

## China: A Greater Leap Forward?

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### Abstract

The title "China: A Greater Leap Forward" is derived from a previous experiment of 1958 to 1961 bearing the same name. It was considered a bold undertaking under the tutelage of Chairman Mao Zedong with an objective to activate and unleash communist society through rapid industrialization and collectivization. The contradiction however was high prospects from an obdurate group of technocrats whose convictions were beholden to ideology and bias interpretation of world politics disallowing modifications in thoughts and applications hence what later became classified as the great Chinese famine claiming the lives of over 30 million citizens was aborted and the mission of enlightenment left unaccomplished.

With time nonetheless an aging revolution has acquiesced to a marriage of convenience in which both parties the state and private enterprise peacefully and successfully coexist. Although the union thwarts Maoist ideology it provides a practical and irreversible approach to China's sustenance in a global economy and is undoubtedly accredited with the nation's economic renewal.

**Keywords:** Domestic development; Global economy; System democracy

The world's third largest and most populous nation of 1.3 billion inhabitants is constantly in a state of transition. For the record China's experiments at prosperity and national unity hinged on the Tung Ch'ic Restoration, the Taiping Rebellion and later the Great Leap Forward and the Cultural Revolution with limitations. Its latest effort nonetheless speaks volumes of a society on a fast track to economic liberation [1].

The unforgettable memories of the Tiananmen Square incident of June 1989 which for many equates with the need for a political metamorphosis was also a protest in favor of glasnost and became a catalyst for China's reform. The Chinese likewise paid close attention to the crippling effects of a dogmatic ideology, entrenched elites, a dormant party organization and a stagnant isolated economy within Soviet society. As a result debates encouraged a concept termed "with system democracy" which pays homage to a one party monopoly but allows a free channel of discussion and collective decision making. In fact while President Jiang Zemin in a speech in 1999 from the Great Hall of the People attributed the "economic miracle" to the "unswerving adherence to the party's basic line," logic dictates the achievement was a result of revision subsequent to the critique of the status of the communist party and its advocacy for public ownership [2].

The last quarter of the 20<sup>th</sup> century personifies a reversal in the mode of production (Table 1).

Since 1978 China has enjoyed a distinct share of the world's trade. By some estimates her commercial transactions has quintupled from 0.6% on the eve of 1978 to 3.0% in 1998. Such is directly responsible for quadrupled per capita income that in return elevated approximately two hundred million Chinese from poverty following 1978 [3].

This expansion of the Asian wonder also embodies local entrepreneurship that commenced with the introduction of a distribution system most beneficial to its participants. Case in point depicts amelioration via a shift from direct interference to sound market practice that began in 1979 as a pilot project in the provinces of Anhui and Sichuan rewarding farmers with dividends equal to output and by 1984 pioneered similar access to 98% of the country's agricultural producers. The removal of fixed prices on grain in 1979 likewise became fashionable by 1992 when a number of categories of

government priced commodities were slashed from 737 to 89 [4].

As Japan confronted a destabilizing financial sector in the early 1990s that eroded consumer confidence in its stock market, contracted overseas loans and reversed competitive market prices and positive real interest rates, China circumvented elements of protectionism that commonly plagued the former and to a greater extent South Korea and Thailand. In contrast Beijing evaluated the capacity of its banking operations and restricted credit volumes particularly to questionable entities, curtailed inflation and blazed a trail on the path towards foreign investment and a liberalized currency.

The adoption and extension of market mechanisms in conjunction with inexpensive labor and a huge market have grown the economy by approximately 10% per year since 1989. In addition a promising climate of private enterprises magnified direct foreign investment to the tune of \$250 billion between the years 1992 and 1994 and contributed to an all-time high foreign currency reserve of \$50 billion in 1994. In fact annual foreign investment inflows grew from less than \$1 billion in 1983 to over \$45 billion in both 1997 and 1998 as China became the largest emerging market recipient of foreign direct investment [5].

Accomplishments aforementioned impacted outcomes cited (Table 2).

	1978	1999
<b>Economic measure</b>		
<b>Industrial output</b>	77.6	28.5
<b>Nonagricultural employment</b>	60.4	29.6

Source: China's Statistical Digest 2000.

Table 1: The Chinese state's declining share of the economy (percentage).

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Financial Indicators						
Exchange rate (RMB/\$)	8.6	8.4	8.3	8	8.3	8.3
Foreign Exchange Reserves (US\$b)	51.6	73.6	105	139.9	154.7	145.0
Government Revenue (total)	5,218.10	6,242.20	7,408.00	8,651.10	985.3	-
Tax Revenue	5,126.90	6,038.00	6,909.80	8,234.00	855.1	1,031.10

Source: Almanac of China's Finance and Banking 1996; PRC State Statistical Bureau (SSB) China Statistical Yearbook 97,98,99.

Table 2: China's Economic and Financial Indicators 1994-1999 (all figures are in the billions of RMB or percent unless otherwise indicated).

Areas of concern	Ruling
Duties	lower tariffs
Goods and services	reduce imports limits and quotas
Intellectual Rights	enforce patents, trademarks and copyrights
Commercial policies	extend international trade laws to the service sector
Fiscal engagement	encourage investment
Conflicts	adopt dispute settlement mechanism

Table 3: The WTO's general rules of conduct.

Main Indicators	1994	1995	1996	1997	1998	1999
Gross Domestic Product (GDP)	4,675.90	5,847.80	6,788.50	7,477.20	7,955.30	8,319.00
Real GDP growth	12.6	10.5	9.6	8.8	7.8	7.1
Retail price index	21.7	14.8	6.1	0.8	-2.6	-2.9
Consumer price index	24.1	17.1	8.3	2.8	0.8	-1.3
Urban per capita income (RMB)	3,496.20	4,283.00	4,838.90	5,160.30	5,425.00	5,859.00
Rural per capita income (RMB)	1,221.00	1,577.70	1,926.00	2,090.10	2,160.00	2,205.00
Urban unemployment rate (%)	2.8	2.9	3	3.1	3.1	3.1

Source: Almanac of China's Finance and Banking 1996; PRC State Statistical Bureau (SSB) China Statistical Yearbook 97,98,99.

Table 4: China's Economic and Financial Indicators 1994-1999 (all figures are in billions of RMB or percent unless otherwise indicated).

Driven by the prospects and incentives to join the ranks of the WTO by 2001 the government affirmed a one party two system platform consistent with financial reform and an open economy which spearheaded China's GDP growth at more than 7% in 1999 and an increase of 7.8% in fixed assets investment during the same period [6].

The following is confirmation of principles in accordance with the WTO and a work in progress prior to the new millennium (Tables 3 and 4).

As tariffs- an ongoing contributing factor to the country's receptive policy decreased from 50% in the 1980s to 17% by 1998, US sales to China rose from \$6.5 billion to \$19 billion during the duration under scrutiny. This timeframe as well reflects a growth in Chinese exports that exceeded large export markets such as Canada and Mexico.

At the turn of the century a new world order non-compliant with Washington's dictates awarded kudos to a new source of wealth that engages capitalism void of democracy. With such vast accumulation of total stock investment valued beyond \$300 million, China accounted for close to a third of the cumulative direct foreign investment in all developing countries combined. To its advantage China also surpassed the total stock of foreign investment of seasoned economies such as Mexico and Brazil.

In real terms China's integration into the global production of goods particularly labor intensive commodities has matured with foreign investment firms accounting for almost half of China's total exports in 2000. Said establishments also bore responsibility for 50% of imports the previous year [7].

An acute observation at enlarged Chinese markets completes an analysis of fortune. With the stimulation of jobs overseas and production,

China's imports from ASEAN grew by 61% from \$76 billion in 1996 to in excess of \$122 billion in 2000. Another dimension to this rewarding partnership is partly reflected by Taiwanese investment in China. Over 40,000 Taiwanese companies operate in China accompanied by some \$70 to \$100 billion of Taiwanese investment [8].

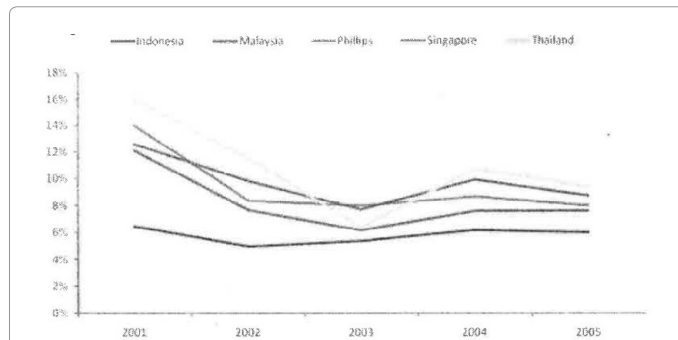
By 2005 China was supplying at least 10% of its commodities to ASEAN partners Indonesia (16%), Malaysia (11.5%), Philippines (6.4%), Singapore (10.7%) and Thailand (9.4%) (Figure 1).

Trade imbalances with neighboring territories likewise amplify China's significance to the regional market (Table 5).

Home to 600 million people with a combined GDP of \$2 trillion, ASEAN inclusive of resourceful Indonesia to impoverished Laos is China's fourth largest trading partner. Thanks to a free trade agreement effective in January 2010 this lucrative relationship experienced an increase of 49% yielding \$161 billion between January and July 2010- a boost that was partly accountable for a \$7.54 billion surplus in favor of ASEAN the same year. In addition bilateral trade rose 26.4% or \$267 billion by September 2011 with a ballooning excess of \$18.9 billion to the Asian bloc. With expectations of continued momentum such commercial activity could accelerate by 20% to 30% in the next three years [9].

Subsequent to China's entry into the WTO in 2001 its economy was exposed to an explosion in practical terms, a fourth place ranking globally once GDP at current exchange rates was prioritized. This surge four years later enabled the country to contribute 14.3% to growth of the world economy and consequently place second only to the United States (Table 6).

While China's commercial prowess has fostered an atmosphere of favorable production cost, an expansion for US business and enhanced



Source: Starmass International 2011.

Figure 1: China and ASEAN Partners.

Countries	Japan	Korea	Taiwan	Singapore	Malaysia
China's export (\$b)	73	27	13	12	8
China's imports	94	62	64	14	18

Table 5: Source: Future Studies.

Country	2002	2003	2004	2005
USA	27.00%	29.90%	31.40%	28.00%
China	20.10%	15.60%	11.40%	14.30%
Japan	1.10%	9.20%	7.90%	10.30%
India	3.10%	4.60%	3.30%	4.40%
UK	5.00%	4.20%	3.50%	2.40%
Germany	0.20%	-0.40%	2.40%	1.50%

Source: Starmass International

Table 6: Starmass International country table.

Years	1995	2000	2004
Exports to US (\$b)	48.5	107.6	210
Imports from US	11.8	16	35

Source: Future Studies

Table 7: US/Chinese Trade.

the global market share of US companies, a surmounting trade deficit of between \$162 and \$175 billion in 2004 has garnered criticism in Washington [10].

The dilemma is herein defined (Table 7).

The doubling of Chinese exports to America every five years valued at 21.1% of the country's exports and 39% of US deficit by 2004 has gained the attention of Senators Charles Schumer and Elizabeth Dole and former chairman of the Federal Reserve Alan Greenspan who are on the record admonishing Beijing for the artificial worth of its currency hence creating an influx of low priced goods flooding the American market. With disregard and/or sheer ignorance of the dollar's stability through extensive Chinese purchase of US treasury bonds and the state's impact on global prices, additional support is forthcoming in a congressional bill that threatens a 27% tariff on Chinese products unless there is an adjustment to the value of the yuan ending a 14 year trend at which the currency is locked at 8.28 to the dollar [11].

As this thorny issue remains unresolved and the Chinese assault looms larger so has culpability resulting from low Chinese domestic consumption and the reverse coupled with limited saving ascribed to US consumers. In 2006 China's trade surplus rose to \$233 billion thus accounting for nearly 30% of America's total deficit or 9% of its GDP –nine fold since 2001. Worst yet, from January to April of 2007 the surplus surged by 88% in comparison to its showing during the same

period the previous year [12].

The utilization of checked Chinese labor in return for inexpensive commodities spur demand which in 2010 and 2011 translated into a US trade deficit of \$273 billion and \$272 billion respectively. Whereas in 2011 the US set an all high record with exports valued at \$94 billion –a \$2 billion increase since 2010, Beijing was the recipient of \$364 billion and \$367 billion from commercial exchanges to America during the years 2010 and 2011. Consequently despite a lull since the second quarter of 2009 and a growth rate of 8.9% in the last three quarters of 2011, China's overall annual economic growth hovers at 10% annually and is directly responsible for elevating 440 million Chinese from destitution and for stabilizing the US economy–the latter of which is the primary contributor to a hefty American debt to its rival estimated at \$1.13 trillion as of November 2011 [13].

As America seeks a degree of parity on an increasingly competitive field, Mexico at the dawn of a new century was exposed to negative consequences from US/Sino relations. During the most recent US recession of 2000 – 01 employment at Mexico's export oriented plants fell by hundreds of thousands as a result by 2002 the total number of jobs was 22% less than the sum of mid 2000 (Figure 2).

Nonetheless as exports at the country's non-oil outlets diminished China's output surged by approximately \$36 billion between mid-2002 and 2003 [14].

For changing trends in exportation note below (Figure 3).

With the transfer of technology coupled with reliable flow of foreign capital China is adding to her status of the world's low cost manufacturer, the production of capital intensive commodities such as cars, machinery, telecommunications equipment and electronics (Table 8).

She augmented her commercial capacity valued at 5.6% of the world's trade by 2003 and by so doing outpaced regional competition.

An exhibit solidifies the conviction expressed (Table 9).

A resolute strategy to minimize the size of the state sector, amend the quality of state financing, protect private property rights and expand the rural economy continues to bolster assurance and yield dividends. Most fundamental is a boost in foreign investment which rose from \$38.4 billion in 2000 to \$54.9 billion in 2004 and its impact on the accelerated flow of exports approximated at 35% in both 2003 and 2004 and assessed at \$593 billion in 2004 (Table 10).

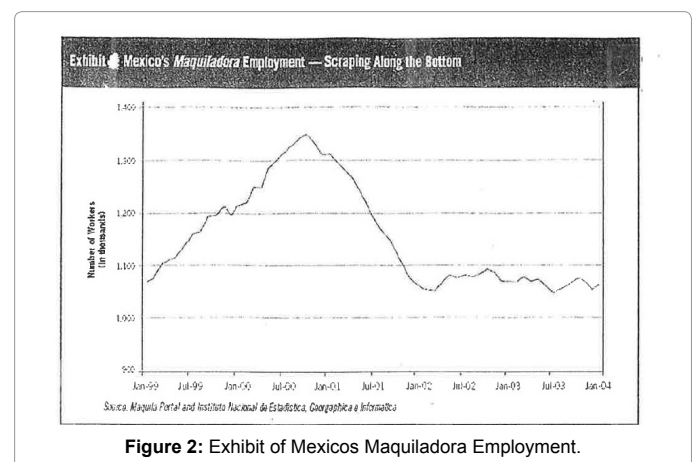


Figure 2: Exhibit of Mexico's Maquiladora Employment.

China’s commercial visibility is largely derived from an upswing in output by foreign invested companies from \$17.4 billion in 1992 to the sum of \$338 billion or 40% of total exports in 2004 (Table 11).

Meantime according to legitimate sources, government revenue as a proportion of GDP appreciated from 1995 reaching 19.3% in 2004 whereas expenditures escalated from 12.4% in 1994 to 20.7% within the same period. Furthermore just two years later the nation’s percentage of the world’s GDP had jumped by 5.5% and with much optimism experts are predicting a boom of 25% of global output by 2020 (Figure 4).

In fact during 2006 Beijing’s rise to fame was rewarded with unspeakable results. China assumed the statute of the second leading trading associate with the United States, Japan’s largest importer and the biggest exporter to the EU [15].

The celebrated courtship between the Asian giant and the EU was recorded at approximately \$1.5 billion in goods on a daily basis in 2010. Trade escalated reaching \$48 billion annually with the possibility of surpassing \$500 billion in 2011 and so did the country’s ranking to the EU’s number one commercial partner exceeding trade with Washington by July 2011 to the sum of 800 million euros. Amidst dumping allegations and the lack of market economy status (MES) stellar performance accounted for 13.4% of the region’s imports and \$49 billion in exports. Such also was consequential between 2010 and 2011 most notably by a decrease of 6.2% to 3.9 billion euros in exports from the EU to China thus accelerating the EU trade deficit with the Chinese to \$12.2 billion in 2011 [16].

With the passage of time, China has capitalized on Washington’s

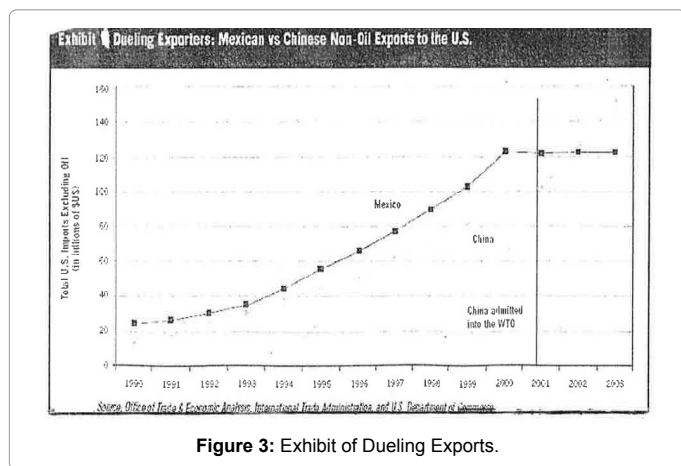


Figure 3: Exhibit of Dueling Exports.

Years	2000	2001	2002	2003	2004
Exports	26%	25%	29%	34%	40%
High Tech	19%	21%	23%	27%	-
Imports	23%	23%	26%	32%	39%
Foreign investments	38%	44%	49%	54%	-

Source: Future Studies

Table 8: China’s Productivity.

Years	2000	2001	2002	2003	2004
GDP growth rate-China	8%	8%	8%	9%	10%
GDP growth rate-HK	10%	0%	2%	3%	8%
Gross capital formation-China	36%	38%	40%	44%	45%
Gross capital formation-HK	28%	26%	23%	23%	22%

Source: Future Studies

Table 9: Mainland China vs Hong Kong.

Main Exports	
Food and live animals	18,864
Beverage and tobacco	1,214
Non-edible raw materials	5,843
Mineral fuels, lubricants etc	14,480
Animal and vegetable oils, fats and waxes	148
Chemical and related products	26,360
Light industrial products, rubber, mineral, iron etc	100,646
Machinery and transportation equipment	268,260
Total including others	593,229

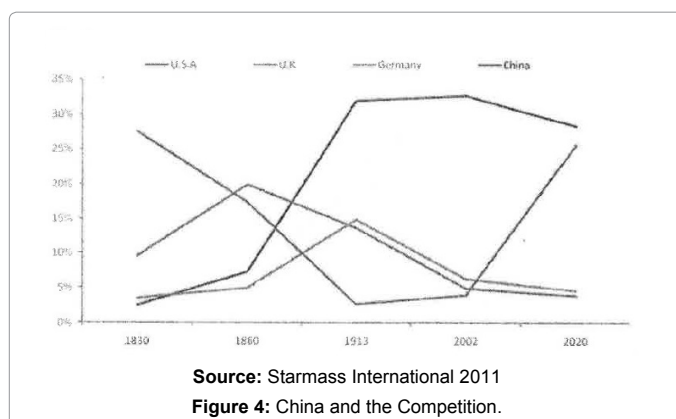
Source: National Bureau of Statistics, China Statistical Yearbook

Table 10: Trade in Goods (US\$b).

	Exports	% change year on year
State owned	153.6	11.4
Foreign owned	338.6	40.9
Collective	31.8	26.5
Other	69.4	99
Total	593.4	35.5

Source: General Administration of Customs

Table 11: Trade by type of enterprise, 2004 (US\$b).



Source: Starmass International 2011

Figure 4: China and the Competition.

1 <sup>st</sup> Q 12	2 Q 12	3 <sup>rd</sup> Q 12	4 <sup>th</sup> Q 12	1 <sup>st</sup> Q 13
8.10%	7.60%	7.40%	7.90%	7.70%

Table 12: Chinese GDP.

weakness becoming the financial fortress to many Third World countries in need of a savior and a replacement for Western imperialism, in exchange for silence preferably full allegiance on matters of Taiwanese independence, an undervalued currency and within the UN. Beijing’s tactical maneuvering is credited for an unwillingness to violate sovereignty of nation states and compliance with neutrality on issues of civil liberty, rule of law, human rights and democratic governance along with offerings of assistance without restrictions or the “one size fits all” approach commonly affiliated with the IMF and World Bank.

In essence a scathing denouncement of America’s disingenuous conduct, misjudgment, lack of diplomacy and abandonment of underdeveloped nations provides a void for Chinese attempts at benevolence. “There is a growing consensus about the need to restructure the Bretton Woods institutions, the IMF and the World Bank which were created in a different era. These institutions need not just an influx of funds but new strategies and a reform in governance such as giving more representation to the developing countries they serve. Above all we cannot repeat the errors of “Washington consensus” declared Chilean president Michelle Bachelet.



Another member of the chorus line is Senegal's president Abdoulaye Wade who asserts "China's approach to our needs is simply better adapted than the slow and sometimes patronizing post-colonial approach of European investors, donor organizations and non-governmental organizations. I have found that a contract that would take five years to discuss, negotiate and sign with the World Bank takes three months from inception to conclusion with the Chinese authorities. I am a firm believer in good governance and in the rule of law. But when bureaucracy and senseless red tape impede our ability to act and when poverty persists while international functionaries drag their feet African leaders have an obligation to opt for swifter solutions" [17].

The aforementioned convictions are embedded in practicality. In Africa what stood as a \$20 billion endeavor in 2001 engulfed 33 states by 2007 and catapult to \$120 billion by 2011. The Asian lion's overture of trade and investment incentives, aid and technical assistance and low interest loans overshadowed accusations of avoidance to environmental standards, poor labor practices and unfair competition. Moreover the country's fixation on access to valuable resources on the continent namely oil and mineral commodities represents over 71% of Africa's trade with Beijing and raises the bar for prospective agreements with Niger, Angola, Sudan, Equatorial Guinea, Gabon and Chad [18].

According to a report by the Economic Commission for Latin America and the Caribbean the PRC's hunger for commercial nourishment is unquestionable when considering by mid-2011 she became the region's second largest trading partner subsequent to the dethronement of the EU. In real terms China's direct investment in Latin America was \$24.8 billion or 14.6% of the nation's total FDI in 2008 while returns from the area were made public at \$112.6 billion or 14% of China's total absorption—a fraction of an anticipated 19.3% by 2020.

Some Chinese/Latin American activities in perspective:

Brazil—China is the country's largest trading partner and biggest export market

Chile—China second largest trading partner in the region with transactions worth \$17.7 billion in 2009

Venezuela—China's fifth largest trading partner in Latin America with trade volume at \$17.7 billion in 2009

In the case of the Caribbean the PRC acknowledges a working relationship with Cuba, Jamaica, Trinidad & Tobago, Guyana, Suriname, The Cayman Islands, The Bahamas and Antigua among others—all of which are party to aid for infrastructure projects.

Some countries and particular projects are as follows:

Cuba—A \$6 billion arrangement for oil exploration, refining and storage capacity

Jamaica—\$4.5 million for military equipment and addition investments in agriculture particularly the sugar cane industry and the Jamaica Development Infrastructure Program.

Trinidad and Tobago—A multimillion investment in resorts and roads.

Guyana—\$1 billion for investment in mining and forestry.

Suriname—\$600 million to build a deep sea harbor, highways, a railway and 800 low cost homes.

The Cayman Islands—Negotiations are underway that could advance financial assistance for a pier, roads and airport upgrades.

The Bahamas—\$2.6 billion for a 2,250 room hotel.

Antigua—A concession loan for the construction of a \$45 million airport terminal.

In spite of economic success China's degenerating political structure presents challenges germane to accumulative income disparities, misuse of resources, escalating social turbulence and environmental degradation that query the benefits emanating from the greater leap forward [19].

Across a broad spectrum the tale of inequality is glaring.

### Wages

The income gap between rural and urban dwellers over a 26 year period has multiplied. Over the extended timeframe national statistics denote a salary variance of US\$25 in 1978 in comparison to US\$784 in 2004 or a ratio of 2.6:1 and 3.2:1 during the years under investigation. Worse of all in 2004 26 million Chinese (3.6% of the rural population) were surviving on an income less than US\$0.21 per day while 212 million residents (28.8%) of said population earned wages less than US\$1 for the same period of time. The plight seems inescapable as city migrants lacking the political rights to secure social privileges without government approval are at the mercy of costly municipal offerings or a life of sparse living in the countryside.

### Education

Even though urban residents are 35% of the total population, Beijing allocates 77% of its educational resources to that communal classification. Such in part is utilized to employ 43.1% of teachers within a public primary school system that in 2004 was 7.5 times smaller than the equivalent in all villages combined. As a result the average number of years schooled for occupants of rustic areas is 55% of their city counterparts.

### Social Welfare

Citizens of the countryside are beneficiaries of only 23.4% of the state's total social welfare expenditures in contrast to a hefty 76.4% to persons of the metropolis.

### Health

According to the Ministry of Civil Administration only 4.0 million countrified inhabitants receive subsidies to offset medical expenses in comparison to 100% of metropolitan natives. Such in part accounts for China's dismal showing. A World Health Organization (WHO) world ranking positions the nation at 144 in relation to general levels of public health and 188 with regard to fairness of its distribution of public health resources.

### Employment

With an estimated deficiency of 2 million laborers in Guangdong Province, 85% of businesses are incapable of functioning at full capacity plus at least 150 million rural employees were made redundant—a figure which increases by 6 million yearly. Adding to the mix is a 24% scarcity of trained workers estimated at a loss of US\$25 billion to companies in potential earning per annum.

### Crime

Joblessness is considered a determinant to crime. In Shanghai the outburst in lawlessness among young migrants ballooned from 40% in 2002 to 70% two years later. On the national level the upward trend is indicated by a crime rate from 1.4% in 1978 to 8.2% in 2004 or 5.8 times its standing 33 years earlier. Further as explained by a published document by the Chinese Academy of Social Science demonstrative

exercises in 2011 advanced an element of aggression with the potential of influencing disgruntled individuals and groups.

China's steadfast attention to urbanization which in manifestation was 2 times its 1990 level in 2011 translates from a city population of 17.9% in 1978 to 51.3% of the country's residents in 2011. This extravagant application nevertheless is carried on the shoulders of the pastoral class. The transfer of proceeds for large scale construction stems partly from agricultural revenue between 1949 and 2004 estimated at US\$700 billion and the involuntary sale of farmland valued at US\$363 billion for which farmers were compensated below fair market value [20].

The disintegration from a land grab for industrial and residential usage is far reaching. A mounting decrease in arable land which stood at a loss of 7.6 million ha of farmland the equivalent of approximately 6.2% of all arable land from 1998 to 2005 will inevitably diminish the capacity to produce for local consumption. Besides, industrialization of this nature is fraught with environmental adversities. China currently the world largest emitter of greenhouse gases is according to the Ministry of Environmental Protection home to 40 of the large cities that fell short of satisfying air quality control standards. She is also inundated with inadequate water supply as more than 60% of China's 669 large cities are affected with at least 12% severely afflicted. Both concerns present health hazards which emerge in the form of pollution and contamination respectively [21].

Adding to the negative column is a government accused of meddling in the internal affairs of multinational corporations engaged in business on her shores. This practice said to involve the rotating of party personnel between industry, government and party assignments has been a matter of condemnation. China's scholar Minxin Pei affirms "China's reforms died in the 2000s following the country's entry into the World Trade Organization." For others the common axiom is "guo jin min tui" which when translated means "the state advances while the private sector retreats."

As if in acknowledgement of guilt Premier Li delivered a report signifying that 416 items previously under the watchful eyes of the state council have been extracted or under the purview of a lower level of the administration. Another 200 pieces of legislation he confirmed are slated for similar treatment. Is he ready to spearhead reform towards competitive neutrality? [22].

Albeit the recipient of the world's largest currency reserves of \$1.7 trillion and counting the country is steps behind Western industrialized states on energy efficiency. Inability to adopt a five year plan that required the reduction of energy intensity by 20% from its 2005 level by 2010 and an array of policies inclusive of a comprehensive program which is largely ineffective leaves much to be desired. Nonetheless in a nation where the industrial sector accounts for at least 70% of total energy consumption the offshoot of excessive growth is continuously confronted with efforts at discouraging investments and tax rebates to energy inefficient industries. At the same time over 1,000 of the largest industrial consumers are encouraged to establish programs and auditing regimes in sync with efficiency standards and new avenues as sources of energy are being explored [23].

As the recession intensifies China's GDP grew at a slower pace in the fourth quarter of 2011—an extension of 4 consecutive quarters of slow growth and contracted even more five quarters later (Table 12).

Hence despite Beijing's performance surpassing that of developed nations, analysts share anxieties as outcomes defy forecasts most recently demonstrated by the prediction of 8% growth for the first

quarter of 2013. Not only is China's reduced economic expansion of 9.2% in 2011 and 7.7% in 2013 in comparison to 10.4% in 2010 cause for pause but so is stagnation in the US which leads to reduction in global prices on goods that are in demand in China and in Europe where the debt crisis has resulted in a Standard and Poor's nine nation downgrade. In essence caution in the form of an effective formula blending a reduction in spending with heightened revenues and productivity all in the same breath is recommended to avoid an ongoing crisis as US and European fiscal complications could adversely affect China's growth at a time when proliferation in exports is slowing at home amid soft demand from chief trading allies [24].

To some observers restraint as prescribed without a mature response to unanswered concerns herein is shortsighted. The country must aim for sustainable balance between the wealthy and the indigent and further environmental security and natural resources alongside economic evolution. If not, this greater leap forward will become a remnant of the past and not a signature exploration competent of inclusiveness and egalitarianism. In short naivety and sheer refusal to empower civil society will render this contemporary exercise a dereliction exceeding any other in China.

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