

Xīnhuá!

Reform, Opening-up and China's rise

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Major economic and structural reform phases

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Who decides China's foreign policy?

Distribution of the World GDP in 1970

(source: World Bank)



Distribution of the World GDP in 2010

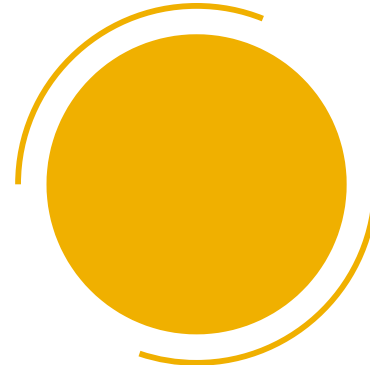
(source: World Bank)



Major reform phases (*gaige kaifang*), 1978-2014



MARKET-SEEKING
REFORMS
1978-91



MARKET-BUILDING
REFORMS
1992-2005



MARKET-ENHANCING
REFORMS
2006-2014

Three distinct groups of reform thinkers in CCP



Older generation (born 1900-19)

Revolutionary
struggle in the
countryside and
economic
warfare



Middle generation (born 1920-39)

A coherent
political and eco-
nomic system as
well as a binding
orthodoxy of the
1950s



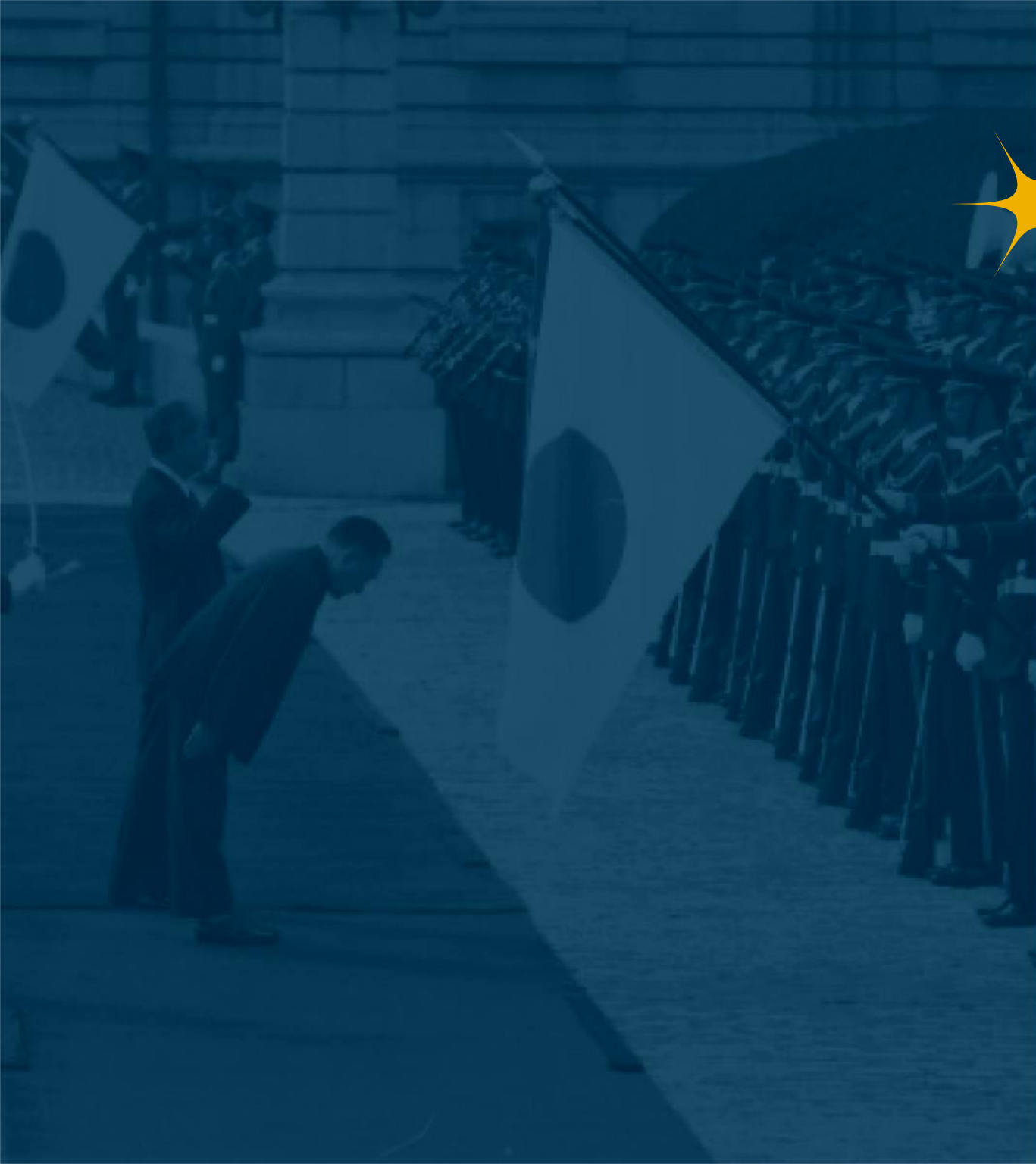
Young generation (born 1940-60)

Chen Yizi and
others from the
CASS
implemented a
successful rural
reform

A blue-tinted portrait of Deng Xiaoping, the Chinese leader, serves as the background for the left side of the slide. The years '1978-91' are overlaid in large white text.

1978-91

- ▲ 'Emancipate the mind, seek the truth from facts'. **Deng Xiaoping** at the Central Party Work Conference in 1978
- ▲ The '**Four Modernisations**,' the '**Open Door Policy**' and price policy
- ▲ Key-words of the new policies: decentralisation, responsibility, incentives
- ▲ Reforms developed only **gradually**, starting in **rural areas**, through **experiments**
- ▲ What did stop the institutional process in June 1989?

A blue-tinted background image showing a Japanese flag on the left and a person in a dark suit bowing towards the right. A yellow starburst graphic is positioned to the left of the main title.

Look to Japan as a model

- ▲ China was short of necessary funding, technology know-how and management expertise to initiate modernisation
- ▲ Deng's visits to Japan, 1978-79
- ▲ Why Japan?
- ▲ The PRC was rich in natural resources, while resource-poor Japan was looking to diversify its sources of raw materials
- ▲ Japan began providing **ODA** to China



1992-2005

- ▲ The 1992 Deng's 'tour through the south' reignites reforms
- ▲ Refusing egalitarianism: some **regions**, **enterprises** and **workers** earn more and enjoy more benefits 'sooner than others'
- ▲ 'Socialist market economy'
- ▲ Fighting inflation
- ▲ Reforms on commercial banks and SOEs reform plan
- ▲ The accession to the WTO

The WTO entry

- ▲ The Chinese government officially applied to 'rejoin the GATT' in 1986
- ▲ China decided to act in accordance with market economy rules
- ▲ The agreement proceeded along with the US-China accord
- ▲ Reducing or eliminating tariffs or quotas in agriculture, industrial goods, and services
- ▲ China's membership in the WTO would help to foster **greater political and economic liberalisation** within the country.
False conventional wisdom

Supporting China's entry into the W.T.O., however, is about more than our economic interests; it is clearly in our larger national interest. It represents the most significant opportunity that we have had to create positive change in China since the 1970's, when President Nixon first went there, and later in the decade when President Carter normalized relations. I am working as hard as I can to convince Congress and the American people to seize this opportunity.



*Pres. Bill Clinton
8 March 2000,
SAIS Johns Hopkins University*



World ▾ Business ▾ Markets ▾ Sustainability ▾ More ▾

Business

Trump administration says U.S. mistakenly backed China WTO accession in 2001

By Lesley Wroughton

January 20, 2018 12:35 AM GMT+1 · Updated 6 years ago

Aa



- 
- ▲ An '**harmonious** society'
 - ▲ **Science** and **technology** are important to build an 'innovative nation'
 - ▲ Stimulus programme to tackle the Global Financial Crisis (2007-08)
 - ▲ State consolidated its control on firms, whom act in line with government interests



2006-14

The China model: Alternative to liberal economy



State = Party (CCP)

aim



Develops and
improves the
socialist system



means

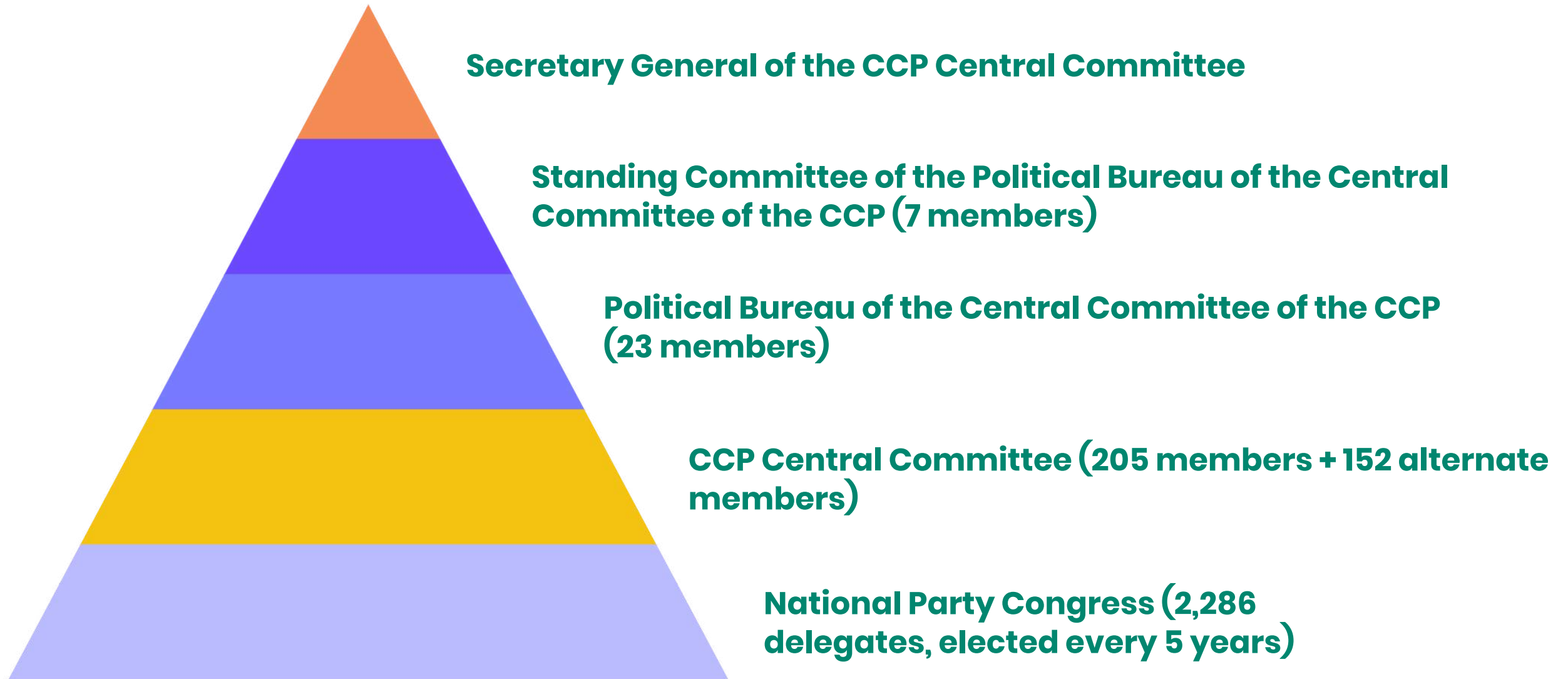


'Party-State
Capitalism'

*Theoretical
framework*

- Marxism-Leninism
- Mao Thought
- Deng Theory
- The Three Representatives Theory
- The Scientific Outlook on Development
- Xi Thought

Governing China: The pyramid



China's top decision-making body, 2022-2027



Xi Jinping 1

习近平

(b. June 1953)

General Secretary, CPC Central Committee

Chairman, CPC and State Central Military Commissions

State President



Li Qiang 2

李强

(b. July 1959)

Premier,
State Council



Zhao Leji 3

赵乐际

(b. March 1957)

Chairperson, National
People's Congress



Wang Huning 4

王沪宁

(b. October 1955)

Chairperson, Chinese
People's Political
Consultative Conference



Cai Qi 5

蔡奇

(b. December 1955)

Secretary, CPC Central
Committee Secretariat;
Director, CPC Central
Committee
General Office



Ding Xuexiang 6

丁薛祥

(b. September 1962)

Vice Premier, State
Council



Li Xi 7

李希

(b. October 1956)

Secretary, CPC Central
Commission for
Discipline Inspection

Source: US Congress Research Service

Who decides China's foreign policy?



BEIJING

The CCP and central government institutions



COMPANIES

SOEs and their subsidiaries



PERIPHERY

Provincial-level governments
(more specifically, in the cultural realm)

The mission of the CCP in international relations



NATIONAL REJUVENATION

Restoring China's international status



GLOBAL COMMUNITY

Promoting mutual co-operation between countries



CHINESE CONTRIBUTION

Encouraging international peace and development