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paved the way for the nation to create some of the world's leading companies in e-commerce, artificial intelligence, genetic engineering, financial services and biotechnology," she said.

"With China already achieving its goal of shifting from an export-oriented economy to a consumption-driven one, the leaders of the nation are now on a journey to build and invest in its neighbors through the trillion-dollar Belt and Road Initiative."

State direction has played a significant role in the success of the China economy, from the setting up of the SEZs in the 1980s to current initiatives such as establishing free trade zones.

Rana Mitter, director of the University of Oxford China Centre, said the reform measures developed a momentum of their own in the 1980s.

"You had the decollectivization of the countryside. With the setting up of special economic zones, Guangdong takes off like a rocket," he said.

Deng's Southern Tour in 1992, when he visited the Shenzhen SEZ and famously said "to get rich is glorious", was also another important stepping stone, Mitter said. "This is when you have the real beginning of the Made in China export-oriented economy."

William Kirby, TM Chang Professor of China Studies at Harvard, said



A visitor checks out the virtual reality at an exhibition in Beijing commemorating the 40th anniversary of China's reform and opening-up. ZHANG YUWEI / XINHUA

part of the dynamism of the reform was the return of family businesses, particularly after 1990.

"They had been the dynamo of the China economy up to the 1920s — also in other East Asian economies," he said.

Ulrich believes one of the most important ingredients in its success has been the way China has managed to rapidly integrate itself into the global economy.

"China's unprecedented economic growth over the last 40 years is a testament to the importance of an economy embracing global business and international markets," she said. "Over the last half-century, China

has transitioned from a closed agriculture-based economy to one that is vibrant and deeply connected across virtually every sector in the world."

Mitter, author of *China's War With Japan, 1937-45: The Struggle for Survival*, said that part of the success of the 1978 initiative was its timing.

"It coincided with the end of the Cold War, and the US was then buying a lot of stuff — although this was largely debt-fueled — and China was producing it. It created what the historian Niall Ferguson called China-merica, referring to the two economies becoming complementary."

Kirby, also author of *Can China Lead? Reaching the Limits of Power*

and *Growth*, said the initiative has not been without its problems, particularly widening the inequality between the rich coastal regions and the poorer inland ones.

"The reform led to the extraordinary development of the south and east but some other less developed regions got left behind," he said.

He believes this has particularly affected the farming community, which has not benefited the same way as the urban population.

"It is the farmers that have not enjoyed these benefits. If you look at France, the UK, Germany and the US, the farmers have not been impoverished. For China to be an enduring

rich country it needs to have a prosperous agricultural sector as well."

As the anniversary is observed, China, which became a member of the World Trade Organization in 2001, is continuing to open up its economy.

"People are looking to see what role China will play as a key actor on the international stage in the next phase of its development. That question remains to be resolved and the way that China addresses it will do a great deal to decide what China's reputation, reach and power is," added Mitter at Oxford.

Ulrich also believes that further opening-up will be important to China's future success.

"There is still room for China to accelerate market liberalization. In addition, China can also further open its financial system to foreign competition, encourage foreign direct investment and continue to lead in global trade. These reforms will take time, but we do see China making meaningful progress on every front," she said.

As people look back to 1978, Brown, who is also the author of *China's World: What Does China Want?*, said it is important to remember Deng's leadership and reflect on it.

"Through his reforms, China has emerged as a country that once again is a force in the world. It is innovating and creating its own technologies," he said. "It is becoming what the US was in the 20th century but with Chinese characteristics."

Recalling Deng's vision

Former leader is remembered for his determination to enrich the Chinese people and strengthen the country

By ANDREW MOODY

Former Chinese leader Deng Xiaoping was a visionary who always saw the long-term potential of his initiative, according to his former interpreter.

Victor Gao, who worked for Deng in the 1980s, recalls him telling the Japanese prime minister, Masayoshi Ohira, that Chinese people would have *xiao kang* or a comfortable living by 2025.

"Deng used to look ahead like this. He used to think of the world in terms of the next 10 years, the end of the 20th century, and the first quarter and then the middle of the 21st century. No politician in a Western democracy would think in these terms. That is not their business. They only care about the next election," he said.

Gao, now chairman of the China Energy Security Institute, a Beijing-based think tank, said Deng was the right man at the right time to deliver the reform that China needed.

"Deng was both unique to the challenge and the opportunity, and China today bears a huge fingerprint of his," he said.

Pascal Lamy, former director-

general of the World Trade Organization, also has personal recollections of Deng. Lamy was involved in China's negotiations to join the trade rules body in 2001.

At the time of reform and opening-up in 1978, Lamy was a French civil servant, but he met with Deng at the Great Hall of the People during his first visit to China in 1986 as chief of staff of then European Commission president Jacques Delors.

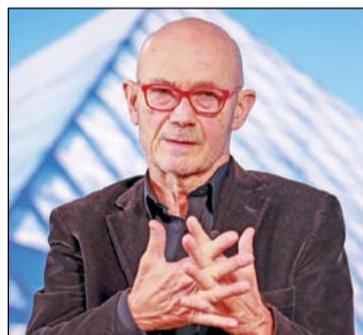
"It was quite impressive for a young guy like myself. (Deng) was very witty and smoked a lot," he said with a laugh.

Lamy, who has just been appointed a distinguished professor of CEIBS, the Shanghai-based international business school, said reform and opening-up was clearly a landmark event.

"The West regards this as a major shift. We know that in Chinese history we have periods of opening and periods of closing, and that was a real shift," he said.

This view is shared by one of Deng's biographers, Ezra Vogel, emeritus professor of social sciences at Harvard University.

"Deng ... fulfilled the mission that had eluded China's leaders for 150



Pascal Lamy, former director-general of the World Trade Organization.

years: He and his colleagues had found a way to enrich the Chinese people and strengthen the country," he wrote in *Deng Xiaoping and the Transformation of China*, regarded as one of the major books about Deng, published in 2011.

"But in the process of achieving the goal, Deng presided over a fundamental transformation of China itself — the nature of its relationship with the outside world, its governance system and its society.

"The structural changes that took place under Deng's leadership rank among the most basic changes since



Victor Gao, former interpreter for Deng Xiaoping and now chairman of the China Energy Security Institute, a Beijing-based think tank.

the Chinese empire took shape during the Han Dynasty over two millennia ago," Vogel said.

Gao, a former China policy adviser at the Hong Kong Securities and Futures Commission and who has held a number of senior banking positions, has many personal recollections of Deng.

"He was a man of very few words, but despite being of diminutive stature had a great presence when he walked into a room," he said.

Gao believes one of Deng's most important decisions was to reduce the size of the military by a million

soldiers in the 1980s and to focus resources on the economy.

"Deng took the view that World War III was not going to happen tomorrow, and rather than wasting resources, he wanted to put everything into the basket to make China grow and not worry about armaments," Gao said.

He was also not someone to get "bogged down in detail", which held him in good stead when dealing with the complexities of reform and opening-up.

"He would not go down into the details, which is what some functionaries would do. He would not care to lift brick or mortar but would always look at the top of the mountain — into the distant future," Gao said.

Gao also believes that Deng, who was 74 when he launched reform and opening-up, was driven by a sense of his own mortality.

"In the 1980s Deng already had an imminent sense of his impending death (he died in 1997 at the age of 92). He didn't procrastinate and push things off to another day. He felt we could no longer waste our time. This sense of urgency was very important and is what drove him and the initiative forward."