

China's Path

The Scientific Outlook on Development

China, a country in the midst of wide-ranging and profound changes:

- ★ Is its economic development sustainable?
- ★ What is China's development path?

Tian Yingkui



FOREIGN LANGUAGES PRESS

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First Edition 2008

ISBN 978-7-119-05413-1

© Foreign Languages Press, Beijing, China, 2008

Published by

Foreign Languages Press

24 Baiwanzhuang Road, Beijing 100037, China

<http://www.flp.com.cn>

Distributed by China International Book Trading Corporation

35 Chegongzhuang Xilu, Beijing 100044, China

P.O. Box 399, Beijing, China

Printed in the People's Republic of China

图书在版编目(CIP)数据

中国道路：从科学发展观解读中国发展：英文 / 田应奎 著.

—北京：外文出版社，2008

ISBN 978-7-119-05413-1

I. 中… II. 田… III. 社会主义建设模式—研究—中国—英文

IV. D616

中国版本图书馆 CIP 数据核字(2008)第 090539 号

策 划：李振国 胡开敏

英文翻译：同文世纪（解圣哲 周曦 杨幸 赖晓鹏）

英文审定：Solange Silverberg 汪光强

责任编辑：蔡莉莉

封面设计：设计·邱特聪

内文制作：红十月工作室

印刷监制：张国祥

中国道路

从科学发展观解读中国发展

田应奎 著

© 2008 外文出版社

出版发行：

外文出版社（中国北京百万庄大街 24 号）

邮政编码 100037 <http://www.flp.com.cn>

印 制：

北京外文印刷厂印刷

中国国际图书贸易总公司发行

（中国北京车公庄西路 35 号）

北京邮政信箱第 399 号 邮政编码 100044

2008 年（小 16 开）第 1 版

2008 年第 1 版第 1 次印刷

（英）

ISBN 978-7-119-05413-1

05900（平）

17-E-6831P

Preface

Today's world is undergoing extensive and profound changes, at a time when China itself is also undergoing wide-ranging and profound changes. The development of China is heading toward an unprecedented historic stage: with unprecedented opportunities and challenges.

People's basic needs in terms of clothing, food, housing and transport, among other things, require a certain economic scale and speed of growth in this country with a population of over 1 billion. It is necessary to maintain comparatively high speed and quality of economic growth to accelerate the process of modernization, transform outdated production methods, narrow the gap between the poor and the rich, enhance the welfare standard of people, and ease the contradictions and conflicts in society.

Over the past 30 years, remarkable achievements have been made. China has undergone a historic transformation. Looking toward the future, can Chinese development remain sustainable? And how? Not only are Chinese people but also the international community and foreign friends expressing concern about it.

To answer these fundamental questions, the Communist Party of China (CPC) put forward the idea of putting people first and formulated the concept of overall, coordinated and sustainable development as a way to promote overall economic, social and human development at the third Plenary Session of the 16th CPC Central Committee in October 2003. It was stressed at the 17th CPC National Congress in October 2007 that a scientific outlook on development is an important guiding principle for social and economic development and a major strategic idea that we must uphold and apply in developing socialism with Chinese characteristics.

China's economic, political, cultural and social construction will be carried out in accordance with the new development outlook, mode and strategy. The scientific outlook on development is not only the direction for China's development and its path, but also a key to understanding and interpreting China.

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Chapter 1.

Why China Advocates the “Scientific Outlook on Development”

The scientific outlook on development reflects the new concept of development of the Chinese people and new development trends of civilization for humanity today. It further clarifies the development path, modes and strategies in today's as well as tomorrow's China. It also clarifies major problems such as why China, with more than 1 billion population, needs development, and for whom, and how to develop.

Domestic background for a scientific outlook

It has been proven that, whatever development outlook a country pursues will have a great impact on national development. Different development outlooks bring different development results. However, the development outlook a country upholds has close links with national conditions and historical traditions. Just as Engels said, we are only able to understand within the circumstances of our times, and how much we understand depends on what level the conditions have reached.

The proposal and introduction of the “Scientific Outlook on Development” has a profound background in domestic conditions. It is a natural reflection of China’s economic, political, cultural and social development in a new historical phase with its given problems concerning the population, resources, environment and development modes and mechanisms. It is a necessary requirement for elevating the Party’s and the government’s administrative capacity.

What kind of country is China in the world? What stage is it at? This gives us the Chinese background for the “Scientific Outlook on Development.”

What kind of country is China?

China is a country with a distinct national character and state character. Its huge population, vast territory, long history, diverse culture and distinctive political system constitute unique national

conditions.

China has the largest population in the world as a nation made up of diverse peoples; from ancient times to the present, this has always been its national feature.

China’s population was 540 million in 1950. In 2007, it reached 1.32 billion, and is expected to reach 1.6 billion by 2050. China is a united diverse nation with 56 ethnic groups. The Han make up more than 90% of the national population. The 55 national minorities, though fewer in number, are widely scattered through approximately 64.3% of China’s land. Due to migration, agricultural settlement and changing of dynasties throughout China’s long history, various Chinese nationalities live both in mixed and separate communities. This provides the objective conditions for adopting regional autonomy in compact minority ethnic communities.

The huge population brings development advantages, while also giving rise to all sorts of problems.

The prominent advantage of the huge population is that it will provide markets on a mass scale and huge potential for development. Since 1978, China’s GDP has continued growing at an annual average of more than 9.7%, and its import and export trade has grown at an average rate of over 18%. This makes China the fastest growing country in the world, greatly exceeding the world average and the average growth rate of developed countries. In 2007, China’s overall economic scale and commodity trade volume ranked respectively fourth and third in the world, while the volumes of main agricultural and industrial products either remained in the front ranks of the world or advanced their positions. In 2006, China’s output of grain, meat, cotton, peanut, rapeseed, fruit and tea remained first in the world, while that of sugarcane and soybean positioned third and fourth respectively. Among its main industrial products, the output of steel, coal, cement, TV sets and cotton textiles remained first in the world; its volume of power generation ranked second; its sugar output ranked third; and its crude oil output ranked fifth.

The distinctive problem of a huge population has given rise

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to pressures for survival and difficulties in administration. Once a foreign reporter raised this question to a Chinese leader: "What's the first thing that occupies your mind when you wake up every morning?" The Chinese leader answered: "How many Chinese will be born today, and how many people need to solve problems of food, health, and education." The number of births in China exceeds 15 million every year. The number of farmers going to urban areas who need lodging amounts to 18 million every year, with another 21 million migrant workers also needing housing. All these problems need to be balanced by the government.

In such a diverse country with a huge population, things would be unworkable without a unified will along with individual creativity. Without a unified will, any government decrees and directives could not be truly carried out, and people would compete in a disorderly environment. Without creativity, there is no driving force for development. People would sink into a lifeless situation. The development of China should show appropriate balance between national unity and people's freedoms.

China is a vast and diversified country. China has a total land area of 9.6 million sq km; its topography, natural resources and environment are extremely varied; and the development of regional economies is imbalanced.

From an aerial view, China's topography descends in height from west to east in a four-step staircase, from the Qinghai-Tibet Plateau with an average elevation of more than 4,000 meters above sea level, to the continental shelf area less than 200 meters below sea level. Large parts of China lie in the North Temperate Zone. Its climate is largely dominated by the continental monsoons. From south to north, there are six climate zones: equatorial, tropical, subtropical, warm temperate, temperate, and north temperate. Rainfall tends to lessen from southeast to northwest. Precipitation varies through different regions. It can reach 1,500 mm in the southeast coastal areas, and less than 200 mm in the northwest of China. Farmlands, forests, grasslands, deserts and wetlands are vast in size. Farmland is mainly concentrated in the eastern region, grassland in the northern and western regions, and forest in the

northeast parts and remote areas of southwest China. The total area of farmland, forests and grasslands is in the front ranks of the world. However, due to China's huge population, comparative statistics calculated per capita are much lower; especially in terms of farmland, which is less than one third of average world levels.

Regional economic development is imbalanced. By the end of 2005, China's mainland population had reached 1,307,560,000. That year's gross domestic product (GDP) amounted to 18,308,480 million RMB, and 55.6% of it was created by the eastern region, whose land area accounts for only 9.5% and population 36% of the national total. As a comparison, the central region (land area accounts for 10.7% and population 27.4% of the national total) contributed 18.8%; the western region (land area: 71.5% and population: 28%), 16.9%; and the northeastern region (land area: 8.2% and population: 8.4%), 8.7%. The 2005 per capita GDP was 14,040 RMB, and it translated to 23,768 RMB, 10,608 RMB, 9,338 RMB and 15,982 RMB respectively for the eastern, central, western and northeastern regions.

In a vast country with such great differences, it is very difficult to achieve coordinated development. On the one hand, we need to promote national development; on the other hand, we should pay more attention to balance. If we cannot proceed from actual conditions, development would not be scientific, neither would it be sustainable.

China is a country with a long history and diverse culture. China is a country where human beings have existed from the earliest times. Over 1.7 million years ago, Yuanmou Man lived in Yunnan province. In 2070 BC, the oldest dynasty – the Xia – was established. Through over 5,000 years of history, China created a splendid material and spiritual civilization.

About 5,000 years ago, the Chinese discovered techniques for tempering copper. In the Western Han Period (206 BC-AD 25), the Silk Road was developed to the eastern coast of the Mediterranean. During the Tang Dynasty (618-907), the prosperity of the feudal society reached its peak, achieving advanced skills in the fields of agriculture, craftsmanship, trade, textile, dyeing,

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pottery, metallurgy and ship-building. It established wide economic and cultural links with Japan, Korea, India, Persia, Arabia, and other countries. During the Song and Yuan dynasties (960-1368), the "Four Greatest Inventions," including papermaking, printing, the compass and gunpowder, were spread around the world, contributing to world civilization.

Paul Kennedy, a US historian, wrote in his book *The Rise and Fall of the Great Powers* (1987) that, of all the civilizations of pre-modern times, none appeared more advanced or achieved greater superiority than China, with its considerable population and remarkable culture; and its exceedingly fertile and irrigated plains, linked by a splendid canal system from the 11th century. Its unified, hierarchical administration run by a well-educated Confucian bureaucracy gave a coherence and sophistication to Chinese society that was the envy of foreign visitors...

China is undergoing revitalization. China had splendid ancient eras but experienced humiliation in pre-modern times. From 1840 to 1949, imperialists invaded China, while feudal bureaucrats suppressed its people, inflicting a tragic and heavy price on China and rendering it a weak and poor nation. From 1840 to 1842, British forces triggered the first Opium War. The Qing Dynasty was forced to sign the unequal Treaty of Nanjing, under which Hong Kong came under British occupation. China was also forced to pay an indemnity of 21 million taels of silver. In 1900, the Eight Power Allied Force (Britain, Russia, Germany, France, US, Japan, Italy and Austria) invaded China and forced the Qing government to sign the Treaty of 1901. Under its terms, China was forced to pay an indemnity of 450 million taels of silver over a period of 39 years (the figure doubled if interests were included). In the 60 years from the Nanjing Treaty to the Treaty of 1901, Western imperialists extorted from China 1.3 billion taels of silver. However, the annual revenue of the Qing government was only 80 million taels. Even if all the revenues had been used to pay the indemnity, it would take 16 years to pay it off. From 1931 to 1945, Japan launched a war against China. The number of casualties,

including military forces and civilians, exceeded 35 million. The direct economic losses surpassed US\$ 1 trillion. Mizoguchi Yuzo, a Japanese scholar, once depicted this pitiful situation as resembling a giant python, which, after 2,000 years of shedding its skin, should have rested in a hole, but it was instead left exposed in a remote area and attacked by ferocious animals.

On October 1 of 1949, the People’s Republic of China was founded, and after more than 100 years, national independence and people’s liberation had finally been realized. Since then, China and the Chinese people have witnessed fundamental changes and progress.

Entering the 21st century, the Communist Party of China put forward strategic goals for economic and social development: by 2021, the CPC 100th anniversary, China will have built higher standards of a well-off society, benefiting more than 1 billion people; by 2049, the 100th anniversary of the founding of the People’s Republic of China, the GDP per capita should reach a standard of moderately developed countries, with modernization basically achieved. In the process of leading the cause of socialism, the Communist Party of China has remained committed to developing economy as the central task and following the “Four Cardinal Principles,” the policies of reform and opening-up and an independent foreign policy of peace. It will lead the people to develop a market economy, democratic politics and advanced culture, and build a harmonious society. The Communist Party of China has steadfastly adhered to the path of peaceful development, and unswervingly followed a win-win open strategy, so as to create a favorable international environment for reform and opening-up and the construction of modernization.

It is obvious that China’s development and progress are directly related to the ruling Party and the socialist system. When we analyze the economic and social development of contemporary China, especially its conditions of scientific and harmonious development, we need to observe the direction of development and the transformation of the Communist Party of China, and

study its ideas, theories and statements. It is an important angle to observe, know and understand how contemporary China will develop.

What development stage is China in?

After over 50 years, especially during the last 30 years of rapid development, China is in a period of accelerated industrialization, urbanization, informatization, marketization and internationalization. It is a period of economic, social, political and cultural transformation, as well as a period of distinctive contradictions such as low average incomes and imbalanced development. China is still in the primary stage of socialism and will remain so for a long time to come.

The primary stage of socialism is inevitable for building socialist modernization in an economically and culturally underdeveloped country like China and will take at least 100 years to accomplish. The development and construction of China must proceed from these national conditions. Though China has made remarkable achievements, it is still in the primary stage of socialism marked by various contradictions caused by high material and cultural demands and backward social and production modes. For example, China's per capita Gross National Income (GNI) is over US\$ 2,000, accounting for 30% of the world average per capita. Though the World Bank advanced China from a low-income-level country to a middle-level country in 2006, when the country was placed the 100th in the world, China is still a developing country with low development levels.

Premier Wen Jiabao stated in Singapore, in November 2007, that China is still a developing country marked by a national condition of a huge population, weak economic base and underdeveloped productive forces. Though huge in terms of economic scale, the GDP per capita still ranks low in the world.