

High-Level Opening-Up and Chinese Modernization

Modernization is a profound change around the world in human history,¹ as well as a process of the opening-up and development of the world economy. So far, Chinese modernization is the largest modernization, not only following the general law of modernization but also characterized by features that are unique to the Chinese context. Opening-up, as the cradle, has nurtured Chinese modernization. High-standard opening-up will surely, as the road, guide Chinese modernization to go forward, provide more stability and new opportunities for the open development of the global economy, and contribute more to the common development of mankind.

1. High-Standard Opening-Up Runs through the Whole Process of Chinese Modernization

Chinese modernization is the modernization of a huge population, of common prosperity for all, of material and cultural-ethical advancement, of harmony between humanity and nature, and of peaceful development. It is a major achievement of Chinese people of all ethnic groups, who succeeded through painstaking efforts, hardship, and sacrifice. Long-term explorations and practice have proved that opening-up is a vital driving force for modernization, and high-standard opening-up is integral to Chinese modernization. The more China develops, the more it opens up, and its door will open wider and wider.

Box 11.1 Previous explorations of Chinese modernization

The rejuvenation of the Chinese nation has been the common dream of the Chinese people since the beginning of modern times. Since the founding of the People's Republic of China, Chinese people have continuously made great achievements in socialist revolutions and construction, laying down the fundamental political conditions, theoretical groundwork, and material basis necessary for modernization. The year 1978 marks a new period of reform and opening-up and socialist modernization. Since then, China has made historic strides in raising the living standards of its people from bare subsistence to moderate prosperity in general and then toward moderate prosperity in all respects, fueling the push towards modernization by providing robust institutional conditions and a material base. Since 2012, the theory and practice of Chinese modernization have been advanced and developed. A theoretical system of Chinese modernization has been initially constructed, constantly being improved and enriched in strategy and practice. China, a nation with a long history, has found its unique path to modernization.

(1) High-standard Opening-up is a vital driving force for Chinese modernization

Reform and opening-up is a motivation for China's economic and social development. China's constant achievements can be attributed to continuous expansion of opening-up, and reform and development through opening-up. High-standard opening-up can remove barriers in the market, industry, and innovative partnerships more quickly, thus injecting fresh vitality into economic development. Meanwhile, in the face of tough questions of reforms in key sectors, we convert external pressure into an internal driving force through proactive opening-up and accelerate learning from international economic and trade rules. This will strengthen the synergy, coordination, and efficiency in the reform system and promote deep reform at home. High-standard opening-up will drive reform and innovation in the future and provide endless momentum to Chinese modernization.

(2) High-standard opening-up paves the way for the new development paradigm

Fostering the new development paradigm featuring dual circulation, in which domestic and overseas markets reinforce each other, with the domestic market as the mainstay, is a major strategic task in the new era. "What we envision is not a development loop behind closed doors, but more open domestic and international circulations." For one thing, high-standard opening-up ensures unimpeded flows in the economy. We bolster total factor productivity by introducing high-end production factors and scarce resources, not only making the pie bigger but also contributing to proper distribution. We also enhance efficiency in the domestic circulation industry by learning from advanced experience abroad and speeding up domestic consumption upgrades by providing quality supply. For another, high-standard opening-up boosts interaction

and reinforcement between domestic and international circulations. We constantly expand export to improve the global market layout, actively expand import to unleash the potential of domestic demand and promote a virtuous cycle of internal and external markets, implement high-standard “bringing-in” and high-level “going out” strategy to create a virtuous circle among industries at home and abroad, and leverage opening-up and cooperation to promote positive circle in innovation across the board and effective connectivity of rules.

(3) High-standard opening-up is what’s needed for a better life

Realizing the common prosperity of all people and enriching their ideological world are the essential requirements of Chinese modernization, and improving the people’s well-being is the fundamental goal of development. High-standard opening-up to the outside world helps satisfy the people’s needs for a better life, which is reflected in better exerting the important role of foreign trade and foreign investment in stabilizing employment and the economy, increasing imports of high-quality products and services and satisfying the people’s diversified consumption needs; in addition, high-standard opening-up also continues to satisfy Chinese people’s various spiritual needs through promoting exchanges and interactions with the world’s progressive and civilized countries and nations.

(4) High-standard opening-up is a prerequisite for coordinating development with security

In the era of economic globalization, no country can achieve its own development in isolation. All countries need to safeguard national security and guarantee mutual security via opening-up. While China’s opening-up is consistent with its own stage of development, basic national conditions, and global situation, we also need to deal with the relationship between the degree of openness and the level of development, the process of openness and our competitiveness, opening-up ability and capacity for governance, our strength and responsibility, and benefits from openness and inclusiveness and sharing. High-standard opening-up adheres to a holistic approach to national security, pays more attention to opening-up security, and gets the intensity, pace, and level of opening-up on the basis of a deep understanding of the new problems and challenges faced in opening-up expansion so as to build a security barrier for Chinese modernization.

2. Chinese Modernization Serves as a Significant Opportunity for Building an Open World Economy

At present, global openness and development are facing many difficulties, and the momentum of world economic and trade growth is weakening. While realizing its own development, Chinese

modernization injects more positive energy into the recovery of the global economy and provides stability and new opportunities for building an open world economy. China's contribution to world economic growth has continued to stay at around 30 percent, making it the largest engine of world economic growth.²

(1) It helps Asia become the world's most dynamic region in the aftermath of the pandemic

A number of international organizations, including the United Nations, the World Bank, and the IMF, have predicted high downside risks to world economic growth in 2023.³ For example, UNCTAD's Trade and Development Report in April predicted that global economic growth would fall to 2.1 percent in 2023 (2.2 percent predicted in September 2022, lower than the pre-financial crisis level.)⁴ In the *World Economic Outlook* released by the IMF in July, the 2023 global economic growth forecast, although revised upward by 0.2 percentage points to 3 percent based on the April prediction, is still lower than the 2000 -2019 average (3.8 percent). Meanwhile, the IMF expects economic growth in advanced economies to fall to 1.5 percent in 2023 from 2.7 percent in 2022, with about 93 percent of advanced economies seeing a slowdown in economic growth; economic growth in Asia's emerging market and developing economies is expected to rise to 5.3 percent in 2023.⁵ The IMF and the ADP both believe that the Asian region will become the most dynamic major area in the world, and China will become the main engine to fuel the economic development of the Asia-Pacific region.⁶ China's economic growth, estimated to be 5.2 percent in 2023, will exert a positive spillover effect. IMF economists said that each percentage point China's economic growth rate increases will bring about a 0.3 percent increase in the rest of Asia's output, which undoubtedly serves as a major boon to world economic recovery.⁷

(2) It provides new opportunities for world economic recovery

In 2023, China's economic operation shows sound momentum of recovery, adding confidence and stability to the world economy. China's economy grew by 5.5 percent year-on-year in the first half of 2023, with a significant rebound in the consumption and service sectors, which greatly boosted the confidence of multinational companies in China. JP Morgan, Citi, UBS, and many other international organizations have adjusted their full-year growth expectations for China to more than 5 percent. China's super-sized domestic market, the effective supporting capacity of the manufacturing industry, and the ever-improving business environment are important factors attracting foreign companies to invest and expand their business in China. According to CCPIT's Second Quarter of 2023 Report on China's Business Environment for Foreign Investors, nearly 90 percent of the surveyed foreign enterprises rated indicators, such as the acquisition of business premises, paying taxes, going through closure procedures, resolving commercial disputes, municipal infrastructure application and installation, market access, cross-

border trade, and facilitating market competition in China, as “satisfactory” or above. More than 90 percent of the respondent foreign-funded enterprises rated the foreign investment policies unveiled by the central government since the fourth quarter of 2022 as “satisfactory” or above, while nearly 90 percent of them gave highly complimentary remarks to the foreign investment initiatives introduced by local governments. In terms of state of operation, nearly 70 percent of the interviewed foreign-funded enterprises are optimistic about the prospect of the Chinese market in the next five years, more than 90 percent believe that the attractiveness of the Chinese market has increased or remained strong, and more than 80 percent anticipate that their return on investment in China will remain flat or mount up this year.⁸

(3) It offers Chinese solutions for improving global economic governance

Chinese modernization is based on China’s actual conditions and draws on international experience, focusing on solving practical problems emerging in the process of reform and opening-up and socialist modernization, constantly responding to the questions posed by China, by the world, by the people and by the times, and finding the right answers suited to the realities of China and the needs of the day, thus contributing more Chinese solutions and wisdom. China has put forward the GDI, the GSI, and the GCI and has provided more global public goods through the joint promotion of the BRI. China supports the multilateral trading system, expands its globally-oriented network of high-standard free trade areas, advances the liberalization and facilitation of trade and investment, and shares with other countries new development opportunities so as to contribute its share to building an open global economy. Through peaceful coexistence and win-win cooperation among countries, China promotes the modernization and open development of mankind.⁹

(4) It enriches the theory and practice of an open world economy

The theory and experience of Chinese modernization are evolving, open, and inclusive. Based on China’s national condition and other countries’ experience, China has successfully found the Chinese path to modernization. The unique concepts of nature, nation, people’s livelihood, freedom, rights, and civilization embedded in Chinese modernization, together with their great practice, are significant innovations in modernization theories and practice in the world.

Chinese modernization is deeply rooted in the fine traditional culture. Chinese culture honors the natural concept of “harmony and coexistence” between human beings and nature, adheres to the national concept that “people are the basics of the country, and people consolidate the peace of the country,” and pursues the concept of people’s livelihood, which is “to benefit the people, to enrich the people’s livelihood.” It promotes the concept of freedom and rights, “do not do others what you would not have them do to you,” and advocates the concept of civilization, “harmony and beauty in diversity.”¹⁰ China’s modernization is to perceive global development from a long macro-historical perspective and to grasp its laws and trends. China firmly believes

that the backlash against economic globalization is only short-lived, while globalization still remains a major historical trend, and all countries should choose their own paths of development with mutual respect, openness, and inclusiveness, as well as win-win cooperation.

Chinese modernization has explored a new model for modern civilization. Drawing inspiration from and absorbing all of human civilization's outstanding achievements, Chinese modernization is different from the Western model and pioneers a new form of modernized civilization. Putting people first is the defining feature of Chinese modernization, which pursues the comprehensive development of human beings. Development should serve the people and depend on the people, with its benefits shared by the people. High-quality development will be supported by a high-quality ecological environment, and meanwhile, we must do a better job of seeing that the gains of modernization should benefit all our people fairly and prevent polarization. It is the noble pursuit of Chinese modernization to promote both material abundance and cultural-ethical enrichment of the people.

Chinese modernization is an important part of the world's open economic practice. In a country with a huge population like China, it is a miracle in itself to achieve rapid development while still maintaining long-term social stability. China insists on scientific and technological innovation and green development to enhance the sustainability of development; it promotes coordinated regional development and rural revitalization to narrow the development gap between urban and rural areas and to see that everyone shares in the fruits of development. China takes steady and incremental steps to carry forward reform and opening-up, exploring experience with pilot projects to avoid the drastic impact brought by opening-up on the domestic economy and society. Built on the experience of Western modernization, China has changed the "tandem" development process of industrialization, urbanization, agricultural modernization, and informatization that Western modernization has experienced in turn and adopted a superimposed mode of those phases by means of the "parallel" development. With this new mode, we will turn the potential late-comer advantage into a real one.¹¹ China champions the promotion of the shared values of all humanity, i.e., peace, development, equity, justice, democracy, and freedom. China's modernization has taken a peaceful and win-win path, providing a Chinese solution to mankind's quest for a better social system of open development.¹² China emphasizes national education and talent development to give lasting impetus to economic development; China shares opportunities with all countries and integrates the development concepts of greenness, peace, and win-win cooperation, as well as the principle of extensive consultation, joint contribution, and shared benefits, into bilateral and multilateral and cooperation in third markets.

3. The Course of Chinese Modernization Represents Mankind's Direction of Common Development and Progress

In today's world, all countries share a common future. China is advancing modernization through peaceful development, valuing openness, cooperation, and sharing. China has stayed committed

to the policy of opening-up, building the Belt and Road together with other countries, forging a global consensus on development by putting forward the GDI, promoting the liberalization and facilitation of trade and investment, and resolutely supporting and assisting the vast number of developing countries in accelerating development, thus building a community with a shared future for humankind.

(1) Chinese modernization provides reference for other countries

It has expanded the channels to achieve modernization in the world. Modernization began in the West. For a long period, modernization was almost equivalent to Westernization. Capitalist modernization has shaped the discourse of “modernization” by virtue of its first-mover advantage and has made the free market, separation of powers, and universal values the prior elements for modernization, thus, to some extent, narrowing the space for other countries to realize modernization on their own.¹³ Numerous facts have proved that modernization is not an easy task, and some countries sacrificed their sovereignty and independence to strive for dependent cooperation and suffered from various “development traps.”¹⁴

Modernization is a global revolution characterized by monistic and multi-linear features.¹⁵ As the economic foundation of modernization, industrialization is a diversified process. The diversity of history determines the diversity of development paths each country chooses. The success of the Chinese path to modernization demonstrates that all countries can find a mode that best suits them.

It has provided non-Western countries with valuable experience in modernization. As the world’s largest developing country, China, like the majority of them, has experienced a difficult modern history of national independence and an overthrow of the feudal system. At the same time, as a late-mover to modernization, the People’s Republic of China, especially since the reform and opening-up, has completed within a few decades the course of industrialization that Western developed countries have cost several hundred years to realize and has guaranteed rapid economic development and long-term social stability. China’s experience is worthy of developing nations to learn from.

By being committed to its fundamental national policy of development, China has grasped industrialization as the core connotation and driving force of modernization.¹⁶ In the process of opening-up, China has made gradual and orderly progress, developed the socialist market economy, and flexibly and pragmatically adjusted its opening-up strategy at different times. According to changes in the stage of domestic economic development and the principal contradiction facing Chinese society, it has followed the trend and adjusted the focus and pace of development timely, and has taken the promotion of the common prosperity for all as the focus of its efforts to seek happiness for the Chinese people, and taken solid steps in every stage.

China attaches great importance to the autonomy of development. By learning from the West without copying them blindly, it has effectively safeguarded national sovereignty and development security.¹⁷ China’s political practice, adapting the basic tenets of Marxism to China’s

traditional culture, avoids the depletion of recognition and synergy of reform and development because of interest and social conflicts.¹⁸

China's experience has shown that, as a late-comer led by a ruling party with the broadest base support and firm convictions, it can synergize consensus on reform and development to the greatest extent and create an enduring and effective synergy in promoting economic growth.¹⁹ Because the ruling party is highly representative, it ensures the "impartiality" of its policies, avoids the drawbacks of policy bias and short-sightedness because of the intervention of votes and some interest groups, and effectively prevents immediate benefits from affecting the far-reaching interests of the country. Chinese modernization has also proved that there is no fixed model when it comes to the path of modernization; the one that suits you well will serve you well, and cutting one's feet to fit the shoes will lead nowhere.²⁰ For any country to achieve modernization, it needs not only to follow the general laws governing the process but, more importantly, to consider its own national conditions and unique features. Every country can and should find its own path towards modernization.

It has clarified the basic logic of diverse modernization in the world. Modernization is a global change in the history of humankind²¹ and is part of the process of human civilization. The diversity of cultures foretells that countries have various choices in exploring modernization. This is a change in the narrative logic of modernization from uniqueness to diversity.

China has put forward the GCI, which, from the height of human civilization and the grand perspective of history, fundamentally answers questions of the times, including "what kind of modernization do we need and how can we achieve it?" providing a logical, rational and consensual explanation for the diversity, autonomy, sustainability, and symbiosis of paths to human modernization. From the perspective of respecting the diversity of global civilizations and the differences between cultures and histories, the road to modernization can arouse broad recognition and trust among developing countries. It is the people of a country that are in the best position to tell what kind of modernization best suits them. Meanwhile, development should take the people's benefits as its essence, and the achievement of material prosperity and social stability through development responds to the aspirations of the people and is capable of building up a consensus on development around the world including developing countries.²²

(2) Chinese modernization contributes toward achieving UN sustainable development goals

The latest report from UNCTAD points to a further slowdown in the global economy against the backdrop of financial turmoil, with developing countries facing even greater difficulties.²³ UN Secretary-General Guterres warned that *the 2030 Agenda for Sustainable Development* is turning into a "mirage of what might have been," emphasizing that "development can only be sustainable; otherwise, at the end of the day, there will be no development."²⁴

In the current global context, with an overall economic slowdown and ecological and environmental load exceeding our carrying capacity, the industrialization process of developing

countries is facing a more volatile international environment and resource and environmental constraints. How to safeguard the right to development of developing countries and solve the problems of the North-South gap and world poverty is a major global issue in the process of human modernization.

As a populous country, China's overall modernization of more than 1 billion people is undoubtedly a great contribution to the sustainable development of human beings. Based on its national conditions, China has made significant contributions to the realization of the UN sustainable development goals through practical development policies. Over the past four decades, more than 800 million Chinese people have been lifted out of poverty, contributing to global poverty reduction.

China is actively advancing global green and sustainable development. "Lucid waters and lush mountains are invaluable assets." China leads the world on many counts: in terms of afforested area, which accounts for a quarter of the world's total; in the development and utilization of renewable energy, with one-third of the world's installed capacity of wind and solar power; and in the output and sales of new energy vehicles, ranking first in the world. Besides, China has made the solemn pledge to achieve carbon peak and carbon neutrality to the world, setting an example for the implementation of the Paris Agreement. China attaches great importance to biodiversity conservation and announced the establishment of the Kunming Biodiversity Fund to support the cause of biodiversity conservation in developing countries. China actively participated in the negotiations to be held at the United Nations Headquarters in New York in March 2023 and signed a global agreement aimed at protecting the diversity of international waters.

Ten years since the start of the BRI, 420,000 jobs have been created for participating countries; energy transition and scientific and technological cooperation have been promoted, and the industrialization base and sustainable development capacity of those countries have also been improved through infrastructure connectivity, unimpeded trade, and investment channels. The GDI is also widely welcomed by the international community. With the support of over 100 countries and many international organizations, and with some 70 countries in the Group of Friends of the GDI, the Initiative is giving a strong boost to the early attainment of the UN SDGs for 2030.

(3) Chinese modernization promotes the building of a community with a shared future for mankind

Currently, human society is facing unprecedented challenges whose impacts are indiscriminate of nationality, race, or region. Chinese modernization is rooted in her national conditions and also draws on the experience of other countries. It carries the imprint of history and traditional culture and also contains modern elements. It delivers benefits to the Chinese people and also advances development of the world. It is a sure path for us to build a stronger nation and realize the rejuvenation of the Chinese nation. It is also a path we must take to seek progress for

humanity and harmony for the entire world. Chinese modernization is inclusive and sustainable. It is also the process of promoting international openness, development, cooperation, and sharing, and the process of promoting the common development and progress of mankind. China promotes the building of a community with a shared future for mankind, acts on the principle of achieving shared growth through discussion and collaboration in engaging in global governance, and actively pushes forward reform and development of global governance. With global cooperation, inclusiveness, and mutual trust, we will jointly build an open, inclusive, clean, and beautiful world of lasting peace, universal security, and common prosperity.

The world is undergoing profound changes unseen in a century. The global opening-up process is at a crossroads. Against the global backdrop full of uncertainty and instability, Chinese modernization has injected certainty and stability into the world, strengthened global confidence in openness and development, and led the way for human civilizations to embrace and learn from each other. Whether in the past or in the future, countries stand to rise and fall together. Therefore, strengthening solidarity and cooperation is the only way forward.

NOTES

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21. See Luo (2013).
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