Thoughtful and far-reaching reforms are propelling China out of poverty

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The more globalization is inclusive, the more it will truly be win-win. And the more developing countries are able to learn from China, the more it may help in their economic progress.

F or the history of humankind, there has never been a case where, in a brief episode of the life of one generation, the relative economic strength has changed on such a large scale for so many people as it has in China and Russia over the past three decades. Both countries are undergoing profound structural and institutional changes, but while the former has recorded impressive results in economic development and catching up with the advanced economies, the latter’s achievements have been very modest. This happened due to many factors—from the traditional cultural heritage to geopolitical conditions, from the legacy of the previous state socialism to different natural resource bases—but, over the substance and duration of the political leadership of Deng Xiaoping in China was fundamental importance. Without taking into account the influence of the thoughts and actions of this statesman, it is impossible to understand the essence of tertian changes that have occurred in the world economy recently.

Thirty-two years ago, on May 12 to 18, 1979, the Chinese-Soviet summit was held in Beijing in which Chinese paramount leader Deng met the Soviet leader Mikhail Gorbachev. On this occasion, Henry Kissinger—who already had an abundance of his own geopolitical experience—published an essay in a weekly magazine, “Fernweh,” in which he asked the fundamental question: Who is right? Gorbachev, who, considering the Soviet reality engaged in certain political reforms, but did not go too far in terms of economic changes? Or Deng, who boldly initiated economic changes that made the economy more market-oriented?

I referred to this query when I first met Kissinger in the summer of 1996 in Paris. Later, I have come back to the choosing of the path of reform during subsequent meetings with Gorbachev—always in Moscow—and especially during numerous conversations with Kissinger—in Beijing and in New York. Even though this grand question, if at all, can be answered completely and satisfactorily only by history, it is worth investigating the subject as much as possible, including having direct discus-