

# Chapter 2

## Political Analysis of the Strategy for Developing the Western Region

### *Introduction*

In discussing the Strategy for Developing the Western Region, attention tends to focus on officially announced targets, such as how to overcome the widening economic disparity between the Eastern Region and the Western Region and ethnic minority areas and the deterioration of the ecological environment and how to achieve economic development through the expansion of domestic demand. Given the political realities in China, however, the Strategy for Developing the Western Region can be regarded as a political campaign which has come out of the dynamics of power politics in the central leadership. The strategy also involves, in the course of implementation, the conflict of interests among regional governments<sup>1</sup> over the distribution of the limited amount of “pie” and the conflict of interests between the central and regional governments over control and devolution. This chapter traces the circumstances that led to the proposal of the Strategy for Developing the Western Region, analyzes the backgrounds, and analyzes problems that arose in the process of implementing the strategy.

### **2.1 Circumstances for Proposal of the Strategy for Developing the Western Region**

#### **2.1.1 Planning stage**

As Premier Zhu Rongji said, “He (Jiang Zemin-added by this writer) repeatedly raised the issue of implementing the Strategy for Developing the Western Region in March, June and again in August of this year (1999 - added by this writer),”<sup>2</sup> Jiang Zemin is officially understood to have made his first reference to the Western development strategy in March 1999. But there were no official press reports in March that touched on the “Strategy for Developing the Western Region.” According to a Beijing-affiliated Hong Kong magazine, at a conference of Communist Party of China (hereafter CPC) leaders of the National People’s Congress

(hereafter NPC) and the Chinese People’s Political Consultative Conference (hereafter CPPCC) held in that month, Jiang Zemin stated, “The Strategy for Developing the Western Region is a major strategy and a major scheme for our development.”<sup>3</sup> Zhu Rongji’s remark appears to have been made in reference to Jiang Zemin’s statement at this meeting.

At a central conference on poverty relief affairs held on June 9, 1999, Jiang Zemin said: “There are conditions already in place for accelerating the speed of development of the Central and Western regions and time is ripe. While continuing with development of the Eastern Coastal Region, we should not miss an opportunity and should accelerate development of the Central and Western regions. From now on, the party and the state must regard development of the West as a major strategic mission and put the issue further ahead of anything else.”<sup>4</sup> At a round-table meeting on the reform and development of state-owned enterprises in the five northwestern provinces, held in Xian, Shaanxi Province, on June 17, he said, “We should not miss out on a chance to accelerate development of the Central and Western regions, and in particular, study the grand development of the Western Region in earnest.”<sup>5</sup> On this occasion, Jiang Zemin publicly underscored the necessity of development focusing on the Western region. Following the round-table meeting in Xi’an, Jiang Zemin toured Luoyang, Zhengzhou and Kaifeng of Henan Province as well as Jinan and Dongying of Shandong Province, and visited the Yellow River to emphasize the need for good management of the river in terms of prevention of flooding, rational utilization of water resources, and construction of the ecological environment.<sup>6</sup>

There were no official reports on Jiang Zemin’s remarks in August. Considering the timing of the remarks and the importance of the policy, however, it is reasonable to assume that the August remarks were those he made at the Beidaihe conference, an important annual meeting of central government leaders held in July-August to discuss policies and plans for the second half of the year. Details of the meeting were not known, however.

In line with the policy decisions made at this Beidaihe conference, Premier Zhu Rongji visited Shaanxi Province August 5-9, 1999, to observe the soil erosion due to flooding, improvement of the ecological environment and construction work to prevent the rise of the Yellow River. He also made inspection tours of Yunnan Province August 12-16, Sichuan Province September 6-12, and Gansu Province, Qinghai Province and Ningxia Hui Autonomous Region October 21-30.

After Jiang Zemin showed the basic policy direction in March, followed by the Beidaihe conference and several tours of the region by Premier Zhu Rongji, the Strategy for Developing the Western Region was officially proposed as the party's policy at the economic working conference of CPC Central Committee in November 1999. The conference concluded that "conditions are basically in place for the research and implementation of the Strategy for Developing the Western Region and time is already ripe. Implementation of this strategy is a crucial decision toward the 21st century made under full control of the situation by the party leadership."<sup>7</sup> This conference marked the shift into the implementation stage of the Strategy for Developing the Western Region.

## 2.1.2 Establishment of Leading Group for Western Region Development

Actually, just before the central conference on economic affairs, the State Council established the "State Council Leading Group for Western Region Development (hereafter Western Leading Group)"<sup>8</sup> as an organization to guide, organize and execute various stages of the Strategy for Developing the Western Region. Premier Zhu Rongji became the head of the group, and Zeng Peiyan, minister of the State Development and Planning Commission, deputy head of the group. Other members of the group are listed in Table 1. The composition of the Western Leading Group is characterized first of all by the collection of top leaders of party and government departments responsible for macroeconomic coordination, infrastructure and propaganda. The lineup has a symbolic meaning of demonstrating active support of key central party and government divisions for the Strategy for Developing the Western Region, and also suggests that the Western Leading Group will serve as a place to coordinate opinions and interests of parties concerned on some matters related to development of the West. The second feature of the group's composition is the fact that Premier Zhu Rongji has assumed its chairmanship. As the circumstances de-

**Table 1 Composition of Leading Group for Western Region Development**

Title	Name	Government position
Group leader	Zhu Rongji	Premier
Deputy group leader	Wen Jiabao	Vice premier
Members	Zeng Peiyan	Minister of the State Development and Planning Commission
	Sheng Huaren	Minister of the State Economic and Trade Commission
	Chen Zhili	Minister of Education
	Zhu Lilan	Minister of Science and Technology
	Liu Jibin	Minister of the Commission of Science, Technology and Industry for National Defense
	Li Demo	Minister of the State Nationalities Affairs Commission
	Xiang Huaicheng	Minister of Finance
	Tian Fengshan	Minister of Land and Natural Resources
	Fu Zhihuan	Minister of Railways
	Huang Zhendong	Minister of Communications
	Wu Jichuan	Minister of Information Technology and Telecom Industry
	Wang Shucheng	Minister of Water Resources
	Sun Jiazheng	Minister of Culture
	Dai Xianglong	Governor of the People's Bank of China
	Liu Yunshan	Deputy head of the Propaganda Department
	Tian Congming	Director of State Administration of Radio, Film and Television
	Wang Zhibao	Director of State Forestry Bureau
	Wan Xueyuan	Director of State Bureau of Foreign Experts

Source: Compiled by the author

scribed above suggest, Zhu Rongji's serving as the group's head is tantamount to a public announcement that Zhu Rongji, under the instructions from Jiang Zemin in China's supreme leadership, will aggressively push ahead with the Western development. On the other hand, he will be responsible for coordination of interests of the quarters concerned.

The General Office was created under the Western Leading Group as an organization to undertake day-to-day business. Placed under the State Development and Planning Commission, the office is headed by Zeng Peiyan. Appointed as deputy head are Wang Chunzheng, deputy minister of the State Development and Planning Commission, and Duan Yingbi, deputy chairman of the Central Financial and Economic Leading Group Office. This means the Western Leading Group has the head and deputy heads from the highest party and state departments concerning macroeconomic adjustments. In July 2000, Li Zibin, deputy minister of the State Development and Planning Commission, was appointed as another deputy head of the Western Leading Group.<sup>9</sup> According to Zeng Peiyan, the General Office, created on the model of the Special Economic Zone Office of the State Council, is a body to organize and implement the specifics of the Strategy for Developing the Western Region. The establishment of the office provided the organizational guarantee for the Strategy for Developing the Western Region.<sup>10</sup> The General Office's principal tasks include: (1) research and submission of proposals for the strategy for development of the Western Region, development plans, serious issues, and relevant policies and legislation; (2) research and submission of proposals for development of the farming economy in the West, priority infrastructure construction, protection of the ecology, structural adjustments, resources development, and deployment of projects, (3) research and submission of proposals for a deepening of reform in the West, expanded opening-up, and policies concerning the introduction of domestic and foreign capital, technology and human resources; and (4) other administrative matters assigned by the Western Leading Group.<sup>11</sup> It can be presumed from the things described above that the General Office wields a large influence in formulating policies on the Strategy for Developing the Western Region. While it has several divisions, including comprehensive planning, economy and society, agriculture and

forestry, core human resources, the General Office has a staff of only about 10 officials, on loan from such organizations as the State Council's Economic Restructuring Office and the Development Research Center. As a result, policy planning work, in effect, is being undertaken by the Development and Planning Commission.

As evidence of the commission's active involvement, it already started drawing up an implementation plan for the Strategy for Developing the Western Region in October 1999, before the establishment of the Western Leading Group. In mid-November and at the end of November, the commission filed reports on the implementation scheme of the strategy to the supreme leadership and received important instructions. After some modifications based on the instructions, a preliminary draft of the scheme was completed in mid-January 2000.<sup>12</sup> Following the draft's completion, the Western Leading Group sponsored a conference on Western development January 19-22. At the conference, attended by Premier Zhu Rongji along with Vice Premiers Li Lanqing and Wen Jiabao and others, the basic strategy for development of the Western Region was officially proposed with the five key goals: (1) acceleration of infrastructure construction; (2) strengthening of protection and construction of the ecological environment; (3) industrial restructuring; (4) development of science and technology, and education, accelerated development of human resources; and (5) strengthening of reform and opening-up.<sup>13</sup>

### **2. 1. 3 Responses from Central Government Departments, Local Governments**

While the State Development and Planning Commission formulated the basic strategy for the Western Region development, departments and commissions of the central government also formulated and announced relevant individual policies. The State Development and Planning Commission on April 12, 2000, unveiled the "10 Major Projects" covering construction railways, expressways, airports and natural gas pipelines. As of January 1, 2000, the State Administration of Taxation enforced preferential income tax treatment for foreign-capital enterprises making investment in the Central and Western regions. The State Development Bank opened the Lanzhou branch office in January, and its Sichuan branch made a loan of 53

billion yuan to the Sichuan provincial government in February. The Ministry of Communications announced construction of eight trunk roads for a total length of 15,000 kilometers in the Western Region, estimating an overall investment of 120 billion yuan over some 20 years. The Ministry of Railways said it plans to invest 1000 billion yuan by 2005 to build 18,000 kilometers of railroads, and operate fast train services on the Beijing-Urumuqi and the Shanghai-Urumuqi sections in October 2005. The Ministry of Water Resources and the Ministry of Forestry announced plans to spend 200 billion yuan on construction of the ecological environment. The Organization Department, the United Front Work Department and the State Nationalities Affairs Commission in the joint names announced plans to "select leading members of the Western Region and other ethnic minority areas, send them to the central government, state organizations and areas with the relatively developed economy, and have them take jobs for training during 2000-2009." The Ministry of Personnel also said it will participate in programs to train leading members of ethnic minority groups and send science and technology personnel of the Eastern Region to the Western Region. The Ministry of Land and Natural Resources on March 17 announced a plan to provide foreign-capital companies with access to mining exploration rights. The Ministry of Education announced a plan to spend 800 million yuan in 2000 for measures such as promotion of compulsory education in the Western Region and support for teachers.<sup>14</sup>

Regional governments also formulated and announced various preferential policy measures. For example, Ningxia Hui Autonomous Region announced a variety of preferential policy measures applicable to newly formed wholly foreign-owned manufacturing enterprise, including (1) exemption of the corporate income tax for five years after the commencement of production operations; (2) full refunds of the 25% of the value-added tax, "city maintenance and construction tax," "fixed property investment direction adjustment tax," and real estate tax for five years after the commencement of production; (3) exemption of the land use tax during the construction period and for five years after the commencement of production; (4) refund of the resources tax for three to five years for resources development enterprises, and (5) exemption of the expenses added to the sales tax stipu-

lated by the autonomous region government.<sup>15</sup> Other regional governments in general also announced a series of similar measures to attract both domestic and foreign-capital companies, mainly reductions or exemptions of taxes and favorable land lease fees.

While the central government's departments and commissions, and regional governments announced individual policy measures, Li Zibin, deputy head of the Western Leading Group, on August 14, 2000, announced that the State Council will unveil in October its 20-point unified policy (hereafter, the 20-point policy) incorporating policy measures and rules for the promotion of the Strategy for Developing the Western Region and that it will hold the "2000 China Western Forum (hereafter, the Forum) in Chengdu, Sichuan, from October 20, 2000.<sup>16</sup> Premier Zhu Rongji, on the occasion of his visit to Japan in October, told Japanese businesses reluctant to move into the Western Region for the absence of concrete policies that the 20-point policy will be announced at the Forum. The Forum in Chengdu drew top leaders of the central government's departments and commissions, regional governments and Chinese enterprises as well as many top executives from major global companies, including Motorola of the United States and Toyota Motor of Japan in the Top 500 ranking of Fortune magazine. At the Forum, however, Wang Chunzheng, another deputy head of the Western Leading Group, unveiled only key points of four important policy measures: (1) policy for investment; (2) policy for improving the investment climate; (3) policy for opening the Western Region for both outside and domestic concerns; and (4) policy to attract human resources and promote education in science and technology. His announcement fell short of the 20-point policy Premier Zhu Rongji promised or more specific policies foreign business executives wanted to hear about.<sup>17</sup> On December 27, after further adjustments within the central government's departments and commissions, the State Council announced the 19-point "notice on the implementation of policy measures for the Strategy for Developing the Western Region."<sup>18</sup>

## **2.2 Background for Proposal of the Strategy for Developing the Western Region**

This section surveys the background for the

proposal for the Western development strategy from both official motivations of the Party and personal motivations of the party leader.

### **2. 2. 1 Official Motivation – Stability and Development of CPC Rule**

In pushing for the Strategy for Developing the Western Region, Jiang Zemin stated: “Development of the Western Region, in line with the promotion of reform and construction of the nation, is the development strategy from a broad view of things in order to maintain the permanent stability of the party and the state, and has not only an important economic significance but also an important political and social significance.”<sup>19</sup> The economic working conference of CPC Central Committee also characterized the Strategy for Developing the Western Region as the strategy that “has a direct bearing on the promotion of economic growth through expanded domestic demand and also on the strengthening of national unity, social stability and border defense.”<sup>20</sup> These official statements indicate that the Strategy for Developing the Western Region is of both economic and political significance and also the policy for the stability and advancement of the rule by CPC. The analysis of the reasons behind the proposal of the Strategy for Developing the Western Region based on these official statements leads us to the following four major points.

First, the Western Region lags far behind the Eastern Region in economic development, and regional governments in the West are becoming increasingly frustrated, blaming the situation on the central government’s inadequate policies, that is, long years of policies that gave too much importance to the East and made light of the West. Against this background, the latest strategy is intended contain discontent with the central government by initiating central government-led policies focusing on the Western Region. Secondly, many ethnic minority areas in the Western Region are considerably more backward economically in comparison with other areas. Moreover, there were frequent incidents of independence movements in Xinjiang Uygur Autonomous Region and Tibet Autonomous Region. According to Hu Angang of the Development Research Center of National Status, Chinese Academy of Science, “15% of leaders of areas with many ethnic minorities fear a split of the nation.”<sup>21</sup>

The Western development strategy is therefore intended to contain independence movements in ethnic minority areas and maintain national unity by making their areas economically affluent. Third, it has to do with the serious deterioration of the ecological environment. There are serious problems such as the major flooding of the Yangtze River in 1998, the loss of soil along the Yellow River, and sandstorms in Beijing. The causes of most of these problems can be traced to the deterioration of the ecological environment in the West, calling for urgent action to improve the situation. Fourth, further economic development of China increasingly depends on domestic demand, and high expectations are being placed on the Western Region as a new, vast market. The above-mentioned four points are factors of instability that could hake the foundation of the rule by the CPC. If they are left unattended, the situation will increasingly get worse. Out of that sense of crisis, the CPC wants to push ahead with the Western development and stabilize its rule by eliminating these factors of instability. These are the Party’s official motivation of the proposal of the Strategy for Developing the Western Region.

### **2. 2. 2 Personal Motivation – Establishment of Jiang Zemin’s Authority**

With the word of command from Jiang Zemin, Premier Zhu Rongji and other top leaders went on the observation tour of the Western Region, and the central government’s ministries and commissions one after another formulated and announced related preferential policy measures. Mass media also ran banner headlines about the “Strategy for Developing the Western Region” almost every day, creating the situation that can be described only as the “Western development fever.” The Strategy for Developing the Western Region is being pushed not as a well-thought-out plan but rather as a political campaign which concerns the party leader – Jiany Zemin’s pursuit of personal authority no less than the aforementioned official objectives.

Since the “Tri-emphasis”<sup>22</sup> education program for party leaders was launched in December 1998, the political situation in China gradually became geared toward preparing the nation for the CPC’s 16th National Congress, scheduled for the autumn of 2002.<sup>23</sup> Attention is being riveted on the “post-Jiang Zemin,” that is, whether Jiang Zemin will step down as general secretary but keep a sway over the

party, or will continue to hold the post of general secretary. Whether Jiang Zemin has sufficient authority will determine which way things will go. But Jiang Zemin apparently feels he has yet to establish full authority and has strong anxiety over the future. For that reason, the ideological political campaign has been under way since December 1998, including the "Tri-emphasis" education and the "Three-Represents,"<sup>24</sup> in order to boost and establish the authority of Jiang Zemin. Therefore, the Strategy for Developing the Western Region, reportedly first proposed by Jiang Zemin in March 1999, should be understood in the context of the political situation that calls for the establishment of his authority toward the 16th party congress.

According to the official interpretation, the Strategy for Developing the Western Region was officially proposed by Jiang Zemin in a lecture at a round-table meeting on the reform and development of state-owned enterprises held in Xi'an, Shaanxi Province, in June 1999. That Jiang Zemin went to Xi'an to propose the Strategy for Developing the Western Region resembles the so-called "Southern Tour Lectures" Deng Xiaoping made to appeal for the acceleration of reform and opening-up when he visited Shanghai and Guangdong in 1992. In pushing for the reform and open-door policy, Deng Xiaoping adopted the "allow some people and areas get rich first" policy for the Coastal Region, whose early development was supposed to help develop the Inland Region later, bringing about the economic growth in the 1980s. His "Southern Tour Lectures" brought about further development of the Coastal Region, leading to the high growth of 1992 onward. These achievements consolidated Deng Xiaoping's absolute authority.

Now that the Coastal Region has achieved intended development over 20 years after the inauguration of the reform and open-door policy, China is now entering the stage of development for the Inland Region. The development of the Inland Region, and the Central and Western regions, is the task imposed on the Jiang Zemin administration in the second stage of China's reform and opening-up, and signifies the continuation of the Deng Xiaoping theory. Therefore, it is quite likely that the official line of the explanation that Jiang Zemin initiated the Strategy for Developing the Western Region in Xi'an, the provincial capital of Shaanxi that has numerous poverty-stricken areas, keeps the precedent of Deng Xiaoping in mind. If

Jiang Zemin is successful in the development of the Western Region, or in preparing the road map for that success, his speech in Xi'an may well come to be called and praised as a historic "Western tour Lecture." Like the case of Deng Xiaoping, that would be a major achievement for Jiang Zemin and lead to the establishment of his authority. That is part of the reason why the full-scale propaganda operation is on to play up the political campaign for the Strategy for Developing the Western Region.

### **2.3 Tricky Coordination of Interests**

It requires vast amounts of funds for economically backward regions to achieve economic development against the backdrop of inadequate infrastructure, harsh natural conditions and destruction of the ecological environment. When Chinese regional governments are plagued with hard-pressed finances, central government-led major developments projects present them with an opportunity to raise necessary funds. In China, the five-year plans had played exactly that role. In recent years, however, five-year plans have increasingly focused on the "vision", which offers guidelines for medium- and long-term development.<sup>25</sup> Therefore, it seemed to regional governments initially that the Strategy for Developing the Western Region an unexpected chance to raise funds necessary for their economic development. But it is well known that the central government, too, is in dire straits financially. Therefore, it was easily imaginable that how to share the small "pie" would become a major political issue in the course of implementing the Strategy for Developing the Western Region. The "pie" includes not only funding sources but also project items.

#### **2.3.1 Demarcation of the "Western Region"**

In order to benefit from the Strategy for Developing the Western Region, regional governments must first get recognized as part of the "Western Region." The Strategy for Developing the Western Region thus began with the work of demarcating the geographical scope of the "Western Region," but that work dragged on until July 2000.<sup>26</sup> At first, the State Development and Planning Commission was proceeding with the demarcation work bearing in mind the demarcation under the Sev-

enth Five-Year Program announced in March 1986: the six provinces, three autonomous regions and one municipality comprising Sichuan Province, Chongqing Municipality, Guizhou Province, Yunnan Province, Gansu Province, Shaanxi Province, Qinghai Province, Ningxia Hui Autonomous Region, Xinjiang Uygur Autonomous Region, and Tibet Autonomous Region.<sup>27</sup> During the course of the demarcation work, however, the commission was confronted with the issue of whether to include in the Western Region the two autonomous regions of Guangxi and Inner Mongolia, both of which ethnic minority autonomous regions, and the three provinces of Hubei, Hunan and Shanxi that are on the line separating the Western and Central regions.

The inclusion of Guangxi invited strong opposition from other regional governments. Guangxi had received favorable treatment during the period of development of the Eastern Coastal Region. Hubei, Hunan and other regional governments did not like the idea of Guangxi receiving favorable treatment again as a member of the West under the Strategy for Developing the Western Region. On the other hand, the government of the Guangxi Zhuang Autonomous Region mounted an ardent lobbying effort to get the State Development and Planning Commission to include it in the West. Following in Guangxi's footsteps, Inner Mongolia also worked hard on the commission for its inclusion.<sup>28</sup> An official of the Development and Planning Commission of Inner Mongolia contributed an article to a magazine published by the State Development and Planning Commission to illustrate the seriousness of the ongoing desertification in the autonomous region: "Due to excessive cultivation and grazing, the ecological environment of Inner Mongolia has been suffering from the devastating damage, and the desertification and regression of grassland and arable land and the soil erosion are becoming more and more serious. The desertification, regression and chlorination of grasslands of Inner Mongolia are very serious. The desertification area now totals 60% of the autonomous region's land, and the desertification is going on at the rate of one million mu (1mu = 6.667 ares)."

<sup>29</sup> At the central government, the Ministry of Agriculture argued for the inclusion of Guangxi and Inner Mongolia. The background of the ministry's argument is not necessarily clear. But it appears that since both Guangxi and Inner Mongolia are farm-

ing regions, the ministry wanted to expand its commitment to the Western Region development by including the two autonomous regions in the West. Ultimately, Guangxi and Inner Mongolia were included in the Western Region<sup>30</sup> on the grounds that they belong to the ethnic minority areas, geographically border on the West, are rich in natural resources, are at the low level of economic development, and have similarities with the southwestern and northwestern districts. As mentioned above, however, there were pros and cons about their inclusion, and it is assumed that the ultimate decision was made out of highly political considerations.<sup>31</sup>

Meanwhile, the three provinces of Hubei, Hunan and Shanxi, all on the line dividing the Western and Central regions, also strongly urged the central government to include them in the West.<sup>32</sup> For example, Hubei Province had a strong sense of urgency that it would lose a chance of development<sup>33</sup> if it missed out on this opportunity of the Western Region development. In the end, all the three provinces failed to get included in the West. But Enshi Autonomous Prefecture of Hubei province and Xiangxi Autonomous prefecture of Hunan province were incorporated into the Western Region as the sole ethnic minority area of the respective provinces. The decision came as a compromise between the central government and the two provinces. In this sense, Shanxi Province was dropped entirely because it had no minority autonomous area.

After these developments, the scope of the Western Region was finalized to include Guangxi Zhuang Autonomous Region, Inner Mongolia Autonomous Region, and the two autonomous areas of Enshi Autonomous Prefecture of Hubei province and Xiangxi Autonomous prefecture of Hunan province, in addition to the above-mentioned six provinces, three autonomous regions and one municipality. There were not a few provinces who tried in vain to be included in the West. For example, Hainan Province, not a Western province geographically, insisted it should be included in the West because it is an ethnic minority area with 35 ethnic minorities living in the province and the Strategy for Developing the Western Region has an objective of developing ethnic minority areas.<sup>34</sup> Jilin Province used the same logic, and even Yanbian Korean Autonomous Prefecture repeatedly urged the central government to recognize it as part of

the West, citing its status as an ethnic minority area<sup>35</sup>. Ultimately, neither of them succeeded in getting included. These developments show that regional governments across China were frantically trying to get benefits of the grand development project even when they were aware that their arguments were not reasonable or convincing.

### 2.3.2 Aggressive Lobbying Activities

What sorts of lobbying activities did regional governments conduct? We look at several examples. At the Ninth NPC and the Ninth CPPCC held in March 2000, delegates submitted numerous bills and measures related to the Strategy for Developing the Western Region. At the CPPCC, 20 out of 184 official representations at the conference were related to the Western Region development. While the NPC and the CPPCC were in session in Beijing, congress and conference delegates and regional government officials from the Western Region visited policymaking departments of the central government to urge them to announce as early as possible preferential measures affecting their provinces or autonomous regions and obtain specific project commitments, and also made contacts with delegates from the East to forge cooperative relationships.<sup>36</sup>

As with the above-mentioned case of Inner Mongolia Autonomous Region, the head of the Development and Planning Commission of Ningxia Hui Autonomous Region wrote in a magazine published by the State Development and Planning Commission: "The autonomous region has so far lacked the economic capabilities of self-accumulation and self-development, and is one of the economically weakest provinces and autonomous regions in China."<sup>37</sup> It is interesting to note that the article was using the self-degrading tactics to draw attention of the central government. This is in stark contrast with the widespread pattern of behaviors of regional governments, which often pad out statistics in reports to the central government.<sup>38</sup> It can easily be assumed that regional governments in lobbying activities adopted the tactics of underestimating their own strength. Since March 1999, regional governments sponsored quite a number of conferences as symposiums or seminars on the subject of the Western Region development, inviting officials from the State Development and Planning Commission and other government ministries and com-

missions as well as scholars and other experts. Regional governments give great weight to these conferences as an opportunity to convey their demands to the central government and also probe into what is going on within the central government.<sup>39</sup>

### 2.3.3 Escalating Competition for Favors among Regional Governments

Just looking at the process of the geographical demarcation of the Western Region makes it easy to imagine how difficult it is to coordinate and adjust the interests of regional governments over the distribution of the "pie" being baked for the Strategy for Developing the Western Region. Once recognized as part of the West, a regional government is entitled to receive various benefits, including priorities in obtaining central government-funded projects and fiscal subsidies to come with them. Given the deteriorating fiscal position of the central government, however, it would be unrealistic to place high expectations on fiscal help from the central government. Therefore, fund-raising expectations are now shifting on to the attraction of domestic as well as foreign-capital enterprises. That is why many regional governments raced to announce preferential policy measures as soon as the proposal was made for the Strategy for Developing the Western Region.

The "Opinion concerning further encouragement of foreign investment in the immediate future," issued in August 1999 by the joint names of the Ministry of Foreign Trade and Economic Cooperation, the State Economic and Trade Commission, the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation, proposed to upgrade provincial economic and technology development zones of provincial governments in the Central and Western region to the state level. The State Council then gave the state-level status to the seven provincial economic and technology development zones in Xi'an, Chengdu, Kunming, Guiyang, Hefei, Zhengzhou and Changsha. The upgrading to the state level means that these development zones can offer preferential measures similar to those in special economic zones, including the low corporate income tax rate of 15% (half of the ordinary tax rate) for foreign-capital enterprises in the production sector, the tax holiday system for the tax exemption for two years and tax reduction for three

and a half years, tax exemption for overseas remittances, and tax exemption for imports of facilities and materials.<sup>40</sup> But the upgrading did not cover economic and technology development zones of all the 10 provinces, autonomous regions and city in the Western Region. During the screening for the upgrade, regional governments mounted fierce lobbying efforts, resulting in the addition of four more zones for the upgrading later.<sup>41</sup> In Chongqing, the Chongqing economic and technology development zone set the land lease charge at over 250,000 yuan per mu, but the development zone in north area of Chongqing offered the lease charge of 60,000 yuan per mu, less than one-fourth of the Chongqing zone, indicating fierce competition even within the same province, autonomous region or municipality. Since regional governments make their own decisions in offering preferential measures to attract companies, not a few of them are out of line with national law and, in some cases, excessively favorable measures squeezed the finances of regional governments.<sup>42</sup>

In introducing foreign capital into the Eastern Region in the 1980s, preferential measures such as exemptions and reductions of taxes and land lease charges as well as special economic zones were quite effective. At present, 20 years after the launch of the reform and open-door policy, however, experts from the central government point out that enterprises are no longer interested in preferential treatment and what they are looking for are streamlined administration, better distribution networks and other improvements in the climate for conducting business.<sup>43</sup> Li Zibin, deputy head of the Western Leading Group, also unveiled a plan to restrict the establishment of economic development zones,<sup>44</sup> noting that “the situation in China has undergone major changes after 20 years’ development following the reform and open-door policy, with breakthrough changes also made in the practice and theory of social development.” While regional governments are well aware of these changes in the circumstances,<sup>45</sup> they are unable to find effective measures other than conventional preferential policy measures, due to the lack of experience in introducing foreign capital and the dearth of human resources with policy planning capabilities. Officials of the planning department of the State Development and Planning Commission from the early stage were wary of the heated race for offering preferential measures by regional

governments, observing that “preferential measures are unequal in nature; they are no longer preferential if everyone gets the same treatment...as more and more enterprises receive preferential measures offered in various regions to encourage investment by foreign-capital companies and help accelerate economic development, preferential policies will become less effective over time.”<sup>46</sup>

At the 10th meeting of the Ninth Standing Committee of the CPPCC held at the end of June 2000, many committee members called for order and discipline in formulating policies toward the Western Region, voicing concern over the confusion over the disorderly competition by some regional governments in the West for policy measures to help invite foreign capital and human resources.<sup>47</sup> Li Ruihuan, who ranks fourth in the CPC and chairman of the CPPCC, also said: “While the Western Region development should be pushed forward with a sense of urgency and effects should be produced as early as possible, impatience for success and a disorderly rush must be prevented.”<sup>48</sup> Some committee members proposed that regional governments in the West be required to adjust their own preferential measures within the scope of preferences set by the central government in line with software and hardware conditions of each area of the Western Region and also submit feasibility studies on future preferential policies to higher-level governments as well as to people’s congresses of the same level.<sup>49</sup>

According to an official of one central government organization, relevant departments do not publicize detailed data for each province, autonomous region or municipality of fund and project allocation for the Western Region Development. In comparing data, they are classified into the Eastern, Central and Western regions. This is perhaps because the direct comparison of data between provinces, autonomous regions or municipalities is feared to lead to competition and disputes among regional governments. At the same time, this indicates that the standards and processes for determining the allocation of funds and projects are decided arbitrarily, not based on explicit laws or regulations.

### 2.3.4 Central, Regional Governments at Odds over Control and Devolution

The above-mentioned "opinion" on the encouragement of foreign investment was greatly welcomed by regional governments because of the transfer of administrative powers to regional governments, including the granting of authority to provincial governments to approve investment by foreign-capital enterprises in "encouraged" industries designated in the "Interim Provision on Guiding Foreign Investment Direction", announced in June 1995. But the February 2000 notice issued by the State Development and Planning Committee and the State Economic and Trade Commission did not approve the extensive devolution. Regional governments did not hide disappointment over the contents of the notice, which considerably backpedaled on the proposals made in the "opinion."<sup>50</sup> The "catalogue of the Priority Industries for Foreign Investments in the Central and Western Regions," announced jointly by the State Development and Planning Commission, the State Economic and Trade Commission and the Ministry of Foreign Trade and Economic Cooperation, was in line with the February notice by the two state commissions, and stated that "foreign investment projects in industries listed in this catalogue are subject to the policy for encouraged investments as stipulated by the Interim Provision," including infrastructure construction that had been drawing keen attention in the Western Region development. While transportation, energy and construction of industries for producing important raw materials are designated as encouraged investment industries, construction and operation of those projects requiring vast amounts of investment and long years for recovery of investment, such as energy and transportation infrastructure (coal, electric power, regional railways, roads and ports), require "approval" under the Interim Provision. The "approval" means the permission by the central government that needs to be obtained for an investment of US\$30 million or more. These developments mean that almost all infrastructure construction projects to be undertaken under the Strategy for Developing the Western Region still require approval of the central government.

This concerns less the policy differences over how to proceed with the Western Region development than the problem over the leadership of the

development project, or which of the central or regional governments will have the authority to approve infrastructure construction projects. It is also a political problem over which of the control by the central government or independent decisions by regional governments has an overriding importance.

In the West, autonomous regions in particular have greater attachment to policy autonomy. A minority official working with a central government organization in Beijing asserted: "The biggest problem with the Strategy for Developing the Western Region is the neglect of rights of ethnic minorities, with development rights totally controlled by the central government. We are demanding independent rights of development. In funding, we want the freedom to form joint ventures with foreign companies. We also want trading rights for resources and processed products. The central government's way will just bring resources from the West to the East, leaving nothing behind in autonomous regions. If we are given policy autonomy, we can manage economic development of autonomous regions much better than the central government as we have our own channels of doing things. As for an inflow of human resources, the central government would only bring in the Han Chinese. There are talented people among ethnic minorities and we can make good use of them. What we badly need is autonomy of development."<sup>51</sup>

In the development of the Western Region, as mentioned previously, actual conditions cannot but call for the initiative of the central government, considering the West's various unfavorable conditions compared with the East, a shortage of human resources with expertise and other problems. Moreover, when the central government went ahead with the transfer of authority to regional governments to implement the reform and open-door policy in the 1980s, the central government found it hard to control regional governments, which used the newly acquired administrative powers of permissions and approvals to dodge the central government's control and put development of the local economies before anything else, as expressed by such terms as the "lordship economy" and "local protectionism." Learning from those experiences, the central government appears negative toward overly ceding administrative authority to regional governments for the Western Region development. Regional governments, on the other

hand, may be falling into the mood of resignation because they feel they cannot initiate their own policies and all they can do is to devise policies to suit the central government due to restrictions on powers of approval or autonomy of development.

The root cause of the problem of leadership cannot be totally blamed on the conflict between the central and regional governments. The policy of strengthening control by the central government is shared by macroeconomic coordination ministries, including the State Development and Planning Commission and the State Economic and Trade Commission. On the other hand, the Ministry of Foreign Trade and Economic Cooperation is more positive toward the transfer of approval powers regarding investment and the establishment of new economic and technology development zones, apparently from the standpoint of facilitating the introduction of foreign capital.<sup>52</sup> In the above-mentioned case of the authority to approve foreign investment items, the confrontation between those favoring stronger central control over the economy and those for freer trade and foreign capital introduction within the central government kept regional governments in suspense. This reveals that the central government is not necessarily maintaining monolithic solidarity in the Strategy for Developing the Western Region, with many “pros in general, cons on particulars.” Moreover, though differences may appear to be over policies, in most cases, they seem to simply reflect the differing degrees of ministries’ self-expressions of their desire to commit themselves to the Western Region development or their pursuit of self-interests. Such conflict of interests within the central government’s ministries and commissions is one of the factors that are fueling the confrontation between the central and regional governments.

### 2.3.5 Special Characteristics of Ethnic Minority Areas

One of the differences between the Eastern and Western regions can be found in the ethnic composition. While the Han Chinese dominate the East, numerous ethnic minorities live in the West. This calls for different approaches in economic development strategies for the East and the West.<sup>53</sup> This is why Jiang Zemin emphasized the need for “national unity” in proposing the Strategy for Developing the Western Region.

At the economic working conference of the National Nationalities Affairs Commissions, held from February 22, 2000, officials from the State Nationalities Affairs Commission and provincial Nationalities Affairs Commissions discussed responses to the Strategy for Developing the Western Region.<sup>54</sup> The conference showed the basic stance of supporting the strategy, saying, “The commissions are positive about participation in the Western Region development, and we need to attach importance to effectiveness of the policy. The State Nationalities Affairs Commission should shoulder responsibility commensurate with its position as one of the 19 units composing the Leading Group for Western Region Development of the State Council.” The commissions also said they “must redouble efforts on research from the angle of ethnic affairs and submit opinions and proposals regarding the Western Region development,” indicating their stance of getting engaged in the development of the West from the standpoint of ethnic minorities. They also offered specific opinions and proposals, raising the question about “how to resolve the problem of new means of production and livelihood of some ethnic minorities who abandoned the traditional means of production after the felling of natural woodlands was banned and arable land was turned back into woodlands and grasslands.” The problem of the traditional means of production leads to the issue of culture of ethnic minorities. The relationship between development and the destruction of the culture of ethnic minorities has become one of the contentious issues concerning the Strategy for Developing the Western Region.

Many of ethnic minorities fear their cultures could be destroyed as many people come to visit their areas with the progress in central government-led big development projects or as a result of their inability to adapt to the market economy.<sup>55</sup> The World Bank’s rejection of a loan to China in July 2000<sup>56</sup> came about after U.S.-based Tibet support groups and environmentalist groups campaigned against the loan project, citing the possibility of the Tibetan influence and culture being diluted. Ethnic minorities within China also urged the World Bank and foreign governments to vote against the loan. During a visit to Tibet in March 2000, this author asked a Tibetan about the prospects that “the opening of planned three railway lines to Lhasa should make the life in Tibet more convenient.”

The answer was: "Many Han Chinese would come with the convenience of the railways. The bad influence of the Han Chinese culture could destroy Tibetan culture. We prefer staying poor to the destruction of our culture."

The question of the destruction of culture associated with the Western Region development cannot be reduced to a simple sense of crisis among ethnic minorities over possible destruction of their culture. The root cause lies in the discontent with the CPC's rule over ethnic minorities since the days of China's founding and the issue of the destruction of culture has strong emotional overtones. The central government believes economic development of ethnic minority areas should help prevent ethnic unrest for independence.<sup>57</sup> However, in Tibet Autonomous Region that has been receiving over 1.2 billion yuan of fiscal subsidies from the central government each year, the infusion of over 40 billion yuan of investment since the early 1950s failed to realize the autonomous region's economic development.<sup>58</sup> More than anything, not all ethnic minorities necessarily want economic development of their areas. Professor Yang Cong of the Central University of Nationalities asserted: "It is for the Western Region to decide whether it wants free exchanges and free development. A fixed cultural awareness should not be imposed on anyone."<sup>59</sup> Development of ethnic minority areas is difficult however much of money and time is spent unless there is dialogue with ethnic minorities, the master of their own life.

## Conclusion

According to the official line of the explanation, the Strategy for Developing the Western Region is the central government-led gigantic endeavor, designed as a means of resolving the negative legacy of the high economic growth brought about by the reform and open-door policy, such as the widening disparity with the Eastern Region and deterioration of the ecological environment, as the second stage of the "allow some people and areas get rich first" doctrine, the fundamental part of Deng Xiaoping's theory, and as a means of settling the issue of ethnic minorities left unresolved since the founding of the country. This reveals the sense of crisis of the CPC leadership that the party's rule over China could be undermined unless something

is done now and the next step is taken. On the other hand, the Western Region development strategy was proposed along with the ideological political campaign to strengthen thought control as Jiang Zemin faces the time limit to demonstrate achievements of his own initiative in order to establish his authority as the 16th party congress, set to be convened in the autumn of 2002, approaches. It was a big political gambit for Jiang Zemin to embark on the work to develop the Western Region, which neither Mao Zedong nor Deng Xiaoping could do during their lifetime. At the same time, it seems to be an easy choice for him to assert his authority. Thus, it should be reaffirmed here again that the Strategy for Developing the Western Region is the policy with strong overtones of a major political campaign.

The actual phase of the Western Region development is the political process for regional governments in the West to get a slice of the "pie" to be distributed. It is not easy to coordinate the interests among regional governments over the limited amount of funds and the limited number of development projects and to adjust the interests between the central and regional governments over rights of approval and independent rights of development. Ethnic minorities' strong opposition to the Western development project itself cannot be made light of either. All in all, one has to be skeptical about whether the Strategy for Developing the Western Region would really bring genuine economic development of the West.

Policy transparency would be necessary to realize smooth coordination of conflicting interests. For example, one requirement is an improved legal system. At the above-mentioned 10th meeting of the Ninth Standing Committee of the CPPCC, many members called for the legislation of the "Law governing the Strategy for Developing the Western Region."<sup>60</sup> The law would spell out the strategy's objectives, measures, and the powers and duties of governments of all levels. Legislative work requires debate at the NPC, making it possible to solicit public comments broadly and conduct open discussion without being prejudiced in favor of narrow sectional interests of the central government's ministries and commissions or regional governments. This process holds out the prospect that at least the process of policy-making will become more transparent than at present.

The Strategy for Developing the Western Re-

gion will be pushed forward as a political campaign between 2001, the first year of the Tenth Five-Year Program and the autumn of 2002, when the 16th CPC National Congress is held, amid the diverse opinions and intentions of the parties directly involved, including the party, Jiang Zemin, the central government's ministries and commissions, and regional governments. But the campaign's momentum will likely die down after the party meeting. Genuine development of the Western Region will get under way in earnest after the 16th party congress and also should be launched amid calmness. (Norihiro Sasaki)

### Notes:

1. In this chapter, "regional governments" means provincial-level governments of provinces, autonomous regions and municipalities under direct control, except for special instances.
2. *People's Daily*, November 1, 1999 (in Chinese).
3. *The Mirror*, February 2000, p.30 (in Chinese).
4. *People's Daily*, June 10, 1999.
5. *People's Daily*, June 19, 1999.
6. *People's Daily*, June 25, 1999.
7. *People's Daily*, November 18, 1999.
8. Chen Dongsheng (ed.), *Xibu dakaiifa ganbu cankao duben*, Zhongyang wenxian chubanshe, 2000, p.288 (in Chinese).
9. Li Zibin was mayor of Shenzhen. He became vice minister of the State Development and Planning Commission simultaneously with his assumption of the post of deputy head of the Western Leading Group Office.
10. *Chinese Economic Times*, January 6, 2000 (in Chinese).
11. Chen Dongsheng (ed.), p.287.
12. Gao Lu, Ge Fangxin (ed.), *Dajuece chutai xibu dakaiifafanglue*, Jingji ribao chubanshe, 2000, p.17 (in Chinese).
13. *People's Daily*, January 24, 1999.
14. Gao, Ge (ed.), p.319 - 325.
15. *Ibid.*, p.335.
16. *People's Daily*, August 15, 2000.
17. *People's Daily*, October 22, 2000.
18. *People's Daily*, December 28, 1999.
19. *People's Daily*, June 19, 1999.
20. *People's Daily*, November 18, 1999.
21. *Nihon Keizai Shimbun*, August 20, 2000 (in Japanese).
22. The "Tri-emphasis" means giving emphasis on, or importance to, the three things: (1) earnestness in study; (2) political awareness; and (3) integrity. It is part of the political ideology campaign being waged by the Chinese Communist Party, which includes the "Tri-emphasis" education campaign toward party and government leaders.
23. For the recent political situation in China, see this writer's book, "China", of *Yearbook of Asian Affairs, 2001*, Institute of Developing Economies, 2001 (in Japanese).
24. The "Three Represents" means that the Communist Party of China "represents the requirement to develop advanced productive force, an orientation towards advanced culture, and the fundamental interests of the overwhelming majority of the people in China." It is part of the political ideology campaign being waged by the Chinese Communist Party, which includes the "Three Represents" education campaign toward party and government leaders.
25. Kenichi Imai, "Industrial Development and Five-Year Programs," Tomoo Marukawa (ed.), *China Industrial Handbook*, Sousousha, 2000, p. 12 (in Japanese).
26. On July 28, 2000, during her visit to Japan, State Councillor Wu Yi said the Western Region consists of the 10 provinces, autonomous regions and city (<http://www.keidanren.or.jp/japanese/CL.../cli014.htm> "Keidanren Clip," No. 130 [August 10, 2000]). Her statement is believed to be the first public reference to the composition of the Western Region.
27. At the time, there were only nine provinces and autonomous regions. The number was increased to the 10 provinces, autonomous regions and a city after Sichuan Province was divided into Sichuan Province and Chongqing municipality.
28. An interview with a government official of Inner Mongolia Autonomous Region (December 2000).
29. Liu Lijuan, Mei Tianlin, "Neimenggu xibu dakaifade jige zhongdian", *Macroeconomic Management*, 7th period, 2000, p.39 (in Chinese).
30. *Kuada shijide hongwei lantu: 'Shiwu' jihua jianyi xuexi duben*, Xuexi chubanshe, 2000, p.134 (in Chinese).
31. According to some informed sources, Guangxi was included in the Western Region because there was someone from Guangxi Province sitting on the Western Leading Group. Inner Mongolia was reportedly included in the West because leaders living in Beijing were disturbed by sandstorms that became increasingly serious because of the worsening desertification in Inner Mongolia, the autonomous region adjacent to Beijing. Premier Zhu Rongji was quoted as saying, "We will have to move the capital from Beijing unless we can stop the desertification." (*Nihon Keizai Shimbun*, August 20, 2000).
32. Tu Ping, Xiao Jincheng, Wang Qingyun, et. al, *Xibu kaiifahun*, Chongqing Chubanshe, 2000, p.118 (in Chinese).
33. Zhou Jialu, "Dongtuo xijin dezhong duhou: Hebei weirao xibu dakaiifa zhuangda zijide qishi", *Liaowang*, 37th period, 2000, p.42 (in Chinese).
34. An interview with a government official of Hainan Province (March 2000).
35. An interview with a government official of Yanbian Korean Autonomous Prefecture of Jilin Province (October 2000).
36. "Xibu dakaiifa xiwangde yuanye", *Yazhou Zhoukan*, March 6-12, 2000, p.23, July 3-9, 2000, p.18 (in Chinese).
37. Xiang Zongxi, "Renqing quqing yu youshi zhaozhun Ningxia zai xibu kaifa zhongde weizhi", *Macroeconomic*

- Management*, 7th period, 2000, p.42.
38. Meng Lian, Wang Xiaolu, "Dui zhongguo jingji zengzhang tongji shuju kexindu de guji" *Economic Research*, 10th period, 2000, p.4 (in Chinese).
  39. On these occasions, symposiums themselves have little significance. For officials of regional governments, unofficial contacts with those invited are important.
  40. Satoshi Amako, et. al (ed.), *Gendai chugoku jiten*, Iwanami Shoten, 1999, p.241 (in Japanese).
  41. The Development Research Center for the Strategy for Developing the Western Region, Chinese Academy of Social Sciences (ed.), *Guojia zhichi xibu dakaifade youguan zhengce cuoshi*, August 2000 (report in Chinese). Based on information obtained in a hearing at the Beijing Center of the Japan External Trade Organization (JETRO) (November 2000), the Development and Planning commission of Ningxia Hui Autonomous Region actively lobbied the State Development and Planning Commission in vain to have a provincial-level economic and technology development zone in the autonomous region upgraded to the state level. But it was upgraded after all when the additions were made.
  42. *China Economic Times*, June 5, 2000.
  43. Hearings at the Academy of Macroeconomic Research of the State Development and Planning Commission and the Development Research Center of the State Council (November 2000).
  44. *People's Daily*, October 21, 2000.
  45. A hearing at the Development and Planning commission of Ningxia Hui Autonomous Region (November 2000).
  46. Li Yixue, "Xibu diqu jiakuai fazhan mianlin yanjun tiaozhan," *Macroeconomic Management*, 9th period, 1999, p.21.
  47. *China Economic Times*, June 29, 2000.
  48. *People's Daily*, June 29, 2000.
  49. *China Economic Times*, June 29, 2000.
  50. "Xibu xiang Beijing yaoquan yaoqian," *Yazhou zhoukan*, July 3-9, 2000, p.19-20, p.22.
  51. An interview in Beijing in November 2000.
  52. Zhou Keren, "Kuoda xibu diqu duiwai kaifang yaoyou xinsilu," *Guojia xingzheng xueyuan xuebao*, 6th period, 2000 (in Chinese).
  53. "Mei you wenhua rentong, xibu dakaifa ruhe jinxin," *Unity of Nationalities*, 4rd period, 2000, p.21 (in Chinese).
  54. "Quanguo minwei jingji gongzou huiyi zaijing zhaokai," *Unity of Nationalities*, 3rd period, 2000, p.12.
  55. "Miuzu wenhua xibu bujiede ziyuan," *Unity of Nationalities*, 2nd period, 2000, p.20.
  56. The project in question is the World Bank's \$40 million interest-free loan intended to finance China's plan to move 58,000 Han Chinese living in Qinghai Province to the province's Tibetan area as part of poverty relief measures. The World Bank's examinations found that standards for environmental assessment were too lax and the secrecy about hearings on residents of the area where the Han Chinese were to be moved was broken, resulting in the board of governors' rejection of the proposed loan. Countries voting against the loan included the United States and some European countries. So, the rejection is not totally due to the issue of the destruction of culture of an ethnic minority but also had something to do with political and diplomatic issues such as Sino-American relations. Since China, due to the fiscal constraints of the central government, plans to rely on loans from international organizations and foreign governments in raising necessary funds, the loan rejection raises concern over a possible negative impact on the Western Region development.
  57. Ryosei Kokubun, Masahiro Hoshino, "CPC's Ethnic Policy - Its Formulation and Development", Hiroaki Kaji (ed.), *China by Ethnic Issues*, Asahi Shimbun, 1998 (in Japanese).
  58. The Information Office of the State Council (ed.), *New Progress in Human Rights Projects in Tibet Autonomous Region*, (February 1998).
  59. "Xibu dakaifa wenhua mingyun ruhe," *Unity of Nationalities*, 3rd period, 2000, p.18.
  60. *China Economic Times*, June 26, 2000.