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The Belt and Road Institute in Sweden

China's Epic Journey from Poverty to Prosperity What is it and what is in it for the world?

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China is a unique nation with a unique history and political system. While its policies cannot be copied verbatim by any other country, it is important to first know how China's epic journey from a poverty-stricken nation in the 1960s to the world's second largest industrial economy was achieved, and secondly what lesson of universal and scientific value can be derived from such a journey. This is simultaneously an important message to all developing nations declaring that moving from poverty and want to prosperity and reasonable abundance is a fully graspable goal. The challenges that have been faced and overcome, in addition to new coming ones are also of great interest. This will increasingly gain importance as China's cooperation with the 140 nations that have joined the Belt and Road Initiative deepens.

Here we review key aspects of the recently released White Paper issued by China's State Council Information Office titled "China's Epic Journey from Poverty to Prosperity" ([Full Text: China's Epic Journey from Poverty to Prosperity | english.scio.gov.cn](https://english.scio.gov.cn/Full-Text-China's-Epic-Journey-from-Poverty-to-Prosperity))

"The people are hard-pressed; they need some modest comfort.

"Do well by the Central Plains, and your rule will spread beyond." (The Book of Songs – Chinese poems)

Xiaokang, or "moderate prosperity" has become a key component of both the vision and practice of the Communist Party of China (CPC), the government and people of the People's Republic of China (PRC) in recent years. The CPC has been generous enough, not only in assisting other nations, but in unfurling the full scope of this development process, revealing and sharing the secrets of how this journey was conducted. On September 28, 2021, China's State Council Information Office issued a white paper to document the country's journey to moderate prosperity in all respects, or Xiaokang, and share its experience in modernization.

The document presents the work done by the leadership and people of the PRC since the launching of

“Reform and Opening up” in 1978, coordinated by the CPC, and gives an insight into what China has accomplished in realizing prosperity through all-round development for all.

At the start of its “epic journey”, China was characterized as a country with 80 % of its populations living in rural areas and 70 % were employed in the primary sector (such as farming, fishing and other production of raw material). China’s GDP was 149 billion USD equal to just 385 yuan per capita with an average per capita disposable income of RMB171. Figures that clearly express the major challenges that China and its people were about to take on to transform the PRC into an urbanized and sophisticated society with moderate prosperity in all respects.

Moderate prosperity in China, according to the document, is evident in the following respects: sustainable and sound economic development, expanding people’s democracy, a flourishing cultural sector, improvement in people’s well-being and great changes to the eco-environment.

The Epic Journey has so far taken 43 years and each continuous 5-year plan has been formulated to engage the people to overcome the most important challenges at that time. Step by step has China transformed itself, and the people have been rewarded for their hard work by continued improvements in their living conditions.

These are some highlights of the white paper:

1. As part of China's industrialization process a massive internal migration from rural (-40%) to urban areas (+40%) has taken place. The major challenge, however, is how to strike a balance between the rapid growth in the urban areas and the backwardness of the rural ones.
2. The economy has shifted away from a majority employed in the primary sector (agriculture) towards a majority employed in the secondary sector (manufacturing) and tertiary sector (services sector). At the same time, the efficiency in production of food and the output have increased by means of high technology.
3. China has built the largest integrated infrastructure system with the most advanced railway and high-speed railway networks in the world, and temporal distance inside China has been significantly shortened making it easier to travel and transport goods across the country. This has also allowed the emergence of an efficient industrial supply-chain within the country.
4. China adopted a targeted strategy of poverty alleviation and has lifted 770 million people out of extreme poverty by the end of 2020.
5. The Engel coefficient that measures the share of disposable income that people need to be spent on food have decreased for urban as well as rural population and is just 50% of what it was in 1978.
6. The disposable income per capita have increased almost by 100 times from 343 yuan in 1978 to 32 189 yuan in 2020. The gap in disposable income per capita between people in urban area (43 834 yuan) and people in rural area (17 131 yuan) is still wide and of concern.
7. The ratio between the per capita disposable income of urban and rural residents has been declining steadily for 13 consecutive years since 2008, with the ratio standing at 2.56:1 in 2020.
8. China has made strong headways in preventing and controlling pollution, attaining major achievements in its drive to keep the skies blue, the waters clear, and the land pollution-free.

9. China has dramatically reduced the world's poverty-stricken population and gained a new experience of modernization for humanity, while its all-round opening up has promoted win-win cooperation.

10. China's experience offers a new option for those countries and peoples who are looking for both rapid growth and independence, and its success provides them with considerable opportunities for development.

By the end of 2020, China ranked first globally in terms of trade in goods and foreign exchange reserves and ranked second in terms of its trade in services and consumer market. In 2020, it was the largest recipient of foreign direct investment. The PRC is the largest trading partner of more than 50 countries and regions, and one of the top three partners of over 120 countries in total. The dynamic character of the growth of the Chinese economy, its potential and stability of the economy have been augmented by a population of over 1.4 billion people pursuing prosperity and a better living standard through hard work. "This includes a middle-income group of over 400 million people that keeps expanding – offering a supersized market growing faster than any other place in the world", the white paper emphasized.

China's realization of "moderate prosperity in all respects" and eliminating extreme poverty in the centennial anniversary of the founding of the CPC is a fulfillment of an intermediate ultimate goal of the "rejuvenation of the nation" by 2049, the centennial anniversary of the founding of the People's Republic of China. There are certain other stepping-stones to be reached too. The 2025 "Made in China" which is being replaced by "smart manufacturing in China" is the next one. By 2035 China intends to achieve "basic socialist modernization" when the levels of technological advancement, innovation, living standards are the highest in the world, while the national governance system is modernized. By 2049 China is planning to achieve the goal of building "a modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious and beautiful". Given China's recent record, if it is not hindered by outside forces or unforeseeable cataclysmic events, these goals seem to be reachable.

HOW WAS IT DONE?

In the early years of reform and opening up, Deng Xiaoping for the first time used the term Xiaokang to present his vision of China's modernization by the end of the 20th century. At its 18th National Congress in 2012, the CPC announced that China would realize the First Centenary Goal of building a moderately prosperous society in all respects by 2021 when the Party would celebrate its centenary. This achievement was announced by President Xi Jinping at the ceremony marking the centenary of the CPC on July 1, 2021.

Here we focus on 5 decisive factors:

- 1. Urbanization to wholly new city clusters**
- 2. Massive investment in national Infrastructure (building "economic belts" of development) and connecting the whole country.**
- 3. Raising the productivity of society through industrialization, education and raising labor skills**
- 4. Rural development, agricultural development and reform.**
- 5. Technological advances and innovation.**

1. Urbanization

To modernize the economy and enter the era of industrialization, it was imperative to move large numbers of the population from the rural areas to new urban areas as labor force to occupy the newly created industrial zones after the opening up of the economy to foreign investment.

To accommodate the new labor force, it was imperative to build wholly new city clusters and both the physical (housing, roads, rail, water and sewage systems, and power) and the social infrastructure (schools, hospitals, nursing homes, cultural centers, museums, libraries, etc).

Between 1978 and 2020, China witnessed what can be termed the biggest mass-emigration process in world history. In that period, according to the White Paper, the percentage of permanent urban residents in the overall population rose from 10.6 percent to 63.9 percent, and the number of cities grew from 132 to 687, while the number of administrative towns soared from 2,000 to more than 21,000. They include modern and internationalized metropolises, grandiose ancient capital cities, glamorous cultural destinations, and towns with unique features. As urbanization accelerated, tightly-knit city clusters have formed, each covering a large area and inhabited by a large population. They are becoming powerhouses driving economic development, modernization, and the improvement of urban operational efficiency and their residents' living standards.

A modern infrastructure made it possible, as time went by, to overcome the backsides of industrialization like pollution, and cities are gradually becoming “more livable, innovative, smarter, greener, more people-centered and resilient”. With advanced water, electricity, gas, road, internet and other infrastructure, cities have become safer and better able to ensure that residents' basic living needs are met. Living standards increased and employment opportunities became more abundant and diverse, attracting more people from the rural areas.

2. Massive investment in national Infrastructure (Building economic belts of development), connecting the country.

To knit the whole nation into one dynamic and well-connected economic and social unit, the PRC embarked on one of the largest infrastructure building processes in history. The modern infrastructure networks of roads, railways, bridges, tunnels, airports helped shrink the distances between different parts of the country. This made it easier to travel and transport goods between different parts of the country in record time even to distant areas and very difficult terrain. An integrated transport network encompassing five north-south corridors and five east-west corridors connects the whole country. China leads the world in the total route length of high-speed railway, urban rail transit and expressway, and in the number of deep-water berths.

The White Paper lists the following achievement:

“By 2020, there were 459,200 km of urban roads, and 704,000 buses and trolley buses in service. Meanwhile, 99 percent of China's urban residents had access to tap water and 97.9 percent to natural gas; centralized heating covered 9.9 billion sq m; urban sewage pipelines stretched 803,000 km. The sewage treatment rate reached 97.5 percent, and 99.7 percent of domestic waste was subject to harmless disposal; vegetation coverage was 2.4 million ha in urban built-up areas, with a coverage rate of 42.1 percent.”

China has also become a world leader in water management systems, building the largest dams such as the Three-Gorges Dam and the Baihetan Dam (first and second largest hydropower dams in the world). It built

history's greatest water transfer system, the South-North Water Transfer Project which carries 44.8 billion cubic meters/year from the Yangtze River in the south to Beijing and dryer regions in the north through a series of mega canals. This is as much water as the Nile River brings to Egypt annually at the Aswan Dam. Therefore, the White Paper rightly and proudly states that "thanks to the constantly improving water resource management and infrastructure, China is able to support around 20 percent of the world's population and 17 percent of the global economy with only 6.6 percent of the planet's fresh water."

China's power generations have advanced by leaps and bounds in the past 30 years with a greatly diversified and advanced sector driven by coal, oil, natural gas, nuclear power, and renewable energy.

In numbers:

- **National Railways:** In 2020, it had 146,000 km of railway routes in operation, including 38,000 km of high-speed railways.
- **Urban rail and metro:** The route length of China's urban rail transit with high and medium passenger capacities is close to 6,700 km. More cities in China are opening metro services than in any other country in the world.
- **Expressways:** China has the world's largest expressway network, with a total length of 161,000 km.
- **Navigable inland waterways:** 127,700 km, and the highest inland waterway cargo transport volume.
- **Ports:** China now has 22,142 quay berths in service, including a world-leading 2,592 berths of 10,000 tons or above.
- **Shipping:** China has the world's highest liner shipping connectivity index, with eight of the world's top 10 ports based on cargo throughput, and seven based on container throughput.
- **Aviation:** China has 241 civil airports nationwide.
- **Telecommunications:** By June 2021, China had put 960,000 5G base stations into service, and 5G terminal connections had surpassed 365 million. Fixed broadband penetration reached 96 percent, mobile broadband use was 108 percent, and the number of internet users topped 1 billion.

As a result of China's massive buildup of its own infrastructure, built by its own domestic companies but utilizing technologies from around the world and developing new ones, Chinese companies have become among the world's top construction and engineering giants. This has played a major role in advancing the Belt and Road Initiative and contributing to economic development around the world.

3. Raising the productivity through industrialization, education and raising labor skills

The job market remains stable, and the quality of employment is rising. China's employed population rose from 180 million in 1949 to 750 million in 2020. In the past, most working people were farmers. The employment structure has completely transformed to such an extent that 47.7 percent of the workforce are now employed in the tertiary sector (services), and 61.6 percent are working in cities. The working-age population, once mostly illiterate and semi-literate, now has an average of 10.8 years of schooling, and a higher-quality workforce is reflected in the fact that the number of skilled workers has reached about 200 million.

The role of education

"In 2020, China had 537,100 schools at all levels and of various types, with 289 million students and 17.9 million full-time teachers. The gross enrollment rate in preschool education reached 85.2 percent, and the completion rate of nine-year compulsory education 95.2 percent. The net enrollment rate in primary

education was just under 100 percent, the gross enrollment rate in junior secondary education 102.5 percent, and compulsory education realized balanced development in 96.8 percent of the counties nationwide. The gross enrollment rate in senior secondary education reached 91.2 percent, and that in higher education 54.4 percent. All primary and secondary schools in China had access to the internet, and 98.4 percent already had multimedia classrooms.”

4. Rural development, agricultural development, and reform.

The CPC has been aware of the enormous imbalance in income and living standards resulting from the massive urbanization from rural to urban areas, especially between the coastal industrial centers and the inland regions. This type of imbalance often leads to great social tensions and potential political unrest. It might trigger chaotic movement from rural areas to large cities, creating belts of misery and social and physical diseases around the large cities in shanty towns populated by extremely poor citizens hoping to feed from the crumbs that fall from the table of the big city residents. This is a widespread phenomenon in most developing countries.

In China, the modernization of the rural areas became imperative not only to avoid these social problems, but to increase their contribution to the nations’ economy. Therefore, the reform of the agricultural sector took a center stage combined with large-scale development of the rural infrastructure and connecting the rural and urban infrastructures to create a smooth flow of resources and labor to and from these two nodal points.

The white paper states that “significant headway has been made in agricultural modernization” with the wider application of “machinery, digital and green technologies as well as functional and community-shared farming”. This has reduced the need for manual labor and helped raise rural productivity sharply. “Grain production capacity has steadily increased, to the extent that China has now achieved basic self-sufficiency in grain supply, which ensures the country’s food security,” it stresses.

As for the infrastructure, modern rural roads that are properly built, managed, and maintained, with well-operated passenger and freight services, made big contributions to increasing the living standard and productivity. By 2020, all the villages, towns, and townships where conditions permit were accessible by surfaced roads and served by buses. 62.6% of rural households are supplied with purified tap water, 46.2 percent of rural households use gas or liquid gas for cooking, and 68 percent of them are equipped with sanitary toilets. More than 90 percent of administrative villages have access to domestic waste collection and disposal facilities. More than a quarter of rural households have their domestic sewage effectively treated. Some 80 percent of administrative villages have agriculture-related information service stations.

As part of the poverty elimination programs, industries were set up in the rural areas and skills were developed through training programs. CPC and government officials were dispatched to ensure that these programs are followed and are effective. The physical accessibility to these areas also made it possible for human resources, capital, and products to move smoothly back and forth from the urban centers to the rural areas with no investments being made by the locals themselves.

5. Technological advances and innovation.

While hard work has been a main factor in achieving moderate prosperity, technological and scientific advancements have been decisive.

Chinese leaders have been aware of the importance of making China self-reliant in many important technological and scientific sectors while keeping an open door for international cooperation.

In a discussion of the role of science as a driver for the development of any nation, President Xi stated in a speech delivered to the Fifth Plenary Session of the 18th CPC Central Committee on October 29, 2015, “Innovative development focuses on the drivers of growth. Our ability to innovate is inadequate. Our science and technology are not fully developed and are unable to create momentum to support economic and social development. This is the Achilles heel for such a big economy as China.”

In addition, given a hostile international environment, China had to overcome attempts by certain Western powers to limit its access to critical industrial technologies. Therefore, it became imperative to speed up the investment in technological and scientific innovation. The White Paper states that in 2020, China spent RMB2.4 trillion on R&D, ranking second in the world. Its R&D intensity (ratio of R&D to GDP) reached 2.4 percent. A total of 1,345,000 utility patent applications were filed with domestic agencies and 441,000 were granted. In addition, 69,000 international patent applications were submitted through the Patent Cooperation Treaty. China ranked 14th on the Global Innovation Index in 2020 and was the only middle-income economy in the top 30 on this list.

To foster the national innovation capacity, China has established 533 key national labs, 350 national engineering research centers (also known as national engineering labs), 1,636 national enterprise technology centers, 212 mass entrepreneurship and innovation bases, 1,287 national technology enterprise incubators, and 2,251 makerspaces approved by the Ministry of Science and Technology.

The central government is supporting efforts to build Beijing, Shanghai and the Guangdong-Hong Kong-Macao Greater Bay Area (population of 86 million) into international centers for science and technology innovation and is developing comprehensive national science centers in Huairou of Beijing, Zhangjiang of Shanghai, the Greater Bay Area, and Hefei of Anhui Province.

China’s space exploration program, breathtaking in both speed and scope, is one of the brightest signs of China embarking independently on major breakthroughs in science and technology. The space program including manned space flight and lunar exploration, the BeiDou Navigation Satellite System, China’s space station Tiangong, and the Mars exploration program has put China in the top ranks of space exploring nations.

The Concept of the Economic Belt / Development Corridor

One of the most important developments in this journey, with great bearing upon global development and the Belt and Road Initiative, is the “economic belt” concept that emerged within this process. After many years of focusing on special zones of mostly export-oriented industrial activity on the coastal regions, arteries of development were extended inland along natural and man-made transport corridors, especially rivers surrounded by clusters of population centers.

What these belts do is to connect the parts of a vast territory with varying population levels and natural resources to each other, creating a conveyor belt of technology transfer and economic growth and prosperity. Therefore, the government undertook major initiatives to coordinate development among many regions to “support the pioneering role of the eastern region, develop the western region, revitalize the northeast, and spur the rise of the central region”, as the White Paper describes it. “New regional strategies – to coordinate development in the Beijing-Tianjin-Hebei Region, develop the Yangtze River Economic Belt, build the Guangdong-Hong Kong-Macao Greater Bay Area, integrate development in the Yangtze River Delta, and

strengthen eco-environmental conservation and high-quality development in the Yellow River Basin – have achieved substantial success,” it asserts.

The successful strategy to connect these relatively disparate regions in terms of resources and demography was based on configuring the comparative advantages of each region and assigning different functions to each region. Meanwhile physical connectivity between these regions played the decisive role in this strategy. In a similar manner, one can say, the Belt and Road Initiative can connect the different advantages of different countries and regions.

Successful models for this regional coordinated development given in the paper are many but these three stand out: the Beijing-Tianjin-Hebei Region, the Yangtze River Economic Belt, and the Guangdong-Hong Kong-Macao Greater Bay Area.

The integration process in the Yangtze River Delta involves policy coordination, industrial cooperation, co-development of infrastructure, a rational division of functions, and shared access to public services. The region has developed into a dynamic growth pole in China and a national pacesetter in high-quality development, integrated regional development, modernization, reform and opening up in the new era.

What is interesting here is that the Yangtze River Basin is an inland region but with vast and diverse untapped potentials separated geographically from the more prosperous coastal regions in the south. But as old civilizations emerged and thrived along the major rivers like the Nile, Tigris and Euphrates, and Indus, the Yangtze River Belt was destined to combine the ancient and modern aspects of civilizations. The Yangtze River is 6,300 km long, and the economic belt consists of 11 provinces and municipalities, from coastal regions Jiangsu and Shanghai to inland Sichuan and Chongqing. It intersects BRI's Eurasian corridor in Chengdu. The region covers 40 percent of the country's population and accounts for over 40 percent of the national GDP. The development of this Belt has been overseen in the past 5 years by President Xi personally through a series of annual symposia defining the “blue print” for the Yangtze River Economic Belt, according to Chinese media ([Five years on: Xi Jinping's blueprint for Yangtze River Economic Belt - CGTN](#)).

The new element in this economic belt is the very careful implementation of real economic development with high industrial technology combined with ecological conservation to make this belt a model of what China's leaders consider “green growth” and “ecological civilization”. This, of course, goes contrary to all perceptions of “industrial development” being a generator of pollution and ecological degradation. China did suffer greatly from air and water pollution during the years of rapid industrialization and growth, but it has managed to deal with it gradually, as the White Paper explains, not by rolling back industrialization but by embracing modern technologies and a greater awareness of the importance of ecological conservation, greening the landscape and cleaning the rivers and waterways. The goal of having blue skies, clear waters and lush mountains is not a slogan anymore but a reality which is created step by step without sacrificing the living standards of the population.

It is along these conceptual paths that the BRI should grow and evolve internationally. The BRI, in this sense, will not be a mere trade route, but a corridors and carrier belt for economic development, technological advancement and cultural exchange.

Opening up to the world

By achieving a moderately prosperous society and developing economy, China has made itself indispensable for the rest of the world. It has also realized that it cannot grow in isolation from the rest of the

world. Therefore, it has “opened up” to the rest of the world, “welcomed in”, and “gone global” and integrated into the rest of the world. Opening up is not a mere tactic but an organic part of the historic process of reform and development. It has evolved and taken new forms depending on each stage of development, but never stopped or changed course.

The Belt and Road Initiative, launched in 2013, has become a global phenomenon. China International Import Expo has become a global attraction. Free trade zones, and the changes in the investment environment have made China a magnet for foreign investors. More and more Chinese companies are also investing abroad.

China is playing a more significant role in the dynamics of the international economy. It is the largest trading partner of more than 50 countries and regions, and one of the top three partners of over 120 in total.

The White Paper asserts that China’s annual GDP growth from 1979 to 2020 has been 9.2%, in comparison to the global 2.7%. Thus, China has been contributing around 30% of the total global economic growth since 2006. In the wake of the devastating 2008 financial crisis, China’s measures to restore growth helped balance the world economy making China a driver of growth for many sectors.

China’s steady economic growth and rising living standards of its people has created a gigantic consumer market. China remains a leader in manufacturing and still plays the role of the “factory of the world” but added the character of the “market for the world”. Hence, the concept of “Dual Circulation”. This has opened a large two-way gate of win-win cooperation with other nations.

CONCLUSION

1. The most striking aspect of this epic journey from poverty to prosperity in China is the consistency in the vision, planning and implementation to reach the outlined goals at each defined stage. It is not surprising however to find out that in a political and social system lead by the CPC with a very strong central government with top-down ability to mobilize forces and resources from the highest levels of government throughout the whole chain of command and governance to the most basic local government unit in cities, small towns and villages to implement a specific vision and plan and make it work. This is a unique political and governance system. This efficiency of command, combined with the trust and hard work of the people and party members has managed to move mountains.
Therefore, this aspect of China’s development remains unique and specific to China.
2. An aspect of this epic journey, which can be generalized globally, is the importance of vision and the setting of long-term goals of development with intermediate stepping-stones, for example in the form of 5-year plans. For other nations, especially developing one, long-term goals and visions are imperative for economic planning. A commitment by the political system to such goals and enforced by the will of the people is necessary. Some might argue that such methods are only successful in a dictatorship. Well, the interests and aspirations of the people must “dictate” the policy not the whims of the political class.
3. A very important conclusion to be drawn from following this development as described by the White Paper, is that China managed eventually to strike a very delicate balance between its long-term stable and sustained development and tackling ever-changing internal and external economic environment. Due to its sheer size, capabilities and organization, China has shown that it might have

to maneuver up and down stormy seas in times of crisis, nonetheless it does not change course. After each unforeseeable crisis like the 2008 international financial crisis and the 2020 COVID-19 pandemic which both paralyzed the world economy, China managed to remerge quickly and even contribute to helping other nations. Studying how China managed in these two crises would be useful.

4. China managed to strike a relatively good balance between rapid urban growth and slow rural development. Although it took a relatively long-time, eventually the living standards and productivity in rural areas were raised to moderate rates. This helped make the rural regions a contributor to the overall growth of the nation's economy rather than an obstacle or burden. Once again, massive investments in infrastructure, transfer of technology and dedication of experts and party members dispatched to teach new skills and organizing of the rural populations were decisive factors. This is a universal factor that can be emulated by all nations.
5. Building "a moderately prosperous society in all respects" is China's contribution to building "a global community of shared future", with cooperation with all nations to jointly build the Belt and Road at its centre.

CHALLENGES

The White paper correctly identifies the challenges ahead for China:

"Unbalanced and inadequate development still poses a stern challenge. Reform tasks in key areas are incomplete; the capacity for innovation is insufficient to underpin high-quality development; the foundations for agricultural development need further consolidation; income disparities and the gap in development between urban and rural areas and between regions remain a severe problem; eco-environmental protection requires more effort; and weak links still exist in safeguarding people's welfare and in social governance."

It also identifies external challenges such as the impact of an exceptional pandemic, and opposition to economic globalization by certain forces. Deep-rooted conflicts are surfacing around the world, bringing greater instability and uncertainty. It is becoming more difficult to safeguard world peace and promote common development.

Challenges pertaining to the internal dynamics and disparities are not unexpected bump on the road. Income gaps and insufficient innovation capacity were already identified by President Xi¹ as part of the

¹ President Xi described in a speech titled "A Deeper Understanding of the New Development Concepts," which he delivered on January 18, 2016 at a study session of the implementation of the Fifth Plenary Session of the 18th CPC Central Committee this problem of imbalance. He said: "Coordinated development is the unity of balanced development and imbalanced development. The process from balance to imbalance and then to rebalance is the basic law of development. Balance is relative while imbalance is absolute. Emphasizing coordinated development is not pursuing equalitarianism but giving more importance to equal opportunities and balanced resource allocation."

Xi continued: "Coordinated development is the unity of weakness and potential in development. China is in a stage of transition from a middle-income country to a high-income country. According to international experience, this is a stage of concentrated conflicts of interest, in which imbalanced development and various weaknesses are inevitable. To pursue coordinated development, we should identify and improve our weaknesses, so as to tap development potential and sustain growth momentum."

dynamic of leaping rapidly forward towards these national goals and also due to realities of the Chinese society. The wisdom lies in not sweeping them under the rug but dealing with them. President Xi also identified the challenge of inadequate innovation capacity several years ago².

CRITICAL NOTES

The authors of the White Paper would have done a great favor to most nations in the world and to students of economics if the paper had answered such questions as:

1. How this unprecedented feat in the history of mankind was financed?³
2. It is obvious that China experimented in different stages and different fields as it was venturing into literally uncharted waters. What lessons were learned from failures and mistakes made?
3. The Chinese leadership in the last decade has attached greater importance to fighting corruption and issued the 2008-2012 Work Plan on the Establishment and Improvement of Corruption Punishment and Prevention System. This was an important aspect of the program of reform and opening up and developing the economy. This is not dealt with in the White Paper. Elaborating on this matter has a significance internationally to refute the allegations of corruption related to Chinese projects abroad. In the 2019 BRI Summit, President Xi issued the call to “operate in the sun and fight corruption with zero tolerance”.

² In a discussion of the role of science as a driver for the development of any nation, President Xi stated in a speech delivered to the Fifth Plenary Session of the 18th CPC Central Committee on October 29, 2015, “Innovative development focuses on the drivers of growth. Our ability to innovate is inadequate. Our science and technology is not fully developed, and is unable to create momentum to support economic and social development. This is the Achilles heel for such a big economy as China.”

³ The Belt and Road Institute in Sweden (BRIS) have conducted some limited studies to answer this question. [BRIS Produces Special Report on the Belt and Road Initiative - Belt & Road Institute in Sweden \(brixsweden.org\)](https://www.brixsweden.org/)