

China's Congress Charts a New Path For the World

by William Jones

March 15—Substantial international attention has been focused on this year's meeting of China's National People's Congress (NPC) and the Chinese People's Political Consultative Committee (CPPCC), much of it misguided and/or malicious. But there is a real reason for the Congress's importance. With the full brunt of the international financial crisis hitting Europe and the U.S., China is playing a crucial role in maintaining stability in the world economy. In particular, China's commitment to the development of the two Silk Roads, the Silk Road Economic Belt and the 21st Century Maritime Silk Road, represents the only option for the world to chart a path out of the present economic crisis.

Crucial to China's success will be its orientation to the most advanced areas of science and technology—its program of lunar exploration, aimed at mining the Moon, and its role as the world's leader in high-speed rail, in particular. These programs are well underway, but the central focus of the two national meetings (called the “two sessions”) was the broader question of enhancing the general welfare of the population.

From Cheap Labor to Development

The international interest in the two sessions also hinges on the major changes taking place in China, economically, socially, and politically. The startling growth of the Chinese economy over the past decades, which has helped to bring hundreds of millions of people out of poverty and up to a relatively decent standard of living, under conditions of serving as a cheap labor production pool for the world economy, has also carried a heavy price for the country.

By receiving far less than the actual costs of reproducing the labor and the reproductive conditions of the labor in the sale of their products, China's environment has suffered from pollution of the water, land, and air, a



Xinhua/Lan Hongguang

Chinese President Xi Jinping greets deputies to the National People's Congress from Guangxi Zhuang Autonomous Region, March 8. The government is moving to expand the powers of the national legislature on the local and regional levels.

toll which it will take years, even decades, to reverse. One fifth of China's arable land is said to be heavily polluted.

The environmental devastation has been a major concern for years now for Chinese citizens, but President Xi, who has shown little patience with malfeasance perpetrated by some of the authorities in the government and the party, has promised that polluters would feel the "iron hand" of the government's environmental watch-dogs. And this includes, judging from the latest reports, also some individuals in the state-owned enterprises, which still represent the backbone of the Chinese economy. What began during the 1970s with the Western economies' outsourcing their production in order to cut their wage costs, led to a veritable "slash and burn" policy to exploit cheap labor in Asia and Ibero-America. Most of the economies of the developing sector suffered in the same way that China has.

China succeeded, however, in avoiding the total collapse experienced by others through the leadership's wise policy of investing in science and technology, making ready a labor force that could leap-frog out of the vicious cheap-labor cycle. Now, with the downturn in the Western economies, China is girding itself for another leap in the development of new high-tech capa-

bilities through innovation and creativity, watchwords of the Chinese economic debate these days.

The extensive use of coal and oil has, of course, contributed mightily to the environmental devastation. China's commitment to the development of nuclear energy points a way out of the dilemma. It was announced during the two sessions that China was now going to build two new third-generation nuclear plants inland, and shut down some of the polluting coal-burning plants there. With a view to its "going global" strategy, China is also constructing its first indigenous reactor, which it intends to export as

the technology is perfected. The rapid collapse of its export market with the virtual blowout of the European and U.S. economies, has also forced China to take into its own hands the management of its future prospects. "One Road, One Belt," as the Chinese call their two Silk Roads, has become a necessary element in their continued economic well-being.

Consultative Democracy

The National People's Congress is the legislature of China, responsible for making the laws. And although its annual meetings are the only occasion when all delegates are gathered together, with much of the business during the year being handled by a Standing Committee, there is intense debate and consideration of the proposals that are handed them for legislative consideration. The larger CPPCC, which has been in existence since the founding of the People's Republic of China, consists of many non-Party members and members of other political parties active in China, giving them a platform to influence government policy. The role of the CPPCC is to put forward the proposals from the grassroots, which are then forwarded to the NPC for possible legislation.

This is what China calls its "consultative democracy." A legislative law reform passed at this year's

Congress will expand the powers of both the NPC and the CPPCC and will also strengthen legislative bodies on the local and regional levels. The latter move will help create a closer watch on the decisions made by local governments, even more important now, that much of the decision-making on issues that had previously been handled centrally will now become the prerogative of the local authorities.

While the Western media often portrays these two institutions as “rubber stamps” for decisions made by the Communist Party, anyone who observes them close up can see that there is a very lively, vibrant, and sometimes raucous discussion over the issues facing the nation. This year was a bumper-crop year for proposals, in that delegates put forward almost 6,000 proposals for consideration, some dealing with “One Road, One Belt,” others with the environment, the economy, the conditions of migrant labor, agricultural reform, and enhancing the “people’s livelihood”—i.e., health insurance, education, child care, and housing registration reform.

Rule of Law

Many of these proposals had to do with the ongoing anti-corruption campaign initiated by President Xi Jinping last year. While the campaign has targeted even high-level officials accused of corruption—both “tigers and flies,” as President Xi has put it—the more far-reaching goal is to establish systematic reforms in the Supreme Procuratorate (the prosecutor’s office) and the Supreme People’s Court, and to make these independent from local government or Party authorities. Such rule of law would help prevent some of the abuses that have been perpetrated by local and regional authorities who now would no longer have control over the judiciary, a necessary step toward a system of real checks and balances.



Foreign Minister Wang Yi at a press conference on March 8. He said that “One Belt, One Road” would be China’s primary foreign policy focus in 2015.

The two sessions also gave the central leadership an opportunity to conduct a dialogue with delegations from the different regions of China. During the two weeks of meetings, President Xi and Premier Li Keqiang had numerous opportunities to talk with the delegations. At one meeting, with a delegation from Jilin province in China’s northeast, President Xi underlined the commitment of the central government to the revitalization of that region, which traditionally had been the industrial heartland of China, but has become something of a “rust belt,” requiring significant modernization. He took notes on a briefing he received at another meeting on the development of the Yangtze River Corridor, which is being geared up to become another corridor leading from the Yangtze Delta region to Chengdu in Sichuan Province, a city which has already become a hub for the Silk Road Corridor to Europe.

Securing the People’s Livelihood

Foremost in the minds of the Chinese leadership is the issue of the “people’s livelihood.” With the rapid growth of China over the last few decades, the world sometimes forgets how far the country still has to go in order to become a developed nation. With over 40% of the population still residing on the land and, according

to World Bank statistics, 200 million people living in poverty, this fact is never far from the minds of China's leaders.

This was clearly underlined by Premier Li in the press conference ending the NPC meeting on March 15. Rejecting the notion that China was a “free rider” in the world economy (referencing the snide comment made by President Obama last year, which set off something of a firestorm in China), Premier Li related a story his visit to two households in the western region, one to a shabby house where a mother and her son lived, where you could actually feel the wind blowing through the house; and another to a family with two children, where the sister had to work in the city to pay for her brother's college education, which didn't even allow her to come home to visit the family during the traditional Spring Festival. “It truly pains me to see our people living in such distress,” Li said. “And I am sure that there are many more such families. China is still a developing country in every sense of the term.”

‘One Belt, One Road’

Already, at the beginning of the session, it was clear that the Silk Road belt would be a highlight during the two sessions. At his press conference on March 7, Foreign Minister Wang Yi had indicated that “One Belt, One Road” would be the primary foreign policy focus of 2015. In his Government Work Report issued at the beginning of the NPC session, Premier Li mentioned the project three times. “We are entering a new phase in our neighbor diplomacy,” Li said, “and China is now recognized as a major country on the international stage.”

It was also noted that “One Belt, One Road” would provide the basis for China's “going global” strategy. The effort by China to shift to more high-valued production niches has had its most notable success in the field of high-speed rail, in which China has now become a major exporter. China will benefit from “belt and road” investment in infrastructural projects in neighboring countries, by being a supplier of much of what is required to realize that investment.

The two sessions were also an opportunity to inaugurate the Silk Road Fund, of \$40 billion, proposed by President Xi last year to “jump-start” the “belt and road” projects. While the Asia Infrastructure Investment Bank (AIIB), which was launched by China in

2013 to pull together a fund for “One Road, One Belt,” presently involves 27 nations—including, most recently, Great Britain—the Silk Road Fund will be managed directly by China, with funding provided by the China Investment Corporation, the Export-Import Bank of China, and the China Development Bank. Jin Qi, the chairwoman of the Fund, announced on March 12 that the board of directors and senior management team have been chosen, and will start investment soon. It will operate on market-based principles, she said, and would welcome participation by the Asian Development Bank and the China-Africa Development Fund.

China's foreign minister also announced at his press conference on March 7 that Russia this year would begin its official cooperation in the Silk Road project. “China will also launch strategic cooperation in development of the Russian Far East,” Minister Wang said, “and will improve the cooperation in high-speed railroads.” Zhou Xiaochuan, the chairman of the People's Bank of China, told reporters on March 13, that China and Russia were exploring novel financial cooperation along the route of the Silk Road.

“One Belt, One Road,” however, goes far beyond China and its immediate neighbors. The decision by the Cameron government in Great Britain to join the AIIB, over the objections of the Obama Administration, indicates an understanding of the far-reaching global changes occurring.

And Great Britain may not be the only European nation ripe for membership. In an article in the French business daily *Les Echos* on March 4, Dominique de Villepin, France's former foreign minister, urged his country to become a part of this major undertaking. De Villepin wrote that the Silk Road idea represents “a political vision which paves the way for European countries to renew dialogue with partners on the Asian continent which could help to find, for instance, flexible projects between Europe and Russia, in particular, to find [the funds] necessary for the stabilization of Ukraine.” An invitation had also been extended by President Xi to the United States, at his joint press conference with President Obama at the APEC Summit last year.

The question remains: Does the United States have the wisdom and the will to accept the invitation and work with China on this important project in the interest of the common aims of mankind?

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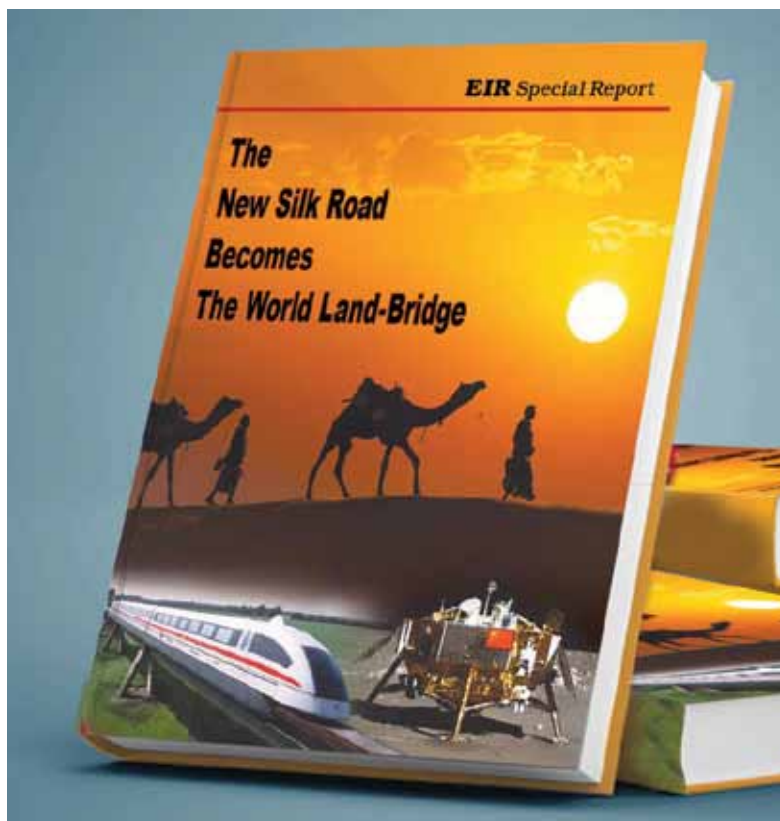
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