans to destinations like China, the world's No. 1 customer." Experts worry that the huge surplus will drive the price of soybeans to new low as a record volume of soybeans is already stored on U.S. farms this year, further damaging the industry.

A basic principle of economics is seeking increased welfare. Tariffs simply don't help. President Trump claimed that China would pay for his tariffs which are in fact burdening U.S. firms and consumers. Using 2018 data, the National Bureau of Economic Research found a complete pass-through of U.S. tariffs to variety-level import prices, which evidences that the cost of U.S. tariffs is ultimately paid by U.S. importers. According to the Federal Reserve Bank of New York, the Trump administration's latest round of tariff hikes on Chinese goods will cost each typical American household US\$831 per year.

Furthermore, no visible signs have emerged that the tariffs are bringing manufacturing jobs back to America as President Trump promised. In fact, Washington has probably been aiming the wrong direction. K. William Watson with the Cato Institute argues that trade isn't the main cause of the decrease in manufacturing employment, which started dropping in 1979 long before China was a major trading



April 24, 2019: A farmer in the U.S. state of Iowa checks seeds that have just been sown. Xinhua

partner of the United States. By far the greatest single cause of job loss is technological improvements that have enabled greater efficiency and automation.

Today, it should be clear that both sides of the Pacific are worse off. Tumbling stocks as illustrated by Dow Jones and Shanghai Composite numbers send clear signals of decaying investor confidence. Lost gains from trade, dismantled supply chains and risk of decoupling not only bite the world's two largest economies but also pose huge threats for global business, weakening the world's economic momentum.

Further intensification of the dispute between Washington and Beijing would probably destroy about 0.7 percent of global GDP from 2021 to 2022 according to a report from the Organization for Economic Cooperation and Development (OECD). If the prediction is accurate, the blow to the world economy from higher tariffs could eventually be quantified at about US\$600 billion.

Abuse of political power won't solve the problems plaguing the U.S. economy, but it may poison the country and the global economy at large.

Principles not Politics

Text by Liu Xuecheng

Cooperation based on principles can serve the fundamental interests of China and the U.S.

Beijing released a white paper on China-U.S. economic and trade consultations and China's position on June 2, 2019. It shined light on the issues that have been addressed and the differences that remain after 11 rounds of bilateral trade talks over the past year.

The Trump administration has lied to the world repeatedly, including the assertion that the United States has been a victim of its trade relations with China. The facts on

the matter are most persuasive.

With China as the largest developing country and the United States as the largest developed country, a mutually beneficial relationship with strong complementarity and inter-linked interests has been forged and strengthened. In 2018, bilateral trade in goods and services exceeded US\$750 billion, and two-way direct investment approached US\$160 billion. Bilateral trade in goods grew from less than US\$2.5 billion in 1979 to US\$633.5 billion in 2018. China is the key export market for American-made airplanes, soybeans, automobiles, integrated circuits and many other products. From 2009 to 2018, China was one of the fastest-growing export markets for American goods, with an annual average increase of 6.3 percent and an aggregate growth of 73.2 percent, higher than the average growth of 56.9 percent in other regions of the world.

The Trump administration has completely ignored trade in services. Two-way trade in services rose from US\$27.4 billion in 2006 to US\$125.3

billion in 2018. China's services trade deficit with the United States reached US\$48.5 billion in 2018.

Over the past 40 years, two-way investment between the two countries has grown from near zero to approximately US\$160 billion. By the end of 2018, cumulative Chinese business direct investment in the United States exceeded US\$73.17 billion. Chinese business investment in the United States has contributed greatly to local economic growth, job creation and tax revenues. In fact, if trade in goods and services and two-way investment are analyzed together, the picture is clear: China-U.S. trade and economic relations are mutually beneficial.

The Trump administration has placed all the blame on the Chinese side for the collapse of trade talks, alleging that China backtracked on significant commitments. However, facts show that the Trump administration has been the party backtracking at least three times on commitments, not the Chinese government.

Beijing has been consistent and clear on its stance on the economic and trade relations between the two countries. With such a closely inter-linked and deeply interdependent economic relationship between the two largest economies, cooperation is the only choice for China and the United States. Cooperation can serve the fundamental interests of the two countries, and confrontation can only hurt both. China hopes that the two countries can work together to seek solutions to their disputes and differences. However, cooperation must be based on principles. China will not compromise on major issues of principle and on state sovereignty.



April 9, 2018: A Chinese national flag in front of containers at the Yangshan Deep Water Port, an automated cargo wharf, Shanghai. VCG

The author is a senior research fellow with China Institute of International Studies (CIIS).

Principles for Cooperation and Bottom Lines in Consultation

Text by Yuan Youwei

The Chinese government attaches great importance to the development of China-U.S. economic and trade relations and is willing to do everything possible to maintain hard-won achievements. However, cooperation must be based on principles. There are bottom lines in consultation.

On June 2, 2019, China's State Council Information Office held a press conference and issued a white paper titled *China's Position on China-U.S. Economic and Trade Consultations*. It was the second white paper following *The Facts and China's Position on China-U.S. Trade Friction* that was issued in September 2018 after the U.S. unilaterally provoked trade friction in February 2018. With a solid foundation of concrete data, the white paper provides a comprehensive outline of China-U.S. economic and trade consultations to ensure correct understanding of the facts, which drew massive attention worldwide.

First, the white paper aims to shine light on the truth. Since the beginning of China-U.S. economic and trade consultations in February 2018, consultations have been carried out behind closed doors to avoid external interference and remained highly confidential. However, before the 11th round of high-level China-U.S. economic and trade consultation was held in May 2019, the Trump administration unilaterally announced it would raise tariffs on US\$200 billion worth of imports from China up to 25 percent from 10 percent. Later, the U.S. government blamed China for the setbacks and inconclusive talks

and accused China of backtracking on its position. Considering the array of misinformation spewing from Washington, the Chinese government had no choice but to publish the white paper to show to the international community that setbacks in the consultations were the result of the U.S. breaching consensus and commitments as well as its own backtracking.

Second, the white paper illustrates the nature of the trade war launched by the U.S. on China: It harms others and does not provide any benefits for itself. To win over voters to support its trade war against China, the Trump administration claimed that the trade war will completely reverse the situation that China's "unfair" and "non-reciprocal" trade policies have created a trade deficit in bilateral commercial exchange that constitutes "being taken advantage of." To pacify domestic interest groups suffering from the trade war, the U.S. government claimed that China would bear the worst consequences despite overwhelming evidence to the contrary. The facts and figures from the China-U.S. trade friction over the past year irrefutably show that there is no winner in this trade war. The trade war unilaterally provoked by the U.S. side has dragged down global economic growth, seriously




April 26, 2019: A worker is busy at Gestamp Auto Components (Kunshan) Co., Ltd., Suzhou City. VCG

disrupted global industrial and supply chains, and seriously and negatively impacted U.S. businesses, consumers and economic growth. Even officials from the Trump administration have admitted that the price for the trade war is primarily being paid by U.S. businesses and consumers. The white paper shines light on the hypocrisy of the U.S. government and exposes its lies.

Finally, the white paper reiterates the clear and firm position of the Chinese government. Since the establishment of China-U.S. diplomatic ties some 40 years ago, economic and trade relations between the two countries have experienced many difficulties of one kind or another. However, under sound guidance

from top leaders of both sides, the China-U.S. commercial relationship has started serving as both the ballast and the propeller of the overall bilateral relationship. The Chinese government attaches great importance to the development of China-U.S. economic and trade relations and is willing to do everything possible to maintain hard-won achievements. China does not want a trade war. However, cooperation must be based on principles, and there are bottom lines in consultation. China is not afraid of a trade war with the U.S. Consultation should be based on mutual respect, equality and mutual benefit. Consultation involves working toward the same goal. Negotiations will go nowhere if one side tries to coerce the other or if only one party will benefit from the outcomes.

The Office of the U.S. Trade Representative and the U.S. Department of Treasury released a statement in response to China's white paper, which is far from persuasive and full of empty talk. China's current economic achievements are not a gift from others. It comes from the hard work and unremitting effort of all Chinese people. Against a backdrop of rising trade protectionism and unilateralism globally, China, as the world's largest developing country and second largest economy, will assume responsibility rather than stepping back from difficulties. It will continue its institutional and structural reform and opening up as it contributes to the construction of a community with a share future for humanity. 

The author is deputy director of the Department of External Affairs, China Center for International Economic Exchanges (CCIEE).

End-of-life Care 安宁疗护

Edited by Li Zhuoxi

End-of-life care provides comfort to terminally or seriously ill patients and meets their physical, mental and spiritual needs. It aims to help them control pain and discomfort to improve the quality of their final days and die with greater dignity.

The outline of the "Healthy China 2030" plan released by Chinese au-

thorities in 2016 declared that China would build a comprehensive and continuous health service system for the elderly covering hospitalization, rehabilitation, stable life care and end-of-life care. In 2018, a total of 283,000 patients received end-of-life care across the country.



China has taken measures to promote end-of-life care nationwide. On June 13, 2019, the country's National Health Commission announced in a regular briefing that China has launched the second round of end-of-life care pilot programs. VCG

Nighttime Economy 夜间经济

Edited by Li Zhuoxi

Nighttime economy refers to business activities conducted between 6 p.m. and 6 a.m. in the service sector including shopping, catering, tourism, entertainment, education, film and other leisure activities.

In its work report to the annual session of the Beijing Municipal People's

Congress in 2019, the Beijing Municipal Government proposed measures to boost consumption in the nighttime economy and encourage major commercial districts, shopping malls, supermarkets and convenience stores to extend their business hours appropriately. 



A strong nighttime economy is indispensable to a prosperous metropolis. In this year's work report, the Beijing Municipal Government proposed measures to boost consumption in the nighttime economy and encourage major commercial districts, shopping malls, supermarkets and convenience stores to extend their business hours appropriately. VCG

Chinese Miracle

of Economic Development

Text by Justin Yifu Lin

China is a developing country and has similar national conditions to other developing countries around the world. Compared to development theories from developed countries, China's theories are better poised to help other developing countries seize opportunities and overcome difficulties to promote industrialization and modernization and achieve the goal of economic prosperity.

November 3, 2018: A high-speed train runs on the Zaozhuang section of the Beijing-Shanghai High-speed Railway. Over the past 70 years, China has developed from a poor, backward agrarian country into the world's second largest economy. IC

This year marks the 70th anniversary of the founding of the People's Republic of China. Under the leadership of the Communist Party of China (CPC) and thanks to tireless efforts of all Chinese people, China has transformed from a poor, backward agrarian country into the world's second largest economy and biggest manufacturing powerhouse.

Over the past seven decades, China's economic development can be roughly divided into two periods: The first period lasted from 1949 to 1978, when China adopted a planned economy system and strove to promote economic development

through industrial modernization. The second period started at the end of 1978 and continues to present day, during which time China established and continues to improve a socialist market economy system by upholding reform and opening up, which has resulted in a miracle of economic development never before seen in human history. China's economy is now transitioning from a phase of high-speed growth to a stage of high-quality development. This is a pivotal period for transforming the growth model, improving economic structure and fostering new drivers of growth.

70 Years for a Miracle

In the period of the planned economy, China mainly followed the Soviet model of development with an aim to build up a complete heavy industry system from scratch. Although this development mode could help a developing country quickly establish a modern industrial system, it also caused many problems in economic development. China formed a relatively complete modern industrial system under the system of planned economy but continued to suffer unsatisfying industrial efficiency and comparatively low per capita income. As a result, people's



China's development over the past seven decades presents a gold mine to be explored by economists seeking theoretical innovation.

living standards didn't see obvious improvements.

At the end of 1978, China became the first socialist country to transition from a planned economy to a market economy. Instead of following the neoliberal development theory that was mainstream globally at the time, its transformation opted for an approach of promoting gradual dual-track reform through emancipating the mind and seeking truth from facts. The country set up special economic zones to create



1993: A pedestrian talks on a cell phone while passing by a portrait of Deng Xiaoping, chief architect of China's reform and opening up, in the street of Shenzhen, Guangdong Province. Over the past 40 years since the beginning of its reform and opening up, China has worked a world-shaking development miracle. At the same time, the country's understanding of reform has kept pace with the times. VCG

regional advantages to overcome bottlenecks in terms of infrastructure and the business environment at the time.

During the 1980s and 1990s, neoliberalism continued to prevail around the world. Neoliberal economists prescribed "shock therapy," arguing that it was the only effective treatment for a planned economy to transition to a market economy. Some said that the gradual dual-track transformation adopted by China, in which both the government and the market played roles in resource allocation, was the "worst institutional arrangement" and predicted that it could result in more problems than the planned economy had.

However, China has maintained rapid economic growth for the past 40 years and made achievements that might have taken developed countries hundreds of years, creating a world-shaking development miracle. At the same time, China's recognition and deployment of reform has kept pace with the times. In 2013, the third plenary session of the 18th CPC Central Committee adopted a decision to comprehensively deepen reform, which called for "allowing the market to play a decisive role in allocating resources and improving the government's role." The report of the 19th CPC National Congress stressed that China should ensure "the market plays the decisive role and the



May 1997: The Shekou Industrial Zone in Shenzhen. Since the beginning of China's reform and opening up, Shenzhen has maintained rapid development due to its preferential geographical location adjacent to Hong Kong and Macao and its policy advantage as a special economic zone. Xinhua

government plays its role better" in resource allocation.

Currently, both China and the world are navigating profound



1955: Technicians check the quality of a huge transformer according to the original design blueprint. That year, Shenyang Transformer Factory successfully produced huge transformers. by Yang Rongmin/CFB

and complex changes. China remains in an important period of strategic opportunity for development in which the prospects are bright but the challenges daunting. As China's economy enters a new normal, the country needs to put its new development philosophy into practice, forge a modern economic system, pursue supply-side structural reform as its central task and strive to embrace better quality, higher efficiency, and more robust drivers of economic growth through reform. It needs to give full play to the role of the "effective market" and the "responsible government." Even facing a relatively unfavorable external environment, China's economy can still grow through enhanced innovation and competitiveness and ensure realization of the country's goal to complete

construction of a moderately prosperous society in all respects by 2020 as it launches the Chinese people on a journey to fully build a modern socialist China.

Chinese Model for Developing Countries

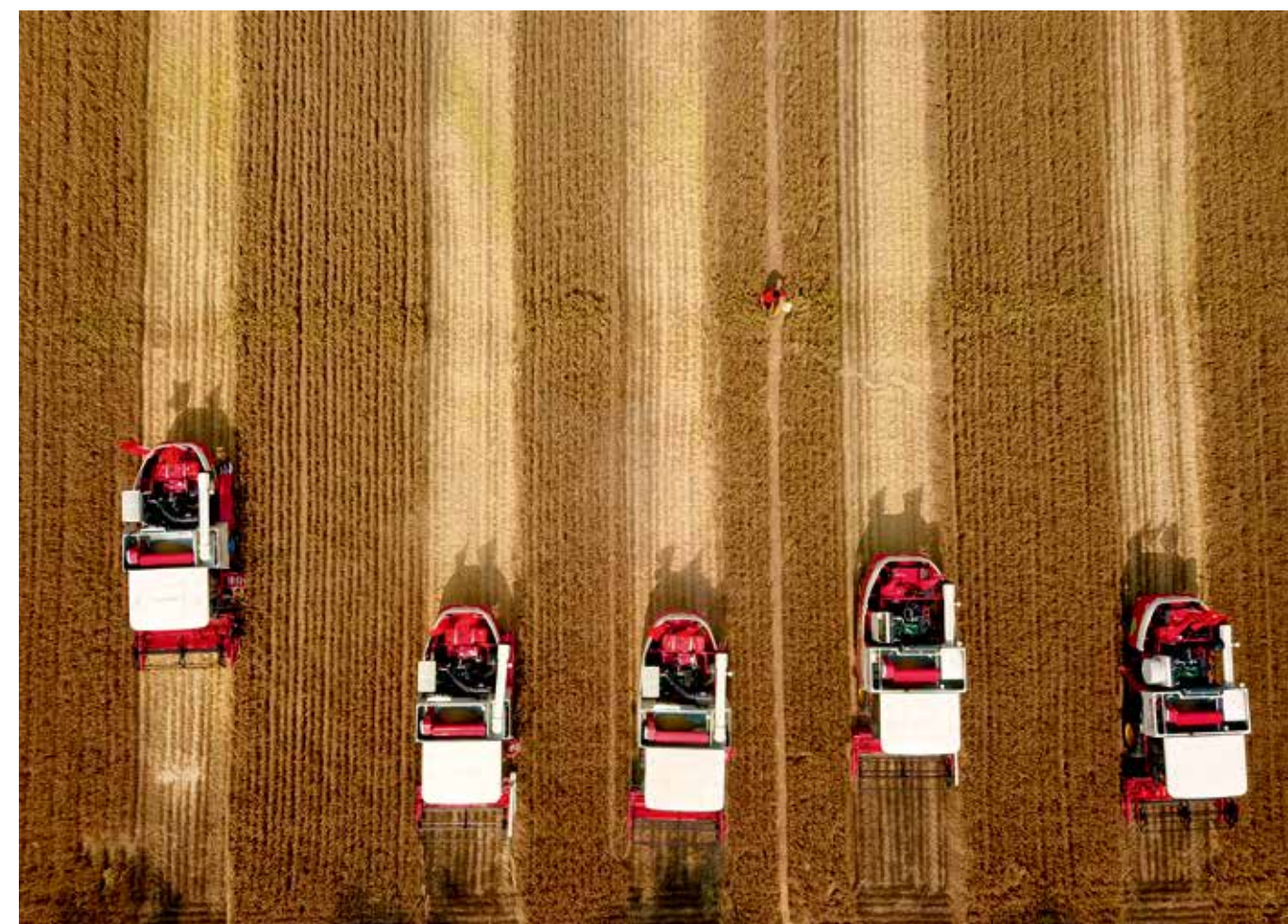
All mainstream economics theories circulating the world today were produced in developed countries. Those theories exert global influence. Some developing countries have formulated development and reform policies based on those theories. However, China has achieved rapid economic development with a development mode that runs counter to the so-called mainstream theories, which should inspire retrospection on modern economics. In fact, almost every developing country that has formulated policies according to

mainstream economic theory has been plagued by economic stagnation, crisis and even social turmoil. The primary reason is that those theories benefit developed countries and miss the differences between developing and developed countries based on endogenous results of contrasting national conditions.

China's development over the past seven decades presents a gold mine to be explored by economists seeking theoretical innovation. Over the first 30 years since its founding in 1949, New China showed few major differences from other socialist countries or developing countries as it followed the mainstream path of that time. However, it has blazed new trails during the 40 years of reform and opening up and created a never-before-seen economic miracle of human history—a miracle that



June 6, 2017: The industrial robot production workshop in Siasun Robot and Automation Co., Ltd. in Shenyang, Liaoning Province. In recent years, China's economy is transitioning to high-quality development. by Yang Qing/Xinhua




May 31, 2019: Reaping machines work in a wheat field in Zhongshan Town of Jining City, Shandong Province. by Guo Xulei/Xinhua

cannot be explained with existing theories. The marvelous achievements of China's reform and opening up are absolutely worth further study with new theories.

To make China's experience in reform and opening up a source of inspiration for theoretical innovation of economics, the best place to start would be to determine which factors cause the structural differences between China—a developing country—and developed countries. The industrial structures of countries with different degrees of development are endogenous, and every stage of development features different

factor endowments. Such an endowment structure determines a country's industries with comparative advantages at each stage of development. Industries with comparative advantages coupled with appropriate infrastructure and certain system arrangement will make a country's industries more competitive. This development structure has proved optimal.

In terms of summing up China's experience in development with an aim of developing theoretical innovation, Chinese economists clearly enjoy a favorable position. China remains a developing country and has similar national conditions to other

developing countries in the world. Compared to development theories from developed countries, China's theory is better suited to help other developing countries seize opportunities and overcome difficulties as they promote industrialization and modernization and reach towards the goal of economic prosperity. 

The author is dean of the Institute of South-South Cooperation and Development and honorary dean of the National School of Development at Peking University.



The state-run Beijing No.2 Textile Mill, one of the 39 major textile plants that China established before 1957. After October 1949, China built several modern textile bases in major inland cities such as Beijing and Xi'an. CFB

China's Economy

A Singular Voice in the Choir

Text by Wang Shuguang

Against a backdrop of increasingly complicated globalization worldwide, China is working hard with many countries to build a community with a shared future for humanity, a drive that has substantial historical and global importance.

Over the past seven decades, China's relationship with the world has undergone profound changes. The history of China's participation in globalization can be divided into three periods: The first period lasted from 1949 to 1978, when China focused on independent development and avoided falling into the

trap of globalization. The second period lasted from 1979 to 2001, when China began embracing the process of globalization. The third period started in 2002 and continues to present day: China is playing an active role in guiding globalization and proposing construction of a community with a shared future for humanity.

Independent Economic Development

The founding of the People's Republic of China in 1949 marked a milestone for the country's national independence and sovereignty. It ended China's century-long status as a semi-colony of Western powers and kicked off a new journey of national independence and rejuvenation.

Facing the Cold War and a long-term embargo by Western countries, China proceeded to pursue independent economic development and industrialization. The embargo imposed by more than 40 member states of the Paris-based Coordinating Committee for Multilateral Export Controls failed to constrain China's development. Instead, it only motivated China to develop its own complete industrial system. As China took action to overcome the Western embargo and explored overseas markets, priority was still placed on expanding the domestic market. To make up losses caused by bans on imports on the embargo list, China accelerated research and manufacturing of industrial products to replace those commodities. In this process, it expanded exploration of domestic resources and drove construction of a complete industrial system.

At the time, the independent development strategy exempted China from the negative impacts of the unfair international trade system because its economic and diplomatic strength remained weak. This blessing in disguise helped the country avoid becoming dependent for economic development and being exploited due to unequal international division of labor as many emerging national states in Asia, Africa and Latin America have experienced after World War II. The ultimate result of the Western embargo was forcing China to design a complete, systematic and independent industrial system and a comprehensive industrial chain covering heavy industry, defense industry and light industry. China's effort in this area laid a solid foundation for the formation of the country's independent, self-reliant and self-sufficient industrial system and economic development strategy.

Active in Globalization

Following the beginning of reform and opening up in the late 1970s, China adopted a strategy of "actively participating in globalization" after changes in the international landscape. Ensuring that reform and opening up complement and boost each other became the main tone of this period. Measures such as introduction of foreign capital, reform of the foreign trade system, opening up of the financial sector and internationalization of the RMB all aimed to drive reform of China's domestic systems by introducing external elements. By participating in globalization, China has not only deepened communication with other countries in the world, but also reformed and innovated.

During the period, China participated in globalization in a comprehensive and intensive

manner across a wide array of fields. China strove to introduce foreign capital, the overwhelming majority of which was long-term foreign direct investment (FDI). This is a principle China has continued to uphold in the introduction of foreign funds, sharply contrasting some Southeast Asian countries which focus on introducing short-term investment and capital market investment. At the same time, China introduced many advanced management ideas and methods as well as advanced technologies and equipment from Western countries. The amount of foreign capital used multiplied exponentially over two decades, making China one of the top countries attracting the most FDI.

This period also brought rapid growth in China's foreign trade. After a long period of painstaking negotiations, China officially joined the



The Lujiazui Development Zone in Shanghai in 2007. Since its reform and opening up in the late 1970s, China has taken measures such as introduction of foreign capital, reform of the foreign trade system, opening up of the financial sector and internationalization of the RMB to drive reform of China's domestic systems by introducing external elements. CFB

World Trade Organization (WTO) as its 143rd member on December 11, 2001. The lengthy process of China seeking WTO entry was a process of China's economy increasingly opening up to the outside world and China's economic system continuously deepening reform. It was also a process of China fighting against international trade rules formulated around Western values and benefits. In consideration of long-term strategies, China made certain compromises in the process to obtain entry into the international market, enjoy the benefits of globalization and gain a greater voice in global affairs.

China has already evolved into the world's largest trader—an achievement worthy of pride. Fast-growing foreign trade has become the most important drive for accelerating China's economic growth and transformation, making it impossible for China to ever become secluded again. It is deeply participating in international commodities production and transactions.

New Globalization

Since the beginning of the 21st century, especially after the 18th National Congress of the Communist Party of China (CPC) in 2012, China's strategy has transitioned from “actively participating in globalization” to “actively guiding globalization.” Undoubtedly, China is now attaching unprecedented importance to internationalization. The country is more open and more deeply integrated in world economics than ever before.

China is working hard to promote the Belt and Road Initiative. From the perspective of global economics, politics and culture, the Belt and Road Initiative is a concept offering great vitality and exerting a profound impact. With policy coordination, infrastructure connectivity, unimpeded trade, financial integration and closer people-to-people ties as its main goals, the initiative upholds the concept of “open regionalism”



The Dong'ao Clothes Factory, invested by a Chinese company in Dar es Salaam, Tanzania, provides many jobs for local residents. Under the framework of the Belt and Road Initiative, Chinese and foreign enterprises achieve coordinated development and shared benefit.
by Li Sibao/Xinhua



The three-kilometer-long Maputo Bridge, with a main span of 680 meters, is the largest suspension bridge in Africa. Constructed by China Road and Bridge Corporation, the bridge was officially open to traffic in November 2018. The president of Mozambique once called it an “engineering masterpiece.” by Zhang Yu/Xinhua



From November 5 to 10, 2018, the first China International Import Expo was held at the National Exhibition and Convention Center in Shanghai, attracting more than 3,600 exhibitors from 172 countries, regions and international organizations and over 400,000 domestic purchasers, with a total exhibition space of 300,000 square meters. VCG

and stresses principles of extensive consultation, joint contribution and shared benefits, a radically different philosophy from the hegemonic mentality. The Belt and Road Initiative is a global strategy fostering mutual trust, connectivity and sharing, which is in everyone's interests and brings countries closer together by standing them shoulder to shoulder.

Globalization has now reached a new stage. China must continue

expanding opening up and international cooperation and deepening interaction with the outside world, including economic and cultural exchange. China must more deeply integrate with the international community as well as China's. The rise of a great nation relies on openness and inclusiveness, not isolationism and exclusiveness; it should not rise at the cost

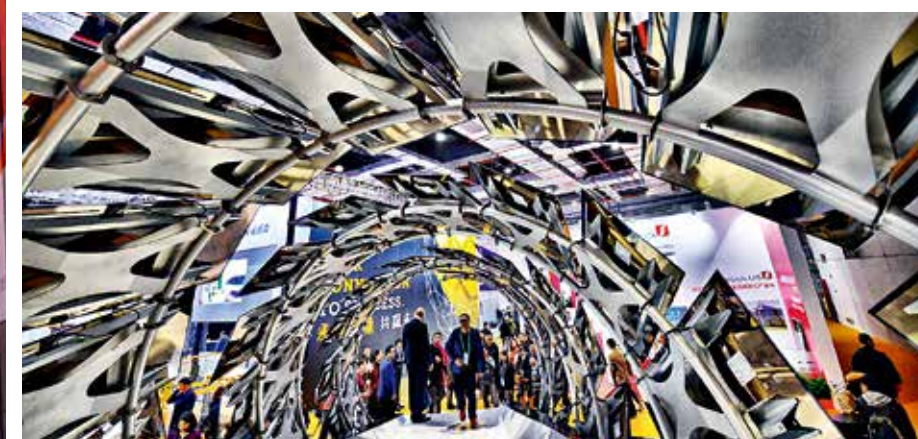
of the decline of neighboring countries but climb alongside other nations through win-win cooperation. Traditional Chinese culture is noted for its remarkable inclusiveness and can serve as the spiritual foundation for China to rise as a major economic powerhouse in the world. This is one great advantage of China.

In November 2012, the report to the 18th CPC National Congress proposed building "a community

with a shared future for humanity." It was the first time the concept was featured on an important document of the CPC, and the phrase later became an important guiding philosophy of China to coexist with the outside world in this new era. As globalization enters a new stage, leveraging its judgment of the international situation as well as its historical accumulation and cultural tradition, China has formulated solutions with Chinese wisdom to



The C919 is the first large passenger jet independently designed and manufactured by China based on the latest international civil aviation standards. The aircraft completed its maiden flight on May 5, 2017. by Chen Jian



November 10, 2018: Visitors are attracted by a structure integrating artistic design and environmentally-friendly CIGS thin-film power generation at the first China International Import Expo in Shanghai. VCG

fuel the long-term development and prosperity of the world. On February 10, 2017, the concept of building a community with a shared future for humanity was incorporated into a UN resolution for the first time, and subsequently into a resolution of the UN Human Rights Council. The introduction of the concept reflects the inheritance, refinement and sublimation of traditional Chinese historical and cultural genes in contemporary times, sums up China's experience in development over the past 70 years, and evidences the changes in China's economic, political and cultural status in this new era.

Currently, the international economic and political landscape is displaying an obvious tilt towards

anti-globalization. In this context, Chinese leaders have stressed on many occasions that globalization is an irreversible trend as they call on countries around the world to strengthen consultation through multilateral platforms and strive for integration and mutual promotion of economics, politics and culture. Against an international backdrop of increasingly complicated globalization, China is striving to work with various countries to build a community with a shared future for humanity, a drive that has substantial historical and global importance. 

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Early Economic Explorations

Text by Liu Dian

Many economic initiatives in the early days after the founding of the People's Republic of China were unprecedented explorations and practices in selecting the development path toward a publicly owned economy. They were profoundly significant.

Since the People's Republic of China was founded in 1949, the Communist Party of China (CPC) has consistently performed strategic exploration of economics. From 1949 until the end of the first Five-Year Plan period (1953-1957), China completed a series of remarkable economic achievements.

If you compare the economy of China to a computer, its economic system serves as the operating system. The backward system of old China was collapsing in terms of software: The old economic system was in poor shape and couldn't keep up with China's needs to build a modern country. In terms of hardware, many key components were already damaged. Back then, the Chinese economy, which had been plagued by war for decades, was in a state of paralysis: Industrial and agricultural production was severely damaged, domestic and foreign trade was stagnant, goods and resource shortages plagued both urban and rural areas, inflation was severe, and people endured difficult lives. The most urgent task for the newly founded People's Republic of China

was to wipe the outdated data from its obsolete system and to reboot and revive the broken Chinese economy as soon as possible.

Focusing on "Unification"

In the eight years from 1949 to 1957, the economic work of the Chinese government could be divided into two phases. The work focus at each phase was different. The first stretched from 1949 to 1952, and the focus of this period was restoration and adjustment.

This period was also known as the recovery period of China's national economy, with the core of economic work on "unification." At the time, China's economic situation required the country to take effective measures to unify economic management. The heart of the task was to unify the country's financial and economic work to stabilize its monetary and financial system.

This was a silent "war." In fact, this battle was already raging even before the founding of the People's Republic of China. Faced with China's chaotic economic situation at that time, the CPC used the battle to curb the price hike of commodities

October 27, 1953: The first China-produced seamless steel pipe is made in Anshan City, Liaoning Province. China's large-scale industrial exploration and development began shortly after 1949. CFB



In 1951, China's agricultural production received a bumper harvest, and grain production increased by 7.1 percent from the previous year. CFB

in Shanghai as an opportunity and launched three major economic “wars,” including a war on the silver dollar, a war on cotton yarn and a war on grain. The victory in these three wars paved the way for the unification of China's finance and economy.

However, the overall situation remained grim. For some time after the People's Republic of China was established, grain deliveries and tax revenues were still received by local governments. The central government couldn't carry out unified collection of funds by the state, only unified allocation. Healthy development of the economy required this situation to change.

To solve the problem, the National Financial and Economic Work Conference was held in February

1950. The conference focused on the major issues of unified financial and economic regulation, staff reduction, monetary management, and balanced allocation of material resources. Specific measures were made to target these problems. In March 1950, the three main tasks to unify China's financial and economic work were promulgated: unifying management of national fiscal revenues and expenditures, unifying nationwide material distribution and unifying national monetary management. In just a few months, China realized the unification of financial and economic work, fundamentally changing the fragmented situation in finance, economics and fiscal revenues and expenditures as well as the unstable financial situation and

commodity prices. Since then, China's economy has maintained normal and regular operation.

After solving the “unification” problem, China strove to restore and adjust the economy from 1949 to 1952. The country gradually established a state-owned economy, creating the material foundation for restoring the national economy and carrying out large-scale economic development.

Development and Construction

The focus of the second phase of China's economic development in the early days after 1949 was development and construction. Due to a weak industrial foundation, the prevalence of the small-scale farmer economy, low agricultural productivity and an underdeveloped commodities economy, China was quite lagging in terms of overall economic development as well as social and economic structure. In 1953, the country implemented its first Five-Year Plan to develop its national economy.

During the first Five-Year Plan period, China launched large-scale international economic cooperation primarily with the Soviet Union. A total of 156 key construction projects assisted by the Soviet Union were carried out during the first Five-Year Plan period. After years of effort, China made great achievements and completed targets ahead of schedule in 1956. By 1957, China's national industrial output value reached nearly 79 billion yuan (US\$11.5 billion), exceeding 21 percent of the original plan, an increase of more than 128 percent over 1952. By the end of 1957, various targets of the first Five-Year Plan had been overfulfilled. The achievements in industrial production during China's first Five-Year Plan period far exceeded those of the previous 100 years. The



Workers are busy at the Shanghai No.2 Garment Production Cooperative. In 1953, China decided to carry out socialist transformation of its handicraft industry. Since then, the handicraft industry developed rapidly during the first Five-Year Plan period (1953-1957). by Zheng Guanghua/CFB



1956: The Shanghai Xindaxiang Silk Shop hangs a signboard for public-private partnerships. With the completion of the socialist transformation of capitalist industry and commerce, the three major socialist transformations on agriculture, handicraft industry as well as capitalist industry and commerce all succeeded. From then on, the socialist system was established in the economic field. by Lu Yongzhen/CFB

country's growth rate was also among the best in the world during the industrial take-off period.

China made great achievements during its early days of construction. The period served as the foundation for the country's economic development over the past seven decades. From the period of national economic recovery to the completion of the first Five-Year Plan, China's economy encountered many difficulties. In terms of economic development and social supply and demand, China faced shortages in funds and professional and technical personnel. It couldn't provide people with sufficient food and clothing, and supply from the market couldn't be increased during a short time. To cope with the situation, the Chinese government strengthened the unified economic management and gradually formed a highly centralized system of planned economy. This system met China's need to concentrate on the development of heavy industry and

played an active role at that time.

Today, looking back at different economic policies for different historical periods over the past 70 years, it should be clear that both market forces and planning are effective means of economic development. Planning is not the essential feature of socialism, and the market is not only for capitalist economies. Both are instruments for economic development. Many economic initiatives in the early days after the founding of the People's Republic of China were unprecedented explorations and practices in selecting the development path toward a publicly owned economy. They held great and profound significance, leaving behind immeasurable historical value and experiences for generations to come. 

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China's Industrialization

Text by Xu Jiabin

China's large-scale industrial exploration and development that began shortly after the founding of the People's Republic of China in 1949 continued for about 30 years, laying a solid foundation for the country's historic reform and opening up that started in the late 1970s.



May 25, 2019: "Nanhai No.2," a semi-submersible drilling platform of China National Offshore Oil Corporation, has been in operation for 41 years since 1978. China's industrialization witnessed rapid development in the past seven decades. by Wang Yuguo/Xinhua

After World War II, industrialization became the goal of almost every emerging economy and developing country. Not until the founding of the People's Republic of China (PRC) in 1949 did the country begin building a complete industrial system of its own. Large-scale industrial exploration and construction beginning in the early days after the founding of the PRC continued for about 30 years, resulting in a solid foundation for China's historic reform and opening up that started in the late 1970s.

Heavy Industry as Development Priority

When the PRC was just founded, the country lacked virtually any industry. To change the situation, China carried out large-scale industrial development for three decades, which can be roughly divided into three stages. The first phase was centered on 156 key projects launched during the first Five-Year Plan period (1953-1957) and large-scale construction consisting of 694 programs which laid out a springboard industrial system for New China. The second phase was the "three-line" construction starting from the mid-1960s. Construction started from southwestern and northwestern China and expanded to the large areas south of the Great Wall and west of the Beijing-Guangzhou Railway by the 1970s. The drive was a strategic decision to fundamentally change China's industrial concentration in coastal areas and actively develop the economy in old revolutionary base areas, regions heavily inhabited by ethnic minorities, frontier areas and poverty-stricken places, setting the foundation for the continuous optimization of China's industrial layout. The third phase began in the early 1970s. As China-U.S. relations

improved, China established diplomatic relations with a number of Western countries. Embracing a wave of advanced technology and equipment from these developed countries, China later launched a group of industrial projects. These projects laid the material and technical foundation for China's economic development later in the 1980s.

China's industrialization officially started with its first Five-Year Plan. During this period, the country's independent industrial system began to take shape. In 1956, China completed tasks of the first Five-Year Plan ahead of schedule. Some industries which China had lacked such as the production of aircraft, automobiles, power generation equipment, heavy machinery, new machine tools, precision instruments, alloy steel, plastics and electronics were built from scratch. Such efforts fundamentally filled China's industrial void and increased its basic industrial strength.

In the early days after the founding of the PRC when the devastated country needed to be rebuilt and its economic strength was weak, China elevated the development of heavy industry on the country's agenda for national development. It was a careful decision made by the



During its rebuilding process in 1955, Shenyang No.1 Machine Tools Plant received assistance and guidance from Soviet experts. During its industrialization process, China has attached great importance to international cooperation. by Yang Rongmin/CFB



January 10, 2019: A laser cutting machine cuts a piece of metal. In the past ten years, the laser industry has boomed in China. by Pan Siwei/Xinhua

government based on the historical conditions at the time. China is an independent and dignified country, which deserves its own independent and complete economic system, especially an independent and complete industrial system. But China's choices were limited due to the international political environment at the time. In those days, socialist countries and capitalist countries staunchly opposed each other. As a socialist country, China had to protect its national security by developing heavy industry. And this industry was an intrinsic need for China's economic development at that time. Equipment manufacturing industries, which hold great importance in economic development, are mainly concentrated in heavy industry. The scientific and technological development of a country is also primarily exhibited through its equipment manufacturing industries.

Complete Industrial System

Initially, China's industrialization process was carried out within the framework of a planned economy. In the early days after the founding of New China, the country's industrialization made good use of its system. It pooled resources and made systematic development plans



June 12, 2019: Workers install the battery pack for a new energy vehicle, Xi'an. Both the production and sales of new energy automobiles have maintained steady growth in China in recent years. by Shao Rui/Xinhua

for key industries. This method is ideal for countries with late-mover advantages, especially developing countries, to more efficiently use scarce resources.

During its industrialization process, China has been attaching great importance to international cooperation. In the first 30 years after the founding of the PRC, the general principle for the country's industrialization was "independence and self-reliance," which was determined by China's domestic and international political environment at that time. However, the Chinese government never gave up introducing advanced foreign technologies once the international political environment improved.

In the 1950s, China introduced 156 projects from the Soviet Union. In the 1970s, with the improvement of China-U.S. relations, complete sets of advanced technology and equipment were introduced from developed countries to China in large scale, which facilitated China's industrial upgrading and promoted China's industrialization process.

After World War II, almost all emerging economies and developing countries were promoting industrialization. However, after decades of development, only China has established a complete industrial system and realized real industrialization. The reasons for this unique success should inspire thought. First, China has

institutional advantages. After October 1949, relying on its socialist system, the country greatly promoted productivity and realized basic industrialization within a short period of time. Second, China enjoys a demographic advantage. The country's massive domestic market formed by its huge population has provided a market guarantee for China's complete industrial system. The country's abundant labor helped shape a complete industrial system. Third, China has advantages in terms of scientific and technical professionals. In the early days after the PRC was founded, fewer than 500 professionals in the whole country were engaged in specialized



September 14, 2017: China's "Fuxing" bullet trains are assembled, Changchun City, Jilin Province. Over the past decade, high-speed railways have developed rapidly in China, promoting integrated transportation development in the country. by Zhang Nan/Xinhua

“China is an independent and dignified country, which deserves its own independent and complete economic system, especially an independent and complete industrial system.”

scientific research. Research of new technology was almost non-existent. However, this situation changed quickly. By the 1970s, China had already established a relatively complete education system and wielded a huge team of scientific and technical

professionals.

Industrialization in the early days after the founding of the PRC heralded the dawn of both the theory and practice of New China's industrialization. It provided an important reference for the formation of China's industrial theory and a roadmap for the days to come. Thanks to an industrialization foundation laid over the three decades, China launched a series of economic reforms and promoted opening up after the Third Plenary Session of the 11th CPC Central Committee in 1978. New industrialization patterns since the beginning of China's historic reform and opening up constantly evolve and improve based on the work of the first 30 years. 47

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Soviet Model to Chinese Path

Text by Huang Zongliang

China's rich experience in development practice could provide a reference for the development of other countries.

Since the founding of the People's Republic of China (PRC) in 1949, the country's 70-year development has been widely recognized as a successful example of economic development and system reform. Looking back at the tortuous

course of reform and development, one of China's trajectories is well worth studying: using the Soviet model as reference to devise its own unique path.

Soviet Model

In the early days after the

founding of the PRC, China called for learning from the Soviet Union for two main reasons. First, in the absence of socialist construction experience, learning from the Soviet model was a realistic choice. Second, because Western capitalist countries imposed trade blockades on China, learning from the Soviet model was necessary to overcome isolation and acquire assistance from the Soviet Union.

The development concept and strategies of the Soviet model can be summarized as "eight priorities": it emphasizes politics over economics, industry over agriculture, heavy industry over light industry, military industry over civilian use, development speed over efficiency, accumulation over consumption, planning over market-oriented management, and national interests over personal interests. Such



November 7, 1951: Wu Yuzhang, vice president of the Sino-Soviet Friendship Association, delivers a speech at an event celebrating the 34th anniversary of the October Revolution of the Soviet Union. CFB



November 1, 1954: A Soviet expert exchanges technical experience with Chinese ship repairers. CFB



April 1950: Workers from Beijing's Shijingshan Steel Plant learn from a Soviet expert. With an infusion of advanced Soviet expertise, the enterprise grew fast. CFB

"priorities" are all relative. The Soviet Union did not fully recognize that productivity and economic development are the deciding factors for social development, and even embraced voluntarism. "Market socialism" was criticized until the 1970s because the Soviet Union believed that a market economy would destroy the economic foundation of socialism.

After the drastic changes in the Soviet Union and Eastern Europe in the late 1980s and early 1990s, three theories on the general situation remained to characterize the socialist movement of that time:



May 1950: A Soviet expert instructs his student at Dalian Railway Factory Youth Technical School. CFB



May 1, 1956: A Soviet expert answers questions from graduate students studying chemical engineering. CFB



July 1, 1957: Soviet experts working in Harbin are engaged in the rescue work when a major flood breaks out in the city. CFB

the “Failure Theory,” “Low Tide Theory” and “Turning Point Theory.” Promoters of the “Failure Theory” argued that the socialist revolution had failed and that its history had “come to an end.” Some accepted the “Low Tide Theory” with similar reasoning: Only five of 15 socialist countries had survived, and the total number of communists (outside China) had decreased from 44 million to 11 million by 1995. The “Turning Point Theory” emerged when under the trend of globalization, socialist political parties around the world summed up historical lessons and abandoned the Soviet model in favor of a socialist road and model more in line with the characteristics of each specific domestic environment.

The “Turning Point Theory” is the most commonly accepted version in China. It can be used to summarize the similarities and

differences between the two stages before and after China’s reform and opening up. Mao Zedong and Deng Xiaoping continued to advocate and implement socialism under the guidance of Marxism and commit to the integration of Marxism with China’s actual conditions, but China’s road veered into a different socialist model after its reform and opening up.

The transformation is clear in the following aspects: China’s focus shifted from class struggle to economic development, resulting in transitions from a single public ownership to an economic system in which public ownership is dominant but various economic sectors develop side by side, from a planned economy to a market economy, from a closed or semi-closed economy to expanding opening up in scope and depth and connecting with the world economy, from egalitarianism to encouraging

certain people or regions to seize prosperity before others, from “all-around dictatorship over the bourgeoisie” in the superstructure to true absorption of the essence of foreign civilizations, from insufficient democracy and an extremely unsound legal system to a socialist country ruled by law and democracy.

Especially during the past 40 years of reform and opening up, China has made remarkable achievements. Some even use the word “miracle” to describe China’s development. In 1992, Deng Xiaoping’s “Southern Tour Speeches” introduced the idea of not debating on whether socialism or capitalism can better break ideological rivalry to accelerate the pace of reform and opening up. Later on, China joined the international division of labor system after its accession to the World Trade Organization, and its economic development accelerated.

More than half a century ago, Mao Zedong suggested that China make greater contributions to humanity. Today, human society has proposed a new task for China: Seeking a new model of development based on past experience and lessons. China’s development has done tremendous things. Although its success does not mean that the Chinese path and model should be universally applied, China’s rich experience could provide a reference for development of other countries. 

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China's Land System

Making Room for Economic Development

Text by Liu Shouying

The reform of China's land system has served as an engine driving the country's economic growth.

Since the founding of the People's Republic of China in October 1949, the Chinese government has considered land management a priority related to stability and development, attaching great importance to land legislation and system construction. Over the past seven decades, China's land management system has evolved alongside the country's economic and social development, constantly improving and developing through exploration and practice as well as reforms and innovation.

Evolution of China's Land System

From 1949 to 1952 when the newly founded People's Republic of China was working to revive its national economy, the core issue of land system management was land ownership. China promulgated two laws of constitutional nature: *The Common Program of the Chinese People's Political Consultative Conference* (1949) and *The Agrarian Reform Law of the People's Republic of China* (1950). Under the guidance of the two laws, China spent only three years finishing the

largest-scale land reform drive in modern human history, abolishing feudal land ownership and establishing farmer land ownership, which greatly incentivized farmers and kindled enthusiasm for production, resulting in significant improvement in rural production and living standards of farmers.

From 1953 to 1977 as China was continuing its socialist transformation and exploration, the reform of the land management system focused on establishing rural collective land ownership and requisition of land for national construction. In 1954, the first *Constitution of the People's Republic of China* was promulgated, announcing that the country would protect farmers' ownership of land and means of production. Soon thereafter, thanks to the agricultural cooperative movement, China completed a basic socialist transformation in rural areas, realizing transformation of rural land from private ownership to public ownership. At the same time, the country accelerated economic development. According to the Constitution, the state was allowed to requisition land in the public

interest in accordance with the law.

Since China started implementing the reform and opening-up policy in 1978, the country's land management system has remained rule-based and operated in accordance with the law, gradually forming a modern land management system. The amended Constitution of 1982 stipulated that land in the cities is owned by the state while land in rural and suburban areas is owned by collectives, a legal framework with two ownerships of land. From 1987 to 1997, the priority of the land management system was to establish a paid transfer system for urban state-owned land that could be compatible with a socialist market economy, which has played an important role in protecting the interests of owners and promoting urban construction. *The Land Administration Law of the People's Republic of China*, revised in 1998, included major reforms of land management and utilization methods. Based on the basic national conditions of China with a large population and meager farmland, the Chinese government infused measures used in land management from



In 1951, Ye Jincai, a farmer of the Hui ethnic group in Qinghai Province, worked on his land for the first time after New China abolished feudal land ownership and established farmer land ownership. by Ru Suichu/CFB



In 1951, in Lengshuigou Village of Licheng County, Shandong Province, farmers measured their lands which were confiscated from landlords. CFB

advanced countries to set up a basic framework for a modern land management system, highlighting protection of cultivated land, land use control and the overall planning of land use. In the 21st century, China has strengthened strict law-based management, proposing and implementing the “two most stringent” land systems (including

October 1, 1958: People carry a placard reading “Long Live the People’s Commune” during a parade. A people’s commune in rural areas is an economic organization resulting from the rural collective land ownership. by Meng Zhaorui/CFB



In December 1978, 18 farmers from Xiaogang Village of Fengyang County, Anhui Province, initiated the household contract responsibility system with remuneration linked to output, which heralded China’s economic reform in rural areas and even in the whole country. CFB

the most stringent farmland protection system and the most stringent land-saving system), and successively issued relevant regulations. The country’s land management system has been constantly honed toward perfection.

After 70 years of hard work, China has established a complete legal system for land management comprised of the Constitution, property law, civil law, land management law, forest law, grassland law, environmental protection law and other laws and regulations. The modern land management system framework, which is suitable for the primary stage of Chinese socialism and the socialist market economic system with Chinese characteristics, has taken shape.

Driving Economic Growth

Since China’s reform and opening up began, the country has maintained rapid economic growth that accumulated into the “Chinese miracle,” in which the land system reform has played an important role as an engine fueling China’s economy.

From the late 1970s to the mid-1980s, the reform of the rural land system characterized by a “family contract responsibility system” became universal in China in just a few years, bringing about major changes to the fate of farmers and to the economic and social structure of rural areas, driving China’s reform and fueling the country’s economic growth. From that time until the late 1990s, with so much of the labor force freed from agricultural chains, the central government encouraged farmers to use collective land to launch township businesses, resulting in a wave of township enterprises which merged China’s industrialization into the fast lane. Industrialization of agriculture



December 4, 2018: Farmers take care of green Chinese onions at Xuhong Economic Cooperative of Haimen City, Jiangsu Province. Focusing on developing large-scale farming, the province has been committed to guiding the transfer of the land management rights to new types of agribusiness operators like large family farms and farmers’ specialized cooperatives. by Xiang Zhonglin/Xinhua

became a major force driving national economic development at that time. It fundamentally changed the original development patterns of the state-owned economy and national industrialization.

Since 1998, the rapid growth of China’s economy has been primarily driven by two engines: high-speed industrialization and fast urbanization. Land has become a sort of fuel for these two engines. Thanks to implementation of an export-oriented strategy, the Chinese economy has been fully integrated into the global economy. Coastal developed regions (especially the Pearl River Delta and the Yangtze River Delta) have become the boosters facilitating China’s economic leapfrogging. Massive amounts of collective land in these areas have been merged with the market to support China’s drive to become the “world’s factory.”

However, while using land to

facilitate a “Chinese miracle,” China has also developed excessive dependence on land to operate the national economy and drive wealth growth and distribution, which has hindered economic transformation and structural reform. As China’s economy shifts from high-speed growth to medium-to-high-speed growth, development energy has changed. These changes have also brought about major changes in relations between land and the national economy. So, the Chinese government needs to adjust the function of land and carefully plan the next-stage land system reform. [EP](#)

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An American Scholar's “Incredible Journey” with China’s Opening Up

Text by Zhou Xin

China’s reform and opening up proved the validity and effectiveness of an alternate model.

Last year, China celebrated the 40th anniversary of its reform and opening up, which has changed lives of hundreds of millions of people.

Across 40 years, China has transformed from a highly centralized planned economy to a market

economy with socialist characteristics. It has reformed its systems and become more and more open to the world.

Its GDP grew from 367.9 billion yuan (US\$53.5 billion) in 1978 to 90.03 trillion yuan (US\$13.1 trillion) in 2018. It has become second

largest economy, biggest manufacturer, and the second largest consumer in the world. Over the past four decades, China has lifted 740 million people out of poverty.

On December 18, 2018, in his speech delivered at a conference in celebration of the 40th anniversary



April 13, 1992: The first big job fair in town is held at People's Square, Shanghai.



1984: Locals perform a collective dance at the Workers' Cultural Hall in Hefei City, Anhui Province. CFB

of the historic Third Plenary Session of the 11th CPC Central Committee, President Xi Jinping declared that “the Chinese nation has achieved a tremendous transformation from standing up, growing rich to becoming strong” and that “the Chinese people have achieved a tremendous transformation from days of scarcity to lives of moderate prosperity.”

Laurence Brahm is an international lawyer, political economist and environmentalist from the United States. He came to China in 1981 when the country’s reform and opening up had just begun. After being involved in China’s reform and opening up in many sectors and witnessing China’s transformation from an economy of scarcity to abundance, Brahm documented his experiences in the book *An Incredible Journey*. He recently shared his experience and thought

on China’s reform and opening up with *China Pictorial* (CP).

CP: Why did you come to China? What was your first impression on this country?

Laurence Brahm: I came to China to study Chinese for a semester at Nankai University as a member of the second group of students to come to China to learn Chinese after China-U.S. relations were normalized in 1979.

China was then a nation of economic scarcity. There were few kinds of clothes. Everybody either wore blue or green. There was not enough food. As foreign students, we were privileged so we got to eat some vegetables. Most Chinese students only ate rice and steamed bread. Without ration coupons or food stamps, you couldn’t buy food.

However, China was just

beginning to open up. State-owned stores offered so little that people lined up every day to buy food in Tianjin. Farmers on bicycles would stop on street corners to sell vegetables and peanuts carried in a little piece of cloth. Suddenly I saw the rumbling of a market economy, but it was just the beginning. A year or two later, a clothing market opened in Xidan in Beijing. Some of my Chinese friends were very excited. At night after dinner, we would go to Xidan to see clothes arriving from Guangzhou. We began to realize that a market economy was emerging and improvising ways to take some type of shape.

CP: How have you been involved in China’s reform and opening up?

Brahm: In the 1980s I was involved in helping a lot of foreign enterprises enter China. I worked on the very first deal ever for the oil company ExxonMobil in China as well as helping Roche Pharmaceuticals, Kodak, Bayer and Ericsson. I even worked on a contract for a bold and what people considered risky project because it was at the China World Trade Center. People were laughing because they thought it was



In 1980s, tailoring and dressmaking used to be popular professions. CFB



In September 1992, Chinese and foreign investors talked about development projects in Pudong New Area, Shanghai. CFB

outside of the Second Ring Road and far from the center of Beijing. Everybody thought that everything was happening at Wangfujing in the city proper and couldn't imagine that the city would grow that quickly. Every time we made a joint venture, we were restructuring a state-owned enterprise.

Due to my extensive experience with state-owned enterprises, in the mid-1990s I was invited to work on a project involving the Asian Development Bank and the Department of Economic System Reform of the State Council. I led work on part of a blueprint for the reform of state-owned enterprises. Based on a recommendation by Wan Li, who once served as the first Party secretary of Anhui Province,

enterprises were selected from Anhui Province. We worked in sectors including chemical fertilizers, iron, steel and cement. This work later became a reference document for the blueprint that was ultimately adopted by Premier Zhu Rongji in 1998 to reform major state-owned enterprises.

CP: You mentioned in your book *An Incredible Journey* that you have dealt with many Chinese officials. What experience impressed you most?

Brahm: One thing I always remember because it says a lot. One day I asked Premier Zhu Rongji a question at the Great Hall of the People: "When you make the decision to sign a document on an

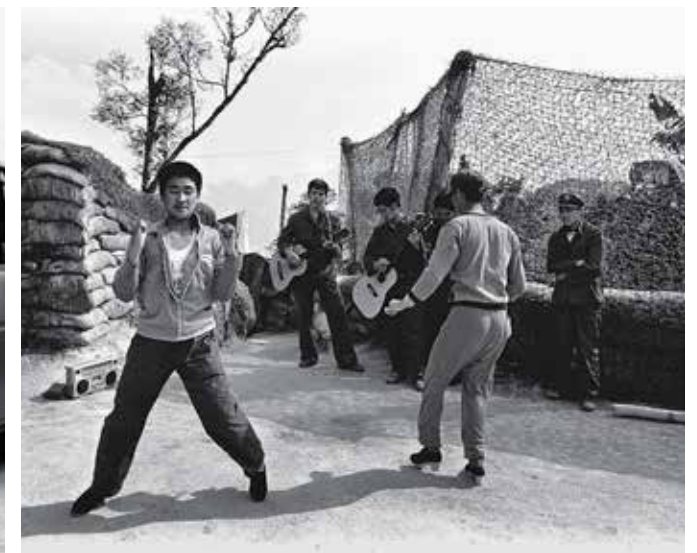
economic policy, what goes through your mind?"

He replied that social psychology matters. "It doesn't matter how good your policy is or how good your theory is. If the people won't buy what you're selling, it's totally useless. I must think about how the people will react, and then I have to decide the other things. It's not all about the theory."

This is very different from the West. In the West, economists are all thinking mostly about the theory and debating the theory. They talk about it in the classroom and in the think tanks. They don't think about how people will react. Zhu's words made a deep impression on me because the idea behind reform was a very humanistic way of looking at economics, and it was very practical.



1984: The family of the chicken farmer Sun Guiying poses a photo with the car they buy. Sun is the first farmer to purchase a private car since the founding of the People's Republic of China in 1949. CFB



1987: Disco is very popular even at the border post. CFB

CP: You wrote a book titled *Zhu Rongji: The Modern Transformation of China*. What made you want to write a biography about him?

Brahm: From my point of view, he was the most significant single figure to oversee the reform of China's economy in the

key years between 1991 and 2002. In many ways I want to say that the book was more a biography of China's economic and financial reform during that critical decade than of Zhu Rongji. That was the decade that China shifted out of what was a planned economy into one that is now a market economy

with socialist structure but effectively driven by the market, and that was the decade for major transition. In the 1980s there was much debate on what was reform, what to reform and how to reform. None of these questions had answers. In 1992, Deng Xiaoping provided an answer and a clear direction, and Zhu followed with a set of steps. In that period a key approach evolved from solely planning to a combination of planning and market forces, and Zhu realized that they weren't mutually exclusive things—you can use both.

I think that this development influenced the world because up to that point only American policies were preached—you have to be only capitalist, only fundamentally capitalist, and these policies hurt a lot of nations that were under historical evolution and transition because they differed significantly from the United States and other key Western countries. So China's solution proved the existence of another model that works well. It was significant. **EP**



2001: Laurence Brahm (left) meets with then-Chinese Premier Zhu Rongji at the Great Hall of the People to discuss economic issues. He presents Zhu with his book *China's Century*, for which Zhu wrote the foreword. courtesy of China's State Council Information Office

A Look Back at China's WTO Membership

Text by Zhou Xin

China joined the WTO after 15 years of negotiations. This move caused remarkable changes in the country and the world.

On July 10, 1986, Qian Jiadong, then ambassador and permanent representative of the People's Republic of China to the United Nations Office at Geneva, formally submitted an application for the resumption of China's status as a contracting party of the General Agreement on Tariffs and Trade (GATT). On November 10, 2001, the Ministerial Conference of the

World Trade Organization (WTO) reviewed and approved China's application to join the WTO. Negotiations lasted for 15 years.

On March 15, 1999, then-Chinese Premier Zhu Rongji said at a press conference, "China has been negotiating to resume the GATT status and join the WTO for 13 years, and the hair of the negotiators has turned gray. It's time to finish."

Long Yongtu, the fourth chief

negotiator for China's resumption of the GATT contracting party and its accession to the WTO, revealed to the Hong Kong-based *Wen Wei Po* that Zhu Rongji personally took charge of the negotiations when talks between China and the United States reached the most difficult phase. He turned the tables on several thorny issues, which ultimately led to an agreement between the two countries.



November 15, 1999: Chinese Foreign Trade Minister Shi Guangsheng (right) signs the bilateral deal with U.S. Trade Representative Charlene Barshefsky for China's entry to the WTO, Beijing. CFB



In 2001, people in Beijing read news about China's accession to the WTO. CFB



March 28, 2000: Chinese Foreign Trade Minister Shi Guangsheng holds talks with European Commissioner for Trade Pascal Lamy on China's accession to WTO in Beijing. CFB



August 7, 1993: 1,985 Chevrolet cars arrive at Tianjin Port from the U.S. The American team puts up a banner reading "Thank you, China." Xinhua

Why did it take 15 years for China to join the WTO? Lei Da, a professor with the School of Economics at Renmin University of China, believes that two major obstacles were obstructing China's accession. First, China's reform and opening up had just begun, and the international community's understanding of China was limited. Second, China is a developing socialist country with Chinese characteristics. It is also unique even among developing countries.

Domestically, joining the WTO

means lower tariffs and better transparency. Could Chinese enterprises withstand the competition of foreign goods and capital? It was a major worry for the Chinese government as well as China's business and academic circles.

Lei noted that accession to the WTO has driven China's economic growth in an obvious manner. After joining the WTO in 2001, China's economy grew at a fast speed. In 2010, China became the second largest economy in the world. In 2013, China surpassed the United

States to rank first in the trade of goods around the world. Exports have played a very important role in driving China's economic growth. At the same time, China has become more attractive to foreign investment. "After joining the WTO, continuous economic growth made domestic concerns about China's accession gradually disappear," said Lei.

"China's accession to the WTO has also promoted an increase in the world economy and trade volume," Lei stressed. "China's economic



November 11, 2001: China officially becomes a WTO member at Doha, Qatar. China's Foreign Trade Minister Shi Guangsheng (right) and WTO Director-General Michael Moore (left) propose a toast for China's accession. CFB

growth has led to an extension of the global industrial chain. China's development has helped a huge export-oriented manufacturing industry bloc take shape in Asia. Among the commodities that China exports to developed countries, many components are from neighboring East Asian countries."

In recent years, the Chinese economy has also witnessed industrial transfer in the process of structural upgrading. Some traditional labor-intensive and capital-intensive industries have

begun to move to neighboring countries, enabling more and more developing countries to join in the global industrial chain. Meanwhile, China's further opening up and development has also led to the unprecedented rise of developing countries around the world. China's accession to the WTO has also been a great benefit to developed countries. Consumers in developed countries are now able to purchase plentiful affordable Chinese goods, and their welfare has also been greatly improved.

"In November 2018, the first China International Import Expo was held," recounted Lei. "Now, against the rise of trade protectionism, China is opening its door wider and wider to the world. This demonstrates that China, as a developing country, continues to adhere to multi-lateral cooperation and opening up. With a large population, a fast-growing economy and an expanding middle-income group, China is now able to maintain and promote a multi-lateral and open mechanism for the future of the world economy." 

Private Exploration of Socialism

—The Unique Role of Private Enterprises in the Chinese Economy

Text by Zhang Peili

The development of China's private economy is deepening the country's understanding of socialism.



The automatic welding line of Geely Auto Group's Chunxiao Manufacturing Plant in Ningbo City, Zhejiang Province. On November 1, 2018, General Secretary of the Communist Party of China (CPC) Central Committee Xi Jinping delivered an important speech while presiding over a symposium on private enterprise. He stressed that China's private sector should only grow stronger instead of being weakened and policies and measures should be more meticulously implemented to support the development and growth of private enterprises. by Huang Zongzhi/Xinhua



Nian Guangjiu is a legendary figure. From a peddler who sold melon seeds furtively to the founder of "Idiot Sunflower Seeds" brand, he is one of the earliest millionaires in China. He has experienced the full process of China's changing attitude toward the private economy. Xinhua

Across the 70 years of economic development since the founding of the People's Republic of China in 1949, the private economy has played an irreplaceable role in spurring economic growth, creating jobs, producing tax revenues and fostering new products and innovation. It has proven an indispensable part of socialism with Chinese characteristics. A look at the history of development of China's private economy may help provide a deeper understanding of the country's unique socialist system.

Development of the Private Economy

The status of China's private economy has much to do with the theory of socialist economics with

Chinese characteristics. In the beginning, the country's understanding of socialism was primarily drawn from the writings of Marx, which lacked real-world experience for reference. Its understanding of the socialist system has deepened profoundly through exploration and trials. China adheres to a combination of theory and practice and addresses problems plaguing the country's economic development directly. China upholds people-centered developmental concepts and strives to first meet the needs of the people. China continues enriching and improving socialist economic theory as it breaks through ideological restraints. Alongside the formation and development of socialist economics with Chinese characteristics, China's

private enterprises have undergone a process of encouragement, limitations, diminution, rebirth and development before reaching prosperity.

Since the reform and opening-up policy was implemented in the late 1970s, China's private economy has sprouted from nothing. The laws of economic development have determined its development cycle, which has encountered periods of prosperity, overcapacity, adjustment, upgrading and further development.

Two different periods featured contrasting circles. The first emerged in the early 1980s and continued until the mid-1990s, during which time the private economy grew from nothing and developed fast. Private enterprises eventually found themselves with



Established in 1992, Dalian Hanwei Group is the first predominately privately-owned enterprise in China. Han Wei, the founder and president of the group, started a private poultry farm with 3,000 yuan (US\$437) in 1984. Today, Hanwei Group has become a large-scale enterprise group with animal husbandry, marine ecological industry and deep processing of egg powder as its mainstays. The picture shows Hanwei's mechanized production in 1993. by Ju Peng/ Xinhua

a surplus of primary products and began to adjust. Many started to adopt new strategies. They upgraded through improving management, placing more focus on developing new products and technologies and exploring overseas markets. The second period stretches from the mid-1990s until now. Through transformation and upgrading, private enterprises have constantly adjusted according to changes in the market and leveraged opportunities brought by China's accession to the World Trade Organization (WTO) to quickly expand. Around 2008, large-scale overcapacity began to emerge again, causing private enterprises to launch another round of transformation and upgrading, which, guided by technological innovation, has taken more time.

A glance at history shows that the status of private enterprises in China's economy has been increasingly strengthened. In government documents, the private economy has transitioned from "a necessary supplement to the socialist economy" to "a key piece of China's socialist market economy," and policies have been adopted to "encourage, support and guide development of the non-public economy" and "ensure that sectors of all kinds of ownerships use production factors equally, participate in market competition fairly, and are equally protected by law." Furthermore, the government has vowed to "unswervingly consolidate and develop the public sector of the economy, and unswervingly encourage, support and guide

development of the non-public sector," as was written into the basic strategy for upholding and developing socialism with Chinese characteristics in the new era.

Trends and Challenges

China's private economy is now in a period of adjustment. Differentiation is an obvious trend for the future of the private economy, and enterprises that fail to adapt to changes in time will be eliminated by the market. Some will continue to chase low-cost products and survive by moving production to central and western regions or migrating abroad. Another choice for some would be to promote upgrading of production equipment, modification of process flow and accelerated adjustment of product

The photo above taken in 1994 shows Zhang Jindong, chairman of Suning Holding Group, selling electrical appliances in a Suning store in Nanjing. In the photo below, Zhang Jindong is introducing the industries at Suning's annual event, "Ultimate Smart Retail 2019" on January 15, 2019. In 1990, a Suning store covering less than 200 square meters opened in Nanjing. By 2018, more than 10,000 Suning Internet stores were set up all over the country. In the first few years, Suning focused on selling air conditioners. Today, Suning has upgraded from traditional retail to smart retail in an all-round way by expanding its core business through many industries, such as e-retailing, logistics, financial services, and technology. By the end of 2017, there were more than 27 million private enterprises and 65 million individual businesses with the registered capital of 165 trillion yuan (about US\$24.03 billion) in China. Among the Fortune Global 500, the number of private enterprises from China increased from one in 2010 to 28 in 2018. by Li Bo/ Xinhua




structure. With support from the government's overall strategy of accelerating innovation-driven development, high-tech private enterprises will develop rapidly.

The private economy is also facing new opportunities. Thanks to growing per capita income and expansion of middle- and high-income groups, China's huge consumption potential will provide unprecedented opportunities for development of the private sector. The development of new technologies has also spawned new industries and products, creating more new business models with greater vitality.

But we should also be aware that China's economy has entered an era of high-quality development in which low-cost production has gone forever. Perpetually rising costs of labor, materials and workspace will

represent the new normal for the private economy in the foreseeable future. At the same time, the tough choice between cutting costs to streamline production and catering to consumers' demand for improved variety, quality and brand image is causing the upgrading of enterprises to take a long time. Rising in the value chain requires massive R&D investment and more time, and has

higher risk. The choice of whether to increase investment in R&D has already become a headache for private enterprises. 

■ The author is an associate professor with the Institute of China's Economic Reform and Development and a researcher at the Research Center of China's Private Enterprises, Renmin University of China.

Twenty Years on the Internet

Text by Lin Yu

The internet economy is changing the traditional business landscape and lifestyles.

In the early 1970s, the fifth technological revolution featuring information and computer technology began with the emergence of considerable new infrastructure such as the internet, digital remote communications, high-speed logistics and transportation systems and new types of power grids.

“As an icon of the fifth technological revolution, e-commerce has

undergone a process from brewing, outbreak, clustering and expansion to maturity during the past 20 years in China,” remarked Professor Ouyang Rihui at China Internet Economic Research Institute of the Central University of Finance and Economics, who conducted a long-term study on the influence of the fifth technological revolution on China’s economy, especially the internet economy.

E-commerce Changing Consumption

In April 1994, China achieved full functional connectivity with the internet. Over the following decade, Dangdang, Taobao, JD and other domestic e-commerce enterprises emerged such as some foreign e-commerce giants as eBay and Amazon also entered the Chinese market.

In 2005, the State Council of

China issued the first guidelines to boost the development of e-commerce when the scale of Chinese netizens began to grow rapidly, competition in e-commerce business intensified, and technology in the field entered a period of comprehensive innovation.

In the early stage of e-commerce development, sellers and buyers lacked mutual trust, and procedures to use online banking services were very complicated. Taobao, a major online shopping website run by Alibaba, broke the payment bottleneck by launching a third-party online payment solution. In 2005, Alipay became an independent third-party mobile and online payment platform. Since then, JD, Suning and other e-commerce giants have also released online payment products.

The boom of e-commerce produced huge demand for logistics services. The rise of logistics companies such as SF Express, YTO Express, STO Express, ZTO Express, Yunda Express and Best Express further bolstered the rapid development of e-commerce in China.

Professor Ouyang believes that e-commerce transaction services, online payments, logistics and other supportive and derivative services compose an e-commerce ecosystem nearing perfection.

Nowadays, each step of Chinese consumers’ shopping process has achieved digitalization, from discovering and researching commodities to purchase, payment, delivery, and post-sale service—everything is conducted online. The digitalization level of Chinese consumer behavior is number one in the world. According to a joint survey conducted by Boston Consulting Group, Ali Research Institute, and Baidu Research, China’s online retail sales accounted for 16.4 percent



November 11, 2015: At the “Double Eleven” shopping day, many temporary workers are hired to help with order fulfillment and distribution in Wuhu City, Anhui Province. VCG



May 26, 2000: China Green Channel E-Commerce Network, China’s first agricultural product website, is officially launched, which fully realized online payment and established a national distribution system. Xinhua



September 8, 2015: Zhang Yong, CEO of Alibaba Group, announces the start of the 2015 Double Eleven Global Shopping Festival at the annual E-Commerce Entrepreneurship Summit in Hangzhou, Zhejiang Province. VCG

of total social consumer goods purchased in 2016, with a proportion 1.5 times higher than that of the United States.

Data from the China Internet Association shows that the total amount of e-commerce transactions in China reached 3.14 trillion yuan (US\$457 billion) in 2008, and the figure grew tenfold to 31.63 trillion yuan in (US\$4.6 trillion) 2018.

Over the past five years, the Belt and Road Initiative has received wide support around the world, and e-commerce cooperation between China and other participating countries has developed rapidly. Through cross-border e-commerce, Chinese goods have been sold to

more than 100 countries and regions such as Russia, Israel, South Korea, Vietnam and more.

According to the statistics from the Ministry of Commerce, in 2018, China's total cross-border e-commerce retail sales reached 134.7 billion yuan (US\$19.62 billion), an increase of 50 percent year-on-year. At the same time, commodities from all over the world were sold to Chinese consumers through cross-border e-commerce platforms.

New Growth Drivers

"E-commerce has demonstrated unprecedented potential in increasing consumption, sustaining growth, adjusting economic structure and promoting economic

transformation," stressed Professor Ouyang. He believes that e-commerce provides broad development space for entrepreneurship and innovation and serves as an important driving force for China's economic and social development and technological innovation.

In 2009, the mobile internet began to emerge. In 2012, the number of China's mobile internet users surpassed that of PC users for the first time. Thanks to the wide coverage of 3G and 4G mobile networks and the popularity of smartphones, the normalization of mobile payments changed the offline payment habits of Chinese consumers, and mobile phones replaced wallets.



February 1, 2018: The yard of Chinese Malayan Jiang Yourong is piled with unpackaged parcels purchased on Taobao. Jiang sets up a purchasing and transshipment service stop to help others shop on Taobao and Tmall. VCG



Shared bicycle, high-speed railway, online shopping and mobile payment, are dubbed by foreigners as China's "Four New Inventions". VCG

Nowadays, whether in large chain stores like Carrefour and Walmart or grocery stores and roadside food stands, people can easily complete payments just by scanning a QR code with their mobile phones.

Cashless society has taken shape in many Chinese cities. Hangzhou in China's southeastern Zhejiang Province, where Alibaba's headquarters is located, has become a leading "cashless city."


Since 2015, innovative digital applications and business models have been springing up continuously. The platform economy and the sharing economy have seen fierce competition among major

players including food delivery platforms Meituan and Ele.me, car-hailing platforms such as Didi Chuxing and Dida Chuxing, and bicycle-sharing enterprises such as Mobike and Hellobike.

The integration of online and offline services has been the general trend of the internet economy. In fact, many traditional industries, including transportation, medical care, entertainment, education and tourism, have quickened the pace to embrace the internet. The catering industry is a good example: Digitalization has upended the dining habits of Chinese consumers. Every step of dining from queuing, ordering,

delivery and payment to membership management is now conducted on mobile apps.

The joint survey released by Boston Consulting Group, Ali Research Institute, and Baidu Research showed that the number of digitalized restaurants in China exceeds 600,000, covering more than 200 cities.

In the future, the maturity of 5G technology and the consumption-based internet economy will further drive the development of the industrial internet, and the manufacturing industry will integrate deeper with the internet. An even bigger change in the internet economy is on the horizon. 

New Normal Refined Economic Structure

Text by Ru Yuan

Under the “new normal” conditions, if China is to maintain its positive impact on the world economy as it undergoes structural adjustment, it needs to establish even more mutually beneficial interactions with others and persist in its quest for common prosperity.

The first time the term “new normal” was heard was during President Xi Jinping’s visit to Henan Province in May 2014. The concept is composed of three main features. First, the economy has shifted gear from the previous high speed to a medium-to-high-speed growth. Second,

the economic structure is being constantly improved and upgraded. Third, the economy is increasingly driven by innovation instead of input and investment. A sober assessment and important identification of China’s current economic situation, the “new normal” has been decisive for macroeconomic

policy orientation.

Necessary Economic Transition

China’s economy is now simultaneously dealing with the slowdown in economic growth, implementation of difficult structural adjustments and the need to absorb

the effects of previous economic stimulus policies. As demand weakens and costs of supply-side factors rise, periodic changes in the potential economic growth rate have led to new macroeconomic imbalance traits. In the context of the new normal economy, it is vital for China to upgrade its economic and

industrial structures.

Yang Yiyong, director of the Society Development Institute of the National Development and Reform Commission, believes that, to promote economic restructuring and the upgrading of industrial structure, China has primarily focused on promoting technological

innovation, eliminating backward industries and developing the knowledge economy over the past few years. China is striving to transform its economic growth model fundamentally by promoting mutually beneficial industrialization and informationization and sticking to a development path that relies on technological innovation, yields good economic returns, reduces resource consumption and environmental pollution, and optimizes human resources advantages. Meanwhile, China is also vigorously promoting coordinated and healthy industrial development by fostering an advanced manufacturing industry, boosting the service industry, strengthening infrastructure, optimizing the industrial structure and layout in both urban and rural areas, improving the structure of foreign trade and investment, and expanding employment while promoting coordinated economic and social development.

Challenges Ahead

China’s current economic restructuring faces two major challenges: First, China needs to break through the institutional barriers to achieve optimal allocation of various factors of production and continuously improve the quality of the economy. Second, China needs to use incremental reform to readjust inventory and optimize investment and industrial structures while increasing investment and improving people’s living standards through high-speed and sustainable economic growth. In contrast to the economic restructuring by Western countries during previous periods of economic transformation, China must spend more time considering how state-owned enterprises and private enterprises can work together to achieve mutual complementarity between

September 3, 2018: An employee of China General Nuclear Power Corporation (CGN) New Energy Holdings inspects a 50 megawatt thermal power plant in Delingha City, Qinghai Province. In recent years, China has continuously strengthened technological innovation and promoted the development of new energy industry.
by Zhang Hongxiang/Xinhua



March 14, 2018: Workers at a construction site in Fuzhou City, Fujian Province. At present, China's new economic drivers are thriving and its economic structure is upgrading and optimizing. VCG

macro-control and nongovernmental forces.

Yang believes that China's economic restructuring in new normal economic conditions should emphasize supply-side structural reform. The essence of supply-side structural reform is to change the supply mode through governmental public policy. More specifically, reforming modes of production, output, implementation, revision

and adjustment of public policy should better coordinate with market orientation and enhance the decisive role of the market in allocating resources. The government should standardize its powers according to the requirements of the market, cut red tape, level the playing field and provide greater convenience. The decisive role of the market in resource allocation should be fully tapped. Practice has

shown that carrying out supply-side reform without the decisive role of a market mechanism to allocate resources will hinder economic transformation and industrial restructuring as well as undermine past achievements of market-oriented reforms.

Facing new domestic and global challenges after the 2008 international financial crisis and a new wave of technological breakthroughs

since the 18th National Congress of the Communist Party of China in 2012, the Chinese government has constantly innovated macro-control solutions, deepened structural reform and made breakthroughs by replacing old growth drivers with new ones and developing new industries and enterprises. To accelerate the transformation and upgrade, China has fostered several sunrise industries including the smart




May 29, 2019: A worker drives a fork lift truck carrying exported goods at a factory in Pingxiang City, Jiangxi Province. As one of the first pilot sponge cities in China, Pingxiang has made remarkable achievements in managing water resources since 2015. by Peng Zhaozhi/Xinhua



April 29, 2019: At an AI company in Rizhao City, Shandong Province, a worker wipes commercial service robots ready for delivery to the market. In recent years, China has transformed from "manufacturing" to "smart manufacturing" by promoting industrial upgrading. Xinhua

industry, biological industry, senior care industry, health industry, entertainment industry, and new tourism industry. Such industries have nurtured many knowledge-based, technology-intensive enterprises.

"The interaction between China's economy and the global economy is positive," declared Yang. "Since the reform and opening-up policy was introduced, China's economic

development has become inextricably linked to the world economy and contributed greatly to global economic growth. Under the new normal conditions, if China is to maintain its positive impact on the world economy as it undergoes structural adjustment, it needs to establish even more mutually beneficial interactions with others and persist in its quest for common prosperity." 

Chinese Reference for All

Text by Yi Mei

In addition to material output, China's economic development mode has also contributed value in terms of theory and points of reference for global economic and social development.



January 5, 2019: Beijing Daxing International Airport under construction. Completed on June 30, 2019, the world's first seamless steel structure airport with double-decker departure and arrival platforms boasts the world's largest single terminal. by Xu Xun

Since the founding of the People's Republic of China seven decades ago, the Chinese economy has achieved remarkable progress. Especially over the 40 years of reform and opening up, China's GDP has had a nearly double digit annual growth rate. More importantly, China is the only emerging market country to avoid experiencing a systemic financial and economic crisis to date. Moreover, after the 1997 Asian financial crisis and the 2008 international financial crisis, China made significant

contributions to the recovery of the world economy.

Contributions to the World

Since the turn of the 21st century, China has exerted an ever-increasing impact on the world economy thanks to its rapid economic growth. After 1990, the Chinese economy contributed more than 10 percent to the world's economic growth. Since the international financial crisis in 2008, the figure has remained at around 30 percent.

As more emerging economies

and developing countries represented by China catch up in terms of economics, the global economic convergence, which previously existed only in theory, finally became a reality of world economic development. From 1978 to 2017, the global share of GDP in low- and middle-income countries increased from 21.3 percent to 35.3 percent with the proportion of China's GDP in the total economic output of low- and middle-income countries increasing from 5.3 percent to 36 percent.

As a result of the convergence

of the global economy, per capita income in developing countries has increased substantially, and the world's population living in absolute poverty and the incidence of poverty have both declined to unprecedented lows. Between 1981 and 2015, the world's population in absolute poverty, according to World Bank standards, decreased by 1.14 billion, down more than 60 percent.

"China has more than 1.3 billion people and more than 700 million people have worked their way out of poverty in just 40 years," notes John Sfakianakis, director of economic

research at the Gulf Research Center, a Riyadh-based think tank. "China's economic achievements have attracted worldwide attention. The rest of the world can learn valuable lessons from the successful poverty alleviation practices in China." He believes that China's economic development has boosted global economic growth and played a key role in the world economy.

How Could It Happen?

How could the Chinese economy create a miracle by maintaining such steep growth for more than

30 years? To answer this question, Chinese economists have proposed a theory on comparative advantage development strategy. The original theory has existed for two centuries, but it used to be just an economic theory. Chinese scholars have expanded this theory to explain the overall economic development of a country and have proposed that a country use its own factor endowment advantages to develop industries with comparative advantages. As far as China is concerned, the labor force had been the most abundant production factor for a



October 31, 2017: A worker put delivery boxes on a conveyor at the logistics base of Suning Company in Nanjing City, Jiangsu Province. Private enterprises have played an important role in propelling China's economic growth. Xinhua



May 10, 2018: Chinese homegrown aircraft models at the first Exposition on Chinese Indigenous Brands, Shanghai. Xinhua



January 16, 2007: A workshop of FAW Toyota Motor Corporation at Tianjin Economic-Technological Development Area. The Chinese manufacturing industry is upgrading from low-end to mid-to-high-end production chain. Xinhua

long time. Therefore, it was logical for China to leverage the labor advantage by developing labor-intensive industries in the past. This theory, as well as policy recommendations based on it, is recognized by many developing countries.

Certainly, emphasizing the contribution of the comparative advantage strategy to China's economic growth does not diminish the achievements China made in its planned economy era. Consensus in the international development economics community is that export-oriented development models based on comparative advantages have not been successful in all countries. The commonality of successful

economies is that they already had higher levels of human capital and a solid industrial base before adopting this model. These are precisely the prerequisites China completed in the planned economy era. Comparing China with the same period of India highlights China's advantage in the popularity of basic education, the improvement of population health and the establishment of an industrial base. In terms of industry, although the strategy of prioritizing heavy industry in the planned economy period led to an imbalance in the national economy, rapid capital accumulation has greatly accelerated China's industrialization process and laid a solid foundation for economic

growth after the country's reform and opening up.

China's economic reforms and its opening up to the outside world have been simultaneous. In the process of opening up, China has formulated many new ideas and theories. The country adopted a strategy of digesting and absorbing advanced foreign ideas and concepts before adapting them to China's actual national conditions. The government has carried out reforms with Chinese characteristics through a shift from simpler operations to more complex ones.

"Firstly, the Chinese mode considers the country's specific national conditions, development stages and actual conditions and



June 13, 2018: A carpenter competes in a nationwide tryout at Shanghai Contest Division for the forthcoming 45th World Skills Competition. The transformation and upgrade of China's manufacturing industry is plagued by a shortage of technical professionals. Xinhua

determines the main bottlenecks, development goals, key areas and supporting measures in different periods and stages of development," explains Zhang Yansheng, chief researcher at the China Center for International Economic Exchange. "Consensus needs to be reached through extensive discussion before reforms are implemented."

"Secondly, the Chinese government always adheres to the reform and opening-up policy, upholds the Four Cardinal Principles, and focuses on development by liberating and developing social productive forces. And the government endeavors to maintain stability of the economy, society and politics, and respect common sense, and capitalize on

general trends," Zhang adds.

According to Zhang, the third characteristic of the Chinese mode is that the government always stays patient, devises strong strategy and considers worst-case scenarios. It notes historical inheritance and continuity of the past, present and future of the nation while attaching importance to international experience and learning from the international perspective. To implement a reform, the Chinese government first chooses a pilot project and then promotes it to larger scale only after summing up gained experience. The government also deftly inspires motivation from grassroots groups and kindles public enthusiasm.

Chinese Mode

The People's Republic of China has completed a glorious journey of 70 years. During its first 30 years of exploration in terms of economic development, it collected experience and lessons, and over the last 40 years, it has focused on innovation and harvested fruitful results. A glance at the process of China's reform and opening up reveals a clear logic line which will undoubtedly provide a good model that can be used by other developing countries.

"There is a prevalent opinion in the West predicting that after China becomes strong, it will export its own mode and force other countries to follow its path," says Zheng Yongnian, director of the East Asian Institute of the National University of Singapore. "After all, the most typical mindset in the West has long been 'I'm the best, so you have to learn my ways.' But no development mode dictates specific steps or a beginning or end. They are all constantly evolving."

According to Yao Yang, dean of the National Development Research Institute of Peking University, China's practice can serve as reference for other countries. But the systems in various countries are all different. China does not "export" its development mode. China has consistently advocated that countries choose development paths that suit their national conditions. "But China's practice can be a textbook for other countries, especially developing countries, to help them learn from each other and improve their own governance," Yao remarks. China will continue to carry out practical exploration and strive to make new and greater contributions to the world. 

1990 ►► 1999

Braving the Waves

Concept by China Pictorial
Edited by Li Zhuoxi

By the turn of the century, China's third generation of collective leadership had guided the country to new heights. Then-Chinese President Jiang Zemin summarized his feelings at the time by stating, "You will understand difficulties only after you've overcome them."

From 1990 to 1999, China adhered to its reform and opening up, kept pace with the times and addressed multiple challenges such as economic risk. It proposed establishment of a socialist market economy and comprehensively promoted reforms in various sectors to form a multi-level and all-round pattern for opening up across a broad range of fields.



Xinhua

1990: First Stock Exchange

On November 26, 1990, the Shanghai Stock Exchange, the first of its kind on the Chinese mainland since the founding of the People's Republic of China in 1949, was established. Shanghai residents queued up in long lines in front of the stock exchange to register stock trading accounts. Operation of the Shanghai Stock Exchange ushered in a new era for China's capital market construction and marked the birth of the securities market in New China.

1991: Qinshan Nuclear Power Plant

On December 15, 1991, the Qinshan Nuclear Power Plant on China's east coast was first connected to grid to generate power. The first nuclear power plant designed and constructed independently by China, the Qinshan Nuclear Power Plant ended the country's history of having no nuclear power and lifted China to become one of the few countries in the world capable of exporting nuclear power plants. Successful construction of the nuclear power plant represented a landmark achievement in the reform and opening up of China's nuclear industry. To this day, the Qinshan Nuclear Power Plant has been the nuclear power base with the largest number of nuclear power units, the most abundant reactors and the largest installed capacity in China.



Xinhua



1992: Deng Xiaoping's Southern Tour

On January 18, 1992, 88-year-old Deng Xiaoping, chief architect of China's reform and opening up, set out from Beijing and headed south to conduct his famous "southern tour," pushing the reform and opening up to new heights. "Failing to stick to socialism will only lead to a dead end," Deng declared. "We must implement the reform and opening-up policy to develop the economy and improve the people's lives. Only by sticking to this line will the people trust and support us." His "Southern Tour Speeches" laid the ideological foundation for the country to develop a socialist market economy with Chinese characteristics.



CFB

1993: Wang-Koo Talks

From April 27 to 29, 1993, the Wang-Koo Talks, a landmark meeting between Wang Daohan, then president of the Chinese mainland-based Association for Relations Across the Taiwan Straits (ARATS) and Koo Chen-fu, then chairman of the Taiwan-based Straits Exchange Foundation (SEF), was held in Singapore. The meeting was based on the "1992 Consensus," an agreement made by the two sides that both the mainland and Taiwan belong to one China, and marked a historic and important step forward in cross-Straits relations. The Wang-Koo Talks were the highest-level, non-governmental talks across the Taiwan Straits since 1949, the first formal contact between the two sides after long separation and an important milestone in the development of cross-Straits relations.



1994: China's Agenda 21

Xinhua

On March 25, 1994, China's State Council approved *China's Agenda 21—White Paper on China's Population, Environment and Development in the 21st Century*. The document, based on *Agenda 21* adopted by UN Conference on Environment and Development in Rio de Janeiro in 1992, stipulated China's overall strategy, plans and measures for sustainable development. It served as the guiding document for China's medium- and long-term national economic and social development plans. Since its release, sustainable development has been a strategic development goal pursued by the Chinese government. Pictured are herdsmen reaping grass in China's Inner Mongolia Autonomous Region. The ecological improvement of the grassland in Xilingol in Inner Mongolia is among the priority projects of *China's Agenda 21*.

1995: Developing Through Science and Education

In May 1995, the National Conference on Science and Technology was held in Beijing. During the conference, China's State Council promulgated *Decisions on Accelerating Scientific and Technological Development* and proposed implementation of the strategy of "rejuvenating the country through science and education." The proposal and implementation of the strategy marked the third important milestone in the development of China's science and technology sector after the 1956 national call for "marching toward science" and the 1978 National Science Conference.



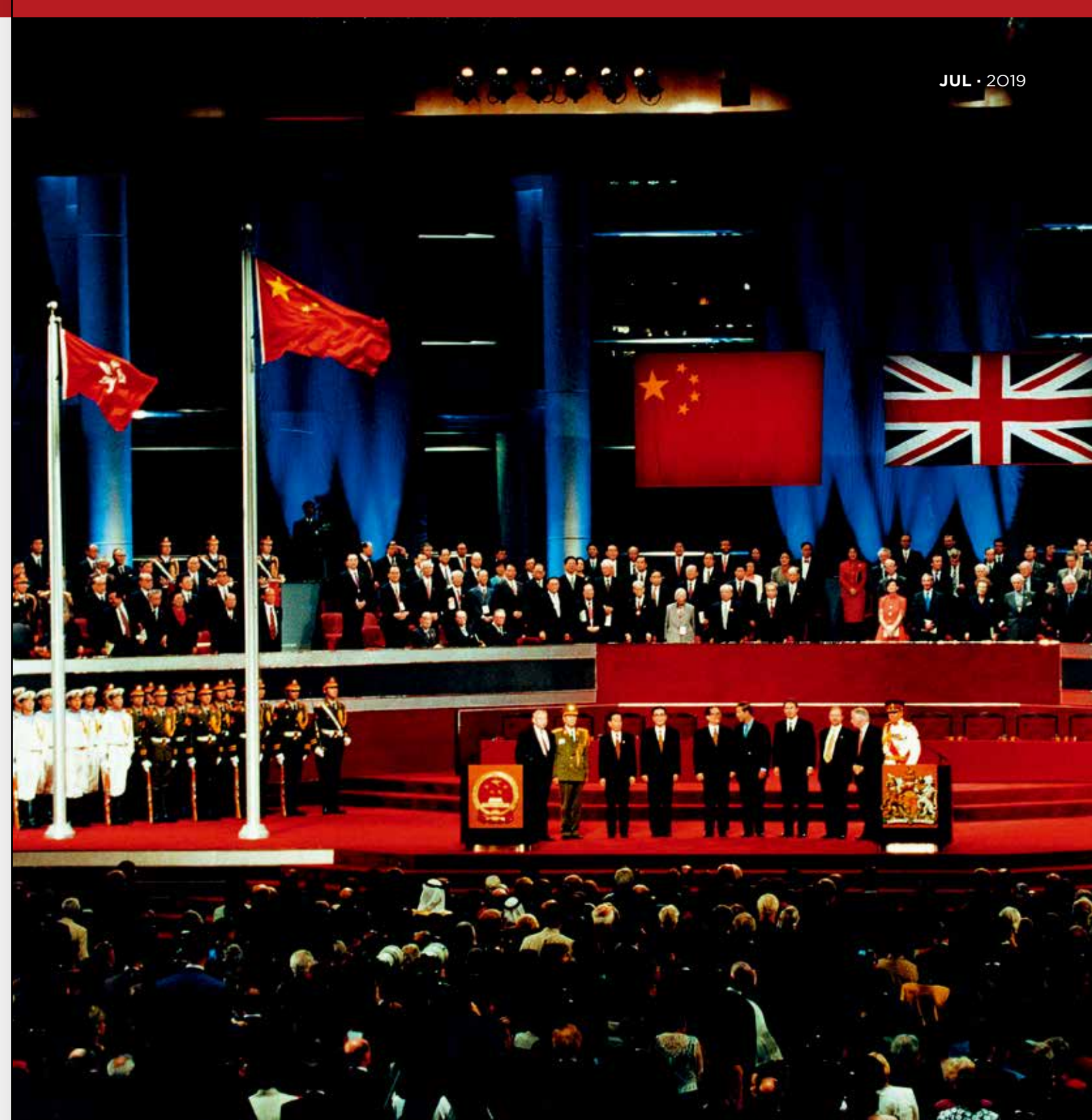
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1996: Beijing-Kowloon Railway

On September 1, 1996, the Beijing-Kowloon Railway opened for operation. The railway, with a total length of more than 2,300 kilometers, connects the Chinese mainland and Hong Kong. Completion of the Beijing-Kowloon Railway was of great importance for the economic development of both the Chinese mainland and Hong Kong. This new artery connected Hong Kong and the Chinese mainland closer than ever and drove the economic development of various regions along the route.




CFB

1997: Return of Hong Kong

On July 1, 1997, Hong Kong was officially returned to China, an event drawing massive international attention. Then-Chinese President Jiang Zemin solemnly declared the establishment of the Hong Kong Special Administrative Region (SAR) government. China resumed sovereignty over Hong Kong, and the groundbreaking "One Country, Two Systems" policy was formally put into practice. On December 20, 1999, the Macao SAR was established, and China regained sovereignty over Macao.

1999: Birth of Alibaba Group

In 1999, Jack Ma founded Alibaba Group, which later changed the world. Over the following 20 years, Alibaba ushered in a new consumption era. The rise of Alibaba is emblematic of China's rapid economic development in past decades. It heralded a new era of fast development of China's internet economy. 

Xinhua



1998: Fighting the Flood

In 1998, a massive flood swept across the Yangtze River basin for the first time since 1954. A total of 29 provinces (autonomous regions and municipalities) suffered from the flood, with 21.2 million hectares of land and 223 million people affected. The Communist Party of China, the army, and people from across the whole country took quick action to fight the flood together. Vigorous efforts eventually changed the situation, improving the safety of the main dikes on major rivers and lakes and ensuring the safety of people's lives and property. The losses from the serious natural calamity were effectively minimized.

Xinhua



Long Way to China, written by Zhu Yong, published by People's Literature Publishing House in March 2019.

Long Way to China

The moment the five foreigners stepped on Chinese land, China changed them, and they also changed China.

With poetic flair, the author recounts stories about ancient China and five Westerners. The moment they stepped on Chinese land, China changed them, and they also changed China. The five foreigners were Italian merchant and explorer Marco Polo (1254-1324), Italian Jesuit priest and scholar Matteo Ricci (1552-1610), British statesman George Macartney

(1737-1806), British royal navy officer Augustus Frederick Lindley (1840-1873) and French naval officer and novelist Pierre Loti (1850-1923). This book is a revision of *Paper Paradise*, a collection of cultural essays published in 2011. Author Zhu Yong compared the relationship between Chinese civilization and Mediterranean civilizations, just like the poles of Yin and Yang, two starkly contrasting places, as two

Mongol soldiers (left) attack Japanese soldiers, part of the painting *Mongol Expeditions to the East Asia and Kublai Khan's Campaigns*, which is an important historical record of Kublai Khan's two expeditions to Japan, created between 1275 and 1293. Source: Museum of the Imperial Collections, Tokyo, Japan



The picture shows the portraits of Matteo Ricci and Xu Guangqi in the book *China Illustrata* written by the Jesuit Athanasius Kircher (1602-1680). In 1607, Italian missionary Matteo Ricci and Xu Guangqi, a scientist of the Ming Dynasty (1368-1644), co-translated and published the book *Elements of Geometry*, composed by Euclid. Source: Stanford University Library, USA

opposite but interconnected forces that promote the development of humanity.

In the preface to *Paper Paradise*, Zhu shared his motivation and feelings in writing this book. He realized that examining the life stories of Westerners involved in Chinese history and reviewing images of China from Western perspectives would provide a broader global vision through which to investigate Chinese history. Painting a clearer picture of the past demands evidence from cross-cultural clues in addition to domestic records. Such work is difficult and requires overcoming the gap between Eastern and Western histories.

The book aims to explore Chinese history, mainly the history of the Forbidden City, from the perspective of Westerners. In Zhu's opinion, examining the Forbidden City from a Western perspective can expand the dimensions of observation of the imperial palace because not only does it represent China—it is also connected to the world.

In the preface to the revised edition, he pointed out that the histories of East and West influenced and interacted fiercely with each other and expressed belief that the Forbidden City offers a unique case with which to review this relationship and clear up history.

He also noted that considerable amounts of historical evidence collected from photography and





Emperor Qianlong (1711-1799) of the Qing Dynasty (1644-1911), followed by many ministers and officials, went to the tent to receive the Macartney Mission. by William Alexander in 1793

The Signing of the Treaty of Nanking, created by British painter John Burnet in 1846. Source: Brown University Library, USA




An imperial throne in a mirror of the Palace of Heavenly Purity, Forbidden City, Beijing, taken by Japanese photographer Kazumasa Ogawa in 1900. Source: *The Sunset of the Empire*, published by People's Literature Publishing House

investigation of Western narrative documents will awaken unique memories of Chinese history.

The revised edition includes more than 100 precious pictures from domestic and foreign museums including many newly discovered rare photos which greatly enhance the historicity.

Author Zhu Yong is a veteran writer and documentary director who holds a Ph.D. in Art, a member of the Beijing Writers Association and the head of the film and TV department at Palace Museum Academy, a research institute affiliated with the Palace Museum. He has served as a resident artist at the University of California, Berkeley.

Zhu has been devoted to studying Chinese culture for many years. Feng Jicai, a famous contemporary Chinese writer, said that Zhu is deeply obsessed with the culture of yesterday, regarding it as part of his spiritual world, which is deeply rooted in the dignity of history, life of the people, characteristics of the nation, ideas of beauty and impressions of emotions. 

Liaoning: New Day for Old Industrial Base

Text by Cao Mengyue

As a cradle of China's modern industry, Liaoning Province has contributed more than 1,000 "firsts" in the country's industrial history. Nowadays, expanding opening up has become the only way to realize the province's revitalization.

On June 25, 2019, at a press conference held by the State Council Information Office for the 70th anniversary of the founding of the People's Republic of China, Chen Qiufa, secretary of the Communist Party of China (CPC) Liaoning Provincial Committee, and Tang Yijun, governor of Liaoning Province, revealed that the added value of Liaoning's high-tech industries increased by 19 percent in 2018. In addition, the reform of state-owned enterprises in the province was carried out smoothly, and the business environment continued to improve. In recent years, the province has constantly made new progress and achievements in comprehensively advancing its revitalization.

Liaoning is a cradle of China's modern industry. More than 1,000 "firsts" in the country's industrial history came out of the province, including the first blast furnace, the first aircraft and the first 10,000-ton cargo vessel.

From 1953 to 1957, 17 percent of China's raw coal, 27 percent of its electricity and 60 percent of its steel were produced by Liaoning, which played an important role in the construction of New China during

the early stages of development.

In the new era, Liaoning has achieved vigorous economic and social development. In 2018, Liaoning's GDP totaled 2.53 trillion yuan (US\$367.8 billion), 214 times the figure in 1952. Per capita disposable income of urban and rural residents reached 37,342 yuan (US\$5,429) and 14,656 yuan (US\$2,131), respectively, 103 and 79 times the numbers in 1978.

Advancing High-Quality Development

Advancing high-quality development is the only way to completely revitalize Liaoning, declared Chen Qiufa, adding that a present problem affecting and restricting the revitalization and development of the Liaoning economy is structural imbalance. Traditional, resource-oriented and heavy-chemical industrial structures and products have difficulties adapting to market changes.

For this reason, Liaoning has vigorously promoted industrial restrictions and advanced supply-side structural reform to adapt to market demand. It did a good job in revitalizing "time-honored brands," developing "raw material brands," and cultivating new brands. It has strived to build a new pattern of

industrial development featuring multiple pillars, strong drivers and diverse development.

At the same time, Liaoning has also made great efforts to promote transformation of driving forces, accelerate innovation-driven development, transform innovative resources into development advantages and advance regional coordinated development. Through implementation of a series of measures, old state-owned enterprises such as Anshan Iron and Steel Co., Ltd. have gained a new



Models present the state-level intangible cultural heritage of Liaoning — Shengjing Manchu Embroidery — to participants at the press conference. As a unique embroidery skill of Shenyang, the technique is considered a symbol of royal culture of the Qing Dynasty (1644-1911) and a famous cultural name card of Liaoning Province. by Chen Jian

look as a number of major projects have been in place.

The development of strategic emerging industries in Liaoning has also released new vitality. In 2018, Liaoning registered more than 1,000 new high-tech enterprises and over 4,500 small and medium-sized science and technology companies, and the added value of high-tech industries increased by 19 percent. The development of strategic emerging industries has injected new fuel into the deep adjustment of Liaoning's economic structure and the optimization and upgrading of its industrial structure.

Driving Revitalization through All-round Opening Up

Expanding opening up is the only way to achieve Liaoning's full revitalization. As the only coastal and border province in northeastern China, Liaoning is a gateway for China's economic and trade cooperation with Japan, Russia, Mongolia and the Korean peninsula, which is also an important region for the implementation of the Belt and Road Initiative.

At a symposium on advancing the revitalization of northeastern China in September 2018, President Xi Jinping stressed the need to plan the northeastern region's opening up with strategic thinking and global vision and deeply integrate the region with the construction of the Belt and Road to reach new heights of opening up.

Subsequently, Liaoning moved up the launch of a proposal to accelerate construction of a new pattern for opening up to comprehensively drive revitalization. At the same time, the province drafted a plan to build a pilot free trade zone (FTZ) to better serve the Belt and Road Initiative and actively created the China and Central and Eastern European Countries (CEEC) "17+1" economic and trade cooperation demonstration zone.



June 25, 2019: Chen Qiufa (center), secretary of the CPC Liaoning Provincial Committee and head of the Standing Committee of the Liaoning Provincial People's Congress, and Tang Yijun (right), vice secretary of the CPC Liaoning Provincial Committee and governor of Liaoning Province, take questions from journalists at a press conference held by the State Council Information Office to announce Liaoning's successful practices in revitalization. by Chen Jian

Liaoning considers Belt and Road construction an opportunity and has strived to become an important gateway for the opening up of northeastern China.


Tang Yijun outlined construction progress of the pilot FTZ in Liaoning Province at the press conference. As the only FTZ in China's northeastern region, the China (Liaoning) Pilot FTZ was officially launched on April 1, 2017.

Over the past two years, the FTZ has attracted 35,000 enterprises with registered capital of 530 billion yuan (US\$77 billion). About 113 of the 123 tasks of the pilot reform have landed, and 45 outcomes in system innovation have been promoted throughout the province, four of which have been promoted across the country. Liaoning has made remarkable phased achievements to become a major engine to increase the competitive capacity of old industrial bases in northeastern

China and expand Liaoning's opening up to the outside world.

In the first quarter of this year, Liaoning's GDP grew by 6.1 percent year-on-year, the first time in 17 quarters that the province's economic growth rate returned to more than six percent.

"The numbers from this year are of tremendous significance for Liaoning," remarked Tang Yijun. "The growth indicates that Liaoning's economy has overcome the most difficult stretch and is catching up with the pace of national development as it seizes stable and healthy development."

"However, we realized that Liaoning remains at a critical stage and faces many real problems, difficulties and challenges," conceded Tang. According to him, Liaoning will continue to stay firm, work hard and comprehensively drive its revitalization step by step. 

Anshan: A Clearer Look at China

Text by Nathan Bennett

Anshan is not more “real” China than Beijing or Shanghai, but it—like other small cities—offers a chance to see China unhurried by the thousand people in line behind you in larger cities.

Determining where “real” China can be seen is a wild goose chase. Beijing, Shanghai, Guangzhou, Shenzhen, Hong Kong—all of these cities are “real” China, but they are some of the cities most well-known to foreign travelers. However, more than 1.3 billion people do not fit into these five cities. Getting to know China better requires getting out to see smaller cities. Even provincial capitals count: China only appears enigmatic because so

few travelers take the time to escape the “bucket list” destinations in big cities.

Once I traveled through northeastern China, and I decided to visit the city of Anshan in Liaoning Province. I don’t know what compelled me to put it on my route, but it’s one of the places I most enjoyed visiting on the whole trip. Anshan itself is not more “real” China than Beijing or Shanghai, but it—like other small cities—offers a chance to see China unhurried by

the thousand people in line behind you in larger cities.

When I travel around China, museums are of the top of my visiting list. Except for their gravitational pull to attract the most famous artifacts and top experts, big-city museums do not offer substantially more than smaller regional museums. China has more than 5,000 years of history, China is where it happened, many people were involved, and they were thoroughly distributed across the whole country. There is a lot left for regional museums to display.

Anshan Museum has an exquisite collection of porcelain and ceramics. The collection has pieces from at least as far back as the Yuan Dynasty (1271-1368) up to the modern era, and if your Chinese is good enough, it might actually be possible to get in to build relationships with curators here because they do not struggle with the same crushing demand as curators at the National Museum of China in Beijing. Anshan Museum tells the story of this city’s history as a steel town in the development of China, providing details for which there is simply not enough space to

display in Beijing or Shanghai, busy telling their own stories.

While Beijing parks are lively and lovingly used by locals (I particularly like revisiting the Temple of Heaven Park), the parks of smaller cities allow travelers to see Chinese culture up close without the tourist crowds. Anshan 219 Park is spacious and well laid out, and it happens to hide a Buddhist temple on par with anything I’ve seen in Beijing. One of my most favorite things in 219 Park is the statues of people in various scenes from daily life.

219 Park is very well kept, and it is not under pressure to be anything other than itself. Many of the most famous parks in Beijing seem compelled to maintain their best appearance for ceaseless streams of international visitors. Even though Beijing has many excellent parks known only to nearby residents, visiting them can be like reading a book I’ve read before—they fail to provide a complete surprise. Anshan had fresh surprises all the time.


One such surprise, buried within 219 Park, was the Jade Buddha Temple (opened in 1996), which houses one of the largest

jade Buddha statues in the world. The temple complex has the physical space to be wide and expansive, where in a city like Beijing the pressure of urbanization demands triple accounting for the use of every square meter of land. Even though temples in one city might have a special emphasis, they represent the same cultural traditions.

The Jade Buddha Temple is a marvel inside and out. Outside, the space devoted to trees and grass subsumes natural serenity into the crafted and shaped majesty of the architecture. In perhaps the same space as the Temple of Heaven complex in Beijing, this temple achieves similar grandeur, and it is available for study without the pressure of crowds coming in from all over China and the world. Smaller cities offer the actual space for cultural traditions to be manifested with all the room they need because there is not the contextual pressure to prioritize residential, commercial and industrial space. As great as it is to see the Yonghegong Lama Temple in Beijing, I can’t help but wonder if it wouldn’t be improved by being set in the middle

of a park rather than a compact urban area. The Jade Buddha Temple has that park.

The newness of the Jade Buddha Temple allows travelers to see traditional Chinese architecture but fresh and unworn by the passage of centuries. Inside the temple, vast halls and high ceilings enclose a worthy expression of a traditional cosmology. The vast wall murals of the life of the Buddha, the banners hanging from the ceilings and the enormous statues of gods and goddesses encompass heaven and earth in an architectural expression of Buddhist philosophy.

One of the difficulties of living in China is that I don’t know how to get into the social networks to see “10 things you should see in your local area” posts. However, taking the time to just put myself in some small cities forced me to discover those places. Getting to know a person involves randomly happening upon surprising and impressive characteristics, so getting to know China should involve taking the time to veer off the beaten track and find the small towns you see there on the map. 

TIM YIP: MIRROR

April 13 — July 21, 2019

Today Art Museum, Beijing

Chinese visual artist Tim Yip presents his solo exhibition MIRROR at the Today Art Museum, Beijing, which features his innovative thinking about sci-fi with new works as well as his costume designs and video works.

Yip is well-known around the world for his work on the martial arts film *Crouching Tiger, Hidden Dragon*, which won him an Academy Award for Best Art Direction and a BAFTA award for the film's costume design. This exhibition marks Tim Yip's engagement with science and technology for the first time and displays his meditations on time, space and life sciences. By promoting the idea of "Spiritual DNA", an invisible binding force that links us all, the artist attempts to discuss the germination and inheritance of human feelings and memories.



Blood photographed by Tim Yip.



Gaze painted by Tim Yip.



Poster for Tim Yip's solo exhibition Mirror.

Society Guidance: Part I

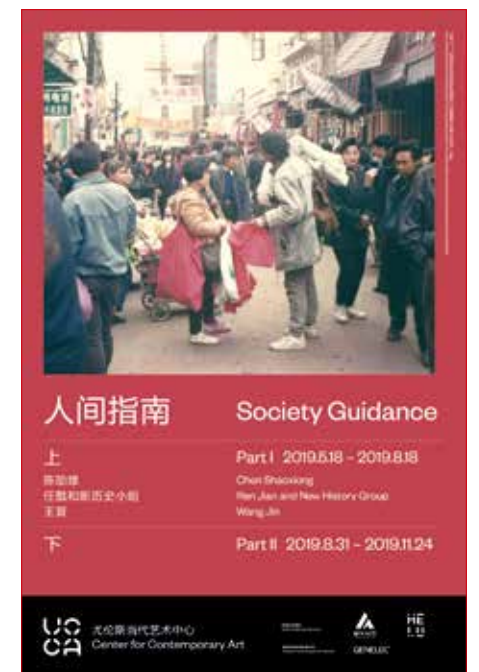
May 18 – August 18, 2019

UCCA, Beijing

In the 1990s, with sweeping reforms of the economic system and social structures, China rapidly transformed into a consumer society, a shift that has exerted a far-reaching impact on private and social lives nationwide.

This exhibition displays the works of several contemporary Chinese artists inspired by this process. The pieces represent the value dilemma they faced as members of the intellectual class and their expectations for value reconstruction at that time while tracing the development trajectory of contemporary Chinese culture.

Born in Guangdong Province, Artist Chen Shaoxiong (1962-2016) harnessed an array of art media to showcase the changing urban landscape of contemporary China including photography, video, installation and ink painting. He held solo exhibitions and participated in many group exhibitions in the United States, Australia and other countries. Ren Jian, born in Liaoning Province in 1955, holds an MFA from Lu Xun Academy of Fine Arts in Shenyang. In 1992, he co-founded "New History Group" with several other artists. Wang Jin, born in Shanxi Province in 1962, graduated from the China Academy of Art in 1987. Many of his works have been presented in large group exhibitions in the United States and Germany.



Poster for the Society Guidance exhibition.

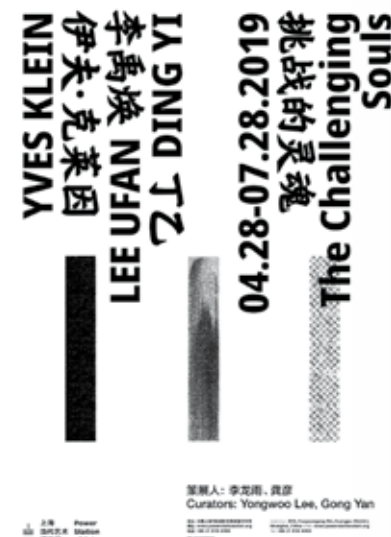
The Challenging Souls: Yves Klein, Lee Ufan, Ding Yi

April 28 – July 28, 2019

Power Station of Art, Shanghai

This exhibition includes more than 100 works of literature, painting and installation by Yves Klein, Lee Ufan and Ding Yi, three artists from different time periods. It showcases each of the artists' relentless pursuits through experimentation, innovation and exploration. Individually and collectively, they invented new artistic languages, media and art forms by challenging existing conventions and trends.

Yves Klein (1928-1962) is considered a genius figure of the French avant-garde scene in the 1950s and 1960s. Lee Ufan is a keen advocate for the Dansaekhwa (monochrome painting) movement that emerged in the 1970s in South Korea. Ding Yi has witnessed and participated in China's reform and opening up and the development of contemporary Chinese art, becoming known for his abstract paintings composed of crosses, which became symbolic of the sprouting period of Chinese contemporary art during China's urbanization.



Poster for The Challenging Souls: Yves Klein, Lee Ufan, Ding Yi exhibition.

Silent Narratives

June 8 – August 8, 2019

MOCA Yinchuan, Ningxia



Poster for the Silent Narratives exhibition.

Focused on the Silk Road, this exhibition invited 24 groups of artists from Silk Road countries such as China, Iraq, Israel, Iran and Turkey to display contemporary works including sculptures, videos, installations and paintings as well as the Silk Road-related documents and antiquities. It aims to present ancient and modern works of culture and history on the same stage.

The exhibition is divided into three parts: China, Central Asia and Western Europe. The China section primarily features traditional Chinese art and culture related to the Silk Road and works exploring the connection and interaction between traditional art and contemporary art. The Central Asia section looks at the "glorious past" and "exclusion and differentiation." The Western Europe section focuses on "Eurocentrism," "colonialism and post-colonialism" and "European extreme rightism."

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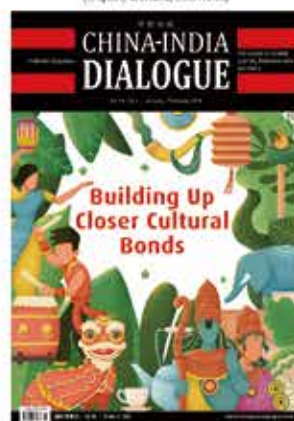
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