

China's modernization strategies: key pillars for global economic recovery.



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A more significant than anticipated decline in global economic activity is currently taking place, and inflation is at its highest level in many years.

Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but then decline to 6.5 percent in 2023 and 4.1 percent by 2024.

The prognosis is adversely impacted by the rising cost of living, tightening financial conditions across the board, Russia's invasion of Ukraine, and the persisting COVID-19 pandemic.

Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023.

Except for the global financial crisis and the severe phase of the COVID-19 epidemic, this is the worst growth profile since 2001.

The Chinese path to modernization

If you are a follower of geopolitics, you would have come across reports and information regarding the recently held 20th National Congress of the Communist Party of China (CPC).

As a reminder, the Communist Party of China (CPC) is the founding and governing political party of contemporary China. Since Mao Zedong established the People's Republic in 1949, the CPC has maintained political power and presided over the nation's quick economic development and rise to global relevance.

In this regard, the meeting of the CPC is an important development for the world economy.

The Chinese Communist Party (CCP) meeting in Beijing saw the design of the nation's trajectory over the next five to ten years, which ultimately has a consequence on global economic recovery as the party works toward its 2035 objectives.

It occurs at a pivotal moment as the entire Party and the Chinese people of all ethnic groups set out on a new journey to transform China into a socialist modern state in every way. The Congress evaluated the significant accomplishments, gathered invaluable experience, and set the route for China's future development.

As it turned out, a new Central Committee of around 200 senior party officials was elected, and current President Xi Jinping was re-elected as the General Secretary for the next five years.

In his acceptance speech, President Xi reiterated the Chinese path to modernization and the key pillars that will drive an inclusive and prosperous Chinese nation.

"On the journey ahead, we must firmly adhere to the following major principles: upholding and strengthening the Party's overall leadership; following the path of socialism with Chinese characteristics; applying a people-centered development philosophy; remaining committed to deepening reform and opening up; and carrying forward our fighting spirit," he said.

Socialism with Chinese characteristics

The term "socialism with Chinese Characteristics," first used by Deng Xiaoping in 1982, seeks to reshape the relationships between planning and socialism as well as between the market economy and capitalism. While absorbing sophisticated management know-how and cutting-edge market mechanisms from Western nations, it has kept socialist and public ownership institutions.

The merger of scientific socialism theory with Chinese social development theories results in socialism with Chinese characteristics. In China, socialism is well established. It represents the desires of the populace and complies with the requirements of the times and the nation for development.

Sticking with these principles, China has been creating impressive economic miracles, worthy of highlighting.

The number of people in China living in extreme poverty, as measured by the World Bank's International Poverty Line of \$1.90 per day, has decreased by around 100 million during the past 40 years. With this, China has helped reduce the number of people living in extreme poverty globally by over three-quarters.

Due to this, China has been able to achieve the poverty reduction goal outlined in the UN 2030 Agenda for Sustainable Development 10 years earlier than expected.

Economic globalization

Prior to the start of economic reforms and trade liberalization nearly 40 years ago, China maintained policies that kept the economy relatively isolated from

the global economy. It has become increasingly emboldened in international affairs.

Since enacting free market reforms and opening to the global economy in 1979, China has been among the world's fastest-growing economies, with real annual gross domestic product (GDP) growth averaging 6.6%.

With a middle-income group of more than 400 million people, the country's GDP has increased to 17.77 trillion US dollars, accounting for 18.5% of the global economy. Its per capita GDP has also topped 12,000 US dollars.

China's contribution to global economic development is 38.6%, above that of the G7 as a whole. Its manufacturing sector and foreign exchange reserves continue to be the highest in the world.

It already dominates the global trade in goods and is a significant commercial partner for more than 140 nations and regions.

The present course of Chinese modernization favours genuine multilateralism, pushes for greater democracy in international relations, and seeks to enhance the fairness and equity of global governance.

In 2022, China has ranked 11th on the Global Innovation Index (GII), up from 35th in 2008. It has created the largest healthcare, social security, and education systems in the world, and its life expectancy has reached 78.2 years, further advancing its goal of establishing universal prosperity.

It has focused on adhering to its core national goal of opening up to the outside world and pursuing an open policy that benefits both China and the rest of the world.

It has been working to expand its own opportunities for the world and to do its part to foster an open, interconnected world economy that benefits more people overall.

Doing more with Africa

What matters most to us is the feature of the modernization path of China that recognises the significant of Africa and stimulate economic partnership which promotes mutual benefits.

As it has been recorded, China continues to be Africa's top trading partner for 13 consecutive years. Bilateral trade climbed from \$12.14 million in 1950 to \$100 million in 1960 and to \$1 billion in 1980.

China and Africa conducted more than US\$100billion worth of bilateral trade in 2008, with China exporting US\$50.8billion to the continent and importing US\$56billion from it.

In spite of challenges in the global supply chain, trade between China and Africa reached an all-time high in 2021.

According to the most recent data from China's General Administration of Customs, total bilateral trade between China and Africa in 2021 reached US\$254.3billion – a 35.3 percent increase over the previous year.

Part of the rise can be attributed to China's strategy, which has shifted away from state-backed projects and toward trade and cooperation.

China has aggressively been at the centre of infrastructure financing across the continent, helping African countries build a large number of infrastructure projects over the years.

In 2012, China rose to the top spot among foreign investors in Africa. Its infrastructure investments totalled \$13 billion, with the World Bank coming in second place with roughly \$4 billion.

China views its responsibility as a contributor to and an advocate for innovative ideas and methods as its obligation to engage in development cooperation.

It bases its strategy on south-south cooperation (SSC), which has a broader scope than official development assistance (ODA) and encompasses investments, diplomacy, and other channels, such those used by the Belt and Road Initiative (BRI).



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