

Pakistan's View on the Governance of China in the New Era





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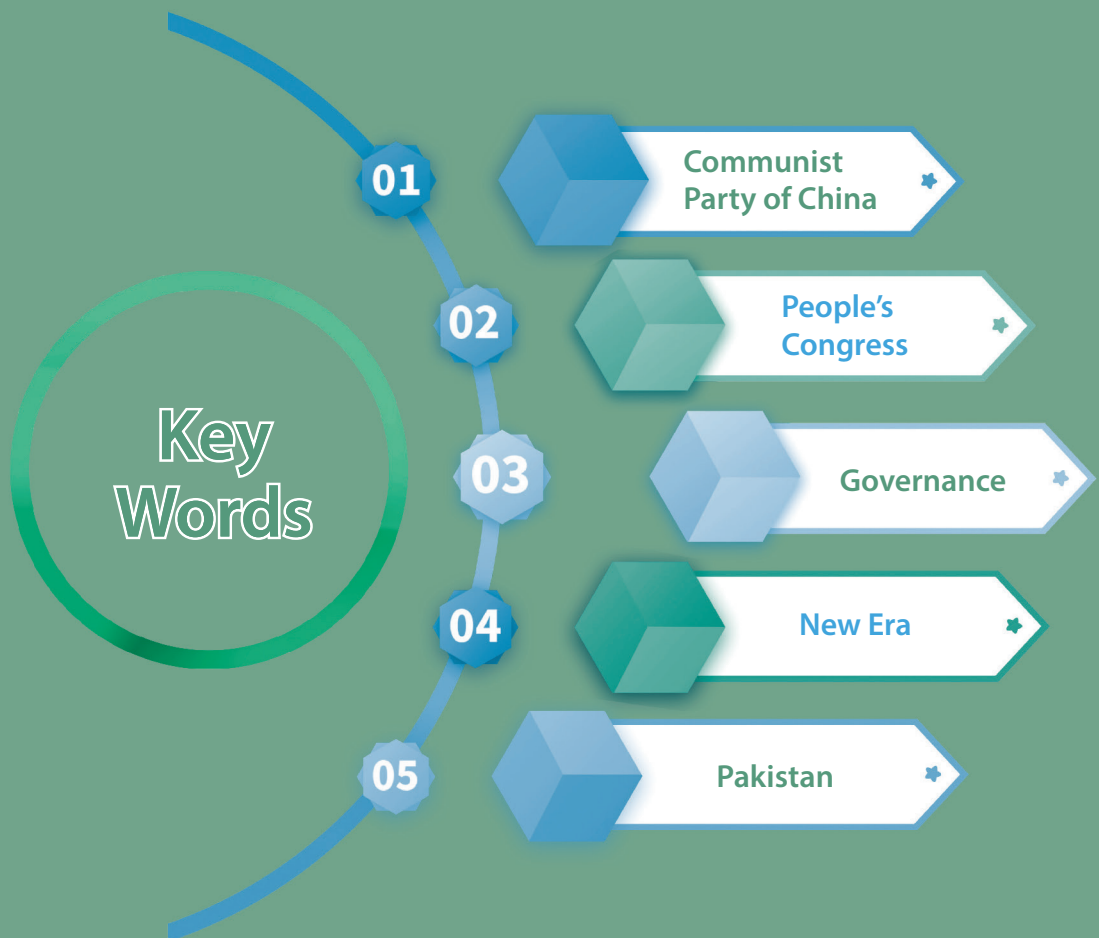


PREFACE

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. Several studies have been conducted on how China is being governed and whether the Chinese experience presents an alternative governance model. There is 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. The governance of China has evolved from the time of Mao Zedong and then Deng Xiaoping, and eventually “the New Era” that 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 China’s governance is being viewed in Pakistan that 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.

Pakistan's View on the Governance of China in the New Era



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PART I



The end goal of any governance model is to achieve collaborative structures and processes to manage the 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.

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”, 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 since 2012. The latest banner of “Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era” lays down President Xi’s vision, doctrines and strategies. In line with his conviction that the CPC must be central to China’s present and future, President Xi has 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”.¹ Xi believes that the CPC must operate under the principle of “from the people, to the people”², 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.

Under the guidance of Xi Jinping Thought, China’s governance took another turn by embarking on a massive program of economic rebalancing, and embraced the Development Concepts of Innovation, Harmonization, Green, Openness and Sharing, which has brought further changes to China’s development.³ During the period referred to as the New Era, healthcare, technology, education, and entertainment have become the mainstays of the economy. Private companies have become more profitable than State owned enterprises. The under-developed regions of China have also received greater attention and opportunities for development. Notably, this economic rebalancing has not slowed 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, which is 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.

¹ China champions ‘four consciousnesses’, conforming with Xi, *People’s Daily*, March 3, 2016, <http://en.people.cn/n3/2016/0303/c90000-9024163.html>.

² Full text of Xi Jinping’s report at 19th CPC National Congress, *China Daily*, November 4, 2017, https://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm.

³ Full text of Xi Jinping’s report at 19th CPC National Congress, *China Daily*, November 4, 2017, https://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm.

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, 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 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”.¹ Since taking over power, President Xi has “focused on three key areas: rooting out corruption within the party; tackling poverty and unemployment; and revitalizing nationalist fervor towards national rejuvenation. Corruption has been 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”.²

Mohammad Faisal, a research fellow at the China-Pakistan Study Center, regards the “Xi Thought” as the critical element in guiding the Chinese nation towards rejuvenation and restoring its ancient prominence and glory. Mohammad Faisal notes that President Xi has given “a long-term vision” to China’s political elite to make China “a great power which has to play a proactive role at the international stage”.³ Sultan Hali, Pakistani columnist and author, pays 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.⁴

¹ Interview with Mr. Masood Khalid, Former Ambassador to China, May 2022.

² Interview with Mr. Masood Khalid, Former Ambassador to China, May 2022.

³ Interview with Mr. Mohammad Faisal, Research Fellow at China-Pakistan Study Center, May 2022.

⁴ Interview with Mr. Sultan Hali, Columnist and Author, May 2022.



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"¹. 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.

¹ Xi Jinping, *The Governance of China III*, Beijing: Foreign Language Press, 2020, pp.1.

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PART II





President Xi has emphatically reaffirmed that the feature of the New Era is the central role that the CPC must play to realize the “Chinese Dream of national rejuvenation”¹, and this is also the defining feature of governance of China, which is different from the state-centered governance or society-centered governance.² The emphasis is on state building based on rule of law and party building based on the strict discipline. China’s current governance system reform has institutionalized the Chinese party-state and transformed it into a “partocracy”. The Chinese governance is a one-party rule to ensure political stability and unified guidance. 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.

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 (the 19th NCCPC) was held in October 2017 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

¹ Xi Jinping, *The Governance of China III*, Beijing: Foreign Language Press, 2020, pp.1.

² Dingping Guo. Xi’s Leadership and Party-Centred Governance in China. *Chinese Political Science Review*, 5, pp.439–456 (2020). <https://doi.org/10.1007/s41111-020-00149-y>.

of the CPC. The Central Committee also elects a Politburo Standing Committee of the CPC, which is the highest-ranking power center. The criteria to be a delegate to the National Congress of the CPC have 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.

Mr. Mustafa Hyder Sayed, who is the Executive Director of the Islamabad based Pakistan-China Institute, and prides himself as a student of China, shares his assessment that the “unprecedented legitimacy that the CPC commands from the people of China is unique to the Chinese governance”. The system, he says, is noted for “allowing smooth transfer of power, which is now a rarity in the western democracies”.¹ Mr. Sayed adds 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”.²

Mohammad Faisal believes that the CPC is the “primary reason” for political stability of China because it enjoys “legitimacy within the populace”³ for delivering economic development to the people of China. Dr. Talat Shabbir, Director of the China Pakistan Study Center of the Institute of Strategic Studies Islamabad, is 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”.⁴

China’s governance is a one-party rule to ensure political stability and unified

¹ Interview with Mr. Mustafa Hyder Sayed, Executive Director of Pakistan-China Institute, May 2022.

² Interview with Mr. Mustafa Hyder Sayed, Executive Director of Pakistan-China Institute, May 2022.

³ Interview with Mr. Mohammad Faisal, Research Fellow at China-Pakistan Study Center, May 2022.

⁴ Interview with Dr. Talat Shabbir, Director of China-Pakistan Study Center, May 2022.



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. This brings up an interesting feature of the Chinese system 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 County Governor, and at township level is a Magistrate. All these governments are elected through direct and indirect elections. 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. 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.

Dr. Safdar Sohail, Dean of the National Institute of Public Policy in Lahore, observes 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".¹

¹ Interview with Dr. Safdar Sohail, Dean of National Institute of Public Policy, May 2022.

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”.¹ 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”.² Mohammad Faisal observes that “Central Commission for Discipline Inspection (CCDI) is the body tasked with ensuring that the 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”.³ Dr. Neelum Nigar, Director of Center for Strategic Perspectives at the Institute of Strategic Studies Islamabad, is 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.⁴

¹ Interview with Mr. Masood Khalid, Former Ambassador to China, May 2022.

² Interview with Mr. Sultan Hali, Columnist and Author, May 2022.

³ Interview with Mr. Mohammad Faisal, Research Fellow at China-Pakistan Study Center, May 2022.

⁴ Interview with Dr. Neelum Nigar, Director of Center for Strategic Perspectives, May 2022.

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PART III



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 is vested 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.

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. 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. In fact, at the local level of Chinese governance hierarchies, considerable decentralization has occurred in candidate pre-election process. 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.

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. 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.¹ 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, business people, real estate, and technology sector. It is a kind of advisory legislative upper house.

¹ Xi Jinping, *The Governance of China III*, Beijing: Foreign Language Press, 2020, pp.341.

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 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 is clear that the Chinese system is “not a democracy in the Westminster sense but it has a strong internal consultative process, due diligence and meritocracy”.¹ Mohammad Faisal is of the view that the Chinese governance can be “called democracy with Chinese characteristics”.² Faisal further explains 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”.³

There is no doubt that China’s 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

¹ Interview with Mr. Masood Khalid, Former Ambassador to China, May 2022.

² Interview with Mr. Mohammad Faisal, Research Fellow at China-Pakistan Study Center, May 2022.

³ Interview with Mr. Mohammad Faisal, Research Fellow at China-Pakistan Study Center, May 2022.



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”.¹

Sultan Hali has been visiting China regularly since 1974 and is an eyewitness to its progress, and has authored scores 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.²

Dr. Neelum Nigar, Director of Center for Strategic Perspectives at the Institute of Strategic Studies Islamabad, is of the view that the New Era will 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 disenchanting segments of the population. In many ways, terrorism has been addressed in Xinjiang through development”.³ She adds that “since the system is benefiting the common people, their stakes are increasing in the stability and progress of the Chinese governance model”.⁴

¹ Interview with Mr. Masood Khalid, Former Ambassador to China, May 2022.

² Interview with Mr. Sultan Hali, Columnist and Author, May 2022.

³ Interview with Dr. Neelum Nigar, Director of Center for Strategic Perspectives, May 2022.

⁴ Interview with Dr. Neelum Nigar, Director of Center for Strategic Perspectives, May 2022.

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PART IV





What does China look like in the future? Professor Kerry Brown of King's College argues that by 2035, two-thirds of the economy will be in the hands of non-state-owned companies with an entrepreneurial culture". Environmentally, China will have addressed its air quality, water pollution and sustainability issues. He further predicts that "inequalities between western, central and coastal provinces will have been addressed by more decentralization of fiscal powers.

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 a clear roadmap, with enhanced power and role to the Communist Party of China. At the 18th NCCPC held in November 2012, the CPC presented to the 18th NCCPC "Two Centenary Goals" for building socialism with Chinese characteristics: Complete a "Moderately Prosperous Society" in all respects by the centenary of the CPC (1921-2021) ; and Build China into a "Modern Socialist Country" that is prosperous, strong, democratic, culturally advanced, and harmonious by the centenary of the PRC (1949-2049).¹The 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.

¹ Xi Jinping, *The Governance of China III*, Beijing: Foreign Language Press, 2020, pp.78.

Making economic and social development plans adjusting to the situations at home and abroad is one of the major reasons why China's development model works. In fact, with Xi Jinping coming to power in 2012, 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. Consequently, China in the New Era has already achieved one centenary goal of making China a moderately prosperous society.

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 responds to this question are convinced that China will achieve the second centenary goal. Dr. Neelum opines that "some targets have been achieved ahead of time; for instance, absolute poverty has been eliminated".¹ 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".² Dr. Talat feels 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 2049.³

It is convinced that 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. It is convinced that 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.

¹ Interview with Dr. Neelum Nigar, Director of Center for Strategic Perspectives, May 2022.

² Interview with Mr. Mohammad Faisal, Research Fellow at China-Pakistan Study Center, May 2022.

³ Interview with Dr. Talat Shabbir, Director of China-Pakistan Study Center, May 2022.

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PART V



In the face of the chaos of the pandemic, how can China overcome challenges on the way forward? Many Pakistani experts believe that China must be alert to COVID-19 pandemic, economic transformation, the suppression from the west, and responds with economic rebalancing, domestic innovation and effective diplomacy.

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. The economic rebalancing has confronted its share of challenges. Firstly, the Covid-19 pandemic and consequent lockdowns have hindered economic activity. Secondly, some systemic issues have cropped up.¹ For instance, the cheap labor force is no longer abundantly available because the standard of living of the people has risen. The economic strategy of achieving productivity from knowledge transfers has also reached a saturation point and required to be driven by domestic innovation. On the positive side, domestic demand and investment has grown in the housing and property development. The private sector has 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.

¹ Jonathan Eckart. 8 Things You Need to Know about China’s Economy. *World Economic Forum*, June 2016. <https://www.weforum.org/agenda/2016/06/8-facts-about-chinas-economy/>.



Mohammad Faisal feels that rebalancing in the economic governance has been “necessitated due to the strategic competition with the US, as Beijing is obliged to lessen its external dependence and focus on building domestic capabilities in the healthcare, technology, education, and other strategic sectors”. He also recognizes though that rebalancing is a “slow-process, which has been affected by pandemic induced restrictions and supply chain disruptions”.¹ Masood Khalid is 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”.² 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”.³

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.

¹ Interview with Mr. Mohammad Faisal, Research Fellow at China-Pakistan Study Center, May 2022.

² Interview with Mr. Masood Khalid, Former Ambassador to China, May 2022.

³ 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, pp.86–118 (2020). <https://link.springer.com/article/10.1007/s41111-020-00167-w>.

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 filling the gap created in the Russian market by the exodus of Western companies because of the West's sanctions against Russia.

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, and challenge of COVID".¹ Mohammad Faisal also voices a potential concern that the US and West could seek to disrupt China's march towards modern socialist country.² Sultan Hali also agrees that possible impediments could be "western interferences" aimed at derailing Beijing's path of progress. He observes that so far, the Chinese government has handled these machinations in a "statesman-like fashion".³

At present, China has created its own institutions like Asian Infrastructure Investment Bank (AIIB) and launched 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

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² Interview with Mr. Mohammad Faisal, Research Fellow at China-Pakistan Study Center, May 2022.

³ Interview with Mr. Sultan Hali, Columnist and Author, May 2022.



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.¹

¹ A joint report 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 identifies 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 <https://openknowledge.worldbank.org/handle/10986/12925>.

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CONCLUSION





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.

Through effective governance, the CPC has been able to pull over 800 million of its nationals out of poverty. This is a remarkable achievement. There are lessons for many developing countries including Pakistan. Nara Dillon writes in the paper titled *What can China teach us about fighting poverty?* that China’s strategy of fighting poverty is 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”.¹ Two scholars working for Pakistan Institute of Development Economics (PIDE) write a paper titled *Poverty reduction in Pakistan: learning from the experience of China*. G.M. Arif and Shujaat Farooq explain that China’s poverty alleviation program is based on “community based decentralization ideology” of providing to villages education, training, subsidized loans,

¹ Nara Dillon. *The China Questions Critical Insights into a Rising Power*, Cambridge: Harvard University Press, 2018, pp.159.

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.¹ Masood Khalid feels 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 science and technology base and effect transfer of technology".²

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 has declared financial stability of Pakistan an important interest of China. Secondly, China wants its development model to be a success-story, thus, trapping Pakistan in debt won't be helpful."³ Professor 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. 85% of the debt of Africa's heavily indebted countries was incurred from developed countries prior to China's investments in Africa.⁴ Masood Khalid says that "China's contribution to Pakistan's overall debt is about 10-11 %. The G2G loans are on concessional terms. Power sector has major liability in terms of payment to IPPs. Joint Ventures with

¹ G. M. Arif & Shujaat Farooq. *Poverty reduction in Pakistan: learning from the experience of China*, Pakistan Institute of Development Economics, pp.11-13(2020). Available at <https://pide.org.pk/pdfpideresearch/ms-05-poverty-reduction-in-pakistan-learning-from-the-experience-of-china.pdf>.

² Interview with Mr. Masood Khalid, Former Ambassador to China, May 2022.

³ Interview with Mr. Mohammad Faisal, Research Fellow at China-Pakistan Study Center, May 2022.

⁴ Justin Yifu Lin. *How China helps developing countries reduce debt instead of increasing it*, May 2022. Available at <https://china-environment-news.com/2022/05/04/how-china-helps-developing-countries-reduce-debt- instead-of-increasing-it/>.



China, relocation of industry, and export-oriented industry can help mitigate the burden”¹

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. All these indicate that China and Pakistan are quite determined to carry forward their governance experience exchange and economic and strategic cooperation in the years ahead.

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¹ Interview with Mr. Masood Khalid, Former Ambassador to China, May 2022.

Research Group Members:

Pakistan:

Aizaz Ahmad Chaudhry Director General of the Institute of Strategic Studies Islamabad ,
Former Foreign Secretary of Pakistan

Mushahid Hussain Sayed Chairman of the Defense Committee of the Senate of Pakistan,
Chairman of Pakistan-China Institute

Mustafa Hyder Sayed Executive Chairman of Pakistan-China Institute

Masood Khalid Former Ambassador to China

Safdar Sohail Dean of National Institute of Public Policy, Lahore

Talat Shabbir Director of China-Pakistan Study Center, Institute of Strategic Studies Islamabad

Neelum Nigar Director of Center for Strategic Perspectives, Institute of Strategic Studies Islamabad

Mohammad Faisal Research Fellow at China-Pakistan Study Center, Institute of Strategic Studies Islamabad

Sultan Hali Pakistani Columnist and Author

China:

Yu Yunquan President of Academy of Contemporary China and World Studies

Lin Kun Vice President of Academy of Contemporary China and World Studies

Wang Hongbo Director of Center for Governance Studies, Academy of Contemporary China and World Studies

Wang Sipei Research Fellow at Academy of Contemporary China and World Studies

Xu Xiaoxi Research Fellow at Academy of Contemporary China and World Studies

ABOUT US

The Academy of Contemporary China and World Studies (ACCWS)

The Academy of Contemporary China and World Studies (ACCWS) is an affiliate of the China International Communications Group (CICG). It is a state-level think tank committed to international exchanges and cooperation, specializing in international communication, and strives to become the pace-setter for the study of major practical issues in international exchanges and build a world renowned think tank with significant influence.

Evolving from the Research Center for International Communication of CICG, ACCWS was officially inaugurated in 2017. At present, the institute has more than 100 in-house researchers and dozens of guest researchers from home and abroad.

ACCWS takes applied research for practical solutions as its feature, with its focus on governance experience exchanges, international discourse innovation and translation, global communication strategy, national and regional communication, international public opinion, and international relations. It is also the base of discourse innovation and a post-doctoral research station.

ACCWS regularly organizes Seminar on International Communication, and has



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independently developed the International Communication Database Service Platform. It offers dynamic research products and launches various research projects on China's global image and Chinese enterprises' images presented overseas. It has published three academic journals including *Contemporary China and World*, *Chinese Translators*, and *International Communications*. ACCWS annually ranks the top 10 outstanding cases of international communication. It also provides publication series such as *Research on International Communication Theory and Practice in the New Era* and *Contemporary China and World*.

ACCWS has initiated the "Global Young Leaders Dialogue (GYLD)" program and "International Think Tank Knowledge Sharing" program. It also regularly organizes international academic forums with themes on global governance, global development and dialogue between civilizations. ACCWS is dedicated to building an international think-tank network to gather wisdom to promote global sustainable development, with the focus on governance experience exchanges and providing public knowledge product of global development.



Pakistan-China Institute (PCI)

Launched on 1st October 2009, under the Chairmanship of Senator Mushahid Hussain Sayed, Pakistan-China Institute (PCI) is the first of its kind non-governmental, non-partisan and non-political think-tank. PCI endeavors to be the principal non-governmental platform to promote people-to-people ties between Pakistan and China in all areas particularly defense and diplomacy, education and energy, economy and environment, and with a particular focus on youth and women.

On its course to materializing this vision, PCI aspires to lead rigorous discussions and in depth analysis by undertaking multi-faceted initiatives including conferences, lectures, exchange of visits, journals, e-magazines and documentaries.

PCI is a frontline advocate for the pivotal bilateral relationship between China and Pakistan and within a short span, it has emerged as a credible institution in both countries and a premiere entity, which different sections of both societies turn to for advice, assistance and information.

Pakistan-China Institute aims to take up a leading role in generating discussions and analysis on multiple aspects of the diplomatic relations between China and Pakistan, as well as the entire region. In the Asian Century, the need for a platform that fosters people-to-people contact in the region is crucial. An integral part of PCI's mission is to serve as a resource to all those who seek a better understanding of the changing dynamics of regional relations, particularly in relation to Pakistan and China.

Pakistan China Institute, an independent, non-partisan research think tank and publisher, is dedicated to functioning as a resource for government officials, educators, students, civic leaders and all interested citizens to help them better understand the geostrategic dynamics of Asia.



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