

# Beijing's Ninth Five-Year Plan

While the eyes of the world were on Beijing's military menace in the Taiwan Strait, mainland China's leaders were meeting to approve policies for the next stage of the country's economic development and industrial readjustment. The first half of March this year saw meetings of the National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC) at which the main focus of discussions was the Ninth Five-Year Plan.

From Premier Li Peng's "Government Work Report" and other speeches at the two meetings, we can discern three areas of emphasis in Beijing's economic policy: macroeconomic control (i.e., central planning), income equality, and regionally balanced development.

Probably because of changes in the objective situation in mainland China and also in response to policies proposed by Jiang Zemin, Li Peng put great emphasis on developing the central and western provinces of China and narrowing income differentials in his "Report on the Ninth Five-Year Plan and the Outline of Objectives for 2010." Li underlined the importance of boosting capital construction in the inland provinces and called for capital, personnel, and processing and labor-intensive industries to be transferred to these areas. On the subject of the income gap, Li said that both legal measures and new distribution policies would be adopted to narrow the gap between rural and urban areas, and between different regions, different professions, and different social groups.

From these two meetings, it is clear that the Beijing regime will continue to focus its attention on the economy in the coming five years. Economic development is not only seen as the best solution to some of mainland China's domestic problems, it is also being used to serve diplomatic ends, as it promotes interaction with foreign governments and private citizens. The fact that the NPC and CPPCC focused their discussions on the adjustment of industrial policy, the distribution of resources, the gap between rich and poor, and how to improve macroeconomic control indicates that the Beijing government's ability to plan economic development has matured.

The Ninth Five-Year Plan itself highlights the need to improve agricultural production and the management of state-run enterprises, two areas where many problems remain to be solved. In politics and society, attention has been called to the necessity of enhancing social ethics, an area in which the educational influence of communist dogmas can no longer be relied upon.

It seems that the underlying intention of the Ninth Five-Year Plan is to readjust and regulate society through economic development. Whether this objective can be achieved will depend on how effectively the government can exercise its macroeconomic control. However, Beijing's frequent resort to military threats in its relations with Taiwan and the outside world has caused observers to wonder whether Beijing intends to engage in military expansion once its economic development takes off.

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