

THE CHINA LETTER

A Look at Chinese Identity

The year 2013 marked the 60th anniversary of China's “五年计划,” *wunian jihua*, Five-Year Plan (FYP).

Put into effect in 1953 and modeled after Stalin's Soviet Five-Year Plan, Chairman Mao Zedong's FYP meant to provide a trajectory in five-year blocks charting China's surge into modernity. Now we are two years into China's most recent FYP, the 12th, and former President Hu Jintao has responded to the global climate by aiming China down a different channel. Although this new political tack ostensibly reacts to the economic pressures building in China's system, the course correction also reflects a long term ideological awareness unique to China's leadership.

On its 60th anniversary, examining the progress of the FYP offers a time-lapse view of China's whipping progress.

By tracing the arc of the FYPs, three clear epochs emerge from the last sixty years: Mao's China, Deng's China, and the third epoch beginning right now.

This first dispatch briefly explains what those epochs are, what they mean, and why you should care.

The First Epoch is Mao's China

Mao's first two FYPs were leveled at launching China into the future. For one of the first times in history, China found itself enfeebled by its commitment to its own culture and refusal to

enjoin foreign progress. The rest of the world had surged ahead and Chairman Mao aimed to revivify what had been dubbed “the sick man of Asia.” His method was an inclusive growth model.

China would lift itself out of its illness, select and administer its own medicine, and resuscitate possessing the strength of the major first-world powers of the time.

Chairman Mao went about curing China's illness—mainly its anachronisms—in a sweeping countrywide effort fueled by the collective will of the people.

The Second FYP provisioned China's Great Leap Forward, where Mao asked his agrarian-peasant citizenry to gather their rakes, pots, and pans and smelt steel. He also created the commune system and established crop yield quotas, divvying up China's provinces into small production blocks with shared workloads and goals. The steel smelting failed because agrarian-peasant citizens don't know how to smelt steel. The crop yield quotas failed because the Chinese people tried to smelt anyway, and so they lost their rakes, hoes, plows, and capable hands and so couldn't tend farm. Worse, they inflated their yields to please Beijing. Beijing then took a crop portion proportionate to the reported yield, and the commune starved. If the goal was to synchronize a countrywide effort, these FYPs were remarkably successful. But the goal was to modernize, and so these FYPs failed.

One of a series of occasional letters from The Dilenschneider Group about Chinese culture. This was prepared by Zak Dychtwald, a recent Columbia University graduate currently residing in Chengdu, Sichuan where he is writing a book about China's new youth generation titled Jiu Ling Hou (Born After 1990).

However, Mao's China was consistent with historical China, and historical China is a nation of walls. One of the more astounding aspects of China's history is the length it underwent to build a symbol. The Great Wall of China, constructed and conjoined between 800-200 B.C., has done very little in the way of protecting China from attack. Rather, it stands as an emblem of China's historic foreign policy: "Stay Out."

Even during this millennium's thriving trade era for China, when Europeans became highly dependent on Chinese goods, they famously would not allow any foreign products in exchange for their own, allowing only gold and silver bullion to pass into Mainland. The Opium Wars, 1839 to 1842 and 1856 to 1860, were sparked partly by the British Empire's effort to tip the trade imbalance caused by their dependencies on Chinese goods (read: tea) by introducing a product to replace the hard currency weighing down their ships and schooners. China has long preserved a pride in its own culture and a distrust of outside influence. Until these last two centuries, this position worked just fine.

Through Mao's FYPs, China's symbolic walls were kept erect. The Chairman even kept much of Guangdong province—now home to two of China's economic "wonder cities," Guangzhou and Shenzhen—empty and undeveloped as an incubation zone between his Communist China and England's capitalist Hong Kong. Mao drafted his FYPs as an extension of a long-standing tradition of self-sufficiency. Most feel he failed in bringing China into the modern world, ending with the intellectuals needed to prop up the movement banished to the countryside for "re-education" through hard labor.

The Second Epoch—Deng's China

In 1980, the 6th FYP brought with it the Open Door Policy and thrust China into the international economy. Under the guidance of the Paramount Leader of the Communist Party, Deng Xiaoping, China became "literally a textbook example of export-led growth." The national GDP double digit growth rates are well known and some are especially eye-opening. Mao's incubation zone in Guangdong was transformed into a Special Economic Zone, punctuated by Deng's trip south to plant a baiyang tree, symbolic of an intention to make the area flourish. What had been a smattering of fishing villages turned into modern Shenzhen, with an average annual GDP growth rate of 28 percent from 1980-2008.

The running joke goes that Shenzhen University doesn't have a history department; it is a city with no past. Deng's China jumped out of the sick bed running full-speed.

Mao's China and Deng's China relied on near-opposite sources of strength to modernize. The first relied on internal strength, the second external strength.

It is this Second Epoch that created today's China, but Deng's China also marks China's radical departure from its time-forged cultural identity as a standalone power. Deng famously extolled "It doesn't matter if the cat is white or black so long as it catches mice." Identity became less important. It didn't matter if the cat was white, black, red, or otherwise. Deng wanted mice and, with his foreign-dependent model for growth, he caught them.

The Third Epoch of China—Former President Hu Jintao

Hu unveiled the central tenet of China's 12th FYP, what he termed “包容性增长,” *baoruoxing zengzhang*, or “inclusive growth.” Inclusive growth is most easily defined as growth geared towards the Chinese people, pursuing a system that the citizenry can both contribute to and benefit from. Hu heralded China's arc back towards its traditional hard-line identity as a self-powered, self-sufficient nation.

Introducing the 12th FYP, Ambassador Liu Xiaoming unveiled the government's plan to deliberately reduce China's economic growth rate to 7 percent per annum, remarking, “This slower quantitative growth will make more room for higher qualitative growth.”

The five main goals of the 12th FYP are an easy summary of the weaknesses that arose as China whipped through these last three decades:

- Develop China's western regions;
- Protect the environment and improve energy efficiency;
- Continue transitioning to an economy driven by domestic consumption instead of exports;
- Improve the lives of Chinese citizens through education and health reform;
- Develop seven “strategic emerging industries” with a heavy emphasis on the globally relevant and profitable biotech and green-tech industries.

The 12th FYP provides for an intentional slowdown of China's economy to fix the cracks that developed through building fast and high.

Bottom line: China has planned three major course-corrections, each in neat thirty-year

increments. The first course-correction came with the 1st FYP and at a high price. Mao's China failed painfully in modernizing but succeeded in building on nationalism and identity.

The second course-correction came with the 6th FYP and also at a high price. Deng's China succeeded in modernizing but failed in a different way, by sacrificing China's identity by using foreigners to fuel development. A nation with a proud history of rejecting foreign help, invention, and intervention opened their gates to outsiders. The modernizing factors—money, management, technology—were brought in from outside and the strong Chinese population did most of the heavy lifting. But over thirty years, China learned the tricks of modernity through hard work and great teachers: The foreigners who had come in to China to exploit the cheap labor.

The Third Epoch is marked by the third course-correction and brings the 12th FYP, represented by “inclusive growth” and movement back towards China's traditionally linear identity. Now that they've caught up they want to slow down, pause, and rethink what China looks like as a modern power.

Are the last thirty years indicative of what the next thirty will look like, bringing with them a new Chinese identity of openness towards foreign involvement? Time will tell. But perhaps the last thirty years were just a hiccup in China's long history, a fast solution to China's lack of modern know-how, and after its success they will try re-create their modern identity in the image of the old.

What is clear now is that, as can be seen through the progression of China's Five-Year Plans, China has yet again course-corrected and charted a new path to guide its powerful step.

