

CHINA'S 14TH FIVE YEAR PLAN

Science-Driver and Culture— Not Money—Ignite Progress

by Richard A. Black, Schiller Institute Representative at the UN

Dec. 25—China's recently published 14th Five Year Plan (2021-2025) represents a further qualitative advance in thinking in its approach to developing the labor power of its population. This emerging approach has been developing since at least 2016, when a shift was begun away from an emphasis on national and regional GDP targets, as those metrics are defined by the monetarist bastions of the International Monetary Fund (IMF), the World Trade Organization (WTO), etc., towards metrics based on rates of development of physical-economic parameters.

Those economic parameters include progress in the building of advanced, hard infrastructure, in the investment in frontier science—Moon and Mars colonization, thermonuclear fusion research, quantum computing—and in major investment in the more intangible area of “aesthetic education and fine arts,” to develop among youth what President Xi Jinping calls, “a more beautiful mind.” This approach has been central to China's success, as of November 2020, in eliminating all extreme poverty among its population of 1.4 billion people.

American scientist and statesman Lyndon H. LaRouche, Jr. (1922-2019) has emphasized, in his widely circulated major writings since the 1960s, the fallacy of using the money values of standard GDP figures—which are inherently fraudulent—for economic planning purposes. As LaRouche has emphasized, “It is only the mind, whose approach to the economy is physical, rather than financial accounting practices, which is capable of understanding, and accounting for the relative values generated by economic processes.” (See LaRouche's [textbook](#) on elementary mathematical economics, *So, You Wish to Learn All About Economics?* and also Ulf Sandmark's article, “Planning Without Numbers, but with Quality and Structure,” in this issue



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Xi Jinping speaking to a CPC Central Committee symposium with non-Party members, December 11, 2020.

of *EIR*.)

The shift in economic approach which we see in China's new Five Year Plan expresses an affinity with LaRouche's economic science. Think of the past “economic miracles” in the West: Franklin D. Roosevelt's Tennessee Valley Authority (TVA) and the building of the “Arsenal of Democracy” before World War II, or President John Kennedy's astounding Apollo Moon landing. Not surprisingly, China happily reports that its economists have closely studied these models of successful physical economic planning. China's current chief trade negotiator, the brilliant Vice Premier Liu He, has written scholarly papers analyzing Roosevelt's approach to economy.

China Eliminates Extreme Poverty Among 1.4 Billion People

On December 3, China's President, Xi Jinping, told a meeting of the Politburo of the Communist Party of China (CPC):



Alfred T. Palmer



U.S. Air Force



NASA

Three “economic miracles” in the West: The TVA, the “Arsenal of Democracy,” and the Apollo Moon landing. Shown: Workers check a turbine shaft in the TVA’s Watts Bar Dam in 1942; assembly line for bombers in Fort Worth during World War II; and the first walk on the Moon, in 1969.

Since the 18th CPC National Congress [in 2012], the CPC Central Committee has put poverty alleviation in a more prominent position, adopted significant measures with originality and specialty, and fought the largest and most vigorous battle in human history against poverty.

In a stunning achievement for all mankind, China has now lifted 850 million of its people—over the last 40 years—out of extreme poverty. Such poverty within its borders has been eliminated! As recently as 2013, one in every three counties in China was labeled as poverty-stricken. This month, the last nine Chinese counties—all in the mountainous province of Guizhou—made it over the threshold out of extreme poverty. The government has continually revised that threshold to include not only income, but also health care, compulsory education, shelter, and other basic human needs. The average annual net income of formerly impoverished people in those last 9 counties has risen to 11,487 yuan (\$1.00 = 6.54 yuan), well above the 4,000-yuan national poverty line set this year.

At the December 3 leadership meeting, several of the measures taken to realize this achievement were reviewed, such as sending more than 2 million public poverty-alleviation officials from the cities out to the poor villages for 1- to 3-year posts, where, for example,

they introduced both new agricultural technologies to boost the capital intensity and output of agricultural production, and a vast number of new crop varieties. The vast investment in new railroad and road construction has linked isolated, poor regions with the prosperous cities and industrial zones, allowing their products and services to reach a broader market, and to benefit from the greater ease of bringing in capital goods.



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China’s vast investment in new rail and road construction has linked isolated, poor regions with the prosperous cities and industrial zones, contributing to the lifting of 800 million from abject poverty. Shown: a recently-launched, high-speed electric freight train.

China Daily reported that in order to meet the pre-set 2020 government deadline for the complete elimination of poverty—

Last year, the Chinese government considerably ramped up financial support, allocating 91 billion yuan of poverty alleviation funds for 2019. The Chinese Development Bank pledged 400 billion yuan to fund poverty alleviation projects.

It is in the context of this unparalleled unfolding achievement that on November 9, China detailed the outlines of its 14th Five Year Plan at a two-hour diplomatic briefing given by officials of the International Department of the CPC. The Plan's announcement also occurred as the American, David Beasley, Executive Director of the Nobel Prize-winning UN World Food Program (WFP), has said that already, *this year*, seven million people worldwide have died of famine, and that 270 million more are slated to die of famine over the next twelve months if sufficient new aid is not mobilized by the world community. So the question is posed: Will the community of nations mobilize the resources to halt this famine, today, in the same spirit that China has carried out a sustained victory over extreme poverty for 850 million people?

Thus, China's 14th Five Year Plan is being launched in the wake of her historic victory over poverty; yet,



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The Chang'e-5 is a leading vector of China's commitment to frontier science as described in its 14th Five Year Plan. Shown: an artist's concept (left), and its T1 Earth atmosphere re-entry module (right).

this is occurring within today's world economy, devastated by both the global COVID-19 pandemic and decades of International Monetary Fund (IMF) neo-liberal austerity, ruthlessly forced onto the entire former colonial sector, including Africa.

Conceptual Outline of China's 14th Five Year Plan

Many would be shocked if they were to read the transcript of the CPC's International Department's November 9 briefing on the new Five Year Plan (2021-2025) and the Long Range Objectives for Year 2035 adopted at the Fifth Plenary Session of the 19th CPC Central Committee, which was held from October 26 to 29 in Beijing. (See the [video](#).)

What is outlined is an economic plan driven by fundamental breakthroughs in physical science. American economist and statesman Lyndon LaRouche has long advised friends in China that the key to its development lay in its advances in fundamental science, in the rapid building-up of its hard and soft infrastructure, and in the development of its labor force to a high skill level. LaRouche has proven that, uniquely, rising rates of energy-density for production and



Chinese Academy of Sciences

The nature of the transformation of China's people through science, technology, and innovation is unprecedented in human history. Shown: China's HL-2M Tokamak reactor, its largest and most advanced fusion experimental research device, located in Chengdu, Sichuan Province.

living standards, a “science-driver” approach to *the economy taken as a whole*, and the laying down of the most advanced nuclear power and transport infrastructure are, each and all, absolute requirements for an advancing physical economy. These methods are elucidated in China’s 14th Five Year Plan.

The focus of the plan is the technological advancement of the physical economy of China. No overall GDP targets are given. No regional GDP targets are given. There is barely a mention of China’s official national policy of reducing CO₂ emissions by 60% by 2035, while the currently fashionable “Green Economy” false dogma is redefined in Confucian terms: “Green” means that the ecology of Man must be in Harmony with Nature as a whole.

Plans are described for an “energy revolution” and for a new approach to development, what is called “a new development Paradigm.” The speakers were explicit that China will not import any foreign development model, nor do they intend to export China’s development model to any other nation. One shift in emphasis is that under President Xi’s direction, the Five Year Plan is only outlined within a broader economic advance by the year 2035 and by 2050, the latter being just beyond the centenary of the founding of the new China.

While these methods of development have been followed by other nations, including the United States, given China’s population of 1.4 billion, the *scale* and therefore the *nature* of that population’s transformation through science, technology, and innovation “is unprecedented in human history.” In other words, the leadership is conscious of the fact that the *scale* of their success takes on the nature of a new discovery.

During the November 9 briefing on the 14th Five Year Plan by the Minister for International Development, Song Tao, and others, Colombia’s Ambassador to China, Luis Diego Monsalve, observed that the plan had “fewer quantitative indicators,” than had previous plans, and asked: “Without specific growth targets, how can other countries be confident on China’s development prospects?”

The answer by Xin Xiangyang, Deputy Director of the Academy of Marxism, at the Chinese Academy of Social Sciences, acknowledged that:

China in the past had a lot of quantitative indicators for both economic and social development. Now, China has transitioned into high-quality

development and is focusing on optimizing the structure of the economy so that people will focus more on the outcome of development and quality.... If we read between the lines, we can see the numbers and quantities.

Deputy Director Xin explained 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.

This, in itself, will be quite a shock to Western observers!

The Question of Aesthetical Education

The Chinese term translated as “culture industry” (*wen hua chan ye*, 文化产业), 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 *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. 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, including from the 99-year-old Prof. Zhou Lingzhao. In praising the work of the professors, 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.”

Central in the national discussion today of the role of aesthetics in China are the contributions of Confucius (551 B.C. – 479 B.C.). Dr. Yu Zhou, professor at the Shanghai Institute of technology, recently [wrote](#) in the *Journal of Educational Theory and Management*, Vol. 4, No. 2, October 2020:

Confucius ... combined artistic activities with

the cultivation of people who meet his social ideals from the perspective of music education practice, emphasizing: “Rise in poetry, stand in courtesy, and succeed in music.” Starting from the ideological and artistic quality of music, he takes “goodness” and “beauty” as the basic criteria for music evaluation and derives the “perfect and perfect aesthetic” evaluation standard. Confucius also attached great importance to music education, and proposes 6 lessons for study, “ceremony, music, archery, horse-drawn carriage, reading and math.” Among them, “music” is the second.

When one couples this renewed emphasis on “the culture industry” and aesthetical education with the decision, discussed by Dr. Xin, to focus the overall economy on scientific innovation *as an explicitly stated “major strategic choice,”* you begin to see a breakthrough. Thus, we can see how the Chinese leadership defines the creation of value in an economy: innovation in science combined with an upshifting of the cultural and aesthetic sense of the population. Thus, the apparently paradoxical answer to the Colombian ambassador’s question about a lack of “numbers.”

On the question of “the numbers” describing growth in the economy, Dr. Xin did describe the recent success of building “a moderately prosperous society”: It has meant a current per-capita average income of over US\$10,000. The objective of China becoming a “medium-income developed country” by 2035 will then translate into a per-capita income of US\$20,000. He describes the planned doubling of China’s GDP by 2035 as “a giant step.”

A Shift to Qualitative Indicators: A Decade in the Making

As I described in an [article](#), “China-U.S. Trade Relations in 2020—After the Phase I Trade Agreement: Decoupling or Development?” in *EIR* Vol. 47, No. 8, February 21, 2020, pp. 57-64, the shift in China away from the highly worshipped GDP indices of the IMF,

WTO, and other such institutions began over a decade ago. Economist Tian Yun, director of the Macroeconomics Research Center’s China Society, an affiliate of the National Development and Reform Commission, revealed at the end of 2017:

There could be some major systemic changes in how the government prioritizes economic policies.... China has long been talking about pursuing high-quality, sustainable economic growth, but has made little economic progress because local governments continue to focus primarily on GDP. I think we could see some real economic shifts in 2018 to change that. For exam-



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“The Chinese leadership defines the creation of value in an economy by innovation in science combined with an upshifting of the cultural and aesthetic sense of the population.” Shown is a Beijing Music Festival concert in the Forbidden City.

ple, the central government might come up with new economic indicators to gauge economic development.

Even earlier, in 2007, the *Wall Street Journal* and other Western financial media were shocked as they reported the story that Premier Li Keqiang, while he was provincial leader in Liaoning Province, had rejected official GDP figures for his economic planning purposes. He reportedly called those GDP figures “man-made,” that is, made up. Instead, Li innovated. He devised a set of physical economic indicators in his Liaoning Province, which included rates of change in (1) electricity consumption, (2) rail cargo volume, and (3) new bank



Chinese State Council

Li Keqiang, Premier of the State Council, visiting a Samsung Electronics semiconductor plant in Xi'an, Shaanxi Province.

loans issued.

So rattled were the monetarist bastions, such as *Bloomberg News* and *The Economist*—upon learning of the success of Li's system—that they quickly devised their own computer imitation of Li's method, calling it “the Li Keqiang Index.” When they threw current economic numbers simultaneously into their old GDP models and into “the Li Keqiang Index,” Li's method of economic forecasting consistently out-performed their old GDP model! It is not known if Premier Li ever sued those Western media for theft of intellectual property.

The Drafting of the Five Year Plan

The elaborate drafting process of the new Five Year Plan was described by Yin Yanlin, Vice Minister of the General Office of the Financial and Economic Affairs Commission. The Plan is the product of many months of deliberation and feed-back from throughout the nation. The Political Department held over a dozen symposia on various aspects of the Plan, having invited speakers from all walks of life: scientists, entrepreneurs, teachers, etc. This year, for the first time, the public was also invited to come up with proposals. Over one million proposals from the public were delivered to the Department, beyond the ones received from within the government. This is how democracy works in China.



PCOO/Karl Norman Alonzo

Song Tao, Minister of the International Department of the Communist Party of China Central Committee.

In addition, President Xi Jinping travels regularly to all parts of the country for direct on-site readings of the conditions of the population—particularly in the rural regions. This has provided direction in each step of the planning process of setting the goals for 2035 and 2050.

The coming introduction of a basic medical insurance system for 1.3 billion people and a social security system for one billion people will be two further steps to improve the living standard and productivity of the population.

Current U.S. Response: China's Prosperity Is a Casus Belli

The official U.S. response to China's current and projected economic plans must be honestly characterized as clinically insane. For instance, U.S. Director of National Intelligence (DNI), John Ratcliffe, wrote an [opinion piece](#) in the December 3, 2020 edition of *The Wall Street Journal* titled, “China Is National Security Threat No. 1—Resisting Beijing's Attempt to Reshape and Dominate the World Is the Challenge of our Generation.” This declaration follows many months of a police-state-like McCarthyite campaign—coming from all the leading sections of the U.S. Executive and Legislative branches—defining China as a malignant enemy. Thousands of visiting Chinese students and scientific researchers from all academic fields have been expelled, while Chinese and Chinese-American scientists have been arrested on bogus charges of spying. DNI Ratcliffe writes in his *Wall Street Journal* commentary:

If I could communicate one thing to the American people from this unique vantage point, it is that the People's Republic of China poses the greatest threat to America today, and the greatest threat to democracy and freedom world-wide since World War II.

The intelligence is clear: Beijing intends to dominate the U.S. and the rest of the planet economically, militarily and technologically. Many of China's major public initiatives and prominent companies offer only a layer of camouflage to the activities of the Chinese Communist Party.

I call its approach of economic espionage “rob, replicate and replace.” China robs U.S. companies of their intellectual property, replicates the technology, and then replaces the U.S. firms in the global marketplace.

One might simply argue that this evidence-free fabrication is simply a racist rehash of the cries of “the Yellow Peril!” seen at times in past U.S. history. Never mind the fact that for no less than 2,000 years—from approximately 600 B.C. to A.D. 1400—China’s breakthroughs in metallurgy, astronomy, agriculture, navigation, ship building and the fine arts, just to name a few areas, dwarfed any economic and scientific activity in the West. (See the [article](#), “The Science and Technology that Ancient China Taught the West,” by Robert Trout and Michael Billington, in *EIR*, Vol. 47, No. 41, October 9, 2020, pp. 32-41.)

No, what we are witnessing coming from many in the Western elites—from the City of London and NATO to both of the political parties in the U.S.—is a horrified realization that, in terms of their economic trajectories, China is taking off like a rocket while the West has been drowning *itself* in a putrid sea of monetarist speculation, demonization of nuclear and space science, and a suicidal ideological soup of “green” finance and zero growth.

Add to this “logic” the push from within the Pentagon and the leading British Empire think tanks to deploy new “small nuclear weapons”—which, according to their theories, make World War both “thinkable” and winnable”—and you have the implied war cry to fight China militarily, *now*, before it becomes, *soon*, an economic equal to the United States. In other words, we are witnessing a deployment to trigger the World War III that would end human civilization on Earth.

Scientific Progress: The Common Aim of Mankind

American statesman and scientist Lyndon LaRouche has long documented that it is uniquely a “science-driver” which produces success in a national economy. In fact, LaRouche’s widow, Helga Zepp-LaRouche, scholar and the president of the Schiller Institute, is today a frequent expert commentator in Asia, giving currency to these conceptions. She is often sought out by leading circles in China to lecture at think tank events, at strategic policy conferences, and in the media. The affinity of LaRouche’s economic discoveries—concerning the connection between human cre-

ativity and progress in national economy—to China’s current approach to economic progress may help readers in the West to understand “what’s behind” China’s economic planning. The following is taken from a 2005 [paper](#) by LaRouche, “On the Noëtic Principle: Vernadsky and Dirichlet’s Principle”:

In reality, contrary to the Olympian Zeus, man and woman made in the image of the Creator, are naturally creative. Scientific progress based upon the realized effects of the endless discovery and command over universal physical principles is the essential nature of mankind, the essential nature of the Noösphere. So, as evolution of species of life drives the Earth to higher states of existence, above the abiotic, so the characteristic form of successful action by society is the increase of man’s power over the planet, per capita and per square kilometer of the planet’s surface. This creative activity, which modern society has recognized in the benefits of scientific and technological progress, is essentially anti-entropic.

This brings us to a crucial point in the relevant argument. Since the characteristic activity which defines the existence and persistence of the Noösphere is universal anti-entropy, the characteristic feature of every action within the Noösphere is its relative anti-entropy. The essential part of what is being exchanged within the economic process as a whole is the relative anti-entropy expressed by the way in which the generation, circulation, and consumption of products is organized.

How has China been able to completely eliminate extreme poverty in a population of 1.4 billion people, a population made up of no less than 56 different ethnic and language groups? How has China been able to establish a presence on the Moon with an industrial plan to mine fuel there for the frontier energy source, fusion energy? Why do thousands of China’s young people flood new concert halls today to hear the music of Bach, Mozart, and Beethoven? Why does China’s economy include the building of modern railroads, factories, and science universities in Africa and elsewhere in the famine-struck former colonial sector? Clues to the answers to these questions are revealed in the recent outline of China’s 14th Five Year Plan. They reside in an understanding of the common aims of mankind.

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