



WAYS TO INVIGORATE CHINA



RETROSPECT AND PROSPECT OF CHINA'S THIRTY-YEAR REFORM OF ECONOMIC SYSTEM

Compiled by Liqun Wei

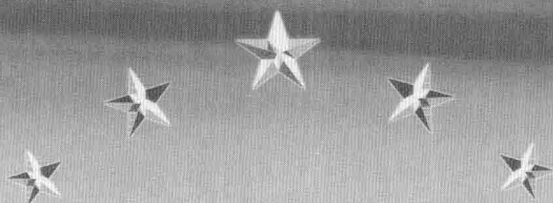
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PEOPLE'S PUBLISHING HOUSE



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**Boosting Reform and Opening Up
to a Higher Level Preface to
“Ways to Invigorate China——
Series of Books on the Thirtieth
Anniversary of Reform and Opening Up”**

Binjie Liu

Since the Opium War, countless Chinese sons and daughters shed their blood or laid down their lives to seek for national independence and people's liberation, to make China stronger and more prosperous, and to realize common prosperity of all. This mission has been paramount all through China's modern and contemporary history. Through the Movement of the Taiping Heavenly Kingdom, the 1898 Reform Movement and the Yihetuan Movement, the Chinese people were trying to explore strenuously for the road of salvaging the country and the nation. The Revolution of 1911 overthrew the autocratic regime of the Qing Dynasty and turned over a new leaf for contemporary Chinese revolution. But the following tangled warfare among the warlords left China under imperialist and feudal oppression, so that the anti-imperialist and anti-feudal revolutionary task remained unaccomplished. In 1949, the Chinese people of all nationalities, led by the Communist Party of China, overthrew the rule of imperialism, feudalism and bureaucrat capitalism, won the great victory of the

new-democratic revolution and founded the People's Republic of China. With people being the masters of the country, the new China has established the basic system of socialism and paved the way for the progress and prosperity of the Chinese nation. The Third Plenary Session of the Eleventh Central Committee of the Communist Party of China held in 1978 laid down the significant policy of reform and opening up to reinforce and improve the socialist system, which marked a new period of development of the cause of socialism in China. President Hu Jintao observed that reform and opening up are ways to make China powerful and energetic.

On the thirtieth anniversary of reform and opening up, it is essential for us to sum up the past 30-year's experiences so as to accurately and scientifically grasp the objectives and nature of this innovative reform and have full confidence in the road of socialism with Chinese characteristics. Based on the achievements made during the past three decades, we will firmly press ahead with reform and opening up, scientific development and the establishment of a harmonious society.

1

In the history of new China, the decision to carry out reform and opening up has been vital to the destiny of contemporary China. It is through reform and opening up that China freed herself from the domestic chaos of the decade of the "Cultural Revolution" and has begun to witness sustained and rapid development of economy, remarkable improvement in people's living standards, the enhancement of overall national strength and more important position in the international community. All great and successful revolution or reform should go along with people's will and keep up with the trend of the times. China's reform and opening-up has reflected the Party's profound understanding of the history and the reality of Chinese socialist development and the

Party's accurate analysis of international situation and historical tides. So it is really the unification of the past and the present, the accordance of the Party's will and people's aspirations.

Thirty years ago, China was undergoing great sufferings brought about by the decade of the "Cultural Revolution". National economy was on the brink of collapse and people were struggling to make a living. With the downfall of the Gang of Four in 1976, China was expecting to have a turning point. However, due to some wrong guiding ideology, the Party did not begin to set things right, instead China was still caught in the downturn from October 1976 to the Third Plenary Session of the Eleventh Central Committee of the Party held in 1978. At that time, with the vigorous development in science and technology, developed countries have launched post-industrial revolutions in succession and many developing countries were pressing towards the road of modernization. The widening gap between China and the rest of the world in economic strength and scientific development put us in a serious disadvantage in the international competition. Under this circumstance, our Party made the sensible decision to reform and open up to the outside world and found the correct road to socialism with Chinese characteristics. Deng Xiaoping, the chief architect of the reform and opening-up policy, stated clearly that: "Our modernization drive and socialist cause will be doomed if we don't adopt the reform policy firmly." "If we do not adhere to socialism, implement the policies of reform and opening up to the outside world, develop the economy and raise people's living standards, we will find ourselves in a blind alley". Therefore, at that Session it was decided that the focus of our work should be shifted from class struggle to economic growth. Through reforms we would liberate and develop the productive forces and improve the socialist system; through opening up to the outside world, we would be engaged in international cooperation and competition. Since then, from the countryside to the cities and from the state-owned enterprises to the other sectors, the sweeping reform has been carried out with irresistible momentum. From the coastal areas to areas along the rivers

and the border, and from the eastern China to the central and western regions, the door has been resolutely opened to the outside world. The reform and opening up has injected new and greater vitality into our drive for national rejuvenation.

Reform and opening up represent a great new revolution carried on and developed by the Party's several generations of central collective leadership. In his report at the 17th CPC National Congress, President Hu Jintao stressed: "We must never forget that the great cause of reform and opening up was conducted on a foundation laid by the Party's first generation of central collective leadership with Comrade the Mao Zedong at its core, which founded the Mao Zedong Thought, led the whole Party and the people of all ethnic groups in establishing the People's Republic and scoring great achievements in our socialist revolution and development, and gained invaluable experience in its painstaking exploration of laws governing the socialist development;" "We must never forget that the great cause of reform and opening up was initiated by the Party's second generation of central collective leadership with Comrade Deng Xiaoping at its core leading the whole Party and the people of all ethnic groups in the endeavor;" "We must never forget that the great cause of reform and opening up was carried on, developed and successfully carried into the 21st century by the Party's third generation of central collective leadership with Comrade Jiang Zemin at its core leading the whole Party and the people of all ethnic groups in this mission." "Since the Sixteenth Congress, we have followed the guidance of the Deng Xiaoping Theory and the Important Thought of Three Represents, kept up with new developments and changes in and outside China, grasped the strategic opportunities in this important period, promoted the truth-seeking, pragmatic and pioneering spirit and persisted in innovation in both theory and practice. We have worked hard to promote scientific development and social harmony, improved the socialist market economy, and resolutely carried forward the great cause of reform and opening up in building a moderately prosperous society in all respects." The Party Central Committee

with Comrade Hu Jintao as its General Secretary is striving to carry on and develop the reform and opening up to a higher level.

Since the Third Plenary Session of the Eleventh Central Committee of the Party, China has created and accumulated a wealth of practical experience besides great achievements that have attracted worldwide attention in the process of socialist modernization. At the Twelfth Congress, Thirteenth Congress, Fourteenth Congress, Fifteenth Congress and Sixteenth Congress, the Party has respectively summed up the valuable experience from different stages of reform and opening up. Starting from the retrospect of the whole historic development of reform and opening up, the Seventeenth National Congress has dealt with those fundamental aspects concerning eliminating poverty, accelerating the modernization drive, and consolidating and developing socialism in a large developing country with 1.3 billion people. The Congress put forward “Ten Links” to deepen our understanding of reform and opening up. “Ten Links” clarify how to adhere to and develop Marxism and socialism, how to consolidate and improve the Party’s leadership, how to implement the Party’s basic theory, line, program and experience into every aspect of socialist development with Chinese characteristics, how to take both the domestic and international situations into consideration, and how to link advancing the great cause of socialism with Chinese characteristics with making progress in the great new undertaking to build the Party. The most significant link is to adapt the basic tenets of Marxism to fit the contemporary China’s reality and development, taking our own road and building socialism with Chinese characteristics.

2

President Hu Jintao pointed out in the report at the Party’s 17th National Congress: “Reform and opening up represent a great new revolution carried on by the people under the Party’s leadership in a new era to release and develop

the productive forces, modernize the country, bring prosperity to the Chinese people and rejuvenate the great Chinese nation; to promote the self-improvement and development of China's socialist system, inject new vitality into socialism, and build and develop socialism with Chinese characteristics; and to improve the building of the Party as it leads contemporary China in development and progress, preserve and enhance its vanguard nature, and ensure that it is always in the forefront of the times.”

The fundamental reason behind the historic changes in the visages of the Chinese people, socialist China and the CPC in the past three decades is that we have unswervingly adhered to the correct direction of reform and opening up. First, changes among the Chinese people are the most profound. Many old ideas and trite dogmas that had strangled Chinese people's mind for a long time have been swept away. People have strived to emancipate their mind, seek truth from facts, keep pace with the times and make innovations in a pioneering spirit. Under the leadership of the Communist Party of China, Chinese people have become the representatives of advanced productive forces and the producers of advanced culture, and motivated by the reform and opening up, they are working hard to build a prosperous, strong, democratic and culturally advanced modern socialist country. Second, drastic changes have taken place in socialist China. The slogan “The class struggle is the top priority” was thoroughly repudiated and a historic decision was adopted to make economic development the central task of the Party and the government. China has been successfully transformed from a highly centralized planned economy to a robust socialist market economy, and from a closed or semi-closed state to all-round opening up. Social productive forces have been greatly emancipated, the material wealth of society has kept increasing and the life of the people has been steadily improved. The old China subject to oppression, humiliation and poverty has developed to an energetic and refreshing China with stable government, growing economy, colorful culture and harmonious society. Third, historic changes have also occurred in the Communist Party of China. Having drawn

many lessons from the past ups and downs, the Party reawakened under changed circumstances and was determined to create a new contemporary socialism in line with the people's aspirations. From revolutionary party to the ruling party, the CPC has constantly improved its governing capability, maintained and developed its vanguard nature, and consolidated its class basis and expanded its masses basis, enabling itself to remain the firm core of leadership for the great cause of socialism with Chinese characteristics.

Reform and opening up constitute the most salient feature in the past three decades. This great undertaking of reform and opening up, never seen before in history, has greatly stimulated the enthusiasm of hundreds of millions of Chinese people and brought about China's historic transformation from a highly centralized planned economy to a robust socialist market economy, and from a closed or semi-closed state to all-round opening up. Today socialist China is standing rock-firm in the East, oriented toward the needs of modernization, of the world and of the future.

Rapid development represents the most remarkable achievement in the new period. Directed by the reform and opening up, the Party has led the people to work hard to promote China's sustained rapid development at a rate rarely seen in the world. Economic strength and the overall national strength have been increasingly enhanced. Great changes have taken place in the infrastructure and the construction of both cities and the countryside. The Chinese people are leading a fairly comfortable life on the whole.

Keeping up with the times is the most prominent hallmark of the new period. The Party has been constantly seeking answers to major theoretical and practical questions such as what socialism is and how to build it, what kind of party we must build, and how to build it, and what kind of development China should achieve and how to achieve it. In this way the Party has not only opened a new chapter for socialist development with Chinese characteristics but broadened the realm of contemporary Chinese Marxism to a new level. With successful practices and theoretical innovations, the Party can identify

and oppose the erroneous trends of thought and lead the whole nation to march in the right direction.

3

All the progress and achievements we have made during the past thirty years should be owed to the great practice of reform and opening up and the great theory of building socialism with Chinese characteristics. The practice and the theory are correlated and complementary to each other.

Emancipating our minds, seeking truth from facts and advancing with the times are the living spirit of Marxism and the Party's basic ideological line. With them we can confidently adapt to new situations, accept emerging phenomena and accomplish challenging tasks. In the new historic age, adhering to the Marxist ideological line, the Party has been constantly seeking answers to major theoretical and practical questions such as what socialism is and how to build it, what kind of party we must build and how to build it, and what kind of development China should achieve and how to achieve it, thus making great breakthrough both in theory and in practice. In the report delivered at the Party's 17th National Congress, Hu Jintao emphasized: "The fundamental reason behind all our achievements and progress since the reform and opening up policy was introduced is that we have blazed a path of socialism with Chinese characteristics and established a system of theories of socialism with Chinese characteristics. Essentially, to hold high the great banner of socialism with Chinese characteristics means to keep to this path and uphold this system." Theories of socialism with Chinese characteristics constitute a system of scientific theories including the Deng Xiaoping Theory, the Important Thought of Three Represents, and the Scientific Outlook on Development and other major strategic thoughts. This system represents the Party's adherence to and development of Marxism-Leninism and Mao Zedong Thought and embodies the wisdom and

hard work of several generations of Chinese Communists leading the people in carrying out tireless explorations and practices. It is an open system that keeps developing.

Since the Third Plenary Session of the Eleventh Central Committee, Chinese communists with Deng Xiaoping as their main representative, with peace and development being the two major issues of that time, worked hard to emancipate mind and make theoretical and practical explorations with great political insight. Based on the past experience, positive and negative, the Party reflected upon “what socialism is and how socialism is to be built”. Combining the basic tenets of Marxism with the reality of Chinese socialist development, the Party has found primary but systematic answers to questions such as how to build, consolidate and develop socialism in economically and culturally backward China. Thus the Party has clearly formulated the basic line for the primary stage of socialism, emphasizing that the Four Cardinal Principles are the very foundation for building our country, taking economic development as our central task is vital to invigorating our nation, and reform and opening up is the path to a stronger China.

Since the Fourth Plenary Session of the Thirteenth Central Committee, Chinese communists, with Jiang Zemin as their main representative, have gone further to link the basic tenets of Marxism with the real situations in China, enriching and deepening the Deng Xiaoping Theory. Focusing on building socialism with Chinese characteristics, the Party managed to advance with the times and scientifically identified its historical orientation. Based on the past experience and the whole Party’s wisdom, the Party has creatively answered what kind of party we must build and how to build it, deepening our knowledge of the law of building the ruling Party. In this way the Party has realized the importance of self-improvement and self-enhancement from a newer and higher historical altitude, formulating persistent implementation of the “Three Represents” is the foundation for building our Party, the cornerstone for its governance and the source of its strength.

Since the beginning of the 21st century, the world has been undergoing extensive and profound changes, and contemporary China has been going through a wide-ranging and deep-going transformation. This brings us unprecedented opportunities as well as unprecedented challenges. The Central Committee led by Hu Jintao has grasped and made the most of the important period of strategic opportunities and systematically carried on and developed Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory and the Important Thought of Three Represents. Based on the scientific thesis that China is still at the primary stage of socialism and will remain so for a long time to come, and that China is at a new stage of development, the Party has gone further to answer what kind of development China should achieve and how to achieve it. Scientific Outlook on Development is hence established to take development as its essence, putting people first as its core, comprehensive, balanced and sustainable development as its basic requirement, and overall consideration as its fundamental approach.

Just as stated in the report at CPC's 17th National Congress, theories of socialism with Chinese characteristics constitute a system of scientific theories including Deng Xiaoping Theory, the Important Thought of Three Represents, and the Scientific Outlook on Development and other major strategic thoughts. This system represents the Party's adherence to and development of Marxism-Leninism and Mao Zedong Thought and embodies the wisdom and hard work of several generations of Chinese Communists leading the people in carrying out tireless explorations and practices. It is the latest achievement in adapting Marxism to fit Chinese conditions, the Party's invaluable political and intellectual asset, and the common ideological foundation for the concerted endeavor of the people of all ethnic groups. In contemporary China, to stay true to Marxism means to adhere to the system of theories of socialism with Chinese characteristics.

The interaction between theory and practice will last forever. The formation of theories of socialism with Chinese characteristics derives from the prac-

tice of reform and opening up, and in return, theories of socialism with Chinese characteristics effectively guide reform and opening up. We must cherish the dialectical relationship between theory and practice, continue to emancipate our mind and carry out reform and opening up, and broaden our path of socialism with Chinese characteristics when thoroughly applying the Scientific Outlook on Development.

30 year's great practice leads to 30 year's invaluable experience and remarkable achievements. They have found enough expression in fighting the earthquake and providing disaster relief and successfully staging the 29th Olympic Games in 2008. The great achievements of the 30 years since the Third Plenary Session of the 11th CPC Central Committee have profoundly made it clear to us all that the decision to carry out reform and opening up has been vital to the destiny of contemporary China, that reform and opening up are the only way to develop socialism with Chinese characteristics and rejuvenate the Chinese nation, that only socialism can save China and that only reform and opening up can develop China, socialism and Marxism. Essentially reform and opening up are in accordance with the aspirations of the Party membership and the people and keep up with the trend of the times. The orientation and path of reform and opening up are entirely correct, and their merits and achievements can never be negated. To stop or reverse reform and opening up would lead us down a blind alley. We shall uphold the great banner of socialism with Chinese characteristics and work hard to achieve new victories in building a moderately prosperous society in all respects and write a new chapter of happy life for the people.

To celebrate the thirtieth anniversary of reform and opening up, the Central Publicity Department and the General Administration of Press jointly published "Ways to Invigorate China: Series of Books on the Thirtieth Anniversary of Reform and Opening up". First they aim to sum up the precious experience of the past 30 years and probe into the laws of social development, socialist building and CPC's governance. Second they are bound to publicize social-

ism with Chinese characteristics and deepen the whole nation's knowledge of the Party's basic theories, line, program and experience so as to continue and boost reform and opening up in the new historic period. The third purpose is to encourage people to further emancipate mind and thoroughly promote scientific development, inspiring the entire Party and people of different ethnic groups to unite together to build a stronger and more prosperous China. The last but most important purpose is to comprehensively implement the spirit of the CPC's 17th National Congress.

This series of books is systematic and comprehensive, for it recalls in detail the wide-ranging changes in Chinese society in the past three decades. This series is thoughtful and academic, for it gives theoretical analysis of and academic exploration to all the key points and hot points in the 30-year's practice of reform and opening up. This series is clearly orientated and effectively geared to present situation, for it covers all the important fields and sectors in Chinese political and economic life and collects the theoretical explorations and practical experience from a variety of perspectives. This series offers us a panoramic view of the 30-year's great practice of reform and opening up, unfolding before the world Chinese people's endeavor and enthusiasm for a brighter future.

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