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CHINA'S RURAL DEVELOPMENT MIRACLE

WITH INTERNATIONAL COMPARISONS

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Abstract
**NEW COOPERATION—ONE STRATEGY FOR
DEVELOPING RURAL VILLAGES IN
CHINA'S NORTH-WESTERN AREA**

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China's north-western area will be of strategic importance to China's development in the next century. Agriculture is the foundation of the economy in this region. More than 80% of the population is rural. So developing rural villages should be the foundation for developing the north-western area.

How may the north-western area be rapidly developed while saving investment? This very important strategic issue is the subject of this paper.

The north-western area's strengths are as follows: vast land; bountiful natural resources; and a small population. Its weaknesses are as follows: arid climate; barren land; labour force scarcity; backward techniques; and difficult transportation situation. Given these strengths and weaknesses of the north-western area, the best strategy would be to develop rural villages by encouraging cooperative ventures. The reasons are: such an approach can commence rapidly on a wide front; large public investments are not required; and China has had great experience in organizing cooperation and has public ownership and a planned economy.

Cooperation can be encouraged at three levels: small-scale cooperation within the county limits; medium-scale cooperation within the north-western area; and large-scale cooperation between north-western and south-eastern areas.

The best form for cooperation would be to establish a big Company (or corporation) for the Development of the North-western Area. It must be an economic entity. But its task should be to carry out both the state's plans and to apply economic measures to ensure efficient management. Every county should establish a small company similar to the big one and connect with it. The parent company would organize the small-scale cooperation outlined above.

I would say that the Company for Development of the North-western Area should also engage in international cooperation.