

Implementing Partner Assistance

Beginning in the late 1970s, the central government began to organize a process by which developed eastern coastal areas provided assistance to the economic growth and social initiatives of their underdeveloped partners in ethnic minority areas in the west. In 1996, the following partnerships were further clarified: Beijing and Inner Mongolia, Shandong and Xinjiang, Fujian and Ningxia, Guangdong and Guangxi, the whole country and Tibet. In 2010, the central government again appointed 17 provinces and cities, 60 central government organs and 17 key enterprises to assist Tibet, and 19 provinces and cities to assist Xinjiang. From 2006 to 2010 such partner assistances had provided Tibet with 7.57 billion yuan in total. By the end of 2010, 172 assistance projects had been launched in Xinjiang, of which 79 had been completed, and Xinjiang had received a total of 1.25 billion yuan in assistance funds.

Expanding Opening to the Outside World

Most ethnic minority areas are located on the western borders. Their location gives them a particular advantage in communicating with other countries. The governments grant enterprises in these areas more autonomy in foreign trade, encourage them to export competitive products, and adopt preferential policies for border trade. Ethnic minority areas are encouraged and supported to facilitate access to and from neighboring countries, bringing to bear their advantages of location and culture.

In 1992 China implemented a strategy of opening its frontiers, designating 13 open cities and 241 first-grade open ports, and establishing 14 border economic and technological cooperation

zones, most of which located in ethnic autonomous areas. In 2000 the state initiated a program to boost the economy of the borderlands and help local residents raise their incomes, involving 136 frontier counties and 58 frontier farms of the Xinjiang Production and Construction Corps. This range of preferential policies has had a marked effect on opportunities available to the ethnic minority areas. Cooperation in economy and technology with neighboring areas is becoming increasingly active and frontier trade is growing rapidly. The ethnic minority border areas have gone on to become the vanguard of China's opening up.

Reinforcing Poverty-relief Work

Poverty in ethnic minority areas differs from other regions. There are many reasons for serious poverty, including geographic conditions and social and historical factors. Thus, in the government's large-scale poverty-relief programs since the mid-1980s, ethnic minority areas have always been a priority. Included in the 1986 poverty-relief plan were 141 ethnic autonomous areas, representing 43 percent of the total of 331 impoverished counties. The Seven-year Poverty Alleviation Program launched in 1994 (a program designated to lift 80 million people out of absolute poverty during the seven years from 1994 to 2000) included 592 counties, of which 257 were ethnic minority areas, again accounting for 43%. The Outline of Rural Poverty-relief and Development, started in 2001, continued to place an emphasis on ethnic minority areas. Among the newly determined 592 counties for poverty-relief work, ethnic minority areas (excluding Tibet) increased to 267, making up 45 percent of the total. In addition, the central government set up in 1990 a fund to assure the basic needs of people living in poverty-stricken minority areas and in 1992 a development fund to address specific difficulties in

the development of ethnic autonomous areas and in the production and living conditions of ethnic minorities. The whole of Tibet was included in the national poverty-relief project.

In the new century, the state has given priority to the development of those areas inhabited by ethnic minorities of small populations, drawing up plans tailored to their needs. In 2010, the state listed Wuling Mountain one of the six key areas covered by the new strategy to develop the western region, so as to accelerate its poverty relief work.

In recent years, the Chinese government has strengthened its efforts to develop ethnic minorities and ethnic minority areas. It has adopted and implemented policies to promote social and economic development in Xinjiang, Tibet, Ningxia, Inner Mongolia, Guizhou, Tibetan-inhabited areas in Qinghai and other provinces, and the borderlands in Yunnan, and carried out the Development Plan of Guangxi Beibu Gulf Economic Zone. All of these measures infuse new energy and vibrancy to the sound and rapid development of ethnic minority areas.

ECONOMIC GROWTH OF CHINA'S ETHNIC MINORITIES AND ETHNIC MINORITY AREAS

Before the founding of the People's Republic of China in 1949, economic conditions of ethnic minorities and ethnic minority areas were relatively backward, as a result of historical problems of ethnic discrimination and suppression, and disadvantageous geographic conditions. In some areas primary agricultural activities had not even advanced beyond the "slash-and-burn" stage, and animal husbandry was also primitive. Since 1949, the central government has adopted a series of policies and measures to assist the economic development of ethnic minorities and ethnic minority areas in accordance with their prevailing conditions. Since China launched its reform and opened to the outside world in 1978, the central government has further increased the assistance and support offered. This has made a significant contribution to economic development and economic structures in the affected areas.

Developing Modern Industry

When the People's Republic of China was established, there was no modern industry in ethnic minority areas. To accelerate the industrial development in these areas, and in accordance with the state's overall planning and local natural resources, the central government located 40 of 156 major projects receiving support from the Soviet Union in these areas starting in 1953. Examples of these were the Baotou iron and steel base in Inner Mongolia, the

Qingtongxia hydropower station in Ningxia, the Karamay oilfield in Xinjiang and the Gejiu tin company in Yunnan. A number of affiliated energy and transportation projects were also undertaken. These large projects created a modern industrial base in ethnic minority areas for the first time, fundamentally diversifying their economic structure.

In the second half of 1964, the government began a strategic reorganization of the nationwide distribution of productive forces. Some ethnic minority areas, including Ningxia Hui Autonomous Region and the ethnic minority areas in Qinghai, Gansu, Guizhou, Sichuan and Hunan provinces, seized this unprecedented opportunity to develop their industrial base. During this national redistribution initiative, a host of large industrial enterprises in coastal areas and other parts of China were moved to these areas, and some important key projects were established. Relying on these, modern industry began to take shape in the ethnic minority areas. Their industrial product mix changed radically and an integrated industrial system developed a solid foundation.

When China launched reform and opening up in 1978, the state gave priority to ethnic minority areas when arranging major projects such as the Tarim oilfield in Xinjiang, the aluminum plant in Pingguo, Guangxi, and the coal and electric power base in Inner Mongolia, allowing these areas to take full advantage of their natural resources. In 1999 the government made the strategic decision to develop the western regions, and since then, the state has invested a total of 2.2 trillion yuan in major projects in ethnic minority areas like the west-to-east gas and electricity transmission projects, and a potash fertilizer plant in Qinghai. Ethnic minority areas have thereby acquired several important industrial bases and established a route to developing industry based on local resources and with local characteristics.

Accelerating Infrastructure Construction

In the old times, horses and manpower were the main means of transport on the narrow trails in most ethnic minority areas. Beyond the central areas there was little by way of railways and roads. The vast mountains, grassland areas, and remote borderlands where most of the ethnic minority population lived had almost nothing. There was not a standard quality road in the whole of Tibet.

After the founding of New China, the state assigned a high priority to developing transportation in ethnic minority areas. Five of the eight trunk railways built during the early days of New China were in ethnic minority areas or linked them with other places. The two world-renowned highways connecting Tibet with Sichuan and Qinghai opened to traffic in December 1954. More trunk railways were built in the 1960s, including the Chengdu-Kunming, Changsha-Guiyang and Panzhihua-Liuzhou lines, and the Yunnan-Tibet highway was also completed.

The central government has given further priority to transportation infrastructure projects in ethnic minority areas since the reform and opening up. A succession of major projects such as the Nanning-Kunming, South Xinjiang, and Chongqing-Huaihua railways were completed, and the world's highest railway, the Qinghai-Tibet Railway, entered service in 2006. The construction of trunk highways, regional airports, and pipelines in ethnic minority areas has accelerated. Over the past three decades, the mileages of newly-built railways and highways in these areas both exceeded the national average. This boom in the transportation industry is crucial to ethnic minority areas, opening them to the outside world, providing them with a political, economic and cultural connection to the central areas, and accelerating their efforts to shed their legacy of underdevelopment.

Broader Financial Support

Along with the rapid economic growth, the central government and local governments at all levels have gradually increased investment to ethnic minority areas, in forms such as general or special transfer payments from the exchequer, and transfer payments under preferential policies for ethnic minorities, thereby improving their economic and social development and bridging the gap with more developed areas.

In order to improve the economy and standards of living in these areas, the central government set up the "ethnic minority area subsidy" in 1955 and the "flexible funds for ethnic minority areas" in 1964, and increased the proportion of reserve funds in the total budgets of ethnic minority areas.

From 1980 to 1988, the central financial authorities adopted a quota subsidy system with a yearly increase of 10 percent for the autonomous regions of Inner Mongolia, Xinjiang, Guangxi, Ningxia and Tibet, and for the provinces with large ethnic minority populations – Guizhou, Yunnan and Qinghai. Although the state began fiscal administration system reform and adopted the tax-sharing system in 1994, all subsidies and special allocations to ethnic minority areas were retained. In the interim period, the state set up specific policy-related transfers to the above-said five autonomous regions and three provinces as well as a number of ethnic autonomous prefectures.

Since 2000, the central government has returned to ethnic minority areas 80 percent of the incremental value-added tax collected. In addition, through transfer payments the state have provided a special welfare subsidy to civil servants working in challenging borderlands and raised their salaries, exempted local agricultural and animal husbandry taxes, and funded the protection of eco-systems and environments in ethnic minority areas.

