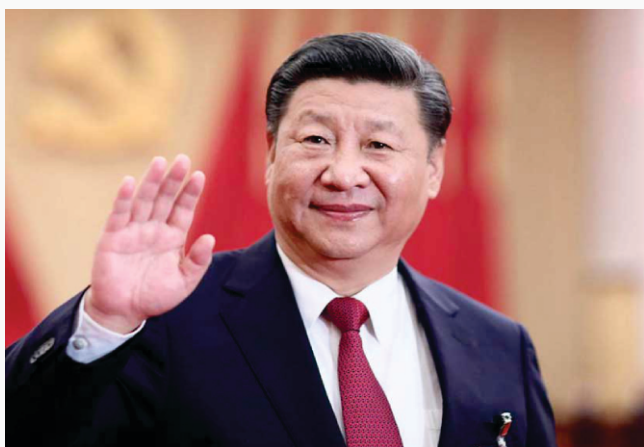




PAKISTAN-CHINA
INSTITUTE

CHINA AT 75 FROM MAO ZEDONG TO XI JINPING



2024

RESEARCH REPORT



Pakistan-China Institute

**CHINA AT 75
FROM MAO ZEDONG
TO XI JINPING**

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FOREWORD: ‘China at 75’: Lessons from Chinese Model

As China celebrated the 75th Anniversary of founding of the People’s Republic in 2024, it is instructive to recall the key components of this major Anniversary. For Pakistan-China relations, since the signing of the 1963 Boundary Agreement, relations have been on an upswing, developing into a unique strategic partnership that today is unprecedented in its scope and content, reinforced by mutually compatible world views and common core interests.


In the contemporary period, China’s worldview in the multipolar ‘Asian Century’ is based on the twin pillars of promoting economic connectivity (through the Belt & Road Initiative, BRI) driven by energy and economy, ports and pipelines, roads and railways, and pushing ‘reform comprehensively to advance modernisation’ as stated in the 3rd Plenum of the 20th Central Committee of the Communist Party of China (CPC). Underpinning this approach is the Vision of ‘win-win cooperation’ through forging people-to-people connectivity, particularly amongst youth, media, academia, think tanks and tourism. These elements also form the core of the Pakistan-China ‘all weather’ Iron Brothers camaraderie.

Pakistanis are also keen to learn about China’s remarkable transformation under the CPC in a relatively short span of 75 years, that makes it a ‘role model’ in the 21st Century. The various articles in this report, focusing on different dimensions of China’s growth and progress, provide valuable insights into key ingredients of the remarkable China Success Story.

Primarily, there is the uniqueness of China’s success with alleviating poverty. Within a generation or so, China has lifted over 750 million people out of poverty, a feat without precedent in human history. Changing so many lives for the better in such a short span is indeed unprecedented. This huge success in poverty alleviation on such a size, scale and speed is what has inspired and impressed the world about the ‘China Model’. Some vital ingredients of this success story in poverty alleviation are noteworthy: competent, people-centred leadership with vision based on stability and continuity of policy, an ability to do a course correction to reverse wrongs, a willingness to learn from other countries, big or small, and a foreign policy of peace and mutually beneficial cooperation. Neighbours and steadfast partners of China like Pakistan are hoping to learn from this Chinese ‘role model’ in poverty alleviation, a process on which this country of 240 million is already well embarked. Mutual learning is a key element of this development story.

Pakistan is fortunate that the launching of the BRI, undoubtedly the most important diplomatic and developmental initiative of the 21st Century, provided the opportunity to launch the China-Pakistan Economic Corridor (CPEC), the flagship and pilot project of the BRI. Within a few years, CPEC has helped inject over \$ 25 billion into the Pakistani economy and launched Pakistan on the trajectory to a better tomorrow, generating 255,000 jobs plus registering the highest growth in a decade (5.8%) in 2018, and, more important, instilling new hope, confidence and faith in the future for young Pakistanis, who comprise 65% of the population. The first phase of CPEC is successfully completed, ‘dead projects’ like Thar Coal and the Gwadar Port are revived and functioning, Pakistan has witnessed easing of its chronic energy shortages of the past three decades, all thanks to CPEC, which has also cemented the Federation of Pakistan through inter-provincial infrastructure connectivity.

However, with the initiation of the second phase of CPEC, the best of CPEC is yet to come. With a



focus on socio-economic development, several areas have been identified for people-centric investment: health, education, agriculture, water and irrigation, poverty alleviation and vocational training plus IT and tourism. CPEC expansion to include neighbouring countries is part of this vision. New SEZs are in the offing in different parts of the country, where relocation of Chinese small and medium sized enterprises, plus joint ventures in specific areas are planned. China has also offered a large number of scholarships for Pakistanis, on top of the 28,000 Pakistani students who are already studying in China. A key component of the BRI growth strategy would be make it ecologically-friendly with ‘Green Development’ as its hallmark, underlined by President Xi Jinping’s announcement banning the building of coal fired plants outside China.

Pakistan feels that the most important implication of the ‘China Model’ is the manner in which China has helped transform the lives of millions of its citizens for the better and it this example that is helping to shape Pakistan’s quest for a prosperous future through policies and initiatives beneficial for the country through people-centric development.

Some important documents issued by the CPC and the Government of China are noteworthy as pointers to future policy. As the historic CPC document, adopted at the 6th plenary session of the 19th Central Committee on November 11, 2021, refers to Xi Jinping Thought on Socialism with Chinese characteristics for a New Era on ‘diplomacy with Chinese characteristics’ clearly focuses on key priorities: ‘serve national rejuvenation, promote human progress, and facilitate efforts to foster a new type of international relations and build a human community with a shared future’.

The second document is on ‘China: Democracy that Works’, issued by the State Council Information Office, on December 4, 2021. This important document makes it clear that ‘in the richly diverse world, democracy comes in many forms, China’s democracy is thriving alongside those of other countries in the garden of civilisations’, with the system in China led by CPC ‘suited to the conditions in China and embraced by the people, it has solid foundations and a bright future’ and that ‘democracy cannot be decided by self-appointed judges’.

According to a comprehensive public opinion survey of China done by US Harvard University’s Ash Center in June 2020, over 80% of respondents, interviewed in China, expressed ‘satisfaction’ with the Chinese system. Given this context, weaponisation of democracy as a means to demonise or destabilise China by certain sections in the West is counterproductive and bound to fail. So it is in these challenging times that Pakistan-China relations remain the pivot of the two countries foreign policy based on preserving, promoting and protecting their respective core interests, a task on which both are already embarked in unison. The recent visit of Prime Minister Li Qiang to Pakistan has elevated the brotherly bond to a qualitatively new level as both countries referred to the unshakable mutual trust’ that binds the two neighbours together. With the contours of an alternative emerging global order on the horizon, exemplified by two recent summits, SCO & BRICS, Pakistan and China are strategic partners in building a better and prosperous and peaceful tomorrow, with no overlords and no underdogs.

Senator Mushahid Hussain Sayed,
Chairman, Pakistan-China Institute.



Pakistan's View on Governance of China in The New Era (2012-2022): Perception & Inspiration

by Aizaz Ahmad Chaudhry¹

Abstract:

The rise of China as a major economic power has brought greater attention to the governance model that has enabled China to achieve its goals. There's a growing curiosity as to how the governance model of China works in practice, and creates an enabling environment for political stability and economic development. Although the governance of China has evolved from the time of Mao Zedong and then Deng Xiaoping, the New Era (representing the ten years period of 2012- 22 under the leadership of President Xi Jinping) has opened a new chapter in China's governance. This paper seeks to explore how China is surging ahead in the New Era to achieve the aspired future of China as a modern socialist country. The paper then looks at how the Chinese governance is being viewed in Pakistan, which enjoys a close relationship with China. In order to systematically study how the people of Pakistan view the governance of China, the author's findings would emanate not only from the relevant research literature but also from a series of interviews conducted with eminent Pakistanis who have studied and interacted with Chinese society and government.

Key Words: China, Communist Party of China, People's Congresses, Governance, New Era, Pakistan.


Article

Introduction:

Since its independence in 1949, the People's Republic of China has climbed up the ladder of human and economic development, more swiftly than any other nation in history. The first three decades were spent on the consolidation of the Communist revolution led by Mao Zedong.² The people of China experienced some difficult times during the early period. The Great Leap Forward (1958-62), which was essentially conceived to create a communist society and collectivize agriculture, brought in its wake considerable social upheaval. The country also witnessed a devastating famine during this time (1959-61) perishing nearly 30 million Chinese. The Great Proletarian Cultural Revolution (1966-76), which was aimed at purging capitalist elements from the Chinese society and reinforcing communism in China, also brought hardships for the people.

¹ The writer, a former Foreign Secretary of Pakistan, is presently serving as Director General of the Institute of Strategic Studies Islamabad, and is the author of the book 'Diplomatic Footprints'.

² Mao Zedong was the founder of the People's Republic of China and Chairman of the Communist Party of China.



Amidst these turbulent times, the Chinese economy remained under tremendous stress and continued to shrink.

The country's fortunes took a turn in 1978 when economic reforms of enormous import were set in motion by Deng Xiaoping.³ Interestingly, China's gross domestic product (GDP) at that time was lower than half the Asian average.⁴ The key economic reforms that were introduced included: liberalization of prices, expanded role of the private sector, incentives to attract investments, and greater fiscal autonomy to local governments in China. Within years, the reforms began to have an impact and China started experiencing an average GDP growth of nearly 10 percent per year which continued until 2014. The per capita income rose from USD 155 in 1978 to USD 7,590 in 2014.⁵ Initially the Chinese economy concentrated on assembling and producing cheap goods, and with time, product quality began to improve. China became a manufacturing hub of the world.

With President Xi coming to power in 2012, China's governance took another turn by embarking on a massive program of economic rebalancing, which has brought further changes to the Chinese economic scene.⁶ During the period referred to as the New Era (2012-22), healthcare, technology, education, and entertainment became the mainstay of the economy. Private companies became more profitable than State owned enterprises. The under-developed regions of China also received greater attention and opportunities for development. Notably, this economic rebalancing did not slow down the growth trajectory, as China remains the world's largest exporter and second largest importer, including strong trade linkages with the US and the EU. China possesses the world's largest foreign exchange reserves, and is also a large provider and receiver of foreign direct investment. Nearly 800 million Chinese have been lifted out of poverty, an unparalleled accomplishment in human history. The project of the new Silk Road, initially called One Belt One Road, and later Belt and Road Initiative (BRI), has spurred inclusive growth and development in Central Asia, Africa and many other countries.

The economic rebalancing did confront its share of challenges. Firstly, the Covid-19 pandemic and consequent lockdowns hindered economic activity. Secondly, some systemic issues⁷ cropped up. For instance, the cheap labor force was no longer abundantly available because the standard of living of the people had risen. The economic strategy of achieving productivity from knowledge transfers had also reached a saturation point and required to be driven by domestic innovation. On the positive side, domestic demand and investment grew in the housing and property development. The private sector also emerged as the main driver of growth and employment. The urban households have started spending more on services, such as education, healthcare, entertainment and travel to improve their lifestyle.


³ Deng Xiaoping was a statesman and leader of the People's Republic of China from 1978 to 1989. He is noted for economic reorientation of China towards market economy.

⁴ Jonathan Eckart, "8 things you need to know about China's economy", *World Economic Forum*, June 23, 2016, <https://www.weforum.org/agenda/2016/06/8-facts-about-chinas-economy/>

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.



At the strategic and geopolitical plane, China is facing an increasing competition from the US, which has embarked upon the so-called “Indo-Pacific Strategy” that appears to be aimed at containing the rise of China. New alignments are shaping up, like QUAD, a grouping of the US, Japan, Australia, and India, and Indo-Pacific Economic Framework. Likewise, there is tension in the South China Sea, through which much of China’s trade passes. With the eruption of the Ukraine crisis following the Russian military operation against Ukraine, international politics has become more complicated. China’s close economic engagement with Europe and America is coming under some strain. The Chinese companies are looking to fill the gap created in the Russian market by the exodus of Western companies because of the West’s sanctions against Russia.

While China is creating its own institutions like Asian Infrastructure Investment Bank (AIIB), and launching mega projects like BRI, it remains closely connected to the international monetary and development system and institutions. For instance, China continues to maintain its close partnership with the World Bank, with which it established its linkage in 1980 as a recipient of support. Within thirty years, China has become the third largest shareholder of the Bank. The World Bank and the Development Research Center of China’s State Council have prepared a joint report, titled “China 2030: Building a Modern, Harmonious, and Creative Society”, which identifies six strategic directions for China’s future course in the fields of market economy, innovation, green growth, services, fiscal system, and connecting with the world.⁸

Role of Good Governance in the Rise of China:


The spectacular rise of China as an emerging major power has sharpened international focus on the factors that may have contributed to China’s political stability and economic miracle. In this context, several studies have been conducted on how China is being governed and whether the Chinese experience presents an alternative governance model. To that end, the succeeding paragraphs explore the intricacies and variables of the governance of China.

China is governed through what is called the people’s congress system. The National People’s Congress (NPC) is the highest body through which the people of China exercise State power. There are local people’s congresses at every level which are constituted through democratic elections and these are directly responsible to the people and subject to their supervision.⁹ The system of people’s congresses and administrative hierarchies delineate the role of each tier.¹⁰ The

⁸ A joint report was prepared by the World Bank and the Development Research Center of China’s State Council, titled “China 2030: Building a Modern, Harmonious, and Creative Society” in 2013. The report identified six strategic directions for China’s future course: completing the transition to a market economy; accelerating the pace of open innovation; going “green” to transform environmental stresses into green growth as a driver for development; expanding opportunities and services such as health, education and access to jobs for all people; modernizing and strengthening its domestic fiscal system; and seeking mutually beneficial relations with the world by connecting China’s structural reforms to the changing international economy. Available at “World Bank; Development Research Center of the State Council, the People’s Republic of China. 2013, “China 2030: Building a Modern, Harmonious, and Creative Society”, Washington, DC: World Bank, <https://openknowledge.worldbank.org/handle/10986/12925>

⁹ “ABOUT CONGRESS”, *The National People’s Congress of the People’s Republic of China*, <http://www.npc.gov.cn/englishnpc/c2842/column.shtml>

¹⁰ Shakeel Ahmad Ramay, Muhammad Awais Bhatti and Abid Qaiyum Suleri, “The Chinese Governance System and Development Model: Lesson for Pakistan”, *Sustainable Development Policy Institute and Zalmi Foundation*,



Communist Party of China (CPC) and the government work in parallel at every administrative level: Center; Province; Prefecture; County; Township; and Village. The party plays a supervisory role at every level.

The NPC is composed of deputies elected from 35 electoral units,¹¹ which include the people's congresses of provinces and other administrative units. The NPC has nearly three thousand members, which makes it the largest parliament in the world. The NPC's latest edition (13th) held its first meeting in March 2018, where 2,980 deputies participated from across the country. The composition of deputies is diverse, coming from workers and peasants, intellectuals, cadres, non-communist parties, democrats without party affiliation, People's Liberation Army, autonomous regions, returned overseas Chinese and women deputies. The NPC elects a Standing Committee, which exercises extensive powers to enact laws in China, and appoints or removes office members of central State organs.¹² The Standing Committee predominantly comprises the CPC members but it also includes representatives from other political and social groups. While the NPC is the highest organ at the Center, people's congresses are established in provinces, autonomous regions, prefectures, counties, cities, municipal districts, townships, and towns. The local people's congresses are the local organs of the State power, and they ensure the implementation of the law of the land within their respective administrative jurisdiction.

In the Communist Party of China's hierarchy, the equivalent of the National People's Congress is the National Congress of the CPC. The last National Congress of the CPC was held in October 2017 (the 19th NCCPC) in which 2,280 delegates represented the party's nearly 89 million members. These delegates are elected at local congresses of the local party committees. The National Congress of the party elects a Central Committee of the CPC. President Xi Jinping was re-elected as the General Secretary of the Central Committee of the CPC. The Central Committee also elects a Politburo Standing Committee of the CPC, which is the highest-ranking power center. As the party organization and the government hierarchy exist in parallel, the party and government heads are equivalent in rank, though the party heads have more authority over government. The party makes policies while the government implements them.


An interesting feature of the Chinese system is that it appears to be a centralized system, but in practical effect, it is a decentralized system of governance. Committees are established at every level of governance from the center down to the village level, which are headed by party secretary. Then there are local people's congresses, which are the legislatures at the local level. The governmental head at province level is Governor, at Prefecture level is Mayor, at county level is

2018,

<https://sdpi.org/sdpiweb/publications/files/The%20Chinese%20Governance%20System%20and%20Development%20Model%20Lesson%20for%20Pakistan.pdf>

¹¹ China has 23 provinces, including one (Taiwan) claimed by PRC but not controlled by it. China has 34 provincial level administrative units, which includes 23 provinces, 4 municipalities directly controlled by the Center (including Beijing and Shanghai), 5 autonomous regions (including Tibet and Xinjiang) and 2 special administrative regions that enjoy a high degree of autonomy (Hong Kong and Macau).

¹² "Functions and Powers of the Standing Committee", The National People's Congress of the People's Republic of China, <http://www.npc.gov.cn/englishnpc/c2847/201903/bcc988763e4140d298515047a9c1549a.shtml>



County Governor, and at township level is a Magistrate. All these governments are elected through direct and indirect elections. Since the reforms of the 1978-79, the role of local people's congresses has increased to decide on the matters related to economic issues of their localities. The system resembles a kind of federation within a unitary state. The criteria to be a delegate to the National Congress of the CPC has become more stringent over time. Each delegate is required to be highly qualified with a track record of having done good work, with sufficient competence to discuss public matters.


In the ambit of economic governance, while the State maintains its control on most matters, it has provided, over the years, considerable space to market forces. The initial ambit of the 1978 market reforms was on agriculture and industry and later covered advanced technologies and scientific education. Unlike the Soviet experience of Glasnost and Perestroika, the reforms in China adopted a gradual and steady pace to avert any upheaval. The government facilitated the business environment, encouraged the diaspora to invest back in the country through preferential treatment, and established Special Economic Zones to attract the FDI. Consequently, trade grew, as did revenue and economic progress. A National Development and Reform Commission was established for more comprehensive planning and execution.

Since 2012, when President Xi took over, China has been following a citizen-centered economic rebalancing, which has helped uplift the living standards of millions of Chinese. To sustain its economic growth, China is also focusing on consumer economy, investing in technologies and making its economy environment friendly. The economic planning process has played a critical role in the phenomenal success of the Chinese economic model, which is often attributed to continuous improvement of its Five-Year Plans (FYPs).

Governance of China in the New Era (2012-22)

A number of concepts underpin the governance of China in the New Era, the foremost being the 'Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era', which was recognized by the 19th National Congress of the Communist Party of China (NCCPC) held in October 2017 as the guideline for the governance of China in the period 2012-22. The CPC has the tradition of following such thoughts of its leaders: 'Mao Zedong Thought', 'Deng Xiaoping Theory', Jiang Zemin's 'The Theory of Three Represents', and Hu Jintao's 'The Scientific Outlook on Development'. The latest banner 'Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era' lays down President Xi's vision, doctrines and strategy. In line with his conviction that the CPC must be central to China's present and future, President Xi listed what is referred to as 'Four Confidences' that require the people to place their firm confidence in party's "path, theory, system and culture". Xi has also identified 'Four Consciousnesses', which stipulate strong commitment to the CPC's "ideology, guidelines, principles, and policies".¹³ Xi

¹³ Xinhua, "China champions "four consciousnesses," conforming with Xi", *People's Daily*, March 3, 2016, <http://en.people.cn/n3/2016/0303/c90000-9024163.html>



believes that the CPC must operate under the principle of “from the people, to the people”¹⁴ and translate all of its policies into people-centered activities. Xi’s vision has thus reinforced the status and position of the CPC in the governance of China.

Professor Dingping Guo argues that with the CPC playing a central role, the party-centered governance has emerged as the defining feature of governance of China, which is different from the state-centered governance or society-centered governance.¹⁵ The emphasis is on state building based on rule of law and party building based on the strict discipline. Another scholar Baogang Guo argues that China’s current governance system reform has institutionalized the Chinese party-state and transformed it into a “partocracy”.¹⁶

Since President Xi’s vision gives primacy to the Communist Party of China, it would be helpful to cast a closer look at the working of the CPC. The highest body in the CPC hierarchy, the National Congress of the Communist Party of China (NCCPC), approves, every ten years, the membership of the Central Committee of the Party, which provides leadership not only to the CPC but also to the State and the Chinese society. The delegates to the NCCPC come from grassroots party organizations, elected through the established hierarchies of the CPC.

At the 18th NCCPC held in November 2012, President Xi Jinping was elected as the General Secretary of the CPC. The CPC presented to the 18th NCCPC “Two Centenary Goals” for building socialism with Chinese characteristics:¹⁷ (i) Complete a “Moderately Prosperous Society” in all respects by the centenary of the CPC (1921-2021); and (ii) Build China into a “Modern Socialist Country” that is prosperous, strong, democratic, culturally advanced, and harmonious by the centenary of the PRC (1949-2049). The CPC also drew up a development plan for the New Era at its 19th NCCPC held in October 2017. It envisaged 15 years of work from 2020 to 2035 to reinforce the foundations of the moderately prosperous society. In the second stage (2035 to the middle of 21st Century), the plan seeks to develop China into a great modern socialist country.

One noteworthy feature of the New Era is that President Xi has emphatically reaffirmed the central role that the CPC must play to realize the “Chinese Dream” of national rejuvenation.¹⁸ He also wants to advance “law-based governance” and calls for expanding “intra-party democracy” in the CPC to oversee sound legislation, strict law enforcement, and impartial administration of justice. Another important feature of Xi’s vision expressed in his report to the 19th NCCPC in 2017 was a


¹⁴ “Full text of Xi Jinping’s report at 19th CPC National Congress”, *China Daily*, https://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm

¹⁵ Dingping Guo, “Xi’ Leadership and Party-Centered Governance in China”, *Chinese Political Science Review* (2020) 5:439-456, <https://doi.org/10.1007/s41111-020-00149-y>

¹⁶ Baogang Guo, “A partocracy with Chinese characteristics: Governance system reform under Xi Jinping”, *Journal of Contemporary China* 29, no. 126:809–23, <https://doi.org/10.1080/10670564.2020.1744374>

¹⁷ Xi Jinping, *The Governance of China III*, (Beijing: Foreign Language Press, 2020), p.78

¹⁸ Excerpt from the General Secretary Xi address to the 19th National Congress of the Communist Party of China from Xi Jinping, *The Governance of China III*, (Beijing: Foreign Language Press, 2020), p.1.



“new vision for development”, wherein he called for “innovative, coordinated, green, and open development that is for everyone”.

The above clearly shows that Xi’s vision of modern China is not just idealistic but highly pragmatic, fully conscious of the limitations. In a way, his governance model is following the famous quote “cross river by groping the stone” often attributed to Deng Xiaoping. On the external front, Xi wants to “build a global community of shared future”.¹⁹ This commitment has since been elaborated and implemented through global projects like BRI and six economic corridors that China has established, including one with Pakistan, the CPEC.

Broadening the consultation process and seeking inputs from all walks of life is emerging as an important feature of the governance of China. For instance, the Chinese People’s Political Consultative Conference (CPPCC) is increasingly playing an important role. The CPPCC is an advisory body that has representation from CPC as well as parties friendly to the CPC and other individuals and organizations that share the political strategy of the CPC, called the United Front. The United Front system is a network of groups, several political parties, independent members, industry and trade bodies, and overseas Chinese. The United Front system has gained influence and scope of its work has expanded under CPC Secretary General Xi Jinping, with several non-CPC members assuming positions in the CPPCC. The rationale behind creating CPPCC is to include a broader range of people, like party and non-party members, elders, intelligence officers, diplomats, soldiers, workers, academics, businesspeople, real estate, and technology sector. It is a kind of advisory legislative upper house. In his speech at the Central Conference on the CPPCC’s work in September 2019, President Xi characterized the CPPCC as an “innovative political system” that gets inputs of people from all walks of life and all ethnic groups under the leadership of CPC”.²⁰

What does China look like in 2030?²¹ Professor Kerry Brown of King’s College argues in his book “CEO, China – The Rise of Xi Jinping” that by 2035, two-thirds of the economy will be in the hands of non-state-owned companies with an entrepreneurial culture”.²² Environmentally, China will have addressed its air quality, water pollution and sustainability issues. He further predicts that by 2035, “the provinces and autonomous regions of China will have been entrusted with the full fiscal powers to raise and spend more than 60 per cent of their own revenue and expenditure”. He believes that “Inequalities between western, central and coastal provinces will have been addressed by more decentralization of fiscal powers, but with strong central political control”.²³

Views of Pakistan on the Governance of China – Perception and Inspiration


¹⁹ Ibid. p.21

²⁰ Xi Jinping, *The Governance of China III*, (Beijing: Foreign Language Press, 2020), p.341

²¹ Kerry Brown, *CEO, China – The Rise of Xi Jinping* (London: I.B. Tauris, 2016).

²² Ibid., p.219

²³ Ibid., p.220



Since the establishment of diplomatic relations in 1951, China and Pakistan have maintained close friendly ties. Pakistan has stood by China in support of the latter's core interests, and China has also respected Pakistan's sovereignty and supported Pakistan at the international forums. In order to systematically study how the people of Pakistan view the governance of China, especially in the era 2012-2022, the paper uses not only the relevant research literature but also leans on a series of interviews that have been conducted with people of different walks of life in Pakistan.

The first question the paper explored was to find out what is it that most Pakistanis find striking about the governance of China in the New Era. Masood Khalid, who served as Ambassador of Pakistan to China for over six years from 2013 to 2019, all during the New Era, is of the view that since taking over power, President Xi has “focused on three key areas: rooting out corruption from within the party; tackling poverty and unemployment; and revitalizing nationalist fervor towards national rejuvenation.”²⁴ Corruption has reduced and so has poverty, hence enhancing his and the party's hold on power. People are satisfied that their life is improving and the party is happy that it is delivering results”. Dr. Talat Shabbir, Director of the China Pakistan Study Centre of the Institute of Strategic Studies Islamabad, was of the view that “political stability of China is the most defining feature of the present governance of China because this has brought such a phenomenal economic development to the country”.²⁵

Mr. Mustafa Hyder Sayed, who is the Executive Director of the Islamabad based Pakistan-China Institute, and prides himself as a student of China, shared his assessment that the “unprecedented legitimacy that the CPC commands from the people of China is unique to the Chinese governance”. The system, he said, was noted for “allowing smooth transfer of power, which is now a rarity in the western democracies”.²⁶ Mr. Sayed added that the Chinese governance system is also “distinguished by the fact that it has protected and promoted the basic human rights of giving a better quality of life to the people of China through consistent economic growth and elimination of absolute poverty”.²⁷

Dr. Safdar Sohail, Dean of the National Institute of Public Policy in Lahore, observed that “the smooth relationship that the CPC cadres and state bureaucracy maintain from grass roots levels all the way to the top is unique to the Chinese governance. Over time, the system has become efficient and helps achieve the political objectives that the leadership sets out. The merit-based approach and the presence of a strong work ethic allows the most competent to rise to the top of administrative structures, with requisite specialization. Also, the bureaucracy does not act as a Class and is not shy of using modern technologies”.²⁸

Group Captain (Retired) of Pakistan Air Force, Sultan Hali, author and analyst, who has been visiting China regularly since 1974 and is an eyewitness to its progress, and has authored scores


²⁴ Interview with Amb Masood Khalid, Former Ambassador to China, May 2020.

²⁵ Interview with Dr. Talat Shabbir, Director China-Pakistan Study Centre, May 2020

²⁶ Interview with Mr. Mustafa Hyder Sayed, Executive Director Pakistan-China Institute, May 2020.

²⁷ Ibid.

²⁸ Interview with Dr. Safdar Sohail, Dean National Institute of Public Policy, Lahore, May 2020.



of books many of which relate to various aspects of governance in China, regards the elimination of absolute poverty from China and bold handling of COVID-19 pandemic as the two most striking features of Chinese governance in recent years.²⁹

Dr. Neelum Nigar, Director of Centre for Strategic Perspectives at the Institute of Strategic Studies Islamabad, was of the view that the New Era would be remembered for the “greater attention paid to the less developed regions of the country, like western China, by taking more business and development projects to those regions. The development helps calm down the disenchanted segments of the population. In many ways, terrorism has been addressed in Xinjiang through development”. She added that “since the system is benefiting the common people, their stakes are increasing in the stability and progress of the Chinese governance model”.³⁰

There is no doubt that the Chinese governance model has contributed profoundly to the political stability and economic success of China. Masood Khalid agrees with this conclusion and explains that “the CPC has more than 90 million members with nationwide cadres. Chinese legislative organs and planning ministry have regional and local chapters which work as the eyes and ears of the government. The government also has an effective surveillance system which helps to check on miscreants and law breakers. The fear of law and authority is very strong. All this contributes to ensuring stability in the country”.³¹

Mohammad Faisal, a research fellow at the China Pakistan Study Centre in Islamabad, believes that the CPC is the “primary reason” for political stability of China because it enjoys “legitimacy within the populace”³² for delivering economic development to the people of China. Dr. Neelum was of the view that since the accountability process is swift and does not entail long and cumbersome litigation, there is a robust deterrence against those elements who could have destabilized the system.³³

From the recently available literature and interviews with noted individuals who have worked on China, it follows that much of the good governance of China in the New Era can be attributed to the sterling leadership of President Xi. Masood Khalid was of the view that Xi has a “strong personality... known for his hard work, drive and clarity of thought; Xi regularly visits towns and meets common people. He has effectively unified the people to work for national glory”.³⁴ Sultan Hali paid tribute to President Xi Jinping for eradicating poverty from China, establishing development banks, reviving the Silk Road in the form of BRI, carrying out military reforms, and handling the COVID pandemic with tact and courage.³⁵ Mohammad Faisal noted that President Xi has given “a long-term vision” to China’s political elite to make China “a great power which has

²⁹ Interview with Group Captain (Retd). Sultan Hali, analyst, May, 2020.

³⁰ Interview with Dr. Neelum Nigar, Director Center for Strategic Perspectives, May 2020


³¹ Interview with Amb Masood Khalid, Former Ambassador to China, May 2020.

³² Interview with Mr. Mohammad Faisal, Research Fellow CPSC, May 2020.

³³ Interview with Dr. Neelum Nigar, Director Center for Strategic Perspectives, May 2020.

³⁴ Interview with Amb Masood Khalid, Former Ambassador to China, May 2020.

³⁵ Interview with Group Captain (Retd). Sultan Hali, analyst, May, 2020.



to play a proactive role at the international stage”.³⁶ Faisal regards the ‘Xi Thought’ as the critical element in guiding the Chinese nation towards rejuvenation and restoring its ancient prominence and glory.

China is now a moderately prosperous country (1949-2021), and is on its way to become modern socialist country by 2049. Can China achieve this goal? Are there any pitfalls that can prevent China from achieving this goal? Most Pakistanis who responded to this question were convinced that China will achieve the second centenary goal. Dr. Neelum opined that “some targets have been achieved ahead of time; for instance, absolute poverty has been eliminated”.³⁷ Mohammad Faisal says China can achieve the centenary goal mainly because the CPC, which enjoys a central position in Chinese governance, “has the capacity to evolve and adapt with time”.³⁸ Dr. Talat felt that 90 million members of the CPC are conscious that their party must not get a bad name and, therefore, are working hard to achieve the second centenary goal of China making a modern socialist society by 2049.³⁹

However, to the question if China could face pitfalls to its goal of becoming a modern socialist country, the interviewees indicated a number of factors that could pose a challenge to the Chinese leadership. Masood Khalid says that that major impediments to China’s rise could be the “US and western pressure to block China, trade war related slowdown of the economy, growing income gaps between rich and poor, demographic imbalance, challenge of COVID and its fall out, and political and social unrest if party falters”.⁴⁰ Mohammad Faisal also voiced a potential concern that the US and West could seek to disrupt China’s march towards modern socialist country.⁴¹ Sultan Hali also agreed that possible impediments could be “western interferences” aimed at derailing Beijing’s path of progress. He observed that so far, the Chinese government has handled these machinations in a “statesman like fashion”.⁴²

The CPC and the government run in parallel. A question then arises whether this would help ensure checks and balance or would it lead to internal conflict. Masood Khalid says that “there is no apparent conflict between the party and the government. In each department there is a party secretary at a senior level who exercises oversight”.⁴³ Sultan Hali is of a similar view: “once upon a time there were conflicts but now with formal checks and balances, the CPC acts as a watchdog and guiding organization, which ensures smooth functioning”.⁴⁴ Mohammad Faisal observed that “Central Commission for Discipline Inspection (CCDI) is the body tasked with ensuring that the

³⁶ Interview with Mr. Mohammad Faisal, Research Fellow CPSC, May 2020.

³⁷ Interview with Dr. Neelum Nigar, Director Center for Strategic Perspectives, May 2020.

³⁸ Interview with Mr. Mohammad Faisal, Research Fellow CPSC, May 2020.

³⁹ Interview with Dr. Talat Shabbir, Director China-Pakistan Study Centre, May 2020


⁴⁰ Interview with Amb Masood Khalid, Former Ambassador to China, May 2020.

⁴¹ Interview with Mr. Mohammad Faisal, Research Fellow CPSC, May 2020.

⁴² Interview with Group Captain (Retd). Sultan Hali, analyst, May, 2020

⁴³ Interview with Amb Masood Khalid, Former Ambassador to China, May 2020.

⁴⁴ Interview with Group Captain (Retd). Sultan Hali, analyst, May, 2020



CPC members do not misuse authority and enforce internal rules and regulations to combat corruption and malfeasance within the party. Under President Xi, the CCDI has punished local and provincial level members of the CPC who were found engaged in misuse of authority and undermine the party discipline”.⁴⁵ Hali recalled that China has its own system of check on power known as *Shuanggui*, a process run by the Central Commission for Discipline Inspection of the CPC.⁴⁶

In the thought circles of Pakistan, which follows a parliamentary form of government, it is sometimes debated whether the Chinese system of governance under one party rule can be called a democracy or a democracy with Chinese characteristics. It is important to start with recognizing the fact that the word democracy has its origin in the Greek mythology, with words of demos (people) and kratos (a kind of demigod representing strength and power). That means democracy can be roughly defined as a method of governance where state power vests in the people. If this definition is evaluated in the Chinese governance model, one notes that in the Chinese constitution it is clearly stated that the people of China are the center of all State power, which in turn is expressed through the National People’s Congress (NPC). The NPC is the highest decision-making organ of the State, where nearly 3000 deputies elected from 35 administrative units of China come together to decide on policy and legislative matters and appointment of office holders of State organs. Then there are local people’s congresses at every level from center to province, prefecture and county levels. Much of the work relating to local matters is decided at the local level where locally elected governments manage affairs in accord with the will of the people within their jurisdiction. Seen in this context, it is clear that much of governance of China, especially at the level of local administrative units, is democratic in essence.

Some analysts, like Ming Xia, believe that the system of provincial legislatures has acquired “institutional maturation” and their power has expanded to the point that a “new mode of governance” has taken shape in the context of transitional political economy. This process is moving towards democratization and marketization of Chinese governance.⁴⁷ Ming Xia adds that the Chinese leaders believe that “the system of PCs (provincial congresses) symbolizes a superior type of democracy – the democracy of PCs”.⁴⁸ The developing countries face a dilemma. On the one hand, the countries need economic prosperity and wealth but their political elite makes freedom and democracy as the top priority. Ming argues that “the impulses of modernization and democratization could not be easily reconciled” in the developing countries.


The Chinese recognize that the Western form of government has worked well for the West because this has encouraged political inclusivity and economic innovation. However, the system is not without its flaws. Electioneering entails huge expenses, sometimes involves corruption, deceit and tricks. The parliament is inherently unstable because the opposition would never let a government

⁴⁵ Interview with Mr. Mohammad Faisal, Research Fellow CPSC, May 2020.

⁴⁶ Interview with Group Captain (Retd). Sultan Hali, analyst, May, 2020

⁴⁷ Ming Xia, *The People's Congresses and Governance in China: Toward a Network Mode of Governance*, (London: Routledge, 2008) by Ming Xia published in 2008.

⁴⁸ Ibid. p.12



work in peace. It is also not an efficient system because consultation process of the parliament is usually polemical. The Chinese system of governance, on the other hand, is efficient, rule based, and provides for the right direction and continuity of policies.

Masood Khalid was clear that the Chinese system was “not a democracy in the Westminster sense but it has a strong internal consultative process, due diligence and meritocracy”.⁴⁹ Mohammad Faisal was of the view that the Chinese governance can be “called democracy with Chinese characteristics”.⁵⁰ He, however, cautioned that evaluating China’s system under one-party rule as democracy can be counter-productive because democracy was a Western construct, and not a Chinese idea. Faisal further explained the uniqueness of the Chinese system in another way: “the growing importance of local people’s congresses indicates that they are empowered to formulate local laws and regulations to run affairs of local provinces and municipalities. And since leaders of local congresses aspire to join the National People’s Congress, they follow the guidelines from the national level and maintain a balance between local and national aspirations. In a way, this gives local people a democratic space within the system”.⁵¹

While the CPC is clearly well positioned in the Chinese governance, there are, however, limits to what the CPC could do. For instance, the CPC remains subservient to the laws of the NPC. Further, the party bureaucracy cannot completely control the election process. In fact, at the local level of Chinese governance hierarchies, considerable decentralization has occurred in candidate preselection process. Another notable limit on the CPC is that it cannot directly introduce legislation into the NPC. Its primary role is in the drafting phase. The main legislative power still rests with the National People’s Congress, whose Standing Committee interacts with local governments.

China has clearly moved towards a regulated form of capitalism and allowed greater space to market forces. Market in China operates within the overall parameters set out by the State Council to ensure consistency of policies and strict adherence to the law of the land. John P. Burns in a book on Governance and Public Sector Reform in Asia, argues that the public sector reform program of China has mostly the same elements that are found in the public management system of some developed capitalist democracies.⁵² He identifies some of the principles of good governance being adhered to by China’s public sector as accountability, participation, predictability, transparency, efficiency and effectiveness.⁵³

The New Era has witnessed “economic rebalancing”, which entails greater focus on healthcare, technology, education, and entertainment with the private companies playing an important role. Mohammad Faisal felt that rebalancing in the economic governance “was necessitated due to the


⁴⁹ Interview with Amb Masood Khalid, Former Ambassador to China, May 2020.

⁵⁰ Interview with Mr. Mohammad Faisal, Research Fellow CPSC, May 2020.

⁵¹ Ibid.

⁵² John P. Burns, “Governance and public sector reform in the People’s Republic of China” in *Governance and Public Sector Reform in Asia*, eds. Anthony Cheung and Ian Scott (London: Routledge, 2003), 87

⁵³ Ibid. p.69



strategic competition with the US, as Beijing was obliged to lessen its external dependence and focus on building domestic capabilities in the healthcare, technology, education, and other strategic sectors”. Faisal recognizes though that rebalancing is a “slow-process, which has been affected by pandemic induced restrictions and supply chain disruptions”.⁵⁴ Masood Khalid was of the view that President Xi is enforcing the concept of “common prosperity to correct the imbalance between the rich and poor segments of society”.⁵⁵ He says that big conglomerates have also been coerced to contribute more to the national pie. Another noteworthy feature of Chinese governance is the emphasis on e-governance since 2001. A study indicates that about “600 million people used online payments in 2018, a 13 percent increase over 2017”, with efforts afoot to create “an electronic China”.⁵⁶

The Chinese governance has effectively led to millions of Chinese nationals rising above the poverty line. This is a remarkable achievement. There are lessons for many developing countries including Pakistan. Nara Dillon writes in the Chapter titled ‘What can China teach us about fighting poverty?’ in the book ‘The China Questions’ that China’s strategy of fighting poverty⁵⁷ was predicated on three elements: getting accurate data through extensive surveys and experiments; undertaking agricultural reforms that boosted the incomes of most rural families; and focusing on welfare of “poor people than poor places”.⁵⁸ Two scholars working for a PIDE paper on ‘Poverty reduction in Pakistan: learning from the experience of China’, G.M. Arif and Shujaat Farooq explain that China’s poverty alleviation program was based on “community based decentralization ideology”.⁵⁹ of providing to villages education, training, subsidized loans, and agricultural tax exemptions. For Pakistan to learn from China’s poverty alleviation experience, there are four major limitations: the power and political structures, weaker state institutions, population growth, and poor law and order. Masood Khalid felt that “Pakistan can adopt those best practices which are suited to our conditions by studying Chinese model of SEZs, agricultural development, education, IT, construction and engineering. Pakistan should broaden our S&T base and effect transfer of technology”.⁶⁰

It is often alleged that China’s investments are landing developing countries in a debt trap. How true is this for Pakistan? Mohammad Faisal says that “in Pakistan’s case, this is not true, as China

⁵⁴ Interview with Mr. Mohammad Faisal, Research Fellow CPSC, May 2020.

⁵⁵ Interview with Amb. Masood Khalid, former Ambassador to China, May 2020.


⁵⁶ Attaullah et.al, “The Role of E-Governance in Combating COVID-19 and Promoting Sustainable Development: A Comparative Study of China and Pakistan”, *Chinese Political Science Review* 6 (2020): 86-118, <https://link.springer.com/article/10.1007/s41111-020-00167-w>

⁵⁷ Nara Dillon “What can China teach us about fighting poverty?”, in *The China Questions Critical Insights into a Rising Power*, eds. Jennifer Rudolph and Michael Szonyi (Cambridge: Harvard University Press, 2018)

⁵⁸ Ibid., p.159

⁵⁹ G. M. Arif & Shujaat Farooq “Poverty reduction in Pakistan: learning from the experience of China”, *Pakistan Institute of Development Economics*, 2012, pp 11-13, <https://pide.org.pk/pdfpideresearch/ms-05-poverty-reduction-in-pakistan-learning-from-the-experience-of-china.pdf>

⁶⁰ Interview with Amb Masood Khalid, Former Ambassador to China, May 2020.



has declared financial stability of Pakistan an important interest of China.⁶¹ Secondly, China wants its development model to be a success-story, thus, trapping Pakistan in debt won't be helpful. Professor Justin Yifu Lin of Peking University, and former Chief Economist of the World Bank, argues that the debt problem of developing countries has accumulated over a long period of time not because of loans from China but due to loans from the West. Eighty five percent of the debt of Africa's heavily indebted countries was incurred from developed countries prior to China's investments in Africa.⁶² Masood Khalid says that "China's contribution to Pakistan's overall debt is about 10-11 percent. The G2G loans are on concessional terms. Power sector has major liability in terms of payment to IPPs. Joint Ventures with China, relocation of industry, and export-oriented industry can help mitigate the burden".⁶³

Conclusion:

The end goal of any governance model is to achieve collaborative structures and processes to manage public policy that ensures participatory decision making, regulatory mechanisms, rule of law, efficient and merit based public service, accountability, and continuous reform. The model of governance adopted by China meets most of these criteria of good governance. It is certainly different from the Western governance model which is based on liberal multiparty democracy and capitalist market economy. The Chinese governance is a one-party rule to ensure political stability and unified guidance, but provides considerable autonomy to local levels to address local issues. The local people's congresses are increasingly asserting their role in the governance model of China, and in many ways democratizing the local governance structures. In the economic domain, China is not a capitalist economy *per se*, but it has accorded an increasingly high priority to market based economic decisions.


For most Pakistanis, China is a respected name. The Chinese nation also regards Pakistanis as close friends. However, politically both countries have pursued different models of governance. Pakistan follows Westminster styled parliamentary form of government, whereas the Chinese pursue 'Socialism with Chinese Characteristics'. It is worth noting that different governance models have never been a point of dissent between China and Pakistan. In fact, for many Pakistanis who are disenchanted with the instability associated with parliamentary form of government, the Chinese governance appears as a model that delivers internal peace, political stability and economic development. In the economic domain, since China has increasingly adopted market-based approach along with rule of law, meritocracy, and accountability, Pakistani economists believe that Pakistan could learn a lot from the Chinese economic governance. Of particular awe is the fact that China has been able to pull over 800 million of its nationals out of poverty.

President Xi is regarded in Pakistan as a leader who has a clear vision and strategy to make China a modern socialist society. The 'Xi Thought on Socialism with Chinese Characteristics' lays down

⁶¹ Interview with Mr. Mohammad Faisal, Research Fellow CPSC, May 2020.

⁶² Interview of Justin Yifu Lu, Dean of Institute of New Structural Economics, at Peking University, May 1 2022, available at <https://china-environment-news.com/2022/05/04/how-china-helps-developing-countries-reduce-debt-instead-of-increasing-it/>

⁶³ Interview with Amb Masood Khalid, Former Ambassador to China, May 2020.



a clear roadmap, with enhanced power and role to the Communist Party of China. Consequently, China in the New Era (2012-22) has already achieved one centenary goal of making China a moderately prosperous society. The other centenary goal of making China a modern socialist society is also within reach if the governance of China remains on course as it is.

The evolving geopolitics of Asia Pacific is a matter of growing concern not only in China but also in Pakistan. The US has embarked on a major strategic competition with China. If the competition intensifies, this could morph into a second Cold War. That prospect is not helpful because a new Cold War could pose difficulties for small and medium size countries like Pakistan. One facet that fascinates many Pakistani observers is the fact that China has maintained strong economic relationship with the US and India despite continuing differences with both countries. It is often argued that Pakistan could follow the Chinese example and establish economically beneficial relationships with all its neighbors. The BRI and its flagship project of CPEC, with Gwadar port acting as a transit hub, is of critical value not only to both China and Pakistan but the whole region. Despite reservations of some countries, China and Pakistan seem quite determined to carry forward their economic and strategic cooperation in the years ahead.

Report: From Poverty Alleviation to Rural Revitalization: China's Poverty Governance and China-Pakistan Cooperation on Poverty Reduction in the New Era (2012-2022)

Dr. Talat Shabbir¹ and Ume Farwa²

Abstract:

This report discusses the policies and governance strategies that China employed to lift its nation out of sheer poverty. Its rapid economic growth coupled with the will of political leadership to deliver to its people is the fundamental reason for Beijing's phenomenal success of large-scale poverty reduction initiatives. In the post-1978 reform era, China gave four subsequent poverty reduction programs particularly targeted at improving the well-being of its rural community. The country chose rural revitalization over western model of urbanization. In terms of governance, China's poverty reduction initiatives have been consistent, centralized, and in-sync with the official policies. For a developing country like Pakistan, China's this socio-economic achievement entails many lessons to learn and provide multiple reasons to collaborate with China in order to bring socio-economic prosperity for its people. Both the countries engaged for joint ventures and worked towards reducing poverty reduction in Pakistan. Launched in 2015, China-Pakistan Economic Corridor (CPEC) aims at bringing economic prosperity to the doorsteps of all the Pakistanis alike. Particularly, the Special Economic Zones (SEZs) holds special significance for Islamabad to improve socio-economic conditions of its people and reduce poverty to a great degree. However, CPEC's stalled projects, resentment coming from the rural communities in Pakistan, lack of a central authority in poverty reduction efforts, red-tapism, and instable political system in Pakistan along with the economic crises are some of the big barriers. By applying certain policy measures including expediting the progress of CPEC, implementing the lessons from China's poverty experiences and making consistent policies in alleviating poverty from the country can work wonders for Pakistan.

Key Words: Poverty Alleviation, Pakistan-China Relations, China-Pakistan Economic Corridor (CPEC).


Introduction

In February 2021, President of China, Xi Jinping stated that Beijing has successfully eliminated poverty. He called it a great victory of humankind.³ The success was credited to China's centralized political system that is being administered by the Communist Party of China (CPC). President's Xi's

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³ "China's XI Declares Victory in Ending Extreme Poverty", *BBC*, February 25, 2021, <https://www.bbc.com/news/world-asia-china-56194622>



poverty reduction campaign has been his notable policy initiative.⁴ It did not happen in a day. It is due to China's 40-years long struggle against poverty that resulted in this economic miracle.

Since 2015, Chinese government has spent US\$80 billion in order to eliminate poverty from the country.⁵ The Chinese government made earnest efforts to relocate its rural population that was living in remote areas and inlands to new villages and counties. The government allocated special funds, gave subsidies and provided basic health facilities to its poor. However, it is not the President Xi Jinping's efforts alone but the continuation of Chinese policies to eliminate poverty from the country that started in the times of Deng Xiaoping.

China's 40 years of consistent efforts in improving wellbeing of its nationals paid off in the form of reducing poverty to 800 million. The speed and scale of poverty alleviation is exceptional. By improving the living conditions of its people, China has greatly contributed to the poverty reduction efforts that were made at global level. In this way, China's efforts become a determining factor in meeting the Millennium Development Goals (MDGs) as well. In terms of Sustainable Development Goals (SDGs) as well, China has contributed a great deal and said to be 10 years ahead than its final goal.⁶

In Pakistan, poverty has fluctuated over the last four decades, with poverty still high; nearly 39 percent which is more than one third of the population, live under multidimensional poverty index with extreme disparities among the provinces; 73% people in KPK and 71% in Baluchistan live in multidimensional poverty compared to 31% in Punjab and 43% in Sindh.⁷ Pakistan did not meet United Nation's Millennium Development Goals (MDGs) of halving the poverty and has equally lagging in meeting Sustainable Development Goals (SDGs) of eradicating poverty in all forms.⁸ Pakistan and China are two close friends and always worked together for mutual gains. The same happened in terms of their joint efforts in poverty reduction when President Xi Jinping launched China-Pakistan Economic Corridor (CPEC) in Islamabad. In 2015, during Xi Jinping's visit to Pakistan, he signed number of MOUs with Pakistan worth of US\$46 billion that, later on, kept increasing.⁹ Being an umbrella project, CPEC has many dimensions. However, in terms of poverty reduction at large scale, its Special Economic Zones (SEZs) worth special attention.

⁴ Ibid.


⁵ Zhuoran Li, "How Successful Was China's Poverty Alleviation Drive?", *The Diplomat*, September 6, 2021, <https://thediplomat.com/2021/09/how-successful-was-chinas-poverty-alleviation-drive/>

⁶ "Report on China's Implementation of the Millennium Development Goals (2000-2015)", The United Nations System in China, July 2015.

⁷ Nadeem et al, "The State of Poverty in Pakistan", Pakistan Institute of Development Economics (PIDE), (2021).

⁸ Ibid.

⁹ "China, Pakistan Ink CPEC, 50 other Deals on Xi Jinping's Historic Visit", *Economic Times*, April 20, 2015, <https://economictimes.indiatimes.com/news/international/world-news/china-pakistan-ink-cpec-50-other-deals-on-xi-jinpings-historic-visit/articleshow/46990263.cms?from=mdr>



In this context, there is a need to explore how China lifted its people out of sheer poverty and managed to achieve the poverty reduction goal which was set by the UN 2030 Agenda for Sustainable Development. This paper discusses China's experiences and practices in poverty alleviation and gives epical attention to its policies and governance strategies. It is also important to analyse how international cooperation can be enhanced in global poverty reduction, particularly in terms of Pak-China relations what efforts have been made so far and what needs to be done in future.

With this background, this research paper answers three major research questions:

- i. How China reduced poverty alleviation at large scale?
- ii. Why China's strategy of rural revitalization is important in its poverty alleviation campaign?
- iii. How Pak-China cooperation is beneficial for poverty alleviation in terms of SEZs of CPEC?

In order to answer these research questions, this paper has been divided into four major sections:

Section I: Poverty Alleviation and Rural Revitalization: An Overview of China's Policies and Governance

Section II: Pakistan-China Cooperation in Poverty Alleviation

Section III: Policy Recommendations

Conclusion

Section I answers first and second research question and offers an overview of China's policies and governance model in order to alleviate poverty. In the Section II, Pak-China cooperation has been discussed in the context of poverty reduction from Pakistan and Section III provides a brief roadmap based on policy recommendations.

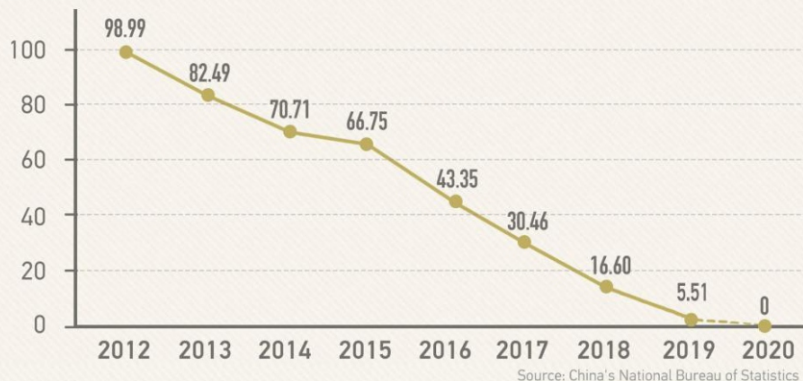
Section I Poverty Alleviation and Rural Revitalization: An Overview of China's Policies and Governance

In the contemporary era, China is no doubt an economic wonder. In a short period of time, it reached the heights of global economic supremacy. Its biggest strength is its human capital that it took out of poverty and made an accelerator of its economic development. According to the latest figures by the World Bank, China has so far lifted 800 million of its people.¹⁰ The secret of China's this achievement lies in its consistent policies and good governance.

¹⁰ "Lifting 800 Million People Out of Poverty – New Report Looks at Lessons from China's Experience", *The World Bank*, April 1, 2022, <https://www.worldbank.org/en/news/press-release/2022/04/01/lifting-800-million-people-out-of-poverty-new-report-looks-at-lessons-from-china-s-experience>

Population in poverty drops

(Unit: Million)



Source: China's National Bureau of Statistics

CGTN

Source: Shi Yu, "Poverty alleviation in China: A must-win battle despite COVID-19 outbreak", CGTN, April 15, 2022, <https://news.cgtn.com/news/2020-04-15/Poverty-alleviation-in-China-A-must-win-battle-despite-COVID-19--PHBQAWs4da/index.html>

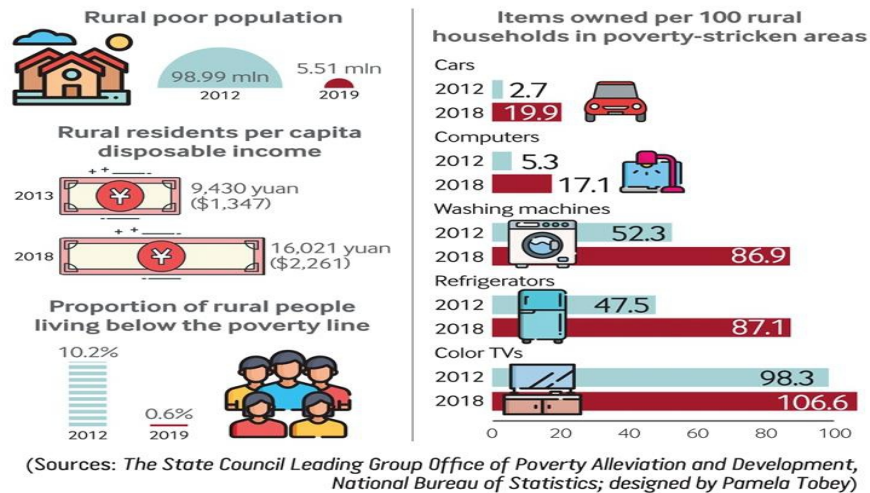
After Deng Xiaoping assumed China's leadership, a new era of reforms and development ensued. One big step in this direction was to experiment with market capitalism while blending it with the characteristics of Chinese Socialism. This took Beijing on the road to economic prosperity. The more economic benefits China gained, the more proactive it became to deliver these benefits to its people.

From the year 1979 to 2003, China's Gross Domestic Product (GDP) increased at an average rate of 9.4 per cent per annum.¹¹ This became possible due to Deng's socio-economic reforms including the shift from central economic style to market economy; agricultural economy to industrial and infrastructural economy; the policy of opening up to the world in terms of trade and knowledge exchange.¹² China's consistent political policies, good governance, centralized institutions, and the concerted efforts to deliver to its people are the primary reasons for its miraculous economic growth.

¹¹ "China GDP Growth Rate 1961-2022", Macrotrends, <https://www.macrotrends.net/countries/CHN/china/gdp-growth-rate>

¹² Shujie Yao, "Economic Development and Poverty Reduction in China over 20 Years of Reform", Vol. 48, No.3, (April 2000), pp.447-474. <https://doi.org/10.1086/452606>

China's Poverty Alleviation Achievements



Source: China Insight,


http://www.bjreview.com/CHINA_INSIGHT_2020/Special_Issue_on_CPC_99th_Anniversary/2020_06/t20200630_800212168.html

An ever-developing China aimed at lifting its people out of poverty in the wake of 1978 socio-economic reforms, which include the “rural reforms of 1978-1985, the National Targeted Poverty Reduction Programs of 1986-1993, the 8-7 Plan of 1994-2000, and the New Century Rural Poverty Alleviation Plan for 20001-2010.”¹³ The Seven Year Plan of Poverty Reduction (1978-1985) was launched in the context of nation-wide economic stagnation and crippling poverty in rural areas. Especially the drastic implications of ten-years long Cultural Revolution and pursuing a stringent ideological economy compelled Beijing to boost rural economic growth. Therefore, the country launched large-scales initiatives of poverty reduction which included institutional reforms, creating parity in distribution systems, and bringing uniformity procurement prices, along with introducing land reforms for empowering the local peasants.¹⁴ This 7-yr program reduced poverty from 250 million in 1978 to 125 million in 1985.

Once the universal poverty reduction was achieved in the year 1985, the next program was designed to target the specific areas. From the year 1986 to 1993, the National Targeted Poverty Reduction Programs were undertaken for alleviating socio-economic profile of various national actors while generating diverse funding channels, and launching multiple initiatives. It was under this program that, in 1986, the central authority for managing poverty reduction was established i.e., The State Council’s Leading Group for Poverty Reduction (LRGP).

¹³ Wang Sangui et al, “The 8-7 National Poverty Reduction Program in China – The National Strategy and Its Impact”, The World Bank, May 25, 2004, https://web.worldbank.org/archive/website00819C/WEB/PDF/CHINA_-4.PDF

¹⁴ Wang, “The 8-7 National Poverty Reduction Program”, pp.8.



Major features of this seven-yrs. reform program were: official designation of poor counties, creation of special funds for allocation of subsidized loans in industry and manufacturing sector; Food for Work (FFW) program; and preferential tax system. Although the shift from agriculture to industrial sectors did not bring the expected results in China's economy, the rural areas were empowered and revitalized. Along with that, by the end of 1994, poverty declined to 40 million.¹⁵ At that times. It was estimated that only 80 million of China's rural population was stuck in poverty by 1994.

In order to lift the remaining 80 million Chinese out of poverty, China launched its 8-7 Plan in 1994. This program was in line with the previous policies of poverty reduction and aimed at intensifying the poverty alleviation policies that were initiated in the mid-1980s. The 8-7 Years National Plan for Poverty Reduction (1994-2000) had several objectives but the most prominent was to increase land productivity for the agricultural areas, providing education and basic healthcare facilities to all the rural counties. Therefore, three major achievements could be achieved after the end of this program:

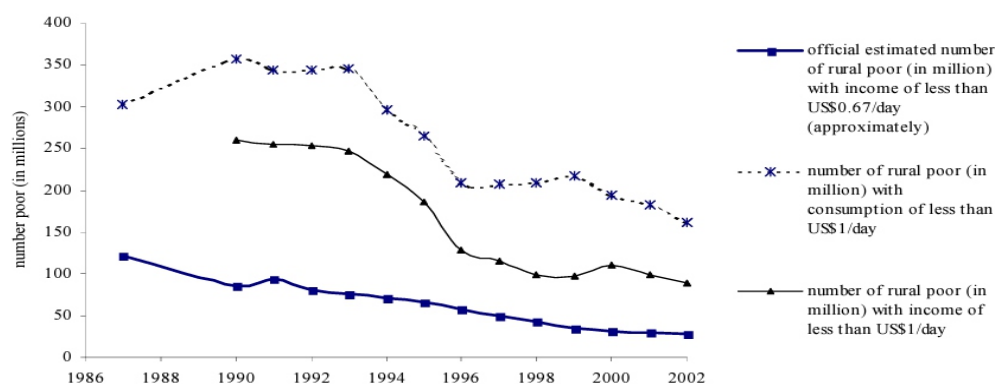
- Firstly, it assisted the poor household by improving land, increasing livestock and crop production;
- Secondly, it improved means of communication for the poor counties and built roads, railways, energy projects, and provided access to drinking water to its rural community;
- Thirdly, primary education was made universal. The health care system was improved and this basic facility was provided to the rural community without any discrimination.¹⁶

The 8-7 years' program effectively decreased the number of rural population that was officially designated as poor.

¹⁵ Ibid.

¹⁶ "Poverty Alleviation: China's Experience and Contribution", Xinhua, April 6, 2021, http://www.xinhuanet.com/english/2021-04/06/c_139860414.htm

The Number of Poor in China



Source: Shujie Yao, “Economic Development and Poverty Reduction in China over 20 Years of Reform”, Vol. 48, No.3, (April 2000), pp.447-474. <https://doi.org/10.1086/452606>

The rural areas formulate a major chunk of Chinese population. And, being an agricultural economy in the beginning, it had to pay special attention to them. Now that its rural areas are known as indigenous area for industrial clusters, the need for their revitalization can never be emphasised. Therefore, in 2017, President Xi Jinping shared his ideas of implementing rural revitalization strategy while he was speaking at the 19th National Congress of Chinese Communist Party (CPC)¹⁷. Later on, in 2018, the Central Committee of CPC issued the official document on “2018-2022 Strategic Planning for Revitalization of Rural Areas.”


This ongoing program of poverty elimination from China is focused on two major areas: bringing structural reforms in rural governance; and improving living and economic conditions of the rural areas. In February 2022, the New Administration for Rural Revitalization (NARR) has also been established. The disparity and imbalance between rural and urban development will be minimized through these new efforts. The Chinese government has also announced to embark on decisive programs for rural revitalization. It has been planned that, by 2035, the rural areas will be fully revitalized and the farmers will be well-off with all the access to basic human facilities.

Section II Pakistan-China Cooperation on Poverty Reduction

Pakistan has been dealing with myriad of socio-economic challenges. Poverty is one the great hurdles in realizing its true economic potential. According to the Asian Development Bank, around 22 per cent of Pakistani population lives below the poverty line and, as of now, Pakistan has still been unable to achieve the “No Poverty” goal of the UN SDGs.¹⁸ Pakistani has been taking many initiatives to

¹⁷Muhammad Asif Noor, “China’s Rural Revitalization Strategy” , *Beijing Review*, April 4, 2021, https://www.bjreview.com/Opinion/Voice/202104/t20210402_800242503.html

¹⁸ “Poverty Data: Pakistan”, *The Asian Development Bank*, <https://www.adb.org/countries/pakistan/poverty#:~:text=Poverty%20Data%3A%20Pakistan&text=In%20Pakistan%2C%2021.9%25%20of%20the,die%20before%20their%205th%20birthday.>



reduce poverty including land reforms; setting special funds for rural poor community such as Benazir Income Support, Ehsas, and Rashan Madad programmes.¹⁹ Despite these efforts, Pakistan is still suffering from acute poverty and ranks at 154th out of 189 countries on Human Development Index (HDI).

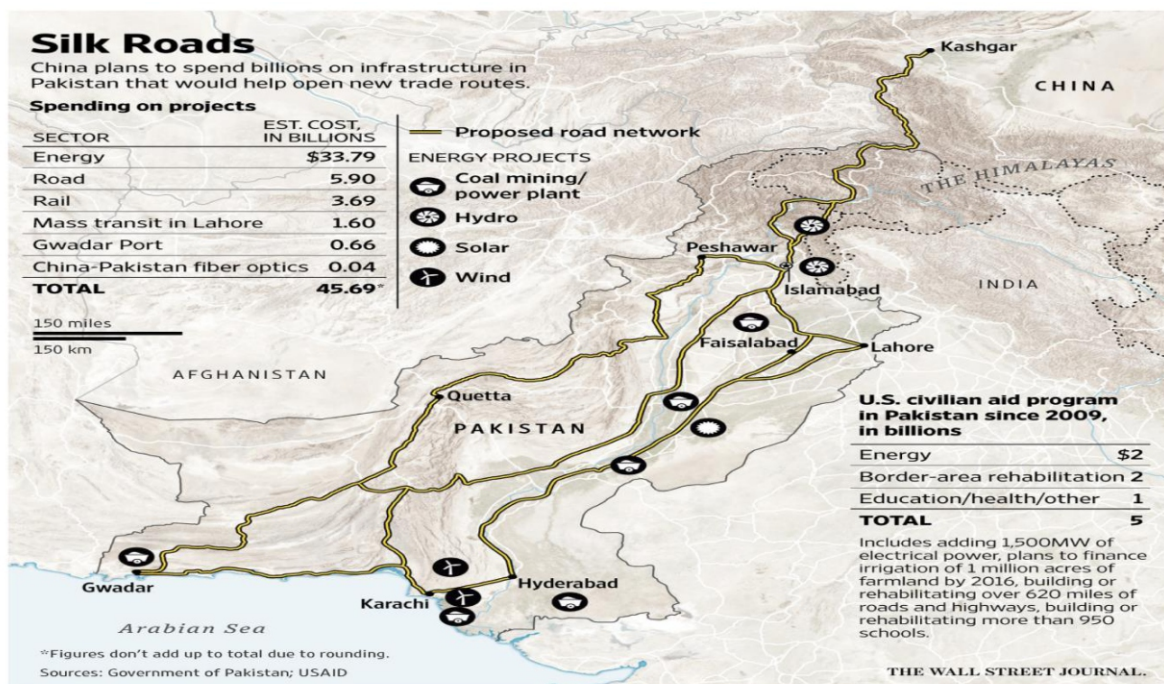
Without national economic progress, no country can lift itself out of poverty. In the case of China too, it is a proven fact that only economic development can lead to the overall poverty alleviation, especially when it is to be done on large-scale. In 2015, President Xi Jinping paid a historic visit to Pakistan and signed various MOUs with Pakistan. CPEC provides enormous opportunities for Pakistan to enhance the well-being of its people. As of 2020, CPEC projects worth US\$62 billion, which is a huge amount of foreign investment in Pakistan.²⁰ CPEC included energy projects, infrastructure initiatives, Gwadar Port, and establishment of SEZs.

CPEC has the potential to transform Pakistan's agro-based economy to industrial economy. The same happened in China when it empowered its poor population through economic reforms and industrial growth instead of relying fully on agricultural productivity. The same way, Pakistan can benefit from CPEC and its socio-economic gains. Completion of Early Harvest Projects (EHP) of energy, and infrastructure ventures have already addressed some of the daunting challenges of Pakistan such as energy crisis.²¹ When fully mature, SEZs too are expected to bring the desired results in Pakistan with regards to delivering economic prosperity and alleviating poverty from the country.

¹⁹ Muhammad Asif Noor, "China's Rural Revitalization"

²⁰ Arif Rafiq, "China's \$62 Billion Bet on Pakistan", *Foreign Affairs*, October 24, 2017, <https://www.foreignaffairs.com/articles/china/2017-10-24/chinas-62-billion-bet-pakistan>

²¹ "CPEC Has Potential To Alleviate Poverty In Country", *The Nation*, March 10, 2021, <https://nation.com.pk/2021/03/10/cpec-has-potential-to-alleviate-poverty-in-country/>




Source: Ghulam Abbas et al, "CPEC's Utility and Concerns under OBOR Initiative: A Pakistani Industrial Perspective" *Economies* 7, no. 3: 90. <https://doi.org/10.3390/economies7030090>

Although CPEC is an amalgam of many projects, this report draws insight on Pakistan-China cooperation in poverty alleviation in the area of SEZs. An SEZ is a specific area which the government designates for certain economic activities. It is regulated such as to attract investment from inside and outside the country.

It has been estimated by various reports that SEZs will bring socio-economic prosperity in Pakistan and facilitate the country to reduce economic disparity in various regions of the country. There are 9 SEZs that have been set up under CPEC. 4 of these SEZs are under construction and the rest are in pipeline. These economic zones are spread all across the country. 2 are established in Khyber Pakhtoonkhwa (KPK), 2 in Sindh, 1 in Punjab, 1 in Baluchistan, 1 in the Capital Territory of Islamabad, 1 in Gilgit Baltistan, 1 in Azad Jammu and Kashmir.²² Following mentioned are the name of SEZs in Pakistan:

1. Rashakai Special Economic Zone
2. Dhabejei Special Economic Zones
3. Allama Iqbal Industrial City
4. Bostan Special Economic Zone
5. ICT Model Industrial Zone

²² "Special Economic Zones", Ministry of Finance, http://www.finance.gov.pk/survey/chapters_21/Annex%20III%20SEZones.pdf

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6. Industrial Park on Pakistan Steel Mill Land
 7. Mirpur Industrial Zone
 8. Mohmand Marble City
 9. Moqpondass Special Economic Zone²³

The distributive potential of SEZs compliment the poverty landscape of Pakistan. It has been argued in a research that Pakistan's one third population lives in poverty, which is unequally distributed between rural and urban population living in different provinces.²⁴ Now that the SEZs are located all across the country, it is likely that their socio-economic benefits are reached and felt by the poor population of Pakistan. Establishing SEZs are also helpful in many regards, some of which are as follows:

- Diversification of Pakistani economy
- Reducing regional disparity
- Building human capital in Pakistan
- Teaching latest technological skills to the poor population
- Promotion of trade and commerce activities
- Encouragement of local industry to export the domestic products

Other than this, Pakistani companies will have a chance to work with the Chinese companies for exporting its manufactured goods. This will help develop new business models, create more jobs, develop industrial infrastructure, and integrate Pakistan in the regional and global value chain.²⁵

In SEZs, China introduced a very efficient strategy for poverty alleviation in SEZs. This strategy is based on Sheku Wage Model which is "restructured around three pillars: base pay, constructional pay, and a variable allowance."²⁶ By applying this model, China had converged around 100 million of its population in the SEZ areas.²⁷ In 1990s, China had developed a free labour market by applying this model. In the same manner, by applying Sheku Wage Model in SEZs of CPEC, Pakistan's local labour force will be more empowered.

However, there are many improvements that should be made in terms of policy measures. The next section deals with the policy proposals that need to be adopted at national level and in the bilateral relations as well.

²³ Ibid.

²⁴ Ibid.

²⁵ Muhammad Zafar, "Opportunities and Challenges of Special Economic Zones under CPEC for Pakistan" Jnuary 2018, pp.3. <https://s3h.nust.edu.pk/wp-content/uploads/2021/04/Opportunities-and-Challenges-of-Special-Economic-Zones-under-CPEC-for-Pakistan.pdf>

²⁶ Muhammad Zafar, pp.4.

²⁷ A. Q. Sulehri, et al, "Poverty Alleviation Model of China: Lessons for Pakistan" *Think-Asia*, November 2018, <https://think-asia.org/handle/11540/9425>

Section III Policy Recommendations

Given the discussion in the above sections, following mentioned policy measures need to be initiated:

Lessons from China

- There is a need to study the Chinese model on poverty alleviation and educate the policy-makers and relevant stakeholders of Pakistan to formulate an all comprehensive national poverty reduction strategy.
- Pakistan's rural population should be taught latest technological skills especially the ones that are related to e-commerce.
- China introduced FFW in its rural areas, Pakistan can emulate the same in its rural areas.
- Beijing's land reforms and soil improvement schemes not only facilitated the pace of national economy but also enhanced the well-being of its people. Islamabad should follow the Beijing's lead and work at these fronts.
- There are many reasons behind Beijing's economic miracle but a major one is hidden behind its Triple Helix Model. Especially in the SEZs, the Triple Helix Model stands most relevant and highly productive. These economic zones must be complimented with synchronized policies in the educational, industrial, and policy sectors. If applied in its true spirit, a highly dynamic environment of industrial collaboration along with smart entrepreneurship can be created.
- Development of modern infrastructure along with booming knowledge-economy could traverse the traditional traps of classical geo-economics and Pakistan can draw specific lessons from it.

CPEC-Related Policy Measures

- Pakistan and China both should expedite the work progress on CPEC. It is with the implementation of CPEC that the dream of complete poverty reduction can be materialized.
- With regards to SEZs, Pakistan needs to initiate measures of preferential treatment of its local business community facilitation of commerce activity and even exemption of taxes in specific areas.
- Establishing clear objectives and rationale is important before setting up SEZs. While SEZs can achieve numerous significant goals such as employment generation, technology transfer, and promotion of exports, it is difficult to achieve these goals simultaneously. Thus, the government should prioritize and proceed with a specific goal in mind.



What Pakistan Needs to Do?

- Political stability and consistent policies are extremely important in reducing poverty at large-scale. Pakistan needs to develop the institutions that stay unaffected even in the wake of change of power.
- A central authority for reducing poverty should be established.
- Pakistan needs to indigenize its industry and connect its rural community with the Chinese one. This will enhance the labour skills and learning experiences of Pakistani nationals.
- Relevant markets should be identified in China in order to increase connectivity linkages between the two business communities.
- Special funds for poverty alleviation should also be allocated under CPEC.

Conclusion

This report briefly analysed China's poverty alleviation policies and governance that spanned over four decades. It is these consistent efforts and diligent planning that resulted in such an economic miracle. China's success in the fight against poverty is based on its post-1978 reforms and continuous re-structuring of economy at national and international level. Moreover, much of the success is rooted in its continuous macroeconomic and political stability, which ensured successful poverty reduction policies at the macro level with its focus on empowering the poor at the micro level.

For reducing poverty in the country, Pakistan took many initiatives but it could not achieve any substantial success. It is due to weak institutional mechanism, poor implementation, weak human capital, and yawning policy gaps. The distribution of wealth and resources is not equal and reflects in extreme disparity in its poor populaces that is spread across Pakistan. faulty agricultural policies and failed land reforms brought nothing palpable to the poor. It took many initiatives to alleviate poverty but bad governance and stalled economic growth did not deliver the desired outcomes among the poor of the country. In this scenario, the hallmark of Pakistan-China cooperation (CPEC) became a beacon of light. It did increase socio-economic opportunities for Pakistani and its SEZs holds great significance for poverty alleviation from Pakistan.

However, CPEC's stalled projects, resentment coming from the rural communities in Pakistan, lack of a central authority in poverty reduction efforts, red-tapism, and instable political system in Pakistan along with the economic crises are some of the big barriers. By applying certain policy measures including expediting the progress of CPEC, implementing the lessons from China's poverty experiences and making consistent policies in alleviating poverty from the country can work wonders for Pakistan.

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Building an Open World Economy: China's Contribution and China-Pakistan Cooperation

Outline:

1. 1978-2011 Period

- 1.1. Historical Background of Chinese Economic Reforms
- 1.2. Impacts on Economic Indicators of China.

2. 2011-Present

- 2.1. Economic Reforms under the Leadership of Xi Jinping
- 2.2. Impact on Economic Indicators of China post-Xi Jinping Era
- 2.3. Contribution of China to World Economy.
- 2.4. Economic Relations of China with the Middle East.
- 2.5. CPEC

3. Conclusion

1. 1978-2011 Period

1.1. Historical Background of Economic Reforms (1978-2010):

Prior to Deng Xiaoping's administrative period, China's economy was in its deepest pit. After the death of Mao Zedong, the transitioning period started. After taking over, Deng started a detailed reform also called Comprehensive Economic Reform in 1978. Initially, CER was limited to the agriculture sector but soon it was extended to the other emerging sectors like industrial. The comprehensive reform was made to uplift the socialist economy by incorporating market economy structural changes in it. This shift from one ideology to another even though socialism was not forgone completely brought changes through several reforms over the period of 30 years, in 1979, four initial special economic zones were built to encourage foreign investment, in 1984 the commercial economy regulations were introduced to hike the functioning of the industrial sector., one-child policy to cut off the unemployment through reduction of the labor force. In the year 1993, tax reform was introduced through a tax responsibility system to decide and adopt rules of collecting and sharing taxes between central and local governments which eventually got further expanded through the inclusion of inter-governments. Banking reform to introduce an independent body the central bank (People's Bank of China) for the adaptation of monetary policy in the country. Under this reform, China managed to open the current account and convertibility the dollar. One of the major reforms was the opening of the economy into the global village. To do so, under the trade policy reform, China has given up 23% of import tariffs to secure full membership in The World Trade Organization. This stimulated not only domestic production but also the foreign business in the country. The then built capital market in 1990 was strengthened under the capital reform through the introduction of laws for trading securities in 1999. The health care system especially in rural areas was negligible but when the reforms expanded from rural to urban areas, health reform was introduced to initiate health insurance facilities in the rural areas.²⁸


1.2. Impacts on Economic Indicators of China:

The impact on economic indicators was visible after the opening of the economy, the GDP per capita rose eightfold prior to Deng's period and the annual Gross Domestic Production growth was 4.4% prior to 1978 and rose to 9.5% after 1978.²⁹

The introduction of China's open-door policy was the fundamental element of turning it into one of the largest economies. The open-door policy was the opposite of Maoism and introduced China to the world in a newer and better way through foreign policies of trade, and capital market policies. It

²⁸ Jack W. Hou, *Economic reform of China: Cause and effects* (The Social Science Journal, 2011), 419-434

²⁹ Chenggang Xu, *The Fundamental Institutions of China's Reforms and Development*, (Journal of Economic Literature, 2011), 1076-1151



upgraded China's position in exports from 32nd to 13th just in a decade from 1978 to 1989.³⁰

According to China's 1998 statistical yearbook sector, sectoral growth was reaching to the heights as the agriculture sector grew from 2.1 to 5.0% on average from 1953-1978 to 1979-1997, Construction and Industrial sector grew from 11.0% to 11.9%. GDP per Capita shifted from 6.1% to 9.1%. Foreign Trade from 9.5% to 15.6% and Exports and Imports grew from 10.0% to 16.7% and 9.1% to 14.5% respectively. The services sector grew from 5.5% to 10.6%.³¹


2. 2011-Present:

2.1. Economic Reforms under the Leadership of Xi Jinping:

Xi Jinping, the present of the People's Republic of China took over in the year 2011. At the beginning of his tenure, Xi Jinping introduced the "Comprehensive Deepening Reform" which covered almost all the socio-economic and political aspects. This set of various reforms was based on basically 6 crucial aspects: economics, politics, culture, society, ecological civilization, national defense, and military force. Under the comprehensive deepening reform, several reforms were made with the aim to shift China's economy wholly into a market economy to thrive sustainably. Those economic reforms can be broken down into three categories. The first is the Comprehensively Deepening Reform, which intends to minimize government involvement while providing the market economy a dominant role and therefore achieve its definite goals by 2020. The second topic is the Advancement of New Types of Urbanization, which intends to provide an urban family registration to farmers who have relocated from rural to urban areas, as well as provide urban public services such as residential security, social security, and compulsory schooling for children, all while accelerating China's urbanization. The third issue is Macro-Control Innovation, which tries to define an acceptable range for economic management and establish the inflation rate. In March 2014, the government report was provided which includes around 10 different reforms. They were (1) Public Administrative System Reform to ensure at businesses have the freedom to make investment decisions on their own, (2) Financial Administration Reform to incline and assure the transparency of the budget system. Reduce the special transfer payments by one-third (subsidies). Allow the issue of local government bonds, as well as the inclusion of debts and revenue in budget management, to avoid and address debt risks. (3) Tax System Reform to increase tax revenues through industrial taxes, consumption, and resources taxes, (4) Financial System Reform for the continuity of

³⁰ Robert Longly, "What was the Open Door Policy in China?," *Definitions and Impacts*, 2019, <https://www.thoughtco.com/open-door-policy-definition-4767079>.

³¹ Garnaut, Ross, and Ligang Song, *China: Twenty Years of Economic Reforms*. (Canberra: ANU E Press, 2012)



liberalization of interest rate and floating exchange rates, to establish deposit insurance systems and small to middle-sized private banks, (5) State-owned Company Reform, (6) Rural Area Reform to enhance the capacity of rural side population through introducing different pieces of training under the new management to train the people new farmlands, agricultural businesses cooperative farming, family farmlands, etc. (7) Family Register Reform to benefit people who have migrated from rural to urban sides of the country to get them socio-economic benefits, (8) Income Distribution System Reform to elevate the soaring income-gap by inclining the lower income-groups wages, and (9) Family Planning Reform to change from one-child policy to two children policy.³²

2.2. Impact on Economic Indicators of China post-Xi Jinping Era:

Gross Domestic Product:

China's economy grew 8.1% in 2021, in line with market expectations. GDP for the full year was 114.4 trillion yuan (the US \$ 17.7 trillion), an increase of about 13 trillion yuan (US \$ 3 trillion) compared to 2020. GDP growth is slightly above Beijing's target of “more than 6%” thanks to the ongoing export boom and low comparisons. By 2020, when the virus hit, the economy grew by only 2.2%.

Foreign Direct Investment:

Global foreign direct funding (FDI) flows withinside the first six months of 2021 reached an expected USD 852 billion, displaying more potent than predicted rebound momentum, with a growth of 78% of the partial year growth. The worldwide FDI outlook for 2021 has additionally stepped forward from in advance projections. The modern-day momentum and the increase of global assignment finance are probable to convey FDI flows lower back past pre-pandemic levels. Nevertheless, the period of the fitness disaster and the tempo of vaccinations, specifically in growing nations, in addition to the rate of implementation of infrastructure funding stimulus, stay vital elements of uncertainty. Other vital threat elements, along with labor and delivery chain bottlenecks, electricity fees, and inflationary pressures, may also influence very last year's results. Although Covid's effect on growing markets and transferring funding from China are predominant tendencies to affect foreign funding in 2022. According to the 2021 World Investment Report, FDI inflows into China absolutely accelerated via way of means by 6% in 2020, to USD 149 billion, up from USD 141 billion in 2019. This turned into additionally the result of a hit pandemic containment measures and fast healing. The inventory of FDI in 2020 reached USD 1918 billion, an exponential increase in comparison to 2010 while the investment turned into USD 587 billion. The quicker go back to GDP increase withinside the 2nd half of 2020 and the lifting of funding regulations helped guide funding. The carrier region led the increase, accounting for extra than 70% of inflows; FDI extended

³² Osamu Tanaka, *Economic Reform and Economic Policy of the Xi Jinping Leadership*, (Policy Research Institute, Ministry of Finance, Japan, Public Policy Review, Vol.11, 2015)



specifically in generation-associated industries. With the purpose of boosting funding, the authorities increased the variety of industries open to FDI, lifted regulations on overseas funding in key industries, and amended the poor listing for overseas funding in pilot unfettered alternate zones, which accelerated via way of means of 11%. Income accelerated via way of means of 97% (up to USD 19 billion), specially withinside the ICT and pharmaceutical industries. The cost of the latest greenfield investments introduced in 2020 shrunk notably in sectors along with delivery and automotive. In 2020, China turned ranked the world's 2nd biggest FDI recipient after the US. The United States of America is the most important recipient in Asia and the main making an investment united states of America in phrases of FDI outflows. China's fundamental buyers have remained widely stable. Inflows from America and Europe have dropped; however, local funding has persisted in growth as flows from ASEAN nations grow. Singapore, the Virgin Islands, South Korea, the Cayman Islands, Japan, Germany, and the US remember among the predominant buyers. Investments are specially orientated toward manufacturing, actual estate, leasing commercial enterprise and services, laptop services, wholesale and retail alternate, monetary intermediation, clinical research, delivery, electricity, and creation. China turned into ranked thirty-first out of a hundred ninety nations withinside the remaining World Bank's 2020 Doing Business report, a chief development from 2019, while it turned into ranked forty-sixth out of a hundred ninety. China turned into one of the pinnacle 10 economies to enhance the maximum among the 2019 and the 2020 reports. This development displays development in a big range of subcomponents starting from techniques for beginning a commercial enterprise to measures to enhance strength get entry to and get creation permits. The United States of America tested reform agendas that purpose to enhance the commercial enterprise regulatory surroundings withinside the United States of America over the path of numerous years. The reforms especially the consciousness of growing the performance of commercial enterprise processes, along with tax cuts, alternate with tariff cuts, and decreased limitations to overseas buyers. To draw similarly overseas funding, the United States of America has brought mechanisms to enhance the shipping of predominant overseas funding projects, lessen import tariffs, streamline customs clearance, and set up a web submitting machine to adjust FDI. With a wealth of personnel and ability companions keen to research and evolve, the United States of America is a base for low price products, which makes it an appealing marketplace for buyers. Nevertheless, sure elements can restrict investments, along with China's loss of transparency, prison uncertainty, low degree of safety of highbrow assets rights, corruption, or protectionist measures which favor nearby businesses. FDI inflows to the high-tech region had been growing drastically and presently account for nearly a 3rd of overall inflows. As China maintains to guide the worldwide healing from the unfavorable financial results of the COVID-19 pandemic, overseas multinationals are doubling down on their investments in China, organizing lots of latest corporations and increasing present ones. Despite financial and monetary tensions and a sequence of overseas regulations at the switch of generation to China, China maintains to draw report quantities each of overseas direct funding and inflows of portfolio funding into indexed onshore Chinese equities and Chinese authorities' bonds. Total overseas funding in China for 2021 is probable to surge via way of means of double digits from a year in advance if

modern-day tendencies continue.³³


2.3. Contribution of China to World Economy:

China's Belt and Road Initiative that alludes to the Silk Road Economic Belt and 21st-Century Maritime Silk Road is another improvement life-sized model and modernization approach sent off via the Chinese government to advance 'harmony and collaboration, receptiveness and comprehensiveness, common research and shared benefit' among the more noteworthy than 65 worldwide nations. The huge foundation mission is intended to improve the consistent float along with capital, products, administrations, and social trades among Asia and the unwinding of the world, by involving promoting correspondingly market joining in the spot and with the guide of manufacturing new ties among the nations and societies that contain the new Silk Road. The novel goal fixated on encouraging improvement prospects in potential outcomes in 5 regions with a conscious consummation date of 2049. The mega project was once first presented in 2013 as a world trade and financing methodology. The main BRI Summit used to be held in Beijing on 14-15 May 2017 with agents from a hundred thirty countries and seventy world organizations as a stage for worldwide cooperation. This addressed 'Globalization 5.0' after the Old Silk Road and Deng Xiaoping's opening-up changes of the 1990' that prompted the Chinese monetary supernatural occurrence and China securing its position in the World Trade Organization in 2001. From that point forward the Chinese financial framework upheld unrivaled increment charges on the planet improvement of any country. This mega project visualizes the building of six principal monetary collaboration halls and many key oceanic turn factors all through Eurasia. Ashore, the outline is to develop another Eurasian land scaffold and advance the monetary passageways of:

1. China-Mongolia-Russia.
2. China-Central Asia-West Asia.
3. the China-Indochina landmass; China-Pakistan.
4. Bangladesh-China-India-Myanmar.
5. On the oceans, the drive will point to convergence on altogether developing smooth, secure, and climate cordial vehicle courses interfacing key seaports close by the belt and street.

As per the cutting-edge insights, the entire substitute degree among China and its BRI participating countries used to be more noteworthy than 6 trillion U.S. dollars in the 2013-2018 period, for the span of which more noteworthy than 244,000 positions had been made for local people. China's immediate unfamiliar financing in these global areas has outperformed eighty billion dollars as of not long ago. China's imports from and commodity to BRI partaking worldwide areas added up to \$300 billion in the primary quarter of 2019, up 7.8% year-on-year and involving 28.6% of the nation's

³³ "CHINA: FOREIGN INVESTMENT," *Stander Trade Markets*, 03 2022,
<https://santandertrade.com/en/portal/establish-overseas/china/foreign-investment>.



finished abroad trade degree in the period.³⁴

Gross Domestic Product:

Throughout the course of recent many years, China has encountered tremendous monetary development to turn into the world's second-biggest economy in view of its ostensible GDP.³⁵ The total share of China in the world's GDP accounted for about 18.62% in the year 2021. China's real GDP growth is expected at 4.4 percent in 2022. China's per capita GDP is also expected to continue to grow, reaching 14,096 U.S. dollars in 2022.³⁶

Trade:

China's commodity trade balance, the world's largest exporter and second-largest importer recorded a surplus of over US \$ 535 billion in 2020. Historically, the United States was China's largest trading partner, but the effects of the trade war have reduced trade between these two countries. Conflicts over trade and international influence have also undermined China's relations with other countries such as Australia, Canada, and India. In the future, China's approach to international relations and the development of US competition will be very important. Now, both sides appear to be determined to reduce the interdependence of the world's two largest economies, even at the expense of harming their own economic interests. However, the economic benefits of working together are still very strong for both parties and can have a significant balance impact on the relationship.³⁷

2.4. Economic Relations of China with the Middle East:

Looking at the history of China and the Middle East one can categorize it into three different time periods according to the magnitude of the ties between the two. 1949-1978 can be written as the beginning, the era of initial growth was from 1978 to 1999. Since the Cold war, the Chinese

³⁴ Michael A. Peters, *China's belt and road initiative: Reshaping global*, (Educational Philosophy and Theory, 2019)

³⁵ Textor C., "Key Economic Indicators of China – Statistics & Facts", Statista, 03 11 2022, <https://www.statista.com/topics/5819/key-economic-indicators-of-china/#dossierKeyfigures>.

³⁶ Textor C., "China's share of global gross domestic product (GDP) adjusted for purchasing-power-parity (PPP) from 2011 to 2021 with forecasts until 2027," Statista, 04 20 2022, <https://www.statista.com/statistics/270439/chinas-share-of-global-gross-domestic-product-gdp/>.

³⁷ Textor C., "Key Economic Indicators of China – Statistics & Facts", Statista, 03 11 2022, <https://www.statista.com/topics/5819/key-economic-indicators-of-china/#dossierKeyfigures>.

government has expanded its economic interests since 1999 to date.³⁸

China's economic relations with the middle east started during the same period when the transition of the new emerging economy was being taken place. But these ties were much restricted to the labor export and arms sale during the ongoing raging cold war. These ties emerged when the cold war ended and China for the purpose of economic expansion began to stir the almost stagnant relations. In 1993, China became the net importer of petrochemical products. The middle east became a crucial element due to its geostrategic position with the Belt and Road Initiative in 2013 making the Arab countries, Iran and Israel the largest trading partners of the booming economy (Lyll 2019). Apart from energy dependency, trading activities along with investments from \$1Billion to \$11billion in 2009 have been hiked up in recent years. According to the statistical book of China, around 87% of trade has been increased in the middle east countries reaching \$222billion in 2012.³⁹

2.5. CPEC:

China- Pakistan Economic Corridor is one of the significant initiatives of the Chinese government under the Belt and Road Initiative due to its geostrategic geographic position. In April 2013, President Xi Jinping started this mega project consisting of several projects: Coal Power Plants, Hydroelectric Power Plants, Solar, and Wind Power Plants along with Sea Port and Dry with a vast line of Motorways, Highways, and metro services in different cities across Pakistan. It started with around 46 billion dollars with it has soared up to 62 billion dollars.⁴⁰ CPEC will be beneficial for both China and Pakistan and overall, this region as well as it will boost the regional infrastructure, and economic growth for both countries. At the start of the project, 12 USD were to use on transportation projects and the remaining 34 USD were to be used on various energy projects. CPEC can be divided into four phases, the first one is named Early Harvest from 2015 to 2019. During this period energy projects were about to be completed to cut down the electric shortage in Pakistan. The second phase "Short-Term Projects" up to 2022 were dedicated to the regional development projects such as optic fiber line, Gwadar development, and coal mining energy projects side and in the 3rd phase "Mid-Term Projects" up to 2025 industrial and railway tracks are likely to be constructed and completed. The last phase of CPEC is "Long-Term Projects" up to 2030. Up until 2030, different special economic zones and numerous projects related to the agriculture and services sectors are to

³⁸ Degang Sun, *Six Decades of Chinese Middle East Studies*, (Bustan: The Middle East Book Review , Vol. 2 15-32, 2011)

³⁹ Abbās Varij Kāzemi & Xiangming Chen, *China and the Middle East: More Than Oil*, (Economics and Politics New, 2014)

⁴⁰ David Sacks, "The China-Pakistan Economic Corridor—Hard Reality Greets BRI's Signature Initiative," *Council on Foreign Relations*, 03 30 2021, <https://www.cfr.org/blog/china-pakistan-economic-corridor-hard-reality-greets-bris-signature-initiative>.

be constructed.⁴¹

Conclusion:

One of the major reforms in the transitioning period was the opening of the economy into the global village. The impact on economic indicators was visible after the opening of the economy, the GDP per capita rose eightfold prior to Deng's period and the annual Gross Domestic Production growth was 4.4% prior to 1978 and rose to 9.5% after 1978. The introduction of China's open-door policy was the fundamental element of turning it into one of the largest economies. The Comprehensive Deepening Reform under the leadership of Xi Jinping intends to minimize government involvement while providing the market economy a dominant role. In March 2014, the government report was provided which includes around 10 different reforms. China's economy grew 8.1% in 2021, in line with market expectations. GDP was 114.4 trillion yuan (the US \$ 17.7 trillion), an increase of about 13 trillion yuan (the US \$ 3 trillion) compared to 2020. Throughout the course of recent many years, China has encountered tremendous monetary development to turn into the world's second-biggest economy in view of its ostensible GDP. The total share of China in the world's GDP accounted for about 18.62% in the year 2021. Historically, the United States was China's largest trading partner, but the effects of the trade war have reduced trade between these two countries. In the future, China's approach to international relations and the development of US competition will be very important. Looking at the history of China and the Middle East one can categorize it into three different time periods according to the magnitude of the ties between the two. China's economic relations with the middle east started during the same period when the transition of the new emerging economy was being taken place. In 1993, China became the net importer of petrochemical products. China's economic relations with the entire globe are said to be increased under the BRI Initiative CPEC. At the start of the CPEC, 12bn USD were to use on transportation projects and the remaining 34 USD were to be used on various energy projects totally divided into four phases: early harvest, short-term period, mid-term period, and long-term period. This initiative has its immense importance for Pakistan and the whole region.

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⁴¹ Navid Khan, Ahmad Riaz, and Xing Ke, *China Pakistan Economic Corridor (CPEC): Regional Development, Employment Opportunities and Policy Challenges*, (Global Political Review (GPR) Vol. III 12-23, 2018)

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Practicing True Multilateralism and Promoting Democracy in Global Governance

By Shujaat Farooq and Nabila Kunwal

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Practicing True Multilateralism and Promoting Democracy in Global Governance

Background


Today the world has been relishing better affluence as poverty has significantly reduced and there is a realization towards inclusive development as shown through the 2030 sustainable development agenda. The civil society and development partners aim to uplift the life of human beings through sustained economic growth, supported by decent work for all, social integration, reduction in both poverty and inequality, productivity enhancement, and a favorable environment.

Despite this, the challenges are also mounting. The world has been facing a diverse nature of intimidation including concerns associated with globalization, environmental degradation, financial crises, cyber security, peace, and justice. A lack of cooperation at the global level is recently seen during the COVID pandemic where the dispossession was much high among low-income countries due to a lack of sufficient support from developed countries and international multilateral institutions.

Ideally, the international multilateral organizations are supposed to provide dynamic solutions to these challenges, however, their progress seems inadequate to address global challenges and protect the rights of marginalized nations. The multilateral institutes have not maintained peace and prosperity and their poor performance has resulted in failure of global governance, rising inequality, social fragmentation, and job insecurity associated with globalization and automation. The United Nations, the foremost shape of global cooperation and regulation, fails to promote peace and political stability, especially in the Middle East and Africa. Its failure may be called the failure of international cooperation (Symons 2020). The World Trade Organization (WTO) has also witnessed a fragmentation to promote global benefits of trade. One may see that recently the United States administration has not appointed tribunal members to the WTO's Appellate Body during its trade war with China.

The current report has made an analysis of the role of multilateralism in promoting global governance, the ongoing challenges, and possible solutions. An effort is made to highlight the role of China and Pakistan in safeguarding multilateralism through safeguarding the United Nations charter and principles along with promoting rule of law and governance to establish global peace, harmony, and prosperity.

The analysis is crucial to review the role of China and Pakistan as both countries have 'all-weather' relationships and believe in UN principles of non-interference, peaceful coexistence, multilateralism, fairness, and justice in inter-state relations (Khalid 2021). Their strategic friendship can play an



important role in promoting peace and governance in the world, particularly in the Middle East and South Asia. To promote durable peace in South Asia, both the countries can facilitate the bilateral and multilateral channels in resolving the disputed issues, particularly the Kashmir (an issue between India and Pakistan, peace in Afghanistan and border issues between China and India. There is a need of larger realization that how the benefits from China Pak Economic Corridor (CPEC) can be extended to various continents, particularly to the Middle East and Central East (Nader Habibi 2020).

The Concept of Multilateralism

Multilateralism simply specifies a form of cooperation among more than two countries, therefore the concept is beyond the unilateralism and bilateralism. Multilateralism is a set of norms and values through which countries establish inclusivity and solidarity to promote socio-political and economic cooperation (UN). It is generally comprises on a set of principles and elements that promotes mutual interests, dispute settlement and a commitment to diffuse reciprocity (Scott).

The foundations of multilateralism are very old, i.e., Westphalia treaties in 1648 that resulted end of 30 years war, Vienna Congress in 1815, Hague peace conferences of 1899 and 1907, emergence of United Nations in 1945 along with end of second world war etc. The operational working of multilateralism vary across countries and time, depending on socio-political needs, security challenges and economic situation. While broader principles are same, however it adopts various functioning shapes including informal (i.e., civil society, private sector etc.) and formal institutes (i.e., United Nations, OIC, European Union and many others). With passage of time, the of role of non-state actors has been rising and today the civil society and various other stakeholders has a key influence in promoting global governance.

The benefits of multilateralism are widespread as it is the heart of international system. It allows all the stakeholders to make dialogue process for defusing conflicts and tensions, promote common principles that helps in peace building and protects mutual interest and legitimacy around globe. Keeping in view it is an essential tool to address common issues and challenges that countries often face irrespective of border, i.e., complex interdependence due to globalization, climate change, migration, resource distribution etc. The recent COVID pandemic has demonstrated that none of the country can alone successfully mitigate the adverse defies without an international support. The United Nations and its functioning bodies has a long history to promote rule of law and global governance in the world.

Challenges to Multilateralism

After end of cold war, the multilateral system gained momentum and that's why the Commission on Global Governance was created in 1992 to promote global governance and to promote democracy. After decades of globalization and integration, however the world seems to be fragmenting again due to various challenges including persistence of geopolitics, protectionism, unilateral sanctions, treaty withdrawals, trade wars and economic intimidation (Institute 2020). One can see a paradigm



shift in geopolitics as China has emerged a new economic power and Russia has also revived.

The misuse of powers by foremost states (i.e., military interventions and violation of human rights) along with inefficiency of international institutions has put multilateralism at the stake. The geopolitics and economic ties among the leading countries has resulted in erosion of global cooperation. Often the leading nations mostly use the civil wars and invasion to attain geopolitical and economic benefits. The low-income countries are mostly the victims of all this geopolitics as one can see the rising insurgency and political instability in Middle East and African countries (Iraq, Syria, Lebanon, Afghanistan, Yemen, Sudan, Ethiopia, Congo, Somalia, Egypt etc), interstate conflicts (Russia and Ukraine, Pakistan and India, US and Iran and many others).

One may see that the United Nations fails to keep peacekeeping by resolving various long-lasting disputes in the world, i.e., Kashmir, Palestine and many others. Mostly the international institutions still lack enforcing methods to resolve disputes and common decision making. The withdrawal by United States from various international agreements (i.e., Paris climate convention, the Iran nuclear deal, and the Trans-Pacific Partnership) has also jolt the international commitments towards, peace, dispute settlements and sustainable development. All this reveals that the United Nations and its agencies are losing their ideology in building consensus and promoting broader interests. For example, Doha Agenda, started in 2001, is still not concluded by the WTO. The Political rigidities in multilateral organizations charged with overseeing economic globalization have prevented adequate reform.⁴²

Right now the power politics and supremacies are at the peak and it has endangered the world's peace. Lot of collaboration and solidarity is required to curb various challenges that the world is facing today including dispute resolution, poverty eradication, climate improvement, migration management and to fight against pandemic shocks (Lavelle 2020). As the United Nations Secretary-General António Guterres noted, "the multilateral arrangements established after the Second World War have saved lives, expanded economic and social progress, upheld human rights and, not least, helped to prevent a third descent into global conflagration" (Guterres, 2019).

⁴² <https://www.global-solutions-initiative.org/press-news/the-future-of-multilateralism/>



Role of China in promoting Multilateralism

Over the last few decades, USA was the sole superpower in the world, however now China has emerged as the largest economy in the world. One interesting element is that China has achieved this distinction without involving itself in world's geopolitics conflict, military interventions and/or sponsoring civil wars in other countries. China has a diverse framework on multilateralism and it believes on the principle of non-intervention as its diplomatic dogma. That's why it has mostly held a unique opinion in Security Council on the interventionist initiatives through raising its voice (Mu 2014).

China believes in cooperation and the Chinese President Xi Jinping firmly took his position during his special address at the Davos Agenda that China will safeguard the international order and international system that is centered around the UN, and abide by the UN Charter of the United Nations as the basic and universally recognized norms governing state-to-state relations (Ying 2021).

In 2001, China took the initiative and formed the Shanghai Cooperation Organization (SCO) to promote regional cooperation. Multilateralism and economic globalization were the key arguments of Chinese President's recent speech in 2021 World Economic Forum (WEF). He said that "multilateralism should not be used as pretext for acts of unilateralism." In addition, "differences in history, culture and social system should not be an excuse for antagonism or confrontation, but rather an incentive for cooperation." (Jinping 2021a). Emphasizing a universal rules-based global governance system, Xi told Boao Forum partners, "what we need in today's world is justice, not hegemony." He reminded neighbors, "however strong it may grow, China will never seek hegemony, expansion, or a sphere of influence." (Jinping 2021b).

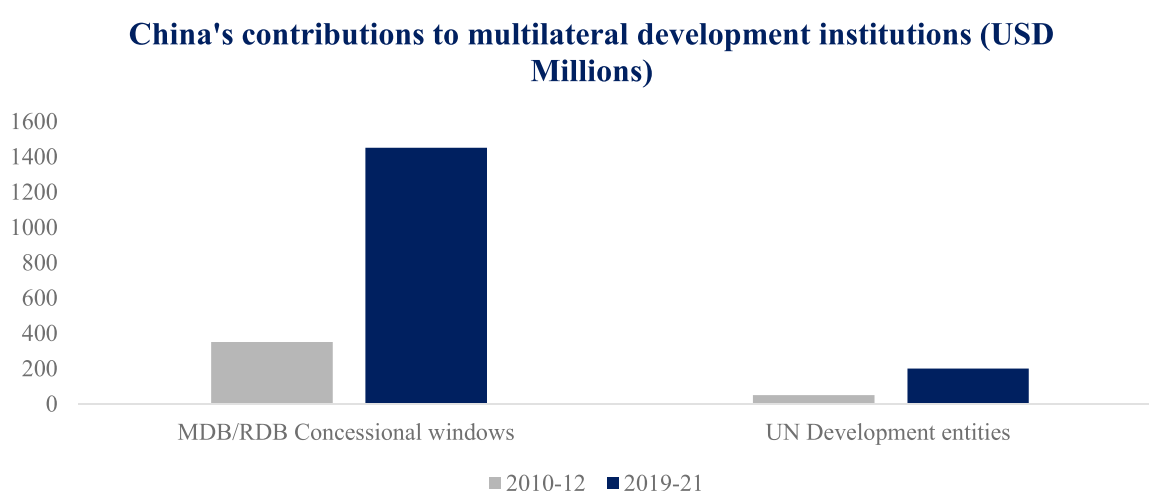
Entering into the 21st century, China has shown its proactive role in promoting global governance, cooperation enhancement and economic benefits. One may see its initiatives including the Asian Infrastructure Investment Bank (AIIB) and the Belt and Road Initiative (BRI). Both the AIIB and the BRI are the new international public goods that China has contributed to the international community (Wang 2019).

During COVID pandemic, China not only effectively controlled the pandemic at home, but also engaged in extensive bilateral and multilateral cooperation by supporting other countries through vaccination, medicine and donation, especially the low income countries. The country has also shown a commitment towards green economy by pledging to achieve a peak in carbon emissions by 2030 and become carbon neutral by 2060.

When the global financial crisis struck in 2008, China effectively worked with both the United States and G-20 countries to mitigate its adverse impacts and prevented global economic collapse. From

2014 to 2015, China worked closely with the USA to falsify a new global climate agreement for the post 2020 era (Liu 2016).

Over the last two decades, there is a growing tendency of China's voting in the World Bank, IMF, and UN system along with the financial contribution. Similarly China is a top contributor to the UN's development focused entities, **WHO, UNESCO, FAO, IFAD, ILO, UNIDO, and ITU**. China's voluntary funding of UN development-focused entities increased by 250% between 2010 and 2019. Some western countries have the fear on growing rule of china in multilateral development initiative; however, ideally they should continue to promote China's role as a donor to these institutions along with raising their own contribution (Scott Morris 2021).




Role of Pakistan in promoting Multilateralism

Pakistan holds a strategic position in South Asia by sharing its border with Afghanistan, China, India and Iran. The CPEC has further enhanced the geo-political and geo-economic importance as Pakistan can serve as the economic corridor and extend affluence to both the Middle East and Central Asia. The geo-strategic location of the country has served it with a comparative edge over other stakeholders of the region. Nonetheless, the complex border situations and long dispute with India on Kashmir have also raised enormous challenges for the country.

Pakistan is an active member of United Nations and various other global and regional organizations. The country strongly believes in the three main pillars of the United Nations: development, peace, and human rights. Since 1947, Pakistan envisages a world having peace, prosperity and justice. Keeping in view the country has always shown a commitment towards maintenance of international peace and security by following UN charter. The country has always supported the global issues of human rights, development, environment and climate change, and international law.⁴³

⁴³ For details see <https://pakun.org/Pakistan%20at%20the%20UN/>



Pakistan has always facilitated the peace of world through collaboration in maritime security and sending military troops in fragile areas despite of not a member state of NATO. Currently, Pakistan is one of the largest troop contributors, with 8,230 peacekeepers, constituting over 9% of UN's total deployment. Similarly Pakistan closely worked with the NATO in the 'War on Terror' in Afghanistan by sacrificing thousands of lives over the last two decades (Idrees, Rehman, and Naazer 2019). It is the Pakistan that consistently urge that peace in Afghanistan is the root-cause of prosperity in Central and South Asia. The country has played a key role in signing the peace deal between Taliban and US authorities that resulted end of war in Afghanistan. The country has been making an effort by bringing Afghan government and international community in close to ensure human rights, gender inclusiveness and peace in Afghanistan.

After 9/11, the country got victim of terrorism and it has sacrificed thousands of lives. The entire nation is determined to eliminate all forms of extremism and terrorism, that's why the country is sharing hands with the international community to eliminate all forms of extremism and terrorism.

Way forward

Multilateralism and global governance mechanisms were developed few decades ago and it requires an overhauling to meet today's challenges of the world. The multilateralism must support a balanced power and economic sharing among the nations. Tactlessly the existing multilateralism system was designed few decades ago by the western countries for their own national interests at the expense of developing nation. The multilateral system must be enough dynamic by giving a stronger voice to the developing nation.

The recent COVID pandemic, and ongoing support on sustainable development goals provide an opportunity to implement the SDGs agenda with its spirit. Both the China and Pakistan should continue their efforts and building the narrative that none of the country alone can deal with the challenges and humanity alone. To achieve, win-win results, all the countries must have common aspirations to promote peace and development that can be achieved only through cooperation and collaboration.

To resolve security threats, there is a need for deepening the international economic cooperation and the strengthening of interdependencies. The multilaterals model should realize that economic globalization must be equitable, inclusive and fair. The international community must share hands to promote multilateralism and global governance through following key dimensions:

- There is only one earth and nations must promote the philosophy of common development having the principles of shared human destiny;
- Strengthen the global partnership to promote a fair economic system that benefits low-income countries;
- Safeguard the multilateral trading systems to ensure that globalization process is inclusive, benefits all, balanced and win-win; and
- The global governance model must be built on the principle of no conflict, no confrontation, mutual respect, cooperation and mutual benefits.

The important challenge is to reconcile the common interests and reforms as right now the West considers various ideologies as the strategic competitor including Chinese and Islamic. There is a need to limit the negative influences to promote global governance reforms and sustainable development. The differences in ideology, political structure and domestic policies should not be considered as a constraint in promoting global cooperation.

Last but not least, the world needs unity by coalescing knowledge and resources for a prosperous future for everyone through a responsible, effective, and inclusive multilateral system.

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Whole-Process People's Democracy: Contribution to the Progress of Humanity

Author Afrasiab Khattak is a known political activist and a former Senator (2009-15). He has headed Senate's Committee on Human Rights for six years. He has also worked as a member of the Senate's Committee on the CPEC and has participated in Pakistan-China conferences/seminars on the CPEC in both Pakistan and China. Afrasiab Khattak remained an active member of the Parliamentary Committee on Constitutional Reforms. The government of Pakistan awarded him 'Nishan-e-Imtiaz', the highest civil award of the country in 2010 for his services in the Parliament. Afrasiab Khattak used to write a weekly column in the English language daily the Nation on regional affairs for many years. He is a law graduate and has a master's degree in English literature. He speaks and writes four languages, Pashto, Urdu, English and Persian.

The concept of democracy, literally meaning people's rule in contrast to aristocracy, the rule by the elites emerged from Greek city-states in the 5th century BC. As an initial concept, it implied the election of the government officials by the people for building a representative political system. Western democracy is theoretically traced back to this tradition with rhetorical claims. But its historical practice has remained far short of creating a system with full and equal participation of the masses in the governance system and becoming owners of the state/country. The main hurdle on this path was the emergence of the social class division after the primitive communal life. From slavery to feudalism and to classic capitalism, the stark social inequality would not allow a level playing field for individuals from different classes to become equal citizens. The so-called multiparty system in the modern west was also meant to project the image of superficial competition between different parties but beyond polling their votes, the masses of people do not have the type of ownership of the system that a genuine democratic system would mean. It was in the 20th century when socialist transformation in China and the building of socialism with Chinese characteristics made it possible to evolve the theory and practice of 'whole-process people's democracy', a qualitatively new type of democracy. By creatively synthesizing the thousands of years old indigenous Chinese experience of sociopolitical evolution with the modern universal principles of socialist democracy, the whole-process people's democracy has shaped up a new model of democratic rule that has not only come out with flying colors in building a substantially representative system in China, but it has also gained relevance in the international discourse on democracy in the 21st century.

It was back in 1945 when Mao Zedong came out with the view that the people-centric democracy could enable society to break the cyclical law for coming out of the rise and fall of the regimes. People-centric democracy obviously had to be a system with a richer social and political content fulfilling the overall needs of the people. Passing through a prolonged struggle for national liberation and for getting rid of the different forms of an exploitative system, Chinese people would not settle for anything less than full emancipation and taking their destiny into their own hands. Building on the process of the aforementioned historical experience of the Chinese people under the leadership of the Communist Party of China (CPC), Xi Jinping added 'self-evolution to the people-centered governance as a way to break the cyclical law. He said, "After a hundred years of struggle, especially



the new practice since the 18th National Congress of the Communist Party of China, our party has given a second answer, which is self-revolution”.⁴⁴ The journey of the Chinese people on the path of development of the people’s democracy has been long but fruitful. From discovering the quality of being people-centric to self revolution and from being inclusive to take decisions, based on compulsory broader consultations, they added value to their democratic system by adopting historically successful elements of theory and practice from their experience. Led by the Chinese Communist Party, their vanguard in building socialism with Chinese characteristics, they kept their mind open to the best international experiences. But they didn’t mechanically copy other models. They creatively adopted some elements out of these models and adapted them to the specific Chinese sociohistorical conditions. That is the right path to adopt because there is no one size that fits all.

There has been a lot of talk of democracy in the west throughout the 20th century almost turning it into a western patent. In the pursuit of its hegemonic politics, the west has also used the slogans of democracy and human rights as a big stick for beating the opponents of its hegemony. But in practice, their notion of democracy was characterized by captivating promises and propaganda for attracting maximum votes. During the election campaigns, the fever of inter-party propaganda would resemble psychological warfare for demonising the rivals. But what would be the end result? It took women and people of color ages to get the right to vote. Even universal suffrage did not result in the promotion of social justice and equality in western societies which is a precondition for genuine democracy. Generations of millions and millions of people remained in the yoke of abject poverty without any hope. Even today women can not get equal wages for work similar in nature to men in many western countries. Racial discrimination has been the hallmark of most of the advanced capitalist democracies. People of color are looked down upon even after living for centuries in western countries. These bitter realities speak volumes about the real nature of the “advanced western democracy”. The same is the case with the claims of western countries about the protection of human rights. The western capitalist powers colonized large swaths of territories in Asia, Africa and Latin America and ruthlessly exploited their human and material resources for centuries. The locals were condemned to live a sub-human life for centuries. Even in their own societies, the western capitalist countries have never fully respected the human rights of women, working classes, and nonwhite people. But they have always used the slogan of human rights as a propaganda tool against their political opponents. Now in the 21st-century people in Europe and North America are removing the statues of notorious colonizers and slave masters of the 18th and 19th centuries who were so far introduced in the official histories as national heroes.

In contrast to it the struggle of the Chinese people under the leadership of the Communist Party of China has been a journey for freedom and emancipation from all types of exploitation. Building socialism with the Chinese characteristics was chosen because it is the right path towards the destination of comprehensive empowerment of the people. It envisaged human-centric socio-

⁴⁴ Staff Writer, “Full Text of Xi Jinping's Speech on the CCP's 100th Anniversary,” Nikkei Asia (Nikkei Asia, July 1, 2021), <https://asia.nikkei.com/Politics/Full-text-of-Xi-Jinping-s-speech-on-the-CCP-s-100th-anniversary>.




economic development along with political and cultural development that was to be invested in developing both the form and content of the people's democracy. The guiding principles of the 18th CPC National Congress have played a pivotal role in crystallizing the theory and practice of the whole-process people's democracy. Calling it a political proclamation and action plan of the CPC Xi Jinping pointed out; "In fact, adhering to and developing socialism with Chinese characteristics was the theme of the political report to the 18th National Congress. We must always stick to this theme, continue to develop socialism with Chinese characteristics, and work hard to reach that goal."⁴⁵ He further elaborated; "Only by upholding socialism with Chinese characteristics can we bring together and lead the whole Party, the whole nation and the people of all ethnic groups in realizing a moderately prosperous society by the centenary of the CPC in 2021 and turning China into a prosperous, democratic, culturally advanced and harmonious modern socialist country by the Centenary of the People's Republic of China in 2049, so as to ensure the people's greater happiness and the nation a brighter future."⁴⁶ The political document of the 18th National Congress of the CPC and the subsequent discussions on it enriched the concept of whole-process people's democracy making it a guideline for building the new type of political system in China. The comprehensive nature of this ideological development, stemming from the historical experience at different stages of political development can be gauged from the rich quality of the subsequent debates. As Xi Jinping summarises it; "The socialist system with Chinese characteristics integrates the fundamental political system, the basic political systems, the basic economic system, and other systems and mechanisms. It combines national and local democratic systems, the Party's leadership, the passion of the people as masters of the country, and law-based governance. This system conforms to the national conditions in China, showcases the special traits and strengths of socialism with Chinese characteristics, and provides a fundamental systematic guarantee for China's development."⁴⁷ All this could not have been achieved without the continuity of the dedicated and creative work of many generations. Marxism-Leninism and Mao Zedong thought remained the foundation. Deng Xiaoping's theory, the Three Represents, and the Scientific Outlook guided socialist modernization, opening and development. The 18th Congress of CPC built on the past achievements to step ahead as human life and its work remains in constant motion. The success of human endeavors remains contingent upon their ability to move ahead with the times.

The whole-process of people's democracy goes far beyond the rhetorics by political parties in the model of western democracy for getting votes and subsequently leaving their voters in a lurch in facing unresolved problems. The whole process means the integration of important elements of genuine inclusion and participation such as elections, decision making, management and supervision into a genuine empowering system that puts people in the driving seat. Chinese experience has proved the effectivity of this new type of democratic system. China's white paper on democracy puts it aptly when it says; "China's whole-process people's democracy integrates process-oriented

⁴⁵ "Study, Disseminate and Implement the Guiding Principles of the 18th CPC National Congress *," Quishi, November 17, 2012, http://en.qstheory.cn/2020-08/11/c_607577.htm.

⁴⁶ "Study, Disseminate and Implement the Guiding Principles of the 18th CPC National Congress *," Quishi, November 17, 2012, http://en.qstheory.cn/2020-08/11/c_607577.htm.




democracy with results-oriented democracy, procedural democracy with substantive democracy, direct democracy with indirect democracy, and people's democracy with the will of the state.”⁴⁸ As one can see it goes far beyond the mere token participation of the people that keeps the serious problems of monstrous social disparity and racial and gender discrimination keep festering for centuries. Because of this genuine empowerment, the people in China are able to prioritize the solution to their problems. It's because of their organic link with the system that the people give full ownership to the system. That is the source of the strength of the new system. Xi Jinping is on the dot when he defines the new system, “whole-process people's democracy “as” the broadest, most genuine and most effective democracy to safeguard the fundamental interests of the people.”⁴⁹ Having a solid base in development, modernization, and opening up of the consistently growing Chinese economy, the whole-process people's democracy has successfully avoided the vicious cycles of regression, degeneration, and decline experienced by the western democracy. The synchronization between socioeconomic development and advancement of the whole process of democracy has guaranteed continuous forward movement and stability.

Since the whole-process people's democracy is the product of socio-historical development of China and it is refined by the collective wisdom of the Chinese people, it has successfully tackled the difficult question of synthesizing tradition with modernity. This is an issue that has polarised many societies in Asia and Africa derailing their smooth progress of wholesome development. But under the leadership of CPC, the Chinese people have learned every necessary lesson from Chinese history and have drawn deeply on the Chinese wisdom and experience in their journey to the future while creatively adopting modern international experience and knowledge. Socialism with Chinese characteristics beautifully and successfully embodies both the indigenous and the universal, the old and the new. Not only that. In the shrinking world of modern communication, the Chinese knowledge and experience is available to other societies and countries as international interest is growing in it. Students from all over the world are studying modern sciences in the Chinese educational institutions and are learning the Chinese language. The popularity of Confucius Institutes and Chinese Cultural Centres in many countries of the world is also solid proof of this phenomenon. But China has made it clear that it respects the experience of other countries in their own particular socio-cultural conditions and is prepared to work with them irrespective of their social and political system. These are not just words. China practically enjoys warm and close relations with countries having diverse sociopolitical systems.

Western capitalism has been facing socioeconomic crises for quite some time. The severe recession in 2008 further deepened the aforementioned crises. Unfortunately, one does not see sustainable recovery from the aforementioned crises. The political superstructure can not remain unaffected by

⁴⁸ Whole-process people's democracy is a high quality democracy, December 11, 2021, https://www.fmprc.gov.cn/eng/wjb_663304/zwig_665342/zwbdt_665378/202112/t20211213_10467431.html.

⁴⁹ Keynote speech by ambassador Zheng Zeguang at the online symposium on the Sixth Plenary Session of the 19th Communist Party of China Central Committee: Build on the great achievements of one hundred years' efforts and embark on a new journey, November 13, 2021, https://www.fmprc.gov.cn/eng/wjb_663304/zwig_665342/zwbdt_665378/202111/t20211124_10452533.html.




the crises in economic structure. That is one of the most important factors in the downward turn of western democracy. As if that wasn't enough, the environmental crisis is deepening the world over. Again the delaying tactics by some western states in adopting effective measures, particularly implementing the Paris agreement on protecting the environment have aggravated the environmental crises. Millions of people on all continents are at the receiving end of what is casually called climate change. All these negative developments have impacted the western political systems. In many cases dormant social, cultural and political contradictions are getting activated. Tall claims about human rights are getting exposed as the downtrodden people are at the receiving end of the social and political burden of crises and there is no media focus on their plight. Class, gender, and racial discrimination are raising their ugly heads creating new challenges to the western model of democracy. The myth of the freedom of media is exposed on daily basis as certain issues regarded as taboo subjects can not be freely discussed in the so-called free western media. The ever-deepening decline of the real values of democracy is not only leading to social and political tensions but in many cases, the menace of violence or the threat of violence is also surfacing in western countries. The discussion about the threat of fascism and white supremacism is becoming part of everyday political discourse in many western countries as all genuine democrats are feeling concerned about these disturbing developments.

The response of different states to COVID-19 isn't merely a reflection of handling a medical or administrative issue. It has a fundamental political dimension in the sense that it also reveals the level of the state's concern about the lives, well-being, and comfort of the citizens. In fact, it does epitomize in a significant way the nature of the state-citizen relationship. In the US, President Trump, apart from politicizing the pandemic, also initially downplayed the threat of the pandemic. But when the US Centre for Disease Control and Prevention realized the danger in late February 2020, it was sidelined. Serious inadequacies were experienced in coordinating isolations and quarantines. Racial and economic inequalities were a real hurdle in combating the pandemic. Consequently, the pandemic death toll in the US was among the highest ones on an international level. Total deaths from Corona between the beginning of January 2020 and May 11, 2022, are 998, 698. Although China was the first country hit by the COVID-19 its robust and centralized epidemic response saved lives swiftly and overcame the first wave. Addressing the UN General Assembly, the Chinese President Xi Jinping appealed to all the nations too, "follow the guidance of science...and launch a joint international response to beat this pandemic."⁵⁰ In September 2020, Mike Ryan, executive director of the WHO Health Emergencies Programme, offered, "deepest congratulations... to the front-line workers in China and the population who worked together tirelessly to bring the disease to this low level."⁵¹ Even professional experts like Gregory Poland, director of the Vaccine Research Group at the Mayo Clinic (Rochester, Minnesota, US) had to say; "The speed of China's response was the crucial factor. They moved very quickly to stop transmission. Other countries, even though

⁵⁰ "Enhance Solidarity' to Fight COVID-19, Chinese President Urges, Also Pledges Carbon Neutrality by 2060 | UN News," United Nations, September 22, 2020, <https://news.un.org/en/story/2020/09/1073052>.

⁵¹ "Senior Who Officials Congratulate China for Covid-19 Control, Yet No Room for Complacency," Xinhua, September 8, 2020, http://www.xinhuanet.com/english/2020-09/08/c_139350082.htm.



they had much longer to prepare for the arrival of the virus, delayed their response and that meant they lost control.”⁵²

While the people-centric socioeconomic development has played a crucial role in developing and consolidating the whole-process people’s democracy, the latter has also given an impetus to economic development as people are motivated to take part in it. Poverty is not part of human destiny and human beings can overcome it. Economic development in China has been structured for the inclusion of the entire population in enjoying its fruits. This was one of the important goals of the foundation of the People’s Republic of China (PRC) in 1949. Plans for economic development have always kept poverty alleviation in its focus. It acquired special attention in the 1990s with the economic development getting accelerated. A series of activities by the PRC, led by the CPC was planned and implemented in the 21st century. The National Conference on Development-driven Poverty Alleviation in 2011 is an example. But the 18th CPC National Congress in 2012 was a critical point in taking ahead this battle. It strengthened the commitment to realize the Chinese Dream of national rejuvenation, complete building a moderately prosperous society in all respects. It could not have been achieved without taking the rural population out of severe poverty till 2021 for the Centenary celebrations of the CPC. Xi Jinping, in his report to the 19th CPC National Congress in 2017 said; “ Ensuring that poor people and poor areas will enter the moderately prosperous society together with the rest of the country is a solemn promise made by our party...We must win the battle against poverty.”⁵³ By the end of 2020, 98.99 million people in rural areas were lifted out of poverty (according to its current threshold). It is worth mentioning that the process of poverty alleviation has been a comprehensive one and it included providing all basic facilities such as education, health, housing, connectivity etc, which are regarded as fundamental rights of all the citizens. Such developments strengthen the whole-process people’s democracy as it creates the enabling environment for and capacity of the citizens to not only elect their representatives to the governing bodies but also for taking part in consultations for running the system and monitoring the performance of their representatives. It is effectively going beyond tokenism toward a substantial democracy in which the citizens shape their own future in the real sense of the term.

Chinese experience of the whole-process people’s democracy has great value for the countries that got independence in 20th century after spending centuries under the colonial yoke. The type of state system and the model of democracy that these newly independent countries have inherited from their former colonizers have severely hindered their capacity for rapid economic development and for consolidating their independence. The experience of the last several decades proves this. They have faced serious challenges in decolonizing their institutions and becoming economically self-sufficient. It goes without saying that the people of aforementioned countries have to make their own

⁵² Talha Burki, “China’s Successful Control of Covid-19,” The Lancet. Infectious diseases (Elsevier Ltd., November 2020), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7544475/>.

⁵³ “Poverty Alleviation: China’s Experience and Contribution - Xinhuanet.com,” XinhuaNet, April 2020, <http://www.xinhuanet.com/english/download/2021-4-6/FullText.pdf>.

historical conditions to be their point of departure and learn from their own sociopolitical experience. But people centric approach for both economic development and building a genuine people's democracy can be useful for them.

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The Contribution of the Global Development Initiative to the World and the China-Pakistan Partnership


Ambassador (Retired) Syed Hasan Javed

Abstract

President Xi Jinping announcing the launch of Global Development Initiative (GDI), at the 76th session of United Nations General Assembly holds great promise for the world. The rapid ascent of the People's Republic of China in the 21st Century to the position of global economic power, is an epoch making development impacting the world in many ways. China is a 'Civilization State' with a written history of five thousand years. **'Until the 15th Century, the European progress in many fields was dependent on transfers of technology from Asia or the Arab World.'** (1) *Madisson*. For the international community, understanding of China's rise is key to understanding the future of the world. Firstly, China rose to global position through harnessing its social capital and soft power, with no parallel in history. Secondly, the success of China's hybrid model of development combining socialist theory with market economy, meritocracy and **'Chinese characteristics'**, necessitates a reconstruct and fresh look at the economic development theories dished out by the Western Universities and Think Tanks. Thirdly, China is dedicated to its own ascent, but also committed the lift the Developing world and the entire humanity. Fourthly, China's rise is unique due to its Asian cultural heritage of sharing its prosperity; for establishing peace and development, balance and harmony. Fifthly, with the ascent to power of President Xi Jinping in 2012, China has demonstrated an active conduct of its foreign relations, with the launch of the Belt and Road Initiative in 2013. Significantly, 34 of the 66 BRI states are Muslim majority. Sixthly, the Chinese developed competitive edge in artificial intelligence, quantum physics, robotics, magnetic and stealth technologies, but also in the domain of ideas of strategy, statecraft and diplomacy. Seventhly, China's successful implementation of its epic initiative of Belt and Road. strategy(BRI) comprising US\$ 1.3 trillion worth of connectivity projects, in extended neighbourhood, of which China Pakistan Economic Corridor is 'flagship project', has encouraged it to move to the next level of global cooperation. Eighthly, the GDI's whole hearted reception by more than a hundred countries, reflects China's growing influence and credibility. China is contributing to one third of global economic growth, helping narrow the gap between the Haves and Have Nots, by making affordable goods and services to the one third of the global poor population. In the following paragraphs, China's international exchanges in areas of UN Sustainable Development Agenda are discussed.

Introduction

Seen in perspective, the United Nations in 2000, launched the United Nations Millennium Declaration, including eight Millennium Development Goals (MDGs) to be achieved by 2015. The MDGs served merely framework to guide international development efforts, and achieved progress on only a few of the 8 goals. For example, by 2015 the extreme poverty rate had already been cut




into half. Other targets achieved include access to safe drinking water, malaria, and gender equality in schooling. The year 2015 marked the year when the United Nations General Assembly adopted a new agenda for development. Former UN Secretary General Ban Ki Moon referred to this as a defining moment in history calling on states to act in solidarity. Succeeding the MDG agenda, 17 Sustainable Development Goals (SDGs) were created, with 169 indicators. UN resolution 70/1 adopted on September 25, 2015, was titled "Transforming our world: the 2030 Agenda for Sustainable Development", solidifying 17 new goals that had been in motion since 2014. The goals came into force in January 2016, focusing on areas of climate change, economic inequality, democracy, poverty, and peacebuilding

China takes the lead in promoting Sustainable Development Cooperation

China's rise as a global economic power, is, however, beginning to have a transformative impact on the economic and development landscape in many parts of the developing world. **‘Overall, the economies of developing countries are more backward than those of developed countries, and per capita income levels are far lower. As a result, developing countries are weaker in their overall abilities, and poverty is far more serious’.** (2) *Kun*. Even before the launching of GDI, the Chinese government had been incrementally promoting the development cooperation in key areas including mitigating the impact of COVID-19, development needs of poor countries, infrastructure development, industrialization, education, skills development, poverty alleviation, food security, digital empowerment, confronting the challenges of environmental degradation and climate change. With China now bankrolling the Sustainable Development Goals, the United Nations community stands to benefit from it in many ways including the proverbial Chinese wisdom, social capital, organization, discipline and adherence to timelines in undertaking projects. In fact, the arrival of the Chinese on the UN development scene is likely to infuse new life into the deadwood of the UN Development Agencies and Organizations who have performed more the role of the foot soldiers of the American empire, intelligence apparatus etc. in perpetuating crisis and conflict zones around the world. It will be therefore interesting to watch as to how the Chinese engagement with the UN Sustainable Development Cooperation evolves. The Chinese should ensure that their commitment to enhanced participation in promoting the UN Sustainable development cooperation, should not be seen as an alternative to the prescribed commitments and programs of the other Developed nations. It is heartening to know that the Secretary General Antonio Guterres has praised the initiative and assured that UN will be contributing to make GDI a success. The UN needs to be at China's back by reforming its organization, selection practices and focus more on professional performance excellence, results, delivery and fair play.

China's Sustainable Development Cooperation---A Success Story

Now we discuss, the themes of GDI and China's position as well as its contribution to international development cooperation. The main forms of Chinese foreign aid are complete projects; goods and materials; technical cooperation and human resources development cooperation; medical teams and volunteers; emergency humanitarian aid; and debt relief (for interest-free loans). China's economic




and development cooperation accelerated considerably since the introduction of the ‘Going out’ policy in the year 2000. **‘China is now one of the world’s 10 largest providers of development assistance, but China’s development assistance is dwarfed by the much larger policy bank lending to developing countries. Official Chinese statistics state that between 2010 and 2012 China appropriated in total USD 14.41 billion for foreign assistance commitments: 56 per cent in concessional loans, 36 per cent in grants and 8 per cent in interest-free loans (State Council, 2014). The John Hopkins School of Advanced International Studies China Africa Research Initiative finds that from 2000 to 2015, the Chinese government, banks and contractors extended USD 94.4 billion worth of commercial and concessional loans to African governments and state-owned enterprises.’ (3) *gsdrc*.**

China’s contribution in global Poverty alleviation

There goes a Chinese saying ‘that those who suffer, only know what suffering is like’. In 1979 China had 89 percent of the population living under US\$2 a day, seventy percent of whom were in rural areas. **‘By subdividing the world into sub-regions, we can compare the effectiveness of poverty alleviation between China and other regions of the world. When measured by the standard of US\$1.25 per person per day, China had the highest poverty rate compared with other regions of the world in 1990, even higher than sub-Saharan Africa’ (4). *Wang*.** China has shown the world, how a Poverty-stricken society can transform itself. China’s role is hence seminal in global poverty alleviation initiatives. China hosts the International Poverty Reduction Center (IPRCC), based in Beijing. It was jointly initiated and established by the Chinese government, the United Nations Development Programme (UNDP) and other international organizations in May 2005. **‘China achieved astounding success in achieving zero absolute poverty level by lifting nearly 800 million people out of absolute poverty (measured at 2010 constant values, or 2.3 U.S. dollars in terms of purchasing power parity per person a day. This standard is higher than the World Bank’s benchmark of 1.9 U.S. dollars per person per day). World Bank data says China contributed to 70 percent of worldwide poverty reduction in the last 40 years by December 2020.’ (5) *scio*.** The IPRCC is hence meant as an enabler platform for knowledge sharing, information exchange and international collaboration in the areas of poverty reduction and development. In 2021, a total of 480 people participated in its exchanges events, of which 44 were vice-ministerial-level officials or above. On Oct. 19, 2021 106 of the case studies that were collected during the second call of the Global Solicitation on Best Poverty Reduction Practices were recognized for their excellence at the 2021 International Seminar on Global Poverty Reduction Partnerships in Beijing.

The IPRCC is actively promoting intellectual exchanges and knowledge sharing as seen only from the sample of some of the major activities in in 2021 including: ‘Seminar on Global Poverty Reduction Partnerships and rural development in post-COVID-19 era; release of best poverty reduction and development practices from China’s Gansu province; International Seminar on Best poverty reduction case studies; Alleviating poverty in SE Asia; Forum to share poverty expertise between China, Latin America and the Caribbean; Forum to share poverty expertise between China,




Latin America, and the Caribbean; China's VNR Report on Implementation of the 2030 Agenda for Sustainable Development. In the year 2020, some of the major international events organized by IPRCC included the Poverty Reduction and Development Forum; the 8th ASEAN+3 Village Leaders Exchange Programme; Workshop on China-Japan-Korea Rural Vitalization Experiences; the 13th ASEAN-China Forum on Social Development and Poverty; 2019 FOCAC Africa-China Poverty Reduction and Development; Poverty reduction cooperation and China-Africa community of shared future; global solicitation on best poverty reduction practices; Conference on China-Africa partnership for poverty reduction held in Uganda'. Globally, people living under poverty line of US\$ 1.90/ is still around 700 million, with COVID-19 jacking up the figure with an additional 100 million out of which 63 percent of the abject poor are from the South Asia. Due to high imprint of the IFIs on economic planning and policies in South Asia, the Chinese successful experience in poverty alleviation, has not received due attention.

China is a major contributor in Global agriculture development and food security initiatives

With a quarter of global grain output from less than ten percent of land, China not only has a rich experience, but also keeps innovating and sharing it with the global community bilaterally as well as under the auspices of Food and Agriculture Organization's South-South Cooperation initiatives established in 1996. **'Since then, China sent more than 1000 experts to 37 countries and has received experts from more than 100 countries. China has signed 150 agriculture cooperation agreements with sixty countries and international organizations including fifty African states.'** (6). *Chinatoday.com* China's cooperation included innovative methods in rice cultivation (hybrid rice Longping), maize, wheat, oilseed, fruits, vegetable, tea, livestock, fish/shrimp farming, etc. China is a major contributor to world food security. It plays an active role in global food security governance. By the end of 2017, China made investment of US\$ 17.33 billion in agriculture projects overseas, with 851 enterprises operating in 100 countries and regions in six continents and employing 134,000 foreign employees. Further, China has signed more than 60 inspection and quarantine protocols for food imports and exports. China has always given priority importance to agricultural development and food security in its cooperation with African countries, implementing 500 projects, as of 2016.

China takes the lead in promoting ecological civilization, environment bio-diversity, curbing pollution and mitigating Climate change

No Country has ever confronted the issues of environment as China faced, but at the same time, no country has done and continues doing more to promote environment protection and control pollution, than China. Environment protection is one of China's basic national policies. China has ratified the Kyoto Protocol. It is now the global leader in producing clean renewable energy, protecting environment diversity, mitigating climate change, curbing pollution. President Xi Jinping's speech during the opening ceremonies of the 21st session of Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21) in December 2015, urged countries to "reject the narrow-minded mentality of a zero-sum game" in favour of win-win cooperation. China is a



signatory to Paris Agreement by 174 countries at the United Nations. President Xi Jinping addressing the 15th Conference of Parties(COP) in Kunming on 12 October, 2021 stated: **‘When we talk about ecology, the most fundamental thing is to pursue harmony between man and nature. Such a philosophy is not only in line with the current trend in the world, but also originates from the cultural tradition of the Chinese nation that has lasted for thousands of years,’.** "If we humanity do not fail nature; nature will not fail us.’. He urged efforts to build a community of all life on Earth. Elizabeth Maruma Mrema, executive secretary of the Convention on Biological Diversity, said that the philosophy of ecological civilization is "critical for all countries to achieve the global biodiversity goals. The Chinese notion of unity of nature and man, we hope, will be a good example for other countries to follow or to emulate," she said. (7) *news*. Ecological civilization was written into China's Constitution in 2018. It was incorporated in the Kunming Declaration, the first time that the Chinese philosophy was incorporated into a political document under the framework of the United Nations (UN) multilateral environmental agreement. China also announced an initiative to establish a Biodiversity Fund and took the lead by investing 1.5 billion yuan (233 million U.S. dollars) to support biodiversity protection in developing countries. This would help resource mobilization drive necessary to meet the annual global biodiversity financing gap.

China sets an example fighting Covid-19 Pandemic, with global community

Being the first country hit by the novel Corona Virus (COVID-19), China set an example as the **‘First Line of Defense’** against the Corona Virus. President Xi Jinping declared the Corona vaccine as global public good. China offered help to 150 countries, 4 international organizations to fight COVID-19. China sent 29 medical expert teams to 27 countries as of May 31,2020. China provided two batches of cash support totalling \$50 million to the World Health Organization (WHO). It also assisted the WHO in purchasing personal protective equipment and establishing reserve centres of supplies in China, and helped its COVID-19 Solidarity Response Fund to raise funds in the country. Local governments, enterprises, non-governmental organizations and individuals in China donated materials. China sent medical supplies to over 50 African countries and the African Union, and dispatched seven medical expert teams to the continent. China's growing exports to 200 countries and regions included more than 70.6 billion masks, 340 million protective suits, 115 million pairs of goggles, 96,700 ventilators, 225 million test kits, and 40.29 million infrared thermometers. China set an example of global humanitarian solidarity, by sending assistance to US and Europe. According to Chinese customs statistics, from March 1 to May 5, China provided more than 6.6 billion masks, 344 million pairs of surgical gloves, 44.09 million sets of protective gowns, 6.75 million pairs of goggles and nearly 7,500 ventilators to 30 states and 55 cities in the US. China also extended valuable support to several countries in Europe such as Italy, Spain, Greece, Hungary, Serbia etc. who were left alone to face the Corona Pandemic, with closing of borders by their European compatriots. The Western media is however full of negative stories on China, day in and day out, reflecting the deep frustrations within the Western intelligentsia and their Indian lackeys over China’s rise as a Global Power. **‘The Chinese government has refuted effectively all the ‘24 Lies’, insinuations and propaganda made by leading US Politicians, Officials with respect to Covid-19, in a 30 Page document**

issued on 9 May, 2020 by the Ministry of Foreign Affairs. China also issued a ‘White Paper on Covid-19’ (8) *fmprc*.

China Pakistan Economic Corridor(CPEC)

If the Belt and Road Initiative is the next wave of globalization, the CPEC provides certainly one of the doors to the new world. The CPEC’s US\$62 billion worth of projects of infrastructure connectivity, power generation, transportation links, ports, cable lines, etc. was conceived as a lynchpin of long term plans by both China and Pakistan, to deepen their economic cooperation to match their level of ‘**all weather strategic partnership**’, China’s first with any country. It also fits neatly into Pakistan’s National Trade Corridor (NTC) Plans of North-South Connectivity. Not only China and Pakistan, but Russia, Central Asia, Afghanistan, Iran, India, Europe and Africa will find the CPEC as an ‘**economic bonanza**’ opening up ‘**new growth points**’ for wealth generation in a recession prone global economy. Due to its multiple inbuilt advantages such as youthful population, resource endowments, strategic location, quality of civil and military institutions, social capital etc. Pakistan is ideally placed to replicate China success story, if only it could launch Reforms emulating China’s best practices and disengage from the IMF template of dependence, debt and despondency. The Global Development Initiative demonstrates China’s enduring commitment to uplifting the fortunes of the Developing world. For the broader Islamic world and Pakistan, the GDI offers the short cut to renaissance and revival. While the BRI has shown the way to success in regional connectivity, the implementation of the first phase of CPEC (2015-2020) amply demonstrates China’s capacity, sincerity and credibility. It is in this context that President Xi Jinping’s launching of the Global Development Initiative, which opens up new opportunities for partnerships, becomes enormously significant.

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South Asian Countries and Chinese Modernisation

Written by Senator Afrasiab Khattak

Chinese modernisation, particularly its latest stage (2012-2023), is a phenomenon of historical significance not only for the Chinese people but also for the people of today's globalised world. Again it is only natural that the importance of Chinese modernisation is more deeply felt in South Asian region being one of the closest Chinese neighbourhood. Over and above the geographical proximity, most of the South Asian countries also have been enjoying relations of trust and friendly cooperation with China from time immemorial. This paper delves deep into the current situation and prospect of modernisation and development of South Asian countries such as Pakistan, Nepal, Bangladesh and Sri Lanka. The paper will also take stock of the views of the aforementioned countries on Chinese modernisation. But before doing that it will be only proper to have a brief look at the characteristics of Chinese modernisation for a better understanding of its relevance for South Asian countries.


China was an underdeveloped country for most part of the 20th century. But the People's Republic of China, with a foundational basis of international solidarity, did not wait for becoming a developed country for starting assisting the countries in need. Chinese aid and assistance was focused mainly on developing countries of the third world. 60 developing countries in different parts of the world received Chinese aid by 1980 (Baidya, 1984). The new stage of Chinese modernisation under the leadership of the Communist Party of China (CPC), starting with reforms and opening in the last twenty plus years of the 20th century, put China on the path of rapid development. The process was further accelerated in the 21st century and led to social and economic development without a precedent in human history. As World Bank Group President Jim Yong Kim remarked; "China has increased its per capita income 25-fold, and more than 800 million Chinese people lifted themselves out of poverty as a result-more than 70 percent of the poverty reduction in the World." (World Bank Group President Jim Yong Kim's Remarks at the International Forum on China's Reform and Opening Up and Poverty Reduction). These impressive achievements became possible only because the CPC discovered and developed the path of socialism with Chinese characteristics which is the integration of the theory of socialism with the theories of social development of Chinese history. Its essence was derived from the painstaking efforts and experience of several generations of CPC and the Chinese people. The political report to the 18th National Congress of the CPC in 2012 can be regarded a historical blueprint defining the objectives of the latest stage of building a moderately prosperous society, deepening socialist modernisation and making more victories possible in the new historical era by sticking to the course of socialism with Chinese characteristics.

At the tail end of the first quarter of the 21st century, our world is globalised and no country lives in isolation. Our world is growingly becoming interdependent. Therefore more than ever before, socioeconomic development and modernisation are, apart from being a common cause, also interconnected processes with impact for all countries of the world. For this reason the need for



greater regional and international cooperation in the process of socioeconomic development has become an imperative. If we look around us, some developing countries have faced polarisations and social instability in their emergence from traditional societies to be modernised. While it is only natural that countries and nations learn from the experience of the other countries and nations, they must not forget to build on the socio historical realities of their own countries. Providing wholesome leadership to China in its transition, the CPC was able to provide the right kind of synthesis between general patterns and the particular Chinese conditions in building all round modernisation. As President Xi Jinping explains; “ In pursuing modernisation, a country needs to follow general patterns. More importantly, it should proceed from its own realities and develop its own features. After a long and arduous quest, the Communist Part of China has led the entire Chinese nation in finding a development path that suits Chinese conditions. We are now building a strong country and advancing rejuvenation on all fronts through a Chinese path to modernisation.” (President Xi Jinping’s message to Lanting Forum on Chinese Modernisation and the World). The distinguishing feature of Chinese modernisation is the principle of common prosperity. It includes building the largest education system, health care system and social security system. CPC General Secretary Xi Jinping’s popular quote, “the country is the people, and the people is the country” beautifully sums it up. The principle of common prosperity of Chinese modernisation is equally relevant to modernisation on regional and international scale as it is the most important guarantee of the inclusive development on every level. Equally significant are the several other characteristics of Chinese modernisation such as the Global Development Initiative (GDI) and the Global Security Initiative (GSI), apart from its strong bond with peace and its commitment to promoting harmony between humanity and nature. The above mentioned characteristics makes Chinese modernisation very much relevant to international development and particularly to the modernisation of the neighbouring countries.

China has had a long and deep relations with South Asia because of its close geographical and historical relations with the region. There is rich history of economic and cultural links between China and the countries of South Asia from the days of the ancient silk route. Traders and travellers used the Silk route for centuries, founding a long-term relationships. Buddhism spread to China from South Asian region and added to the already existing relations of trade and commerce. In modern times trade links between China and East Asian countries developed on a large scale quite early, but the difficult geographical conditions and the presence of western colonialism hindered and delayed the realisation of the full potential of economic cooperation and exchange between China and South Asian countries. Although there were certain trade links between China and the Asian countries ruled by western colonies but those links had a different agenda, mainly focused on interest of the imperialist powers. It was only after the departure of western colonialism from the region that conducive conditions gradually emerged for forging robust political relations and economic cooperation among the countries of the region. The positive impact of Chinese development and modernisation on South Asia has been felt specially after the Chinese policy of opening up and reforms in 1978. “China’s economic role in South Asia will be beneficial for the progress and consistency of South Asian region. China’s massive economic growth will give much space to South




Asian goods in Chinese market. Currently China is making a fast development in terms of economy, which is favouring its neighbours as well as relies on them. Due to two reasons, South Asia is important for China. At first, China wants peace within states along the border. Secondly, China's interaction with neighbouring states is necessary in order to enhance trade"("Dimensions on Nepal-China Economic Relations: Present Status and Future Prospects", by Bama Dev Sigdel, APAC Report).

PAKISTAN


Pakistan was the third non-Communist country and the first Muslim country to recognise the People's Republic of China in 1950 and diplomatic relations between the two neighbouring countries were established in May 1951. Bilateral relations gradually developed as leaders paid visits to each other for promoting friendship. Pakistan became a bridge for building friendship between China and the Muslim countries. In 1963 Pakistan and China concluded boundary agreement through peaceful negotiations paving the ground for building relations of trust. Agreement for cultural cooperation was signed in 1965. In 1970 Pakistan facilitated the first visit by US President Nixon to China leading to China-US rapprochement. In 1978 the Karakoram Highway, which is regarded a construction miracle was completed. It connected northern Pakistan with western China. With beginning of the era of opening up and reforms in China, relations with Pakistan saw expansion in education, culture, defence and defence production and almost every year after that saw high level state visits, signing of new agreements or some other development in the bilateral relations. Pakistanis were bound to pay attention to the historical transformation of China in their neighbourhood. As Syed Hasan Javed, a Pakistan Foreign Office officer writes; "What made write this essay in the first place is because I felt that for the first time in human history, a great global Power is rising, using its soft power, instead of conflicts and wars. Something 'extraordinary' has taken place just right in our neighbourhood, i. e. the rise and emergence of our trusted friend i. e. the People's Republic of China as a great global power." (Chinese Soft Power Code, by Sayed Hasan Javed. p 13).

But the 2013 is distinguished by recording five landmark developments in China-Pakistan relations. At the end of Premier Li Keqiang's Islamabad visit in March 2013, both the countries issued a Joint Statement on Deepening Comprehensive Strategic Cooperations. Pakistan and China signed the landmark Memorandum of Understanding on Cooperation for the Long-term Plan on China-Pakistan Economic Corridor (CPEC). Pakistan awarded a contract for construction of Gwadar Port to China. Prime Minister Mohammed Nawaz Sharif visited China and both sides agreed to Common Vision for Deepening China-Pakistan Strategic Cooperative Partnership in the New Era. Both countries signed Memorandum of Understanding on the Cooperation of Developing China-Pakistan Economic Corridor Long-Term Plan and Action. (mofa.gov.pk). On April 20, 2015 Chinese President and General Secretary CPC visited Pakistan to discuss the deepening relations of his with Pakistani on the highest level. It was indeed a new stage in the historical friendship between the two countries. CPEC added solid economic dimension to the political and strategic relations between China and Pakistan widening it to historical proportions.



China-Pakistan Economic Corridor (CPEC), formally announced in 2013 was to link the Gwadar port located in the southwestern part of Pakistan with the historical city of Kashghar in northwest China's Xinjiang Uygur Autonomous Region through building massive highways and railway lines. CPEC is more than a corridor that connects the two countries in many ways. Apart from connectivity it also highlights energy, transport and industrial cooperation. "Aimed primarily at harnessing Pakistan's important geo-strategic location into geo-economic gains through improved regional and economic integration, CPEC encompassed a full spectrum of projects ranging from physical and digital connectivity to power generation and promotion of industrialisation through Special Economic Zones. After extensive research and consultations and deliberations between representatives of Governments of China and Pakistan, a comprehensive portfolio of projects was identified for implementation under the early harvest phase (2018), short term projects (2020), medium term phase (2025), and long-term phase (2030)." (Minister of Planning Ahsan Iqbal, "Reviving CPEC: road to prosperity", daily the News, November 2, 2022). Work on building the CPEC developed with a zeal from 2013 to 2018 before the political instability in Pakistan slowed it down. Prominent in the early phase, power generation was a priority for Pakistan because of the crises situation due to severe power shortage. Till 2018 5,000 MW power had been received in the national grid and 2500 MW was about to be completed. CPEC also includes large scale infrastructure projects important for the development of Pakistan. Motorways and highways crucial for internal connectivity and international trade are part of these projects. Six of these major projects were either fully completed by the end of 2018 or were about to complete. Investment made in the aforementioned mega projects was approximately \$ 22-23 billion. This huge Chinese investment not only gave a boost to Pakistan's development in power, digital and physical infrastructure but it encouraged investment from other countries in Pakistan.

After 2021 fresh efforts for revival of CPEC have been underway. China and Pakistan have also agreed to expand cooperation to new areas. Facing climate is a crucial challenge for Pakistan and it can learn from China's experience in this field. Management of water resources has acquired critical significance for Pakistan and work is underway on completing old projects and initiating new ones in this area. Cooperation is being expanded to areas such as agriculture and mining. Revival of work on CPEC also includes deepening cooperation on industrial development. Priority is given to accelerate work on Special Economic Zones (SEZs) and particular attention is being paid to develop institutional linkages between Pakistani and Chinese SEZs. On April 10, 2023 representatives of the government of China and Pakistan in a meeting in Islamabad took stock of the development in this area; "both sides expressed satisfaction on progress made in the four SEZs namely Rashakai, Allama Iqbal Industrial City, Dhabeji and Boston SZE and agreed to further expedite the progress so as to attract relocation of high quality industries. Signing of Framework Agreement for Industrial Cooperation was highly appreciated and both sides committed to hold bi-annual meetings to review the implementation of framework" (A Follow Up Review Meeting To Discuss Important CPEC Projects And Minuets of 11th Review Meeting in CPEC Secretariat).




As mentioned earlier the power projects completed in the CPEC frame work are of great value in fulfilling the country's needs in power sector. One of the latest example of development on this front is the China-built Karot Hydropower Project located on Jehlum River in the Punjab Province of Pakistan that was inaugurated on June 17, 2023. Karat Hydropower Project has the capacity of 3.2 billion kilowatt hours clean electricity. It's going to annually save about 1.4 million tons of standard coal and reduce carbon emissions by 3.5 million tons. In addition it has the potential of providing direct and indirect employment to 5000 local people. Evaluating Chinese assistance in developing power sector and infrastructure in Pakistan Senator Asad Ali Junejo, member Senate's Power Committee said; "Pakistan was facing a severe energy shortage back in 2013 to 2014, and it was not easy to satisfy the needs of millions of people in short time, in our challenging situation. China came to our help as a trusted friend, not only helping the country to overcome the energy crises by producing thousands of megawatts of electricity, but also also contributing to building road infrastructure, giving impetus to socio-economic development." (GTN June 19, 2023. [CGTN.com](https://www.cgtn.com)). Speaking on the same subject Senator Sabir Shah, Chairmen Senate's Water Resources Committee says; "Adhering to the concept of building a community with shared future for mankind China, through its people-centric BRI, has been bringing benefits to people in many countries, specially to developing countries like Pakistan." (GTN June 19, 2023. [CGTN.com](https://www.cgtn.com)).

NEPAL


China and Nepal are close neighbours with a long history of multiple relations. Buddhist monks from both sides visited each other's countries. There is record of such visits from 5th Century AD. Among others the names of a Chinese monk Fa Xian and a Nepalese monk Buddhahadra are well known. But monks were not the only ones traveling across the borders of that time as the Embassy of Nepal in Beijing, China has pointed out; "Nepal and China's spiritual connections and friendly contacts were not only linked by the religious attachments but also widened by explorations, matrimonial ties and cultural exchanges in following the early 5th century Buddha Bhadra-Fa Xian period (Embassy of Nepal Beijing, China, May 2022). Because of geographical proximity it was only natural for Nepal to have close relations with Tibet which also constituted an important dimension of China-Nepal relations. Dynasties and monarchies in the two countries maintained relations across the borders over the centuries. The departure of British colonialism from South Asia in August 1947 and the establishment of People's Republic of China in October 1949 created conducive conditions for establishing robust relations between the independent countries of the region. But India tried to keep Nepal under its shadow and created obstacles in the formation of direct diplomatic relations between China and Nepal. Chinese Premier Zhou Enlai, addressing National People's Congress publicly made an offer to Nepal about the establishment of diplomatic relations in 1954. In 1955 the two countries finally established formal diplomatic relations.

On March 21, 1960, by signing of the Sino-Nepal boundary agreement, the two countries were able to overcome confusions of the past about their 1414 kilometre long border which paved ground for signing of Sino-Nepalese Treaty of Peace and Friendship on April 28, 1960. This development not



only heralded a new era of trust and friendship between China and Nepal but it also helped Nepal to consolidate its freedom and rationalise its “special relations” with India in 1969. Actually the Indo-British empire controlled Nepal’s international relations and India wanted to continue that practice after the departure of Britishers. But finally in 1969 Nepal was able to convince India to respect Nepalese freedom although Nepal has always been conscious about maintaining a balance in its relations with its southern neighbour India and northern neighbour China. In 1960s and early 1970s China started giving technical and financial assistance to Nepal in building factories, roads and highways. Signing of an agreement for constructing Pokhara-Surkhet Highway (400 km) in 1972, at the cost of 800 million RMBs is a good example (Dimensions On Nepal-China Economic Relations: Present Status and Future Prospects, by Dr. Bama Dev Sigdel, p, 11). In 1970s and 1980s the relationship got a boost with high level visits by Chinese and Nepalis leaders to each other’s countries. During the China visit by the Nepalis King Birendra Bir Bikram Shah, China promised to build a textile mill in Hetauda. Of special significance was the Nepal visit by Chinese paramount leader Deng Xiaoping in 1978. Addressing a civil reception Deng said, “ We are happy to know that the relations amongst the South Asian countries have gradually improved and as a close neighbour of South Asia, we earnestly hope that these countries will live in amity on the basis of five principles of peaceful co-existence” (The Rising Nepal, 1978). The deepening of the relations continued with high level visits to Nepal by Premier Zhao Ziang and President Li Xiannian of China in 1981 and 1984. “ From the mid 1980s, the Chinese government has been pledging grant assistance to the government of Nepal under the Economic and Technological Cooperation Program in order to implement mutually acceptable development projects. Chinese assistance to Nepal falls under three categories: Grants (aid gratis), interest free loans and concessional loans. The Chinese financial and technical assistance to Nepal has greatly contributed to Nepal’s development efforts in the areas of infrastructure building, industrialisation process, human resources development, health, education, water resources, sports and the likes” (Embassy of Nepal Beijing, China, May 2022).

Nepal formally became part of BRI process on May 12, 2017 by taking decision to build nine major projects with Chinese assistance. The list included the construction of three important roads, one major power transmission line, two power projects and one railway line. In the beginning of 2019, nine more projects were added to the list; “these included setting up a technical institution in Nepal, building highways, tunnels, and hydroelectricity dams as well as conducting a feasibility assessment for a trans-Himalayan railway that would connect Jilong/Keyrung, a Chinese port of entry, with Kathmandu. This enhances the significance of the project which will direct to more prosperous China-Nepal relations” (Nepal-China Relations and Belt and Road Initiative, (Syed Raiyan Amir, East Asia, January 23, 2023). Bilateral relations between the two countries are growing in many more spheres. According to Kathmandu Protocol, Nepal will avail the facility of transit trade with other countries through China; “Under BRI and the Trans-Himalayan Connectivity Network, which will transform Nepal from a landlocked country to a land-linked one, there are multiple roads, sea and corridor networks throughout the world. It will boost the relationship to a great extent while there will be a surge in the arena of export and import” (Syed Raiyan Amir, East Asia, January 23, 2023). China will help in exploring gas and oil in Nepal. Nepal’s tourist industry is growing fast as six




Chinese airlines offer regular flights to Nepal. Nepal has also allowed China to have access to 16 Himalayan regions bordering China for developmental work aimed at fighting poverty. And the list goes on and on.

BANGLADESH

Bangladesh is a new country born in December 1971. China could establish formal bilateral relationship with Bangladesh only in 1975 because in the context of geopolitics of that time, China sided with Pakistan, a close ally of China, during the liberation war of Bangladesh in 1971. The relations took some time to smoothen. But with the passage of time three factors brought Bangladesh closer to China. One, Bangladesh starting worrying about what it perceived the hegemonic designs of India, a close friend in the past and the main supporter of Bangladesh in its liberation war. Two, the Chinese policy of non-interference in the internal politics of Bangladesh made China popular among the people of Bangladesh. This Chinese policy was particularly impressive when compared with India, a big neighbour that surrounds Bangladesh from three sides. Three, the ever growing economic cooperation between the two countries that has proved helpful in the economic development of Bangladesh. For example, China is now the top trading partner of Bangladesh (The Financial Express, March 16, 2019). and 97 percent of Bangladeshi products gain duty-free access in Chinese markets (Dhaka Tribune, June 19, 2020). The bilateral relationship is based now on sound and stable basis finding important points of convergence as pointed out by President Xi Jinping in his congratulation message on the 50th anniversary of the independence of Bangladesh; “As China and Bangladesh are both at a crucial stage of national development, the Chinese Dream of national rejuvenation and the dream of Sonar Bangla (golden Bangla) are interconnected, and the pragmatic cooperation between the two countries has delivered tangible benefits to the two people” (Embassy of the People’s Republic of China in Jamaica, March 17, 2021).

The major infrastructure projects built with Chinese assistance are the basis of cooperation between the two countries. Eight bridges, named as Bangladesh-China Friendship Bridges and completed since 1986, have played a crucial role in development of transportation in Bangladesh. The 172-kilometres long Padma Bridge Rail Link Project, started in 2017 is a monument to Bangladesh-China friendship apart from being the largest project being built under the Belt and Road Initiative. The 6.15 kilometres long Padma bridge, the longest bridge of Bangladesh was opened for traffic in June 2022. The entire project of the rail link is expected to be completed in 2024 with the cost of 3.2 billion dollars. The money is coming from Chinese concessional loan. “The rail link, which passes through the Padma Bridge, is a vital channel that connects the trans-Asian railway network, and it is expected to greatly promote regional connectivity and the economic development of Bangladesh” (Global Times, November 24, 2022).

Cooperation between China and Bangladesh has also brought development in power sector. The completion of power plants such as Gulashao, 365MW, Payara 1, 320MW, S Alam 1320MW.




Patuakhali 1320MW and Barishal 350MW have given boost to power resources in Bangladesh. High tech is yet another area where bilateral cooperation has given results for Bangladesh's development. Chinese government's concessional loans have funded the establishment of IV The National Data Centre which is the most advanced data centre of South and South East Asia. "Installation of Single Point Mooring with Double Pipelines Project will directly import crude oil from ocean ships into Chittagong Refinery by means of undersea pipelines, saving crude oil transportation cost and crude oil loss of about 500-800 dollars annually. Power Grid Network Strengthening Project under PGCB, Expansion and Strengthening of Power System Network under DPDC Area, will realize the intelligent operation of power grid in Bangladesh (Liu Zhenhua, The Business Standard, 30.09.2020).

The dynamism of Bangladesh's economy has encouraged and attracted Chinese investors. China's FDI stock in Bangladesh has risen from 70 million dollars in 2011 to 833 million dollars in 2019, according to the data of Bangladesh Bank. The rise of China's investment is not confined to just to its quantity but it has also shifted to higher quality. Initially the Chinese investment was more focused on light industries such as garments, shoes and hats from where it went up to to major power and infrastructure projects. It has also moved on to Bangladesh's automotive industries, mobile payment and finance. The bilateral trade volume that was initially a paltry 3.6 million dollars as reached 18.3 billion dollars in 2019. China is now Bangladesh's largest trading partner while Bangladesh has become China's second largest trading partner in South Asia. In order to address the issue of alleviating the trade imbalance China has preferential tax rate Bangladesh's export items from zero to 97 percent from July 1, 2020. It is reducing trade deficit of Bangladesh and the journey of cooperation and development goes on.

SRI LANKA

The China-Sri Lanka relationship can also be traced back to the 1st and 2nd century AD when Sri Lankan port of Trincomalee had attracted the attention of seafarers for traveling between east and the west and the Chinese traders and travellers found their way to Sri Lanka. (University of Ceylon, Vol 1 Part 1, pp 89). Sri Lanka had a significant place in the historical Silk Road connecting China with Europe. By 5th and 6th centuries the relationship had further strengthened when people in both countries developed cultural relations based on common Buddhist religious values along with the trade relations. (University of Ceylon, History of Ceylon, pp 302-383). After the fall of Mongol Empire in the 14th century when the Silk Road on land faced problems, China increased its focus on on maritime trade which went through Sri Lanka. In fact Sri Lanka was an emporium for the traders from the east and the west for exchange of wares. It was only with the ingress of western colonialism after 16th century that these relations were interrupted.


Sri Lanka is another important country which got independence after the end of British colonialism in 1947. Sri Lanka became an Independent country in 1948. Again like Pakistan, Sri Lanka also



recognised the People's Republic of China in 1950, soon after its emergence. Formal diplomatic relations were established between the two countries in February 1957. Both countries enjoyed normal friendly relations and entered into bilateral trade relations even before establishing formal diplomatic relations. In December 1952 they signed the Rubber/Rice Pact. (Thupphi's Blog 2020, thupphis.com). Until 1982 this pact was renewed on five yearly basis. This pact is regarded significant in establishing mutual trust as based on this pact the price offered by China for rubber was 40 percent higher than the market price and the price charged by Sri Lanka for rice was lesser than a third of its market value. In 1972 the China visit of the then Sri Lankan Prime Minister Sirimavo Bandaranaike is also regarded as a milestone in promoting bilateral relations as it led to rise in the value of Chinese bilateral aid packages. 1981 saw the foundation of Sri Lanka-China Society for promoting mutual relations. It was followed by Sino Lanka Trade Committee in 1982. But the bilateral relations acquired a new strength and quality after signing 'China-Sri Lanka All-Round Cooperation Partnership of Sincere Mutual Support and Ever-Lasting Friendship' agreement in 2005." The agreement opened new avenues of cooperation in socioeconomic development and build on the already existing friendship. This positive development can be gauged by the substantial increase in the trade between the two sides. By 2010 the volume of trade between China and Sri Lanka reached 2.1 billion dollars. "In 2013, bilateral trade between China and Sri Lanka reached US dollars 3.621 billion, up by 14.3% year on year. (China and Sri Lanka, Ministry of Foreign Affairs of People's Republic of China).

As we know, in the BRI, 'the Belt' is to connect China with Europe overland through Central Asia and the '21st Century Maritime Silk Road' is meant to link China to South East Asia, the Middle East, East Africa, moving on to Europe along the Mediterranean, all the way to the Indian, Atlantic and Pacific Ocean. Being in close neighbourhood of China, Southeast Asia and South Asia are expected to be the main beneficiaries in terms of infrastructure development and overall socioeconomic development. (Deloitte, 2018, Embracing the BRI Ecosystem in 2018). Following are worth mentioning among major BRI development projects in Sri Lanka; 1: Colombo International Finance City (CIFC) is meant to build a new city and financial centre along the coastline of Colombo. Its first phase has been started with 1.4 billion dollars investment and it will be completed by 2030. (Ministry of National Policies and Economic Affairs, 2017). 2: Hambantota Port and Adjoining Industrial Estate; it is a secondary port located at the coastal town of Hambantota built for sharing the burden of Colombo port. Its master plan includes the building of industrial park for installing a variety of industry. (Nikkei, G. Y and Palma, S. (2018). 3: Colombo Port Expansion; the Colombo International Container Terminal is a joint venture of China and Sri Lanka. It was started in 2011 for solving the capacity problem of the Sri Lanka's main hub for freight (Bloomberg, 2013). 4: Mattala Rajapaksa International Airport (MRIA); It is the second international air port of the country which was opened in March 2013 with the cost of 209 million US dollars.

Apart from the completion of major infrastructure projects in Sri Lanka the BRI banner has also got some trade agreement under it. China has become the second largest trade partner of Sri Lanka. The FTAs (Free Trade Agreements) are expected to further boost trade between the two countries. The



internal and international connectivity can help Sri Lanka to realise its potential for becoming a trade hub in the Indian Ocean. As Prime Minister Wickremesinge of Sri Lanka remarked in OBOR's Leaders Round Table; "The Belt and Road Initiative will provide the much-needed hard and soft connectivity in the Indian Ocean region required for rapid economic and social development." (World Socialist Website, wows.org , May 25, 2017).

Sri Lanka's economic development and political stability faced challenges between 2019 and 2022 due to mishandling certain policies like tax cuts, myopic agricultural strategy, fuel shortages and money creation. The situation further deteriorated because of the 2019 Easter bombing and the impact of Covid-19. The country also faced external pressure from regional and international powers opposed to the country's growing economic relations with China. In the second week of May 2022, Sri Lanka's Prime Minister Mahinda Rajapaksa had to resign after political instability. Since then the country is focused on recovery strategies under acting President Ranil Wickremesinghe.

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