



## 中国一带一路倡议瑞典执行小组

The Belt and Road Institute in Sweden

### **Why it is important to read the mind of China's leadership? Review of the 6<sup>th</sup> Plenary Session of The CPC's 19th Central Committee**

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December 6, 2021

To be able to forecast where China is heading in the near and farther future, including the fate of the Belt and Road Initiative, we need a deeper and unbiased review of the process of decision making and the thought process behind it. Even if you are a rival of China, you need to know how, why, and where it is moving. We are missing a huge treasure of information and knowledge due to the negative coverage presented in short clips in Western mass-media and in stereotypical reports by think tanks concerning the People's Republic of China (PRC) and its most important political arm the Communist Party of China (CPC). The negative coverage leads, among other things, to preventing the public, researchers, and policy makers from having a good look inside the mind of the leadership of China, especially President Xi Jinping. The original information and material are amply available everywhere, but very few people outside China reach out to read and discuss it to know what is being discussed and decided inside the corridors of power in China.

In our previous review published on the website of our Belt and Road Institute in Sweden ([Paper Review: China's Epic Journey from Poverty to Prosperity - Belt & Road Institute in Sweden \(brixsweden.org\)](#)) on "China's Epic Journey from Poverty to Prosperity", the amazing economic, cultural and ecological rise of China was discussed. China managed in the past few decades to lift 800 million Chinese citizens out of extreme poverty and reached the goal of what its leadership designated as "moderate prosperity in all respects" and eliminating extreme poverty in the centennial anniversary of the founding of the CPC in 2021.

What is of interest for us as a Belt and Road Institute, is the economic policy of China, so we can give a useful assessment to the Swedish and Western public, policy makers and businesses of where China is going and how.

The Resolution adopted in the 6<sup>th</sup> Plenary Session of The CPC's 19th Central Committee in Beijing held on November 8<sup>th</sup>-12<sup>th</sup> and is titled "Resolution on the Major Achievements and Historical Experience of The Party over the Past Century" (Full Text: Resolution of the CPC Central Committee on the Major Achievements and Historical Experience of The Party over the Past Century (www.gov.cn)) states the obvious fact about China's economic rise in the past four decades. "China achieved the historic transformation from a country with relatively backward productive forces to the world's second largest economy, and made the historic strides of raising the living standards of its people from bare subsistence to moderate prosperity in general and then toward moderate prosperity in all respects," it states.

What was achieved has already been described in our previous review on "China's Epic Journey from Poverty to Prosperity". What we are interested in here is the "how".

### **Building a bridge from the past to the future**

We also need to review its recent past which contributed to shaping the present policies and the political, economic, social, and cultural bridge being built by the CPC to connect the past to the future. More important than the past is to find out what is the Chinese leadership's image of the future they want to create, because that is what is going to determine its present policies.

This was the subject of one of the most important meetings of the CPC in recent years, the 6<sup>th</sup> Plenary Session of The CPC's 19th Central Committee in Beijing held on November 8<sup>th</sup>-12<sup>th</sup>.

For an outsider like me, I think about this question by asking myself this: The job of the leadership of China in recent decades has been to steer a ship with now 1.4 billion people with 56 ethnic groups in a sea of changing dynamics economically, socially, technologically, and security-wise. The ship must move forward in sometimes stormy seas and maneuver while keeping the course and remaining as stable as possible to reach its future destination. How is that done?

Having achieved a society with a moderate prosperity by 2021, 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".

All these "stepping-stones" are reached, not by some authoritarian slogan, but by a process of deep deliberations from the top to the bottom of all layers of the CPC and society in general from the smallest village to the largest city. While the goals are set by the top leadership, consent by all layers of The Party and discussions of the direction of the policy

and its implementation are part of what the Chinese call a “whole-process democracy”. It is interesting to know that three of the top leaders of China today, President Xi Jinping, Premier Li Keqiang, and Vice-President Wang Qishan all started their carrier in The Party, although they had a high level of education, in the rural areas in the 1980s, lower than municipal departments, and climbed through hard and diligent work to the top of the CPC and government.

The 6<sup>th</sup> Plenary session of the 19<sup>th</sup> Central Committee is one of the most important events in this process of deliberation. Here we will review here the historic “Resolution on the Major Achievements and Historical Experience of The Party over the Past Century” ([Full Text: Resolution of the CPC Central Committee on the Major Achievements and Historical Experience of The Party over the Past Century \(www.gov.cn\)](#)) it adopted.

### **Main Conclusions:**

There are many issues of importance that were dealt with in the 6<sup>th</sup> Plenary Session of the CPC 19<sup>th</sup> Central Committee, but we selected the few that are of interest to our readership and those interested in China’s future economic strategy and in relationship to the Belt and Road Initiative.

What we can take away from reading this document are the following key point:

- **The CPC with President Xi Jinping at its core, will continue to be the designer and enforcer of policies.** It will increase its power in and over the People’s Republic of China and will further centralize power at the top leadership of the CPC. The citizens of the PRC are accepting this fact not by coercion or security measures by the government, but by proving to the people that the CPC and the government it is leading is by proof of what it has achieved in the past 100 years is the best assurance to fulfill the Chinese Dream.
- **No one should harbor any illusions that there are dramatic factional fights within the leadership of The Party** or that President Xi could be ousted in a “palace coup”. The world must learn to live with these established facts and accept the Chinese way of doing things as long as it does not pose a threat to other nations.
- **The most dangerous internal enemy and challenge to the power of the CPC is corruption within its ranks**, not some democracy or human rights movement or NGOs. This corruption is identified in two categories: One, intellectual corruption whereby some sections of The Party lose sight of the mission and duties of The Party vis-à-vis the Chinese people. Party members can become intellectually complacent and lazy and, being unmotivated, fall into comfort zones. They will also try to climb in rank in The Party not through hard work and fulfilling their duties but by cronyism,

cheating and manipulations. Second, financial corruption within The Party and government institutions whereby Party members try to enrich themselves illegally using their power position to receive bribes, commissions, and privileges. In both categories, the CPC seems to have been vigilant and achieved massive clean out operations (such as Sky Net) in its ranks, especially since Xi Jinping assumed the leadership position.

- **The Chinese leadership has set clear economic goals in the next decades to reach the Second Centennial Goal** in the 100<sup>th</sup> anniversary of the founding of the PRC in 2049. Nothing can change that except an external cataclysmic event such as a world war or a massive asteroid impact that could wipe out civilization from the surface of Earth.
  
- **China will continue to be or become the world leader in many hi-tech sectors:** information and telecommunication technology, AI, engineering and construction of infrastructure, nuclear power (including fusion research), space exploration, biotech and several other fields before 2035.
  
- **Reform and opening up will continue with additional opening up of the Chinese consumer market and investment in Chinese productive enterprises,** especially high-tech fields, green technologies and biotech. This will open great opportunities for competent and innovative European and American companies. China will open its consumer market more for developing nations to export agricultural products and raw material to China.
  
- **President Xi and the CPC made at least two clear-cut breakthroughs in economic thought.**

**One:** He argued that economic growth and progress cannot be measured merely in GDP growth, but rather through the raising of the productive powers of labor through scientific and technological development. China is moving from “growth at any price” to “quality growth”. It will continue to be the factory of the world, but for high-value products. However, it will continue to compete with others even in lower value products since it has the most efficient industrial capacity and supply chain within the country itself. Through the Belt and Road corridors, it can bring its products quickly, securely and cheaply to any corner of the planet.

**Two:** The other breakthrough is related to the known fact that innovation is the key to economic growth. However, innovation cannot be a result of mere “hard work” and through collective efforts but that innovation (or rather “creativity” to use better term) is a function of the development of the culture and individual especially the aesthetical aspect. Therefore, the revival of Chinese classical culture and even on western classical culture rather than the banal popular culture is a move in the right direction. It is not a mere national romantic view of ancestral traditions and identity, but a true method of scientific and aesthetic fostering of the creative powers of the individual and society. Therefore, the restrictions on Chinese children’s computer use habits, for example, should be viewed in this light. This also opens the way for

Western classical culture professionals to cooperate with the massive Chinese “cultural market”. This will also be a very important aspect of people-to-people dialog of civilizations.

- **The Public sector and state-owned enterprises will continue to be the main pillar of the growth and development** of the Chinese economy. However, many doors are being opened and incentives offered for the private sector to fuse new blood, especially in the innovation side of the economy.
  
- **The Belt and Road Initiative will remain the main pillar of China’s foreign policy and economic cooperation.** The country’s diplomatic mission is tightly intertwined with economic cooperation and assuring the expansion and secure building the of the BRI. Its basic foreign policy philosophy is “peace through economic development”.
  
- **Concerning Foreign Policy, China will reject any redefinition of international law which is anchored in the United Nations Charter.** It will reject such notions as the “rules-based order” and “responsibility to protect” which is an invention of certain power groups in the West to allow themselves to interfere in the internal affairs of other nations with disastrous consequences. China will respect nations who will respect its territorial integrity, sovereignty and independence. This applies to the question of Hong Kong and Taiwan, where there will be no compromises with principle of “One Country, Two Systems”. China will likewise not interfere in other nations’ internal affairs and will not attach political demands to its economic dealings with other nations.
  
- **In judging where and how China is moving into the future, two fatal mistakes should be avoided by Western analysts:**
  - One:** To assume that China is an “authoritarian” and “dictatorial” regime led by a Communist party which many believe is a product of the twentieth century whose place is in museums and archeology departments, thinking that the CPC is detached spiritually and intellectually from the 5000-year civilization especially its Confucian component.
  - Two:** Projecting Western ideology and political philosophy over China, the CPC and its political system and philosophy of governance. China is a unique country in every respect, history, culture politics, social system and norms, and economic development.

### **The process of policy making**

The Central Committee of the CPC is a political body that includes the top leaders of the CPC and has in its current composition 205 full members and 171 alternate members. Its members are elected each five years by the National Party Congress (NPC), which is the highest legislative body within the CPC. The Congress is the organ for top-level leadership changes in the CPC and the formal event for changes to The Party's constitution.

The NPC convenes once every five years, but within this 5-year cycle there are “Plenums” held, plenary sessions where the past and present direction of policy are discussed. The current session of the NPC, which is the 19<sup>th</sup> Congress, started in 2017 and will end in the Autumn of 2022. It consists of 7 plenums. The First Plenary Session in October 2017 dealt with the top leadership election. The Second, in January 2018, revised the Constitution of the People's Republic of China to include Xi Jinping Thought and consolidated The Party leadership. The Third, in February 2018, dealt with major economic issues. The Fourth, in October 2019, The Fourth, in October 2019, reviewed economic policy and governance system within the CPC and PRC. The Fifth, in October 2020, adopted the 14<sup>th</sup> Five-Year Plan and the "Long-Range Objectives Through the Year 2035". The 6<sup>th</sup> Plenary session, the subject of this article, held on 8-11 November this year adopted a historic “Resolution on the Major Achievements and Historical Experience of The Party over the Past Century”. The 7<sup>th</sup> and final Plenum will be held at the end of the NPC in the Autumn of 2022 to conclude the 19<sup>th</sup> Congress and launch the 20<sup>th</sup>.

### **The role of the Central Committee and Politburo**

The Central Committee is also responsible for electing the members of the Central Political Bureau of the CPC (Politburo) which consists of the 25 top members of The Party. It is the highest decision- making organ of The Party. The Politburo is further headed by the Standing Committee of the Politburo, a 7-member group headed by Secretary General of the CPC, Xi Jinping. Premier Li Keqiang is second in rank. The CPC and the government of the Peoples Republic of China are practically one and the same. According to Dr. Annette Nijs, author of the book *The China Factor*<sup>1</sup>, “The Party rules the government”. The Politburo, she argues is the highest organization within The Party. But she stresses, “this doesn’t mean that all orders come from Beijing”. Dr. Nijs explains: Many decisions are made by local officials from the provinces, prefectures, counties, townships, and villages. Through The Party, they form a fifteen-tiered hierarchy.” The members of each tier are elected by the members of the lower tier. She also argues that the power in China is held by the Central Committee, with Secretary General Xi Jinping at its helm.

However, the CPC is not the only political party in China. There are 8 other political parties and there are also “independents” who participate in the National People’s Congress. There are also representatives of the many ethnic minority groups and from autonomous regions. Citizens of all political parties, professions and walks of life can both run and vote in local National Congresses which deliberate policies and decision-making procedures from the local level all the way to the national level. The National People’s Congress is held at the same time together with the National Party Congress. Hence, the event which is called “two sessions”.

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<sup>1</sup> Dr. Annette Nijs, *The China Factor, A 21<sup>st</sup> Century with Chinese Characteristics*. 2019.

## **A Historic Resolution**

Here we will review some of the features of significance in the historical document “Resolution on the Major Achievements and Historical Experience of The Party over the Past Century” approved and released at the end of the 6<sup>th</sup> Plenary Session of the 19<sup>th</sup> CPC Central Committee. However, as a pedagogical practice, we will also trace some of the thoughts and achievements made here to previous plenums and Party Congresses where the goals were set. This will enable us and other researchers to figure out how the goals set now will be achieved in the future based on achievements already made based on previous decisions. As the Chinese say, “never forget why you started from, and you will succeed!” With that hindsight at hand, we can judge the period ahead following this cycle of plenums.

The symbolic significance of the “Resolution on the Major Achievements and Historical Experience of The Party over the Past Century”, in addition to its content, is that it was only twice in the history of the CPC that such a thorough review of the history and direction of The Party was done, including review of mistakes made. The first time The Party adopted such a resolution was at the seventh plenary session of its Sixth Central Committee in 1945, under Mao Zedong, when China was engaged in the final battles against the Japanese occupation in WWII. The second time was at the sixth plenary session of its 11th Central Committee in 1981, under Deng Xiaoping, when China was experiencing the big changes resulting from the Reform and Opening Up policies introduced by Deng and the CPC in 1978. This is the third time, which signifies the fact that the People’s Republic of China is at a new juncture of its long march. One symbolic matter which has been the focus of Western media and think tanks, rather than the content of the Resolution, is that it put President Xi at par with Mao Zedong and Deng Xiaoping as an iconic leader of modern China. Our focus is on the content of the Resolution and Xi’s thought, not his image.

## **Consolidating the ideological basis of The Party**

One clear feature of the Resolution is that there is a need for The Party to reassert itself as the ideological, political and cultural driver of the PRC, but that there is need for all party members to re-educate themselves in the history and principles of The Party, because it seems that party members were too relaxed about that in recent years.

The preamble reads:

“All Party members should uphold historical materialism and adopt a rational outlook on The Party’s history. Looking back on The Party’s endeavors over the past century, we can see why we were successful in the past and how we can continue to succeed in the future. This will ensure that we act with greater resolve and a stronger sense of purpose in staying true to our Party’s founding mission, and that we more effectively uphold and develop socialism with Chinese characteristics in the new era.”

While the Resolution attempts to review some of the upheavals in the history of The Party and Nation, such as the events of the Tiananmen Square in 1989, it did not specify what

were the internal dynamics that allowed that to happen. “The late 1980s and early 1990s witnessed the demise of the Soviet Union and the drastic changes in Eastern European countries. In the late spring and early summer of 1989, a severe political disturbance took place in China as a result of the international and domestic climates at the time, and was egged on by hostile anti-communist and anti-socialist forces abroad,” the Resolution states.

The document discusses thoroughly the policies of the CPC and PRC since the introduction of the policy of Reform and Opening Up, how they were implemented and what were the outcomes. It also deals with Deng’s creative concept of One Country, Two Systems, through which the the Chinese government successively resumed its exercise of sovereignty over Hong Kong and Macao, “thus ending a century-long history of humiliation”. This achievement is extended in the document to discuss the reunification of Taiwan with the mainland, stressing that this is a matter of national priority and that there will be no compromises made.

“Resolving the Taiwan question and realizing China’s complete reunification is a historic mission and an unshakable commitment of The Party. It is also a shared aspiration of all the sons and daughters of the Chinese nation, and it is essential to realizing national rejuvenation.”

It laments the fact that the authorities in Taiwan have “since 2016, however, stepped up separatist activities aimed at “Taiwan independence,” which has seriously impacted the momentum of peaceful development of cross-Strait relations.” It emphasized though that “upholding the one-China principle and the 1992 Consensus, we firmly oppose separatist activities seeking “Taiwan independence” and firmly oppose foreign interference.”

In light of the current tension with the U.S. regarding this question, it is clear that this will become a major flashpoint in strategic and military terms.

The Resolution also deals with the development and reorganization of the armed forces with two outstanding features: first, the armed forces will be under the command of The Party, and second it will depend on scientific and technological advancements and breakthroughs rather than on numbers of troops. This was reflected indeed by the production of new types of hypersonic missiles. However, these matters are not our real focus.

## **A New Era of Socialism with Chinese Characteristics**

The Resolution states: “Following the Party’s 18th National Congress, socialism with Chinese characteristics entered a new era. The main tasks facing The Party in this period are to fulfill the First Centenary Goal, embark on the new journey to accomplish the Second Centenary Goal, and continue striving toward the great goal of national rejuvenation.”

The “Two Centenary Goals” are: One, The building of a moderately prosperous society in all respects when the Communist Party of China celebrates its centenary in 2021. Two, turn China into a modern socialist country that is prosperous, strong, democratic, culturally advanced and harmonious when the People’s Republic of China marks its Centennial in 2049. These two goals were announced at the CPC’s 18th National Congress in November



2012, by President Hu Jintao (

[Full text of Hu Jintao's report at 18th Party Congress \(mfa.gov.cn\)](http://mfa.gov.cn)). It was in this juncture that President Xi Jinping was elected as General Secretary of the CPC and a few months later as President of the PRC.

The Resolution further states: “The Party Central Committee with Comrade Xi Jinping at its core has implemented the national rejuvenation strategy within the wider context of once-in-a-century changes taking place in the world. It has stressed that the new era of socialism with Chinese characteristics is an era in which we will build on past successes to further advance our cause and continue to strive for the success of socialism with Chinese characteristics under new historical conditions; an era in which we will use the momentum of our decisive victory in building a moderately prosperous society in all respects to fuel all-out efforts to build a great modern socialist country.”

### **Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era**

It is unfathomable for people in the West who consider Marxism and Communism a thing of the past whose place is in museums and archaeology departments, to see that the Chinese economic miracle is based on its theory. Taking a closer look at this development inside China, especially since the time of Deng but most emphatically under President Xi, we realize that the method was never to blindly follow the script.

President Xi and the CPC made a clear-cut breakthrough in economic thought. For example, he made it clear that economic growth and progress cannot be measured merely in GDP growth, but rather through the raising of the productive powers of labor through scientific and technological development. China is moving from “growth at any price” to “quality growth”. It will continue to be the factory of the world, but for high-value products.

Another breakthrough is that innovation is the key to economic growth. However, innovation cannot be a result of mere “hard work” and collective efforts but that innovation or rather creativity is a function of the development of the culture and individual. Therefore, the revival of Chinese classical culture and emphasis on western classical culture rather than the banal popular culture is a move in the right direction. It is not a mere romantic view of ancestral traditions and identity, but a true method of scientific and aesthetic fostering of the creative powers of the individual and society. Therefore, the restrictions on children’s computer use habits in China, for example, should be viewed in this light.

Looking back at speeches and writing of Xi in this concern we find that he stressed this scientific view as soon as he assumed the chairmanship of The Party in 2013. But his work on this question started even earlier. According to the editors of the first volume of the book “On the Governance of China, which is a compilation of his speeches and writings, beginning in 2008, he served as the head of the leading group in charge of the nationwide study and implementation of the Scientific Outlook on Development (a concept developed by Hu Jintao) within The Party. This 18-month program helped build consensus behind the Scientific Outlook on Development on the part of the whole Party and the country at large and make the concept a driving force for economic and social development.

On October 7, 2013, in a speech at the APEC CEO Summit, Bali, Indonesia, Xi said: “We no longer take the GDP growth rate as the sole criterion for success; instead, we are focusing more on improving the quality and efficiency of growth.”

In a November 9, 2013 explanatory notes made to the Third Plenary Session of the 18th CPC Central Committee, he said: “As extensive and profound changes are taking place domestically and internationally, China’s development faces a series of prominent dilemmas and challenges, and there are quite a number of problems and difficulties on its path of development: Unbalanced, uncoordinated and unsustainable development remains a big problem. We are weak in scientific and technological innovation.”

Stressing the primacy of scientific and technological development over mere linear growth, on June 9, 2014 in a speech at the General Assembly of the Members of the Chinese Academy of Sciences and the Chinese Academy of Engineering, he stated: “Scientific and technological innovation is constantly transcending geological, organizational and technological limitations. It intensifies the competition between innovation systems and makes innovative strategic competition more important in the competition for comprehensive national strength. Scientific and technological innovations, like a fulcrum which is said to be able to lever the earth, always create miracles. The world’s major countries are seeking to make new scientific and technological breakthroughs and gain competitive edges in future economic as well as scientific and technological development. We cannot afford to lag behind in this important race. We must catch up and then try to surpass others.”

In the same speech he made the contrast between being a cheap labor market and being a modern industrial nation: “The old path seems to be a dead end. Where is the new road? It lies in scientific and technological innovation, and in the accelerated transition from factor-driven and investment-driven growth to innovation-driven growth.”

He took one example of what his intentions are, Robotics: “Robots are dubbed ‘pearls on the crown of the manufacturing industry’. A country’s achievement in robotics research, development, manufacturing and application is an important yardstick with which to measure its level of scientific and technological innovation and high-end manufacturing. Major robot-producing companies and countries have stepped up their efforts to gain advantages in terms of technology and markets. I couldn’t help wondering: China will be the largest robot market in the world, yet can its technology and manufacturing capability sustain it through the competition? We should make better robots and seize bigger market shares.”

He concluded: “The direction of our scientific and technological development is innovation, innovation and more innovation. We should attach great importance to breakthroughs in basic theories, step up the construction of scientific infrastructure, continue to push ahead with basic, systematic and cutting-edge research and development, and provide more resources for independent innovation.”

With these notions as the guiding light, China enormously increased its investment of research and development as a share of its GDP. China’s National Bureau of Statistics reported recently that R&D spending accounted for 2.4% of China’s GDP. The bureau also said that by the end of 2020, China had 522 “national key laboratories” and 350 “national engineering research centers” in operation.

The shift from a low-quality mass production for export to high-quality industrial production was pushed strongly by Xi in a speech at the Fifth Plenary Session of the 18<sup>th</sup> CPC Central Committee on October 29, 2015. “The 13<sup>th</sup> Five-Year plan period (2016-2020) provides an important window of opportunity for transforming the economic growth model”, Xi said. He added emphatically: “If we fail to achieve this, and instead implement stimulus policy for short-term economic growth, we will continue to jeopardize future growth.” Explaining what he means by this in more detail, he stated: “In general, the industrial capacity of our country is huge, but it is partly compromised by ineffective supply. China is a big producer and exporter, but most of our products and technology are low-end while few are hi-tech, high-quality, and high added-value.”

### **Concept of development and alleviation of poverty**

The most transparent and scientific definition of “sustainable development” according to Xi is 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 18<sup>th</sup> CPC Central Committee. It is not the same as we understand this concept here in the West where the emphasis is on the “limits” of development rather than the open horizons. The term “coordinated development,” he says, “has acquired new features”. In the usual Chinese philosophical manner that is not fearful of contradictions that lead to solutions, he stated: “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.”

Not getting panicked or surprised by the widening income gap as a result of the rapid economic growth, but keeping in mind the intention to bridging it, 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.”

It is extremely important for other developing nations coping with the problem of poverty and income inequality to pay attention to the discussion which Xi was leading on this matter. Alleviating poverty is not simply to provide the extremely poor sectors of society with some income to be able to cover their needs. While it sounds like a merciful endeavor, it is a fatal economic mistake. Of course, elderly, chronically sick and other underprivileged groups should be supported. This is not the issue here. What is required is to lift the productivity of the healthy but poor sector of society to both improve their living conditions and contribute to the development and progress of society as a whole. This is done through introducing modern technology and infrastructure to the rural and poor areas.

We discussed this in detail in the review of the White Paper “China’s Epic Journey from Poverty to Prosperity” and this author together with the Chairman of the Belt and Road Institute in Sweden, Ulf Sandmark gave examples from the study of projects successfully conducted in rural areas from his own field visits in China in 2019. ([Podcast: China's Epic Journey from Poverty to Prosperity - YouTube](#) )

These conceptual and theoretical arguments were reflected in the latest Resolution.

“The Central Committee determined that China’s economy had reached a new normal of development and was transitioning from a stage of high-speed growth to a stage of high-quality development. Our traditional growth model could no longer be sustained in the face of a complex situation in which we must deal with a slowdown in economic growth,” It stated.

It further pointed out that The Central Committee noted that applying a new development philosophy represented a profound shift affecting China’s overall development. “The GDP growth rate could not serve as the sole yardstick of success for development. Rather, it was imperative to achieve high-quality development in which innovation is the primary driver”, it added.

It indicated also that the emphasis on public sector and state-owned large enterprises will continue. The Party “has prompted state capital and state-owned enterprises to grow stronger, better, and larger, established a modern enterprise system with Chinese characteristics, and worked to make the public sector more competitive, innovative, risk-resilient, and capable of exerting a greater level of influence and control over the economy.”

However, it emphasized that a healthy relationship with the non-public sector will continue to develop.

Greater emphasis is also placed on innovation and science-driver sector. “The Party has been committed to the innovation-driven development strategy. It has made self-reliance in science and technology the strategic pillar for the country’s development and developed a new system for mobilizing the resources nationwide for this purpose. It has strengthened China’s capabilities in strategic science and technology, intensified basic research, and spurred breakthroughs and original innovation on core technologies in key fields. The Party has bolstered the creation, protection, and application of intellectual property rights, and moved faster to build China into a country of innovators and a global leader in science and technology.”

In this light, China will continue to drive its high-quality development with the goal of becoming a world leader in many scientific and technological sectors. It is already a leader in telecommunications, Artificial intelligence, high-speed rail, hydropower and other engineering construction technology. It has developed a world class space program in a record time with high ambitions. It is advancing its capabilities in biotechnology and medical sector.

For Swedish and international institutions and corporations, this means that they need to both keep pace with that development but also try to be part and even contributing to it with a win-win tendency.

## **The Concept of the Economic Belt**

The Central Committee is keen on continuing the concept of the “development corridors”, as discussed in our review of the afore-mentioned white paper. The Resolutions states: “The Party has introduced a coordinated regional development strategy. It has promoted coordinated development of the Beijing-Tianjin-Hebei region, the development of the Yangtze Economic Belt and the Guangdong-Hong Kong-Macao Greater Bay Area, integrated development in the Yangtze River Delta, ecological protection and high-quality development in the Yellow River basin, and high-quality construction of Xiongan New Area to a high standard. The Party has prompted a new phase in the large-scale development of the western region, new breakthroughs in the revitalization of the northeast, and high-quality development of the central region, and encouraged the eastern region to accelerate its pace of modernization.”

These development corridors are a more concentrated and domestic version of the external corridors of the Belt and Road Initiative.

### **The Belt and Road Initiative**

The Party has expressed its intention to remain committed to the Belt and Road Initiative (BRI) as a keystone of the continuation of the policy of opening up and not as thing in itself. “The Central Committee is keenly aware that opening the door brings progress, while closing it leaves one behind. For China’s development to gain the upper hand, seize the initiative, and have a good future, it is essential that we follow the tide of economic globalization, leverage the strengths of China’s massive market, and pursue a more proactive opening up strategy” it states in the Resolution.

Concerning the BRI, it states: “Adhering to the principle of achieving shared growth through consultation and collaboration, China has promoted high-quality development of the Belt and Road Initiative (BRI). We have advanced a large number of cooperation projects with significant implications for fueling economic development and improving people’s lives in countries along the BRI routes and worked to build the BRI into an initiative of peace, prosperity, openness, green development, and innovation that brings different civilizations closer, and a widely welcomed public good and platform for international cooperation in today’s world.”

It also defines that the opening up goes both ways. “While ensuring that its efforts to open up internally and externally reinforce each other and better integrating the “bringing in” and “going global” strategies, China has worked to promote trade and investment liberalization and facilitation, build a globally oriented network of high-standard free trade zones, including pilot free trade zones and the Hainan Free Trade Port, and expand opening up on the institutional level in terms of rules, regulations, management, and standards.”

President Xi has placed the Belt and Road Initiative at the top of some of China’s most important strategic initiatives. In the Fifth Plenary Session of the 18<sup>th</sup> CPC Central Committee on October 29, 2015, President Xi said: “We must implement in a vigorous way and orderly manner the three strategic initiatives – the Belt and Road Initiative, the Coordinated Development of Beijing, Tianjin and Hebei, and the Yangtze River Economic Belt. These initiatives represent new space for development, and we must expand these in the near

future.”

It does not seem that the importance of the BRI for China has diminished as some Western analysts claim, but on the contrary has increased as 142 nations and 30 international organizations have joined it so far.

### **Peace through economic development**

The Resolution dedicates a chapter to “bolstering the diplomatic front”, which is basically following the principle of using economic development and cooperation as the means of the achieving peace and normal relations with other nations. It considers China’s own development as part of the contribution to peace in the world through its contributions to economic development in many nations. It warns though that “in the new era, the international balance of power is undergoing profound adjustments, unilateralism, protectionism, hegemonism, and power politics are posing greater threats to world peace and development, and the backlash against globalization is growing. The world has entered a period of turbulence and transformation.”

It suggests a solution based on cooperation on the one hand and establish a system of global governance through adhering to international law as is indicated in the United Nations Charter. “We must work to develop a new type of international relations, promote the building of a human community with a shared future, champion the shared human values of peace, development, fairness, justice, democracy, and freedom, and steer the tide of human progress,” it argues.

The focus is to a certain extent is on developing relations with other developing nations. “We have strengthened solidarity and cooperation with other developing countries with a commitment to upholding the greater good in the pursuit of shared interests and following the principles of sincerity, pragmatism, affinity, and good faith, and put in place collective cooperation mechanisms that cover all other developing countries”, the Resolution says.

It takes the example of the joint efforts it China made with the outbreak of the COVID-19 pandemic. “In combating Covid-19, China has engaged in international cooperation and launched the largest global emergency humanitarian operation since the founding of the People’s Republic, providing supplies, medical support, and vaccine assistance for many countries, especially developing countries, and engaging in vaccine cooperation with a number of them.”

While the Resolution does not address the aggressive posture of Western powers towards China and other nations, it basically states that going back to respecting international law is the simplest and most effective way. “China has actively participated in reform and development of the global governance system. It has worked to safeguard the international system centered on the UN, the international order underpinned by international law, and the basic norms of international relations based on the purposes and principles of the UN Charter”. The reason that China and also other nations like Russia are insisting that priority must be given to respecting the UN Charter is that this global governance system has eroded to unilateral actions taken by the United States, Britain and other allies under new names and labels like “the rules-based order” and the “responsibility to protect” that created havoc in large parts of Eurasia as in Afghanistan, Iraq, Libya, and Syria. These new inventions have undermined the UN system that was intended to prevent such horrors as World War II.

## The question of culture

The cultural aspect of China's rejuvenation is probably one of the most delicate and decisive matters in the undertakings of the CPC. The question of culture is multi-faceted and incorporates even the economic aspects of the society such as the drivers of innovation. In the press conference held in Beijing on November 9, 2020 to present the 14<sup>th</sup> Five Year Plan (2021- 2025) adopted at the Fifth Plenary Session of the 19th CPC Central Committee in October, Xin Xiangyang, Deputy Director of the Academy of Marxism at the Chinese Academy of Social Sciences, acknowledged that: "The objective to become a leading innovative country means to become among the top three in the world. Innovation will take a higher share. A culturally strong country implies a "culture industry" of 10% of GDP".

To discuss cultural matters in the context of an economic plan was a big surprise for the international guests. According to Sandmark, and Richard Black of the American Weekly magazine Executive Intelligence Review who both attended the online press conference, The Chinese term translated as "culture industry" (wen hua chan ye,) refers to cultural productions—written literature, films, music—and cultural services—education in the arts, museums, concert halls, libraries—conceived of as a means to improve people's quality of life and to elevate their aesthetical sense. The argument is that the culture industry will propel economic growth! "To plan to invest 10% of China's GDP into upshifting the culture of the general population is nothing less than astounding", he wrote.

In 2018, President Xi Jinping underscored the importance of aesthetic education in his response to a letter from eight senior professors from the Central Academy of Fine Arts (CAFA) in Beijing. Xi called for more efforts in education to shape, in the country's youth, "a more beautiful mind," so that young people would be able to "deliver masterpieces of art to the world." Implying the importance of the classical principles of traditional Chinese painting and music, Xi urged the senior professors to "abide by the laws of aesthetics and carry forward the Chinese spirit of aesthetic education."

The rising self-confidence of the Chinese people and the leadership is driven by the miraculous economic development that has taken place in the past four decades. As noted above, this is not an accident or a mechanical development, but a result of carefully calculated measures that have changed in form but remained the same at the core. The leadership of the CPC is reflecting on the fact that unless there is a clear view of what Chinese culture and identity is, the foundations of the society will erode in the midst of the hustle and bustle of modern life.

The Resolution of the CPC Central Committee states: "Since the launch of reform and opening up, The Party has attached equal emphasis to material progress and cultural-ethical progress. As a result, socialist culture has thrived, the national spirit has been lifted, and national solidarity has grown stronger." But it raises a stern warning saying that at the same time "misguided ideas have often cropped up, such as money worship, hedonism, ultra-individualism, and historical nihilism, online discourse has been rife with disorder, and certain

leading officials have demonstrated ambiguity in their political stance and a lack of fighting spirit. These phenomena all have a serious impact on people's thinking and the environment for public discourse.”

It emphasizes that “It [Party] has stressed that ideological work shapes the collective mind of a country and forges the soul of a nation, and that confidence in one's culture, which is a broader, deeper, and more fundamental form of self-confidence, is the most essential, profound, and enduring source of strength for the development of a country and a nation” adding that “without a thriving culture and firm confidence in it, the Chinese nation cannot achieve rejuvenation.

While, the Resolution does not identify the nature of the classical culture it promotes, with the obvious role of the unnamed Confucian tradition in its center, the Central Committee stressed that “China's fine traditional culture is a prominent strength of our nation that enables us to gain a firm footing amidst global cultural interaction”. It declares: “For this purpose, we have launched projects to pass on and develop our fine cultural traditions, promoted their creative transformation and development, raised public awareness of the importance of preserving our cultural heritage, and stepped up preservation efforts.”

### **Self-criticism and the question of corruption**

As part of the historical review of The Party, the Resolution dedicates an important section to addressing the problems related to lack of discipline and more importantly corruption within The Party.

The CPC Central Committee stresses that The Party is dependent on the people and that if the people lose confidence in The Party, it will forfeit its own vitality. Although it is not noted in the Resolution, the confidence of people around the world in China will be damaged if corrupt practices inside China are thriving.

The Resolution makes a long list of failed practices and misconduct that risked the erosion of the confidence of the people in The Party and state.

“However, there was a certain period in which we failed to supervise Party organizations effectively or govern them with the necessary stringency. This resulted in a serious lack of political conviction among some Party members and officials, misconduct in the selection and appointment of personnel in some localities and government departments, a blatant culture of pointless formalities, bureaucratism, hedonism, and extravagance, and a prevalence of privilege-seeking attitudes and behavior. To be more specific, some officials engaged in cronyism and ostracized those outside of their circle; some formed self-serving cliques; some anonymously lodged false accusations and fabricated rumors; some sought to buy popular support and rig elections in their favor; some promised official posts and lavished praise on each other for their promotions; some did things their own way and feigned compliance with policies while acting counter to them; and some got too big for their boots and made presumptuous comments on the decisions of the Central Committee. Such misconduct interwoven with political and economic issues led to a startling level of corruption that damaged The Party's image and prestige and severely undermined relations between The



Party and the people and between officials and the people, arousing the discontent and indignation of many Party members, officials, and members of the public.”

However, the Resolution also deals with how a large-scale cleanup operation was conducted to root out the corruption.

Ironically this fight against corruption has been negatively portrayed in Western media as a weapon used by President Xi to remove his rivals from power. It states: “The Party has shown the determination to adopt powerful remedies and the courage to take painful measures for the sake of the bigger picture, and taken firm action to “take out tigers,” “swat flies,” and “hunt down foxes.”

This metaphorical reference is describing high-level and low-level officials of The Party and government who had indulged in corrupt practices, and also fugitives. This description was used by President Xi in a somehow dramatic speech at the Second Plenary Session of the 18th CPC Central Commission for Discipline Inspection January 22, 2013, in which he said: “We should fight corruption with strong determination, leave marks when we tread on stones or grasp iron.. persevere in our anti-corruption effort till we achieve final success rather than start off full of sound and fury and then taper off in a whimper.. We should continue to catch “tigers” as well as “flies” when dealing with cases of leading officials in violation of Party discipline and state laws as well as misconduct and corruption problems that directly affect the people’s livelihood. All are equal before the law and Party discipline; whoever is involved in a corruption case must be thoroughly and impartially investigated.”

Commenting on the Resolution in the newspaper China Daily ([Party's capacity for reform strengthened - Chinadaily.com.cn](http://www.chinadaily.com.cn)

), Hu Jianmiao, a law professor at The Party School of the Central Committee of the Communist Party of China (National Academy of Governance), said remarkable achievements have been made in promoting the full and strict governance over The Party and the fight against corruption since The Party's 18th National Congress in 2012. Between December 2012 and May this year, disciplinary inspection and supervisory bodies investigated 392 officials at or above the provincial or ministerial level and 22,000 at the bureau level suspected of bribery, according to data from the CCDI.

Since the 2014 launching of the Sky Net anti-corruption operation, 9,165 fugitives, including 2,408 Party members and government staff, have been brought back from 120 countries and regions, and 21.74 billion yuan (\$3.4 billion) in embezzled funds has been recovered, data showed.

A survey conducted by the National Bureau of Statistics at the end of last year showed that 95.8 percent of people are confident in the enforcement of strict Party governance and the curbing of corruption, a 16.5 percent increase over the 2012 survey conducted before the 18th CPC National Congress.

Ultimately, it is the Chinese people who will be the judge of the performance of the CPC and the government policies. That's the meaning of a people-centered policy. As far as we are concerned, it is important to learn to live with China as it is, not as we wish it to be.

It is our recommendation that China should be studied from within these Chinese characteristics and not through the lenses of our Western history. It is equally important to study the mind and thinking of its leadership, especially President Xi, not merely his speeches and writings, but also what books he has read, what kind of music he listens to, who are his favorite philosophers, what scientific matters he has been studying, just to give a few examples.

Sources: To find all official documents related to the CPC and government of the PRC, the website of the State Council Information Office ([The State Council Information Office of the People's Republic of China \(scio.gov.cn\)](http://www.scio.gov.cn)) is available. However, to read the "thought" of President Xi, we recommend the two volumes of the book "On the Governance of China", which has a collection of his speeches and writing. Regarding the BRI, the official website is: [Belt and Road Portal \(yidaiyilu.gov.cn\)](http://www.yidaiyilu.gov.cn)

**Website of the Belt and Road Institute in Sweden:** [www.brixsweden.org](http://www.brixsweden.org)

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