

Editor's note: *Many people from overseas have made contributions to China's development over the years. As China celebrates the 100th anniversary of the founding of the Communist Party of China, China Daily looks at the lives and contributions of these foreign friends from afar, who've not only witnessed but also participated in the country's transformation over the years.*



Some years ago, when renowned China expert Robert Lawrence Kuhn posed a question to a senior provincial official about the living conditions of residents during a fact-finding trip tracking the country's development, the answer proved unforgettable.

"He had on the tip of his tongue the specific percentage of people in his province who were not drinking clean water at the time. It was down to the 10th of a percent and he knew the specific county where those people lived," Kuhn says.

"This exemplifies the high-level professionalism in governance that the Party system has developed."

Kuhn used the anecdote to highlight one of the major factors behind the country's developmental success under the Communist Party of China, which marks its centennial this year.

For more than three decades, with his longtime partner, Adam Zhu, Kuhn himself has worked with China's leaders and advised the Chinese government on the country's development. In December 2018, he was awarded the China Reform Friendship Medal by President Xi Jinping and Chinese leaders on the 40th anniversary of China's reform and opening-up.

Kuhn has written over 30 books on science and philosophy, finance and strategy, as well as on China, and his expertise is widely presented through international media organizations.

The public intellectual, international corporate strategist and investment banker placed China's economic development as the top achievements of the Party-led, science-based system of governance.

"China's development, primarily since the beginning of reform and opening-up in December 1978, is perhaps the most sustained developmental success story of any country on Earth," he says.

"The economic development by itself has lifted hundreds of millions of people out of poverty.

"Although socioeconomic progress is never linear, and there are always setbacks, China's long-term sustained effort reflects the long-term consistency of policy of the Party-led science-based system of governance that characterizes the Chinese system.

"Because the Party's leadership is in perpetuity, built into the Constitution, the system is very different from the one that we're used to in the West," Kuhn says.

"Of course, all political systems have trade-offs, but one benefit of China's Party-led system is that those kinds of programs that require long-term commitment can have long-term commitment. Party leadership can commit to multiple years and even to multiple decades of a policy in order to achieve the result.

"Take China's 'targeted poverty alleviation' campaign, which required about eight years to eradicate all extreme poverty by 2020 — that would go well beyond the mandate of elections in other countries."

Other "massive programs that demand this long-term continuity" include the go-west campaign for less-developed regions to catch up with the country's progress; the South-to-North Water Diversion Project to help plug resource shortages; reform of the healthcare system; and most recently a multi-decade plan for scientific and technological self-sufficiency and leadership, Kuhn says.

"These are some of the big achievements, which reflect China's unique system," he says.

One particular process that China's Party-led, science-based governance system has repeatedly used is prototyping "test cases" — for example, pilot zones, seen notably in the original special economic zones like Shenzhen and Xiamen, Kuhn says.

"These areas were experiments, where you could bring in foreign capital and expertise. You could allow Chinese workers to be paid different wages. You gave concessions.

"But China didn't say: 'Oh, this is a great idea. Let's open up the whole country'. No, that would have been too dangerous. So they built walls, literal walls with barbed wire, because

Party-led progress

A renowned China expert takes stock of factors behind the country's impressive achievements, **Alexis Hooi** reports.



Robert Lawrence Kuhn makes a speech at the Vision China forum in Beijing in January 2018. The US expert was awarded the China Reform Friendship Medal in December 2018. CHEN ZEBING / CHINA DAILY



Robert Lawrence Kuhn (first from right) visits rural Guizhou province to film a documentary about China's poverty alleviation efforts. PROVIDED TO CHINA DAILY



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Robert Lawrence Kuhn, a leading US expert on China

leadership was afraid that if something untoward would happen, it could hurt the whole country," he says. "It took until around 1984 before everybody could conclude that this reform and opening-up policy of the special economic zones was really working, so that then they could open it up broadly. And it is this principle of prototyping, monitoring and modifying that has been used continuously and is an important expression of Party leadership."

In recent years, free trade zones, such as the pilot in Shanghai and now the entirety of Hainan province, show how the principle is being applied across the country through programs that start small and are adequately tested, Kuhn says.

"Each of these programs demand long-term policy commitment, with a willingness to make changes, fine or broad, based on feedback," he says.

Innovation and change

The Party-led system involving effective feedback mechanisms in turn can help fuel innovation and improvement, Kuhn says.

"There is this constant desire to make changes by getting real-time monitoring of results. For example, the Chinese government uses scientific polling to get a sense of what people think. So, even though there are no elections in the Western sense, there's a good deal of feedback from different constituencies. For example, when officials are nominated to new positions, there's often a period of time for feedback from his or her colleagues, subordinates and bosses in an organized way.

"And when new policies are considered, scientific polling assesses

opinions and attitudes of those who would be affected.

"Moreover, the work reports of Party leadership at Party congresses every five years, and the work reports of the government at the National People's Congress each year, reflect a great deal of input and suggestions from all relevant officials, experts and constituencies.

"These work reports are not just something top leadership and their teams put together. No, they are drafted by many teams, and feedback and opinions are solicited from numerous officials and experts; the documents circulate many times during the six to eight months or more of the drafting period," he says.

"These work reports are exceedingly important in the Chinese system; for the government, they assess the achievements of the past year and set the plan for the next year; for the Party, it's the past five years and next five years, respectively.

"So there is this intricate and extensive feedback between experts and officials over many months, plus various in-field research and polling.

"Understanding the process of drafting the work reports of the Party and the government is a good way to understand how China's system works. If one simply states that China is a 'perpetual Party-led government,' it sounds rigid and aloof. In fact, the drafting of the work reports tells a different story," Kuhn says.

"When one sees how the Party operates, including this monitoring, this polling, this feedback, one begins to see how the Party implements change based upon the real world."

While China's success is based on Party-led principles rooted in China's

conditions and culture, this same approach may not be directly applicable to other countries, he says.

"There's always a danger in transporting social strategies, social programs, that work in one place into another place. That's true even within the same country, within the same culture, and such 'copy-and-paste' application gets much more complex, and riskier, when transporting systems from one country to another country and from one culture to another culture.

"Each country is, as we say, sui generis, one of a kind. China has its own particular kinds of uniqueness. Its huge population is the obvious one," Kuhn says.

"Here are the driving principles that China has used, as the largest population on Earth has sustained the greatest economic development in history: consistent political leadership; strong top-down government with hierarchical governance from central to local; willingness to reform and open up; recognition that change is inevitable and change is catalyzed by facts from feedback; mobilization of national resolve and resources; and a large population prepared to work hard and long. All these are key characteristics of the Chinese system."

Right moves

The Party's corruption crackdown, led by President Xi, is also a significant factor for China's success, Kuhn says.

"We cannot avoid the great significance, under President Xi, of the anti-corruption campaign. Consider the background. In a one-party political system, when one party

holds all the power all the time, its absolute control over resources can breed corruption so efficiently, it can seem almost as if the norm.

"Corruption is not unique to China; all systems of governance have corruption, as it reflects human beings anywhere. Corruption is a diversion of resources, suboptimal allocations that are not market-driven. Corruption is a drag on the efficiency of the economic system as well as being morally reprehensible.

"So, China has made a sustained effort, particularly under President Xi, of controlling corruption, rooting out corruption, especially within the Party via the Central Commission for Discipline Inspection," he says.

"Controlling corruption is never perfect, of course, but in other countries with one-party systems, corruption will be endemic, particularly at the top, but all the way down as well.

"Early on, President Xi recognized how corruption could imperil the Party and the State, and he was determined to catch and crush both the 'tigers' and the 'flies'," Kuhn says.

"What you have in China today are the advantages of a one-party system in terms of consistent strategy and mobilizing resources, while mitigating the disadvantages of corruption via a disciplinary system (the Central Commission for Discipline Inspection) with teeth — and under President Xi, the CCDI's bite has gotten stronger and the teeth have gotten sharper."

Overcoming challenges

China will now also have to step up to face new challenges posed by

the changing times, Kuhn says.

"Every era is unique. When China commenced its historic reform and opening-up policy (in 1978), cheap, efficient manufacturing was the developmental vehicle — good-quality products at low cost. Originally all these products were low-cost, low-value-added products — clothing and accessories, like socks, ties, shirts and costume jewelry. Then, products were upgraded to electronics, such as computer keyboards.

"China's development depended on China's manufacturing success, which in turn depended on Chinese workers working very hard for very low wages. Many of them were migrant workers, coming from poor rural villages where they had been farmers struggling to make almost nothing. By migrating to cities to work very hard in factories, they made more money than they had in their rural hometowns, and because still the wages were very low by international scales, China brought about its manufacturing miracle," he says.

"It was a beneficial system that worked for two decades or more, but then, as workers' wages rightly began to rise, the old system ran its course.

"China has since moved up the value chain in terms of the products it manufactures. Today, China manufactures almost every product on Earth and mostly at world-class optimized quality and price.

"China is in a new world today. As the country moves up the value chain, there are challenges. The new world promotes science and technology and it privileges information. Here, China has work to do. The challenge in science and technology is that the traditional system tended to reward seniority as opposed to merit. Leaders would favor those in their own groups within the Party system. You have your own networks, your own silos, and you reward your own people. Such a system becomes inefficient and unproductive, especially in an information-driven environment. In China's old purely manufacturing environment, creativity and innovation mattered much less," Kuhn says.

"China's system starts with all the benefits of long-term planning and consistent policies that its political stability enables. Then come the challenges of encouraging creativity and innovation, including free access to information, and a more fluid approach to personnel, not a rigid hierarchical system based on seniority, but one that appreciates and enhances creative performance."

Maintaining success

"To be successful and sustainable, every political system has to adapt to the times — and it is always very difficult to predict what those adaptations will have to be.

"For the CPC to continue to be successful over the next period of time, what may be needed is more flexibility, more appreciation for freedom of information, and a more meritocratic approach to creative and innovative personnel. Rigidity in an information-based economy won't work.

"A creative employee might have five failures in a row, but then on her sixth attempt, she would change the whole company. But this doesn't mean companies should reward failure ... it's a tricky process," Kuhn says.

"The modern world is built on information in all respects, and it doesn't follow the same rules as the old world where economic development was based upon the simple criteria of manufacturing known products with the best quality-price ratio. That's what China was able to do remarkably well," he says.

"The transition to a knowledge-based economy, which must continue to grow and expand, takes a different way of thinking.

"In the Chinese system, I look for increasing influence of the Chinese People's Political Consultative Conference, which organizes the country's leading experts in diverse sectors to create and promote innovative ideas," Kuhn says.

"In fact, a good way to appreciate how the Chinese political system works is to understand the CPPCC, which conducts political consultation, exercises what is called 'democratic supervision' (or oversight of laws, policies, and the work of government agencies and officials — including criticism), and participates in the discussion and the handling of state affairs."

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