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## China's Deng Development Model

### *Scientific Development or Modern Conservatism?*

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**ABSTRACT** This article is a form of reflection on the Chinese development model. In the ongoing discussion on this subject, the view seems to prevail that the source of the country's economic success is the use of evidence-based policy, understood as "scientific development," that is, basing economic policy on the most recent findings of development economics. The conclusion of this article is quite the opposite. It turns out that the foundations of the Chinese development paradigm are assumptions that are very similar to the principles around which Edmund Burke's concept of modern conservatism is built. A specific core of this concept is aversion and skepticism toward scientific theories, combined with the postulate of the gradual nature of all economic and social changes. Ultimately, however, it turns out that modern conservatism alone is also not sufficient in explaining the Chinese development success. The second pillar is the relevant set of development goals and their proper sequence.

**KEYWORDS** evidence-based policy, scientific development, modern conservatism, development strategy, Chinese development model

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August Hayek, in his book *Studies on the Abuse and Decline of Reason*, states that the way we do business has changed fundamentally over the last three centuries. In the 18th and early 19th centuries, economics was essentially oriented toward solving specific problems, and their nature determined the choice of research methods and economic policy tools available at that time.

The 19th century was primarily a time of successes in the exact sciences and natural sciences. The great scientific discoveries that were made at that time became an indirect proof of the effectiveness of the scientific method. The fascination with physics and mathematics has also begun to spread to other disciplines. The best example of this is the sociology of Auguste Comte, whose aspiration was to create a theory that describes and foresees the behavior of societies. Similar aspirations began to permeate the economy. Gradually, the main goal of economics became the discovery of new, universal claims and laws concerning the economy, rather than direct, pragmatic overcoming of current obstacles to development. This was an expression of the conviction that in economics, just as in Newtonian physics, certain laws can be specified that, if properly generalized and put in mathematical terms, will allow for quick and precise shaping of the state development policy.

This process has been described by Hayek as the "tyranny of methods and techniques of Science," and the culmination of this process is, in his opinion, a kind of "engineering

mentality” that actually dominated the thinking about economics. The manifestation of this mentality is primarily a constant pursuit of an abstract and universal economic paradigm, combined with an increasingly sophisticated use of quantitative methods and looking at reality through the prism of abstract mathematical models.

However, every time it seems that the world of economics has finally been dominated by a single theory describing and predicting economic events, it suddenly turns out that some process or incident leads to a significant disruption of faith in the explanatory capacities of the paradigm. In this context, events such as the supply shock of 1973 or the 2008–2009 global financial crisis can be highlighted. In such cases, most of the economists’ efforts are aimed at explaining the causes of the phenomenon and at creating a new scientific theory.

In the 21st century, however, economics faced the need to explain a phenomenon that escapes virtually all paradigms functioning in this discipline. It is the historical success of the Chinese economy. After all, this country has been experiencing a continuous high rate of economic growth for more than 30 years, and was able to significantly improve the quality of life of its citizens, who represent around 15% of the world’s population. Furthermore, China has been able to fundamentally modernize its economy, making it increasingly competitive and advanced to such an extent that we are now experiencing global expansion of Chinese technology brands (Economy, 2018). It is also not insignificant that China is gradually transforming from the world’s largest importer of capital into the world’s largest exporter of capital—a capital that penetrates world markets and which is permanently transforming (apart from the controversies related to it) the economies of the African and South American continents (Vogel, 2013; Mações, 2018).

There were attempts to explain the Chinese economic “miracle” by referring to the concepts of capitalism, socialism, state capitalism, and political capitalism (Milanovic, 2019), but none of these models can stand criticism (Huang, 2008, 2017; Lin, 2012). A kind of consensus is to forge the term “Chinism” (Kolodko, 2020), as a model of development that is essentially a mixture of different economic systems. However, this concept does not meet the expectations of researchers trying to understand and generalize the observed phenomena to the rank of a scientific theory.

On the other hand, in *The Great Renaissance* Bogdan Góralczyk (2018) analyzed how Chinese intellectuals, politicians, and economists perceive the development model of their country. He does not limit himself to the description alone, but also points out the basic principles that, in his opinion, govern the Chinese development strategy. In this text, I would first like to briefly present Góralczyk’s conclusions concerning the Chinese economic model, and then confront these conclusions with the views of Edmund Burke—an 18th-century British politician and philosopher, creator of the so-called modern conservatism.

This extravagant comparison will allow me to draw quite unexpected conclusions about the nature and specificity of the Chinese development model. These considerations will culminate in an illustrative diagram of China’s economic development strategy.

## THE CHINESE ECONOMIC DEVELOPMENT MODEL

Many different researchers have tried to explain the reasons for China's historical economic success (Bolesta, 2006; Kissinger, 2011; Chołaj, 2014; Fenby, 2014; Ringen, 2016). The most important pro-development factors included low-cost labor, a huge internal market, mastering demographic difficulties, and even a favorable geographic location.

However, a particular pattern of explaining the Chinese phenomenon has spread among development economists. It first tries to indicate the theoretical differences between the Chinese view of economics and the so-called economic mainstream. In the next step, attention is drawn to the fundamental advantages of the Chinese approach to economics (usually in retrospect). This process usually ends with the conclusion that the Chinese, over the past decades, had a better economic theory that enabled them to avoid obvious economic mistakes (those made in Russia, for example). It should be pointed out that the reasoning that leads to such a conclusion is based on the assumption that good economic policy must be based on a proper economic theory. This assumption has been heavily criticized, indicating that the so-called evidence-based policy is an illusion due to scientific uncertainty (Malinowski, 2017) and the fact that in economic policy it is difficult to prove that since a given solution worked in one place, similar effects should be expected elsewhere (Cartwright & Hardie, 2012).

In the context of China, there are also some platonic threads. This is because researchers often use this country as a model of technocracy/meritocracy in the sense that there are no obstacles to the implementation of solutions proposed by the economic elite (McGregor, 2012; Bell, 2015). So, whereas in the United States and the European Union important decisions have to be backed by an electoral mandate, and if there is no such mandate, then action is impossible to implement, in China such requirements do not apply, so that the right decisions can be made quickly and efficiently. The specificity of this problem is well illustrated by the statement of Kolodko, who says that in Western democracies it is not enough to be right, because one still needs to have a parliamentary majority (Kolodko, 2008), whereas in China, being right almost determines the green light for the realization of relevant policies.

It is therefore not surprising that such a perspective is attractive to an economist dealing with economic development. China appears to represent an economic rationality model, in which economic policy is subordinated to the dominant economic theory, while shortsightedness and emotions characteristic of Western democracies are absent in China. It is a country where we are dealing with a "scientific development," which is grounded in the latest findings of economic theory, putting aside ideological premises.

However, *The Great Renaissance* and a few other recent publications (Zhang, 2011; Poznanski, 2017) force the above vision of China's development model to be significantly transformed. Although the Chinese model is repeatedly described as "meritocracy," it seems that the term refers to who is the decision-maker rather than what the decision is based on. In the case of China, a manifestation of meritocracy is the decision-making power of the ruling apparatus, consisting of the narrow circle of people giving direction to

Chinese politics. These persons must have appropriate qualifications and management experience, proven by concrete achievements.

In terms of a strictly macroeconomic approach to economic development, the following factors can be indicated as key in the way of thinking about economic policy, especially at the first stage of the country's economic reforms (Berger et al., 2013; Minxin, 2016):

- The overriding importance of economic growth
- Priority for exports
- High level of investment
- Openness to foreign investments, combined with very meticulous supervision
- The use of cheap labor

However, these elements are not unique in terms of economic development models. A similar approach is presented in the case of the so-called Asian tigers (Stiglitz, 1996) or, for example, in Poland's economic development strategies (Kolodko, 1996).

In the course of considerations about the peculiarities of the Chinese economic development path, we can go one step further and indicate the basic elements of the Chinese development paradigm. It is a broader concept than the development model and refers not only to economic issues in the largo sense and macroeconomic issues in the strict sense, but also to the overall domestic and foreign policy of the country.

Due to the broad meaning capacity, some authors (Zhang, 2016) even choose the term "philosophy of governance and management," which best reflects the essence of the specifically Chinese approach to development policy.

According to Góralczyk, the Chinese development paradigm is based on the assumptions of

- a pragmatic, non-ideological approach to reforms, derived from simple maxims; and
- gradualism, caution, and experimentation.

It should be noted that many more assumptions should have been listed. These include demands for flexibility in implementing changes, a sober assessment of one's own possibilities and opportunities, a constructive combination of the planning economy and the market economy, and a direct recommendation for interventionism in strategic sectors. The assumptions also apply to the political sphere. There is a call for a free market and economic freedom with a lack of democracy and full civil liberties, and a return to Chinese roots, above all to the patriarchal and hierarchical spirit of Confucianism.

The first two of these assumptions provide a framework for interpreting the Chinese economic model. This is why they require in-depth commentary.

Many contemporary authors would probably approve the term "scientific development" as a characteristic of the Chinese way of making economic decisions,<sup>1</sup> yet the

1. The term "scientific development" even appears in official government documents after 2012 under the term *kexue fazhan*.

vast majority of statements on the attitude of Chinese decision-makers and the Chinese themselves to all ideologies and, in a way, also to theory, clearly indicate that ideologies and theories are treated with great reserve. It seems that throughout the entire period of Chinese transformation, Chinese decision-makers together with the architects of economic reforms have followed with great interest the current state of knowledge on economic development and have carefully confronted it with all the global cases in which it was implemented. The “pragmatic” approach to the economy in the case of China means that China has not based its development on any particular scientific theory (development theory), but has even avoided it (Lin, 2013).

The economic success of this country is built on the skillful, instrumental use (after prior testing) of basic economic tools, in isolation from the abstract economic theories under which they were often developed. On the other hand, Chinese pragmatism means acting on the principle of trial and error, that is, learning by doing, which always takes into account local conditions. This means that in the Chinese development model there is no room for the *one size fits all* concept.

Chinese economic pragmatism is very much rooted in cultural tradition, which is reflected in building a development strategy around old folktales and wisdom: “It doesn’t matter if the cat is white or black, it’s important for him to catch mice”; “to search for truth in facts” or “practice is the only criterion for truth.” It is worth noting that this way of thinking about the effectiveness of decision-making processes is nowadays very prolifically developed within the current of the so-called adaptive rationality (Gigerenzer & Todd, 2000; Potocki & Opolski, 2015). Like a mantra, some authors (Zhang & Chang, 2011) use the phrase “to walk across the river, feeling the stones underfoot,” which is essential in the Chinese way of thinking about economic reforms.

The second assumption of the Chinese development paradigm concerns gradual, cautious changes, that is, gradualism. In this context, it should be stressed that the Chinese way of thinking about the economy is marked by the fear of possible mistakes. Chinese decision-makers approve of errors at the local level—they are small and not systemic in nature—but they are very careful when implementing any solutions whose consequences may be systemic in their character. Among other things, the reserve with which China approaches democracy must be seen from this perspective. In the future, democracy in China is likely to appear on many different local levels (where the consequences of wrong decisions are small), but it is unlikely to gain popularity in the sphere of governance of the whole country.

Chinese gradualism must be contrasted with radicalism. *Natura non facit saltus*—“Nature does not make leaps”—says a medieval proverb, suggesting that organic systems, built by nature, evolve gradually and not abruptly. After a closer look, it seems that this is the way of thinking that characterizes Chinese decision-makers. Revolutionary attempts, experiences, and tests (civilizational, economic, institutional, often even mental) always result in regress instead of expected progress. This means that in the Chinese transformation process, “shock therapies” and examples of acute deviation from the previously chosen course are scarce (Jacques, 2012).

In this context, it is worth noting how Chinese gradualism may be justified through commenting on the aforementioned maxim concerning crossing the river, feeling the stones underfoot. The logic behind this handy maxim was more or less like this: we have no experience, no one before us has crossed such a stormy current, and no one before us has crossed such a wide river (reforms), but we know that we must get to the other side, because only by doing so do we have a chance to modernize and progress. So, what do we do? We enter the river and explore its current or possible whirlpools. If they are too big and we lose ground underfoot, we move back, move a kilometer or two, and try again—until we succeed. And at the same time, we do not let all of us enter this river; we let only a few of our chosen ones in there, and we experiment and study what their actions will bring.

I would also like to point out that there is a certain analogy between the success of the Chinese transformation and the recent global financial crisis. Namely, just as there are at least a dozen or so ways of looking at the causes of the global crisis, we can also list a great many different (often mutually exclusive) interpretive frameworks for the Chinese economic development process. Even if the presented view has some weaknesses, as it is probably relatively easy to point out examples of actions within the framework of Chinese economic policy that are contrary to the assumptions of the Chinese development paradigm discussed above, it should nevertheless constitute a leaven for further discussion in this area. China has so far escaped all attempts at unambiguous categorization.

#### **EDMUND BURKE'S MODERN CONSERVATISM**

To begin with, I would like to hypothesize that Edmund Burke's concept of modern conservatism describes (although it was created nearly two centuries ago) the Chinese development model much better than the idea of scientific development.

Edmund Burke (1729–1797) was a British philosopher and politician and a member of the Whig Party. He became known because of the publicity from his numerous parliamentary speeches in which he addressed issues such as the American rebellion against the British Crown, the treatment of Irish Catholics, and the French Revolution, which he fiercely criticized. His philosophical views can be described as anti-rationalist scepticism; in economics, he advocated economic liberalism.

Although Burke did not consider himself to be a theoretician, but a practitioner, and therefore did not leave behind any significant theoretical dissertations, he is considered to be the creator of the very concept of conservatism, also referred to as modern conservatism to distinguish it from traditionalism.

I have no intention of carrying out an accurate hermeneutics of Burke's texts, but will limit myself to a brief summary of his views, which seem most relevant to the objectives of this text.

Burke's political conservatism can be reduced to two fundamental assumptions (O'Hear, 1998):

- Distrust (scepticism) about the theories
- Gradualism—praise of slow changes

It should be noted that any similarity to the foundations of the Chinese development paradigm presented by Góralczyk is completely coincidental. The author of *The Great Renaissance* does not quote Burke's works and does not show interest in conservative thought.

Burke's skepticism is an expression of prioritizing experience over reason and manifests itself in suspicion of any novelty untested by the passage of time, of any speculation detached from the concrete, and of any paper project revealing lack of experience. What are the grounds for this suspicion? The first reason is organicism—the belief that the political community (state) is a complex organism—an ecosystem whose individual parts are intertwined by a subtle and unique network of dependencies. Components such as customs, religion, demography, law, geography, economics, history—are all aspects of one, complex reality. Violation of one element causes far-reaching consequences for the functioning of the other elements. Meanwhile, all “scientific” theories concerning social life describe a small fragment of reality, and the attempt to rapidly transform reality, inspired by these concepts, usually leads to the materialization of the “law of unintended results,” which modern economics would describe as negative externalities. The effects of such modifications are unpredictable and can be very dangerous, which is why the possibility of their implementation should meet with an attitude of reluctance. Burke puts an emphasis on the uniqueness of every political creation. He draws attention to the fact that each country has its own unique history and culture, its institutions, customs, and character. This is why it is a methodological abuse to move uncritically political institutions from one nation to another. What is good for one country is not necessarily good for another country.

Burke's second cause of skepticism is of positive character. Namely, he believed in the constructive power of history, the manifestation of which is the so-called cumulative, collective wisdom. This view is a kind of anticipation of Darwin's evolutionism, which also states that current solutions in the organic world are an expression of adaptation to the natural environment—often these adaptations do not seem to be perfect, but even today, the ideas of “improving nature” raise many doubts due to the possibility of unforeseen negative side effects. According to Burke, social order cannot be invoked because the emergence of society is more like organic growth than engineering design.

In this context, the idea of the “prescription” should also be mentioned. For Burke, as before him for the thinkers of ancient Rome, the long-term application, use of something—it can be a custom, an institution, a norm, or a religion—is a proof that this something cannot be removed, uprooted because it is (or can be) an important part of the community's functioning. In other words, the very fact that something has survived for a long time, despite various special circumstances that have undoubtedly occurred, should suggest that there is some accumulated wisdom in it. This “something” may often seem irrational or superfluous, but for Burke the only criterion for rationality is survival. This concept gives rise to the idea of “preserving” institutions, which should be a continuation based on conclusions verified by the experience of generations. In this context, Burke states: “The science of governing is practical and is

intended to serve practical purposes, it requires experience, greater than even the wisest and most perceptive person can gain in the course of his or her life—that is why the greatest caution should be taken by anyone who decides to demolish a building which for centuries has served the common goals of society to a satisfactory degree, or wants to build it from scratch without having models and patterns of proven utility before his or her eyes” (Burke, 1790). So it’s no wonder that Burke’s conservatism is associated with the slogan “If it ain’t broke, don’t fix it.”

This brings us to the second essential element of Burke’s conservatism, namely, gradualism, the belief that change should be gradual rather than revolutionary. This postulate is a demarcation line between conservatism and traditionalism. The traditionalist wants to keep a given historical reality, whereas the conservative accepts changes. The conservative does not seek to restore what is old, but rather to preserve what is permanent and durable.

However, the idea of change in conservative thought is a complex matter. Although the change is generally to be slow and gradual, Burke allows for situations where it has to be fast. The basic criterion for the sovereign to make a radical change is the threat of disaster. Burke himself saw the possibility of a catastrophe mainly on the social and political level. He was most afraid of social discontent and suggested that when it takes on a mass and serious form, a random situation arises that requires going beyond the rules of the normal functioning of social order (Pielinski, 1993). Burke, like Keynes, therefore points to the need to use different decision-making algorithms in a crisis situation, as opposed to a normal situation. Thus, whereas a conservative will accept the pursuit of certain benefits only if they are achieved within the framework of the existing institutional order, he will support exceptional measures that derogate from that order when necessary. So the conservative is a pragmatist.

This approach to change is logical and consistent within a conservative framework. It should be noted that the condition for the effectiveness of idea understood as the transfer of former experiences into the framework of modern times, is the assumption that the social and political reality is to some extent unchanging. In other words, it is justified as long as historical phenomena have the characteristics of typicality and continuity. In turn, when as a result of various circumstances the sociopolitical reality loses these properties, then acting on the basis of old-fashioned patterns makes no sense. For this reason, a conservative presumes that rules that have proved successful in the past will also work in the present. The burden of proof therefore rests on the party that indicates the exceptional nature of current historical processes that require extraordinary treatment.

It is also worth noting that within the framework of Burke’s conservatism, the functionality of rules in the exercise of power is strongly emphasized. Burke himself calls these rules “superstitions,” “opinions,” or “maxims of the fathers.” These are, in his opinion, permanent and ingrained convictions shared by large groups of people on issues that have a significant impact on human life. They form a system composed of, among other things, codes of honor, state and religious laws, and customs.

The way Burke perceives the essence and function of superstition is very close to the definition of heuristics, examined within the current of adaptive (or ecological)

rationality. In contrast to the thinking inspired by Kahneman and Tversky (1979), the proponents of this approach treat heuristics as rational<sup>2</sup> decision-making rules.

According to Burke, the main advantage of basing action on superstition is the speed of decision making. In his opinion, superstition is something that is ready for use in case of an emergency: "In a difficult situation superstition is at hand, ready for use, because since it previously kept the mind on the path of wisdom and virtue, it will not leave a man hesitant at the moment of choice: sceptical, embarrassed and undecided. Superstition makes virtue a habit so it does not manifest itself exclusively in unrelated activities. Thanks to right superstitions men's obligations become a part of his nature" (Burke, 1790).

A conservative inspired by Burke's views should also be an anti-utopian. The impossibility of constructing "progressive utopias of perfection," which in his opinion are one of the most dangerous effects of the Enlightenment philosophy, results from fundamental limitations of human condition. These include a propensity to evil,<sup>3</sup> succumbing to the fascination with novelty (and connected fatal consequences of destroying institutions with a proven track record), the law of unintended results (negative externalities), and the judgments of Providence (which can be described as "black swans" under the contemporary convention).

At the end of this part of the discussion, reference should be made to conservatism itself. Burke himself never intended to create a new doctrine, since he believed that all theory is harmful, since it bends reality to a priori concepts. Conservatism therefore is not independent. It always appears in confrontation with the prior doctrines, which thus become the cause of its existence. For these reasons, it seems right to treat conservatism as a kind of pragmatic attitude in life. Pragmatic, because it is based on experience and avoids theories that have not been tested in practice, because conservatism is not linked to specific traditions and values. The conservative can be either a Pole or a Catholic, as well as a communist from the USSR or a member of the League of Arab States.

Conservatism is therefore a certain approach to sociopolitical issues, not a doctrine or a political school. "To be a conservative is to prefer the known to the unknown, to prefer the proven to the untested, facts to the secrets, the real to the possible, the limited to the unlimited, the close to the distant, the sufficient to the excessive, the adequate to the perfect, laughter to the utopian happiness somewhere in the future" (Oakeshott, 1975, p. 169).

## CHINESE "MODERN CONSERVATISM" AND A KEY TO CHINESE DEVELOPMENT STRATEGY

While interpreting the official declarations of the Chinese government concerning the nature of development policy in China, it is reasonable to state that China is not guided

2. Rationality is understood as "adaptability to a specific decision-making environment," not as "fulfilling the axioms of rational decisions."

3. Burke believes that human sinfulness has a dimension that goes far beyond religious dogma.

by ideological premises or prejudices, but rather conducts its policy based on the latest scientific research (*kexue fazhan*).

However, if we assume that the vision presented above correctly reflects the reality of the Chinese development model, we must conclude that this model does not ignore “scientific development” in the sense that it does not shy away from either scientific research or the opinions of economic development researchers, but nevertheless it seems that the real development policy of this country is conducted from a radically different position. The Chinese attitude is more reminiscent of Burke’s version of cautious conservatism, characterized by the lack of trust in theory and aversion to radical changes. It seems obvious that the Chinese development model should be contrasted with that of some post-socialist countries, whose transformation—the marketization—often took the form of “shock therapy,” based strictly on the mainstream “latest scientific research,” which in the 1990s took the form of the “Washington Consensus.”

The findings made so far allow me to indicate many similarities between the specificity of the Chinese view on economic development and the conservative approach to it. The main role in this comparison is played by such terms as “pragmatism,” “anti-ideological,” and “gradualism.” However, it is also worth noting the great role attributed to the “maxims of the fathers” in Chinese economic thinking, which in that culture usually takes the form of quotations from the teachings of Confucius. Once again, I would like to emphasize that such a strong commitment to discovering the meanings of these formulas in current contexts and circumstances makes it clear that, first, the Chinese decision-making model is very similar to Burke’s conservatism, and, second, it may mean that China is rather inspired in its actions by adaptive rationality.

Therefore, it seems that modern conservatism creates a convenient framework for interpreting the first and second stage of Chinese reforms. In this context, agricultural reforms (from 1979 to 1986) should be mentioned. The changes implemented at that time were cautious, gradual, and bottom-up. In 1979, a system (essentially contractual) of farmers’ individual responsibility for work was introduced. The measure of success of this solution is the fact that it was the main reason for the collapse of the previous system of people’s communes. Agricultural reforms were gradually implemented in the “learning by doing” formula. This is evidenced especially by the very sequence of reforms: in 1984 the issues of land lease and agriculture-dedicated loans were raised; in 1985 the system of compulsory supplies was completed and the emphasis was put on the development of agricultural services; and in 1986 a completely new problem was spotted—a rapidly increasing wealth inequality in the Chinese countryside.

Also, the second stage of reforms, most often associated with the figure of Zhu Rongji, may be perceived in a similar way. A cautious conservatism is visible in his actions aimed at suppressing inflation rising in the 1990s. The reduction of money emissions combined with the reduction of the raging investment boom are examples of decisive but gradual actions that were supposed to remove the major risk factor threatening the economy. But at the same time, Zhu himself strongly rejected the concept of shock therapy, which in his opinion was an example of improperly prepared reform. Zhu’s administrative

decentralization reform was also implemented in a similar way. Again, gradual, bottom-up in its nature, transferring competences to lower levels of local authorities.

All these reforms were not an example of evidence-based, scientific, ready-made formulas; rather, they were a next stage in the process of evolution of the system, one that learns from its own experience.

However, despite the numerous similarities between conservatism and Chinese actions, it must be concluded that it is clearly abusive to put a sign of equality between the conservative attitude and the successful Chinese economic development strategy. This is primarily because conservatism focuses mainly on safety. It does not block change, but tries to make it as safe as possible. Trying to render the usefulness of conservatism by means of metaphorical language, I will resort to the statement that conservatism is the answer to the question “How do we not sink the ship we are sailing on?”

However, when looking at the usefulness of conservatism in explaining the specifics of China’s economic development strategy, it must be said that it is not enough to justify the success of the Chinese economy. Although safety is important, it does not guarantee a successful change in itself, and it was the Chinese reformers like Deng Xiaoping who wanted a change.

From this point of view, it seems reasonable to ask: What other component is missing in the image of the Chinese paradigm/economic development strategy<sup>4</sup> we are creating? I also assume that the first component is a conservative attitude. The answer to this question is both simple and complex.

A thorough analysis of China’s economic transformation, combined with an insight into the very discourse that is being conducted in China on issues related to economic development, allows us to conclude that China has set itself the right goals at the right time on its path of development (Kolodko, 2018). Particular emphasis should be placed on the appropriate sequence of goals. China first wanted to get out of poverty, then it wanted to develop in a peaceful way, then there was a period of striving for an average per capita income, and nowadays there is more and more talk of the so-called assertive development, which is reflected in, for example, not avoiding conflict in a trade dispute with the United States.

The indicated goals are only a promulgation of specific objectives set at each stage of economic development. What is important, however, is that if these goals were not pursued in this order, China would be at a completely different point in terms of development, and it would probably not be in a better position than it is now. Contemporary considerations of complex systems, with their inherent non-linearity of reactions, phase transitions and, above all, path-dependence, are linked by the finding<sup>5</sup> (Malinowski, 2019) that the sequence of events plays an extremely important role in

4. The wording used suggests that there is only one component. In fact, there may be more, but I’ve concentrated on two of them.

5. The concept of path-dependence indicates that not only the events themselves but also their sequence are important. Successive phenomena A, B, C, D may produce a result that is completely different from that of similar phenomena occurring in a different order: D, B, A, C.

the long-term strategy of economic development, which directly leads to the conclusion that the appropriate sequence of objectives can be crucial in the context of economic progress. This ability to formulate the right goals is China's strength.

Furthermore, it should also be noted that the status of development objectives is extremely high in the case of Chinese economic policy. There are many examples of countries that set themselves completely new development goals with a frequency that is usually strongly correlated with parliamentary elections. The goals set are therefore often populist in nature and are treated as secondary by the decision makers.

Meanwhile, in China, the identification of a specific development goal is a priority and is preceded by very intense social, political, and scientific reflection. Once the course is taken, it is then implemented using all available means, in both the short and long term.

Let's get back to the ship metaphor. The Chinese "ship" always has a strictly defined destination. The Chinese know where they are going because they have clear development goals.

This specific aspect of the Chinese development model is easier to grasp, when contrasted with a dominant approach in Western democracies. An abundant track record allows us to state that development goals are often constructed ad hoc only for the needs of current political interests. Consequently, development goals are subject to repeated, often very drastic transformations. Political parties that are in power abandon the development goals of their predecessors, and replace them with new ones—often contrary to the old ones. Furthermore, even when there is a political consensus about the main direction of development policy, it is often bombarded by the media and skeptical lobbying groups. The "ship" of Western democracies is drifting.

In China, however, development goals have played a very important role in the process of economic transformation. On one hand, the "Chinese dream," "New Silk Road," "society of moderate prosperity"; on the other, demand that by 2021 consumption should be the driving force of Chinese economic growth, or the indication of 2035 as the deadline when China is to become an innovative society.

Setting an explicit development goals seems to be in the center of specificity of the Chinese model. These goals are big and small, they concern the whole of China or are enclosed by some part of it, some are very ambitious and others are modest, and some are very precise and others rather general. The point is: they are all implemented with great determination.

Under such circumstances, it should also be assumed that some goals are right and others are ill-considered. It is surprising however, how swiftly China is able to transform some wrongly formulated goals in such a way that they remain unchanged from the substantive side, and only the narrative constructed around them changes.

In this context, "New Silk Road" is a good example. Shortly after introducing this idea, China's policy makers found that the very notion of "silk road" is a source of geopolitical problems, considerations, and overinterpretations. It is because it evokes associations with the confrontation of superpowers and an attempt to construct the Euro-Asian, land super-state, which is completely inconsistent with the original intentions. Therefore, the

formula was changed to the concept of “One Belt, One Road,” to which many more countries were invited, and ultimately the project was referred to as “Belt and Road,” and China encourages practically the entire world to participate in it.

It is also worth noting that setting clear development goals and determination in their implementation is not new in China. This specificity was present in the actions of Chinese emperors, through the Republican period (1911–49) in the mainland, and the Communist Party until 1979. However, during Mao’s rule, ambitious goals were combined with revolutionary ways of achieving them: radical goals and radical methods. Meanwhile, modern China is a combination of prudent goals and a precautionary, step-by-step approach to achieving them. Eventually, the key to China’s development strategy is to combine sensible economic development goals (where do we go?) with a conservative attitude that is supposed to guarantee, above all, safety (how not to drown?). The Chinese economy is supposed to “walk across the river, feeling the stones underfoot,” so it has a precise goal (crossing the river to the other side), but there is no ready recipe for how to achieve this goal. However, this problem is not solved by “scientific development,” as perhaps the Chinese decision-makers think, but by a very distrustful, cautious, conservative attitude. Learning by doing, learning by trial and error, experimenting, all this always in safe doses, without radical changes and without haste—these are the tactical sources of Chinese success.

The specificity of Chinese culture and mentality is the combination of opposites, which is expressed by the famous yin yang symbol. The Chinese combine socialism with capitalism, modernity with tradition, planning with spontaneous market functioning.

Such a specific approach enables Chinese leaders to be political conservatives, intent on holding on to and monopolizing political power and preserving the dominance of the Communist Party; economic conservatives, unwilling to let the private sector undermine state control of strategic industries (finance, energy, high-tech); social conservatives, uncomfortable with feminism, gender diversity, and class equity and cultural conservatives, apprehensive of Hollywood movies, universal human rights, and non-Han Muslims in Xinjiang.

Simultaneously, they are unafraid to make bold decisions or take great risks. Accessing the World Trade Organization, one-child policy, or even the Tiananmen incident—these all are examples of nonconservative choices of a revolutionary nature.

Therefore, it seems that Chinese conservatism works somewhat similar to the contemporary usage of the precautionary principle<sup>6</sup> which, especially in current circumstances, dictated by COVID-19, on one hand takes the form of the *heuristic of fear* (blocks all changes that may cause systemic risk), and on the other hand takes the form

6. I assume that the functional definition of the precautionary principle takes two forms: *heuristic of fear* (if there are rational grounds for stating that activity *x* causes an unacceptable threat, then activity *x* cannot be taken in the absence of scientific certainty about its safety), and *heuristic of courage* (if there are reasonable grounds to believe that activity *x* eliminates/reduces an unacceptable threat, then activity *x* should be undertaken even in the absence of scientific certainty regarding its safety). Both forms should be considered as two sides of the same coin.

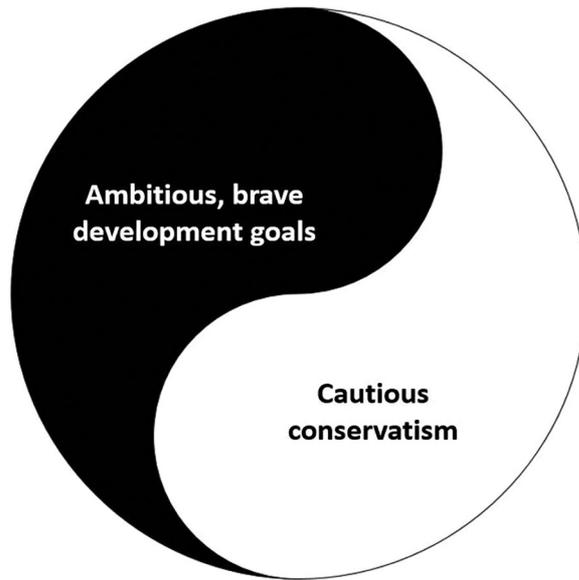


FIGURE 1. China's development strategy. Source: own study.

of the *heuristic of courage* (empowers the making of bold decisions, even when there is not enough scientific evidence). And this kind of approach surely is not a 100 percent evidence-based one (Malinowski, 2019).

The final conclusion of these considerations is that the very Chinese development strategy, which can also be described as the Chinese development paradigm, is a combination of two opposites: On the one hand, there is a defensive, cautious conservatism, the essence of which is to ensure safety. On the other hand, in Chinese actions it is easy to see a very offensive attitude, characterized by a great determination and setting ambitious development goals (Figure 1).

Chinese decision-makers are very mistrustful of the tools they use to achieve their own development goals. They are very open to any innovative development concepts, but their possible implementation is always subjected to a sophisticated testing process, usually on dedicated national territory. China therefore approaches its development strategy in a similar way to the process of introducing a new medicine to the market. First of all, we need to know what dysfunctions this remedy is supposed to cure, and thus what purpose it is intended to serve. Second, this medicine must undergo a lengthy testing process. These will be clinical tests, followed by tests on a limited population, and only at the very end of the study will the medicine receive the green light to be used throughout the country.

The Chinese development paradigm eludes all attempts to close it within a formal model because. First of all, its essence is to refer to the purpose that economics was supposed to serve in the 18th and 19th centuries, that is, to solve specific development problems, not to build a theory of economic development. Second, a caution deeply rooted in China's strategy also refers to the very findings of the economic development

theory. From the perspective of Chinese decision-makers, while constructing an economic policy one must take into account not only uncertainty *sensu largo*, but also scientific uncertainty *sensu stricto*.

As a result, Chinese decision-makers use very pragmatically and selectively the tools provided by contemporary reflection on macroeconomic issues, which, from the point of view of the researcher of these phenomena, is very difficult to put into deterministic scientific formulas.

## CONCLUSION

This article is a form of reflection on the Chinese development model. In the ongoing discussion on this subject, the view seems to prevail that the source of the country's economic success is the use of evidence-based policy, understood as "scientific development," that is, building economic policy on the findings of the development economy.

However, the conclusion is quite the opposite. It turns out that the foundations of the Chinese development paradigm are assumptions that are very similar to the principles around which Edmund Burke's concept of modern conservatism is built. A specific core of this concept is aversion and skepticism toward scientific theories, combined with the postulate of the gradual nature of all economic and social changes.

Ultimately, however, it turns out that modern conservatism alone is not the only element of the Chinese development paradigm. The second pillar is the relevant set of development goals and their proper sequence.

In the analysis, references to the contemporary issues—the personification of which is the figure of President Xi Jinping—were deliberately omitted. The reason for this is that unlike his predecessors, the direction of his policies has been driven more by external events (trade war with Trump's USA, COVID-19 pandemic, Hong Kong protests) that have limited his options and clouded the analysis of his policy choices. Consequently, it remains difficult to state unequivocally whether today's China is still based on a development model constructed around precisely selected, concrete goals, and prudent conservatism, or whether this approach has changed.

While the article deals with China, its conclusions may be important in thinking about long-term development strategies or development paradigms in general. In development economics, the idea of a strategy usually has more or less the same meaning as the idea of a plan and planning (Freedman, 2013). This text leads to the conclusion that a strategy is above all about caution and ambitions. Ambitions are the right development goals, and caution is the safest way to achieve it. At this stage, evidence-based policy is a bad adviser, because the scientific uncertainty associated with it (Malinowski, 2019) can lead to irreversible, systemic, and very costly errors. On the other hand, "scientific development" can be considered in the context of formulating economic development objectives. It is at this stage that the reflection on the economy of development can significantly influence the way of thinking about the future, with its opportunities and dangers.

Undoubtedly, China is not a strict example of both “scientific development” and “modern conservatism.” China is an example of pragmatism skillfully incorporating all available tools, attitudes, ideologies, and slogans into the process of achieving its developmental ambitions. ■

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