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REFORM OF CHINA'S DEVELOPMENT AGAINST POVERTY AND DISASTERS *

During 20 last years China has demonstrated the unique economic successful (Fig. 1) and the relative example of the sustainable development. China's economics stayed strong enough and didn't fall below zero even when the economic crises came on at 2008 and 2012 (compare China's GDP annual growth rate with other countries which GDP annual growth rate fell down to near 20% during 2008 [1]). So its economic history could be an effective example for other economies in the world for an analogy.

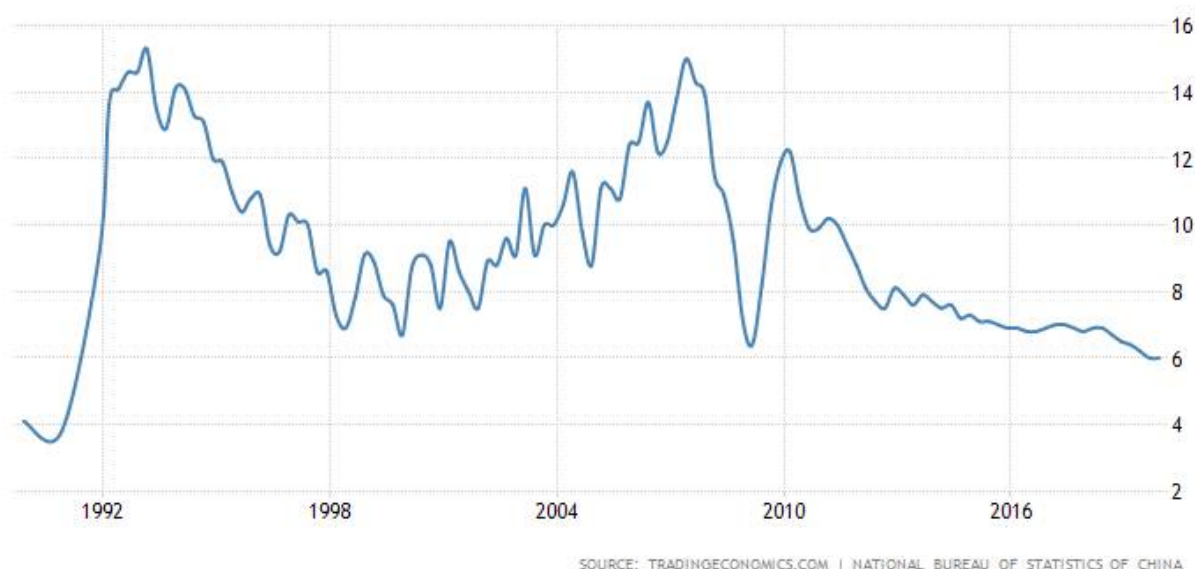


Fig. 1 - China GDP Annual Growth Rate during 1989-2019 [2]

When the People's Republic of China was established in 1949, the successive years of the World War II had just ended, China's economy was backward and people

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lived in poverty. At that time, China was an agricultural country. More than 90 % of the population lived in rural areas. The so-called industry was mostly handicraft. There were few modern industries, mainly concentrated in a few large cities such as Shanghai and Tianjin. In order to change this situation the government of China made some suggestions.

In agriculture the government has implemented a unified purchase and marketing policy for major agricultural products. In order to allow farmers to produce strictly in accordance with the unified purchase and marketing plan, the government introduced a people's commune system. By virtue of this system, China achieved an accumulation rate of more than 10 % in the underdeveloped stage with a low per capita GNP, minimized wages and industrial raw material prices, and initially established a relatively complete industrial system in a short period of time.

In economy China supported the loan interest rate system and established the China Shanghai Free Trade Pilot Zone. It continued to support state-owned enterprises and encourage the development of private enterprises to give private enterprises greater social rights. Through this reform China's economy begun to improve and GDP got fast growing. And opening more coastal cities, increasing economic and cultural exchanges between China and other countries, and promoting the transformation of these cities from an inward-oriented economy to a combined internal and external economy were able to promote the development of the mainland economy much better.

In technology increasing investments into science and technology, improving various incentive policies, focusing on economic restructuring, using high technology to transform traditional industries, using information technology to drive industrialization, promotion the optimization and upgrade of economic structure, all these improved the efficiency and competitiveness of contemporary China's economy.

But on the other hand the people's crime rate rose, the population density increased and some social problems began to emerge. This was a small challenge China would face. In general, this reform completely changed lives of the Chinese, improved the economic level of citizens and China's productivity.

A very important moment of the economic history of China is about the Chinese national ideology because the strong ideology can become the main reason of the strong economic development [3; 4]. This ideology has created a strong belief that people will be able to achieve the highest level of the country development if they are united. And, for example, when in 2008 China organized the Games of the XXIX Olympiad (the 2008 Summer Olympics) the Chinese were able to present the great potential of China to the global world and themselves too.

We think that the second step of China's development has started from the end 2019 - the beginning of 2020. This period China encountered a big problem of the coronavirus COVID-2019, one of the biggest disasters of the world. It started in Wuhan and gradually spread throughout China. Every city is infected with COVID-2019 and many people die as a result. Through the efforts of the past two months, the lives of the Chinese have gradually become normal and the epidemic has been brought under control, and will soon stop.

The biggest feature with Chinese characteristics is the centralized and unified leadership. In order to fight the epidemic, countless people throughout the country have made unremitting efforts. Under the leadership of the Party Central Committee, all economic, social, and cultural undertakings throughout the country stopped during the Spring Festival. The Spring Festival is the Chinese New Year calculated using the traditional calendar. The rural and urban areas were blocked and controlled in just one or two days. Supermarkets and factories were closed immediately, and the epidemic was spreading and quickly blocked. Tens of thousands of medical teams went to Wuhan and



quickly built many hospitals in Wuhan. They sent rice noodles, oils, vegetables, fruits, and protective clothing such as masks. Wuhan's problems were basically solved with help of other cities. Other cities have had new infections one after another, but the number is not large any more. They followed the activities of Wuhan and quickly solved the problem.

The same situation has happened in other countries. This is a problem all over the world. We hope that humankind can unite and fight the epidemic together. We also believe that in the nearest future we all will be able to return to our previous living conditions and levels with new vision of life and other universal humankind values!

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