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**The particularities and major problems  
of minority regions in the middle and western parts  
of China and their developmental strategy**

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***Abstract/Zusammenfassung:***

China is a country that has a large number of minorities, who live in specific regions which are mainly located in Middle and West China. They are abundant in natural resources and are of general importance for China in strategic and ecological terms. Minorities live in relatively compact communities. Here the development in infrastructure as well as social and economic development (e.g. export-oriented economy) has been and is still slow, which has resulted in underdevelopment. To accelerate the development of these regions, priority has to be given to narrow the gap of social development, to protect the natural environment and to strengthen the facilities of infrastructure. In order to avoid conflicts in the future, specific policies in minority regions are needed.

*Keywords/Schlagwörter:*

Keywords: minority regions, development problems, accelerated development

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# **The particularities and major problems of minority regions in the middle and western parts of China and their developmental strategy<sup>\*</sup>**

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## **1 Introduction**

China is a country which has a large number of minorities. The population of the 55 minorities accounts for less than 10% of the national total. They are scattered in over 60% of the land areas, forming the characteristic of “big mixed communities and small compact regions”. Since the founding of New China, regional autonomy policies for minority regions has been introduced and it has positively influenced the social and economic development in the minority regions. But the gap towards the eastern developed areas is widening and may potentially influence the social stability, a dangerous factor that cannot be ignored.

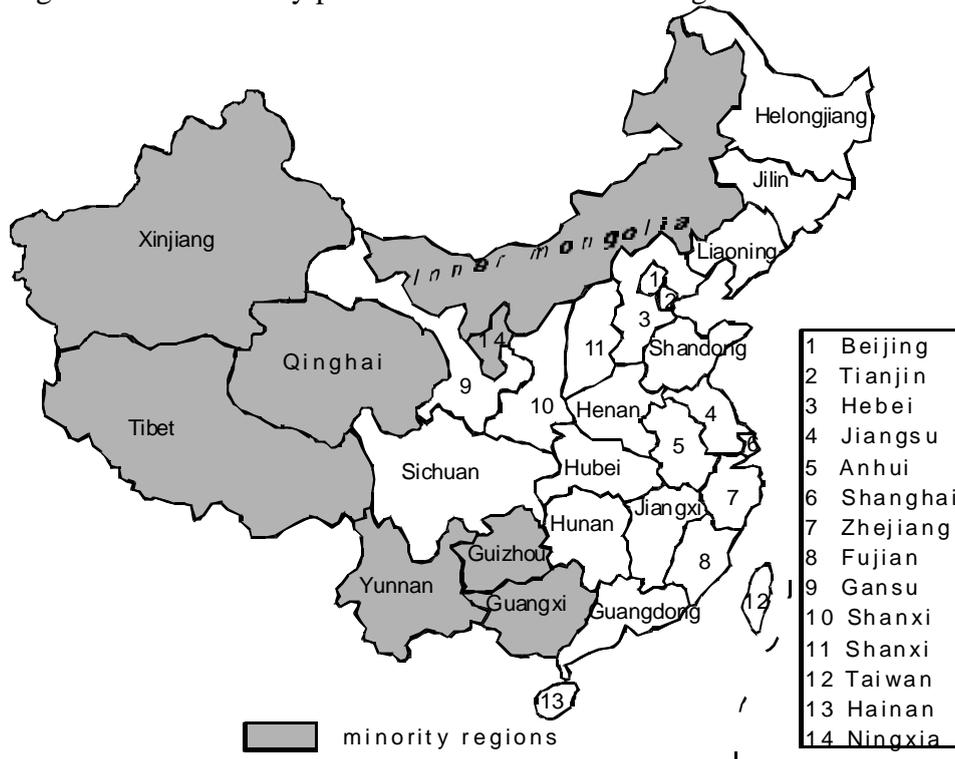
Minorities are in particular concentrated in the middle and western parts of China. These regions are also the ones, in which resources exploitation will be a main topic for China in the 21st century. Therefore, it is an urgent problem which we have to deal with, exploring, how to accelerate the development of these regions, especially the acceleration of minority regions (Zhang, 2000).

In this paper, the middle and western parts of China mainly cover eight minority provinces and regions (the five autonomous regions of Inner Mongolia, Guangxi, Tibet, Xinjiang and Ningxia plus the provinces of Guizhou, Yunnan and Qinghai). The total land area of those provinces is 5.58 million square kilometers, with a total population of 170 million (1995 figure)(figure 1). Through dealing with the basic characteristics, main problems in minority regions, the paper discusses the ways of accelerating the social and economic development in those regions. This paper focuses not on the ethnic groups, but primarily on provinces and areas with a higher percentage of minority people. The aim of the paper is to trace out ways of narrowing the gaps between minority regions and eastern developed regions and of safeguarding social stability in China.

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Figure 1 main minority provinces and autonomous regions in middle and west China



## 2 Characteristics and importance of the minority regions in the middle and western parts of China

*(1) The regions are located in the sources of major rivers and are important ecological barriers*

Most of the minority areas in the middle and western parts of the country are border strongholds of strategic importance, ecological barriers and important windows for the border areas to open up to the outside world. The regions are also the sources of a number of major rivers, such as the Yangtze, the Yellow River and the Zhujiang, constituting important ecological barriers and a water source protection area. Its ecological environment concerns the safety of the environment for survival of the state. Once it is destroyed, it is difficult to restore. It will not only affect the environment for survival of the minority regions but also affect the sustainable development of the eastern and middle parts of China and even the survival and development of the Chinese nation as a whole. In the process of exploiting western regions in USA, ecological environment was destroyed, which gave rise to the “black storm“ disaster in 1934, and the output of many plants decreased (Zhang, 2000).

*(2) The regions are vast in area and abundant in natural resources*

The total area of nationalities regions in the middle and western parts of the country account for 62.7% of the national total or 96.8% of the total area under national autonomy. These areas are abundant in grassland, forests, hydropower energy resources and mineral resources. The natural resources are large in totals and level per capita. Hydropower energy resources, coal, petroleum, natural gas, non-ferrous metals, phosphorus, potassium and other mineral

resources, indigenous agricultural products and tourism resources occupy a significant place in China. Table 1 shows the rank of natural resources in minority-strong provinces and autonomous areas. Rich natural resources are potential advantages and also an important basis for economic development in these regions.

Table 1: Natural resources advantages in 10 provinces and autonomous areas

Rank	Region	Multiple advantage sector	region	advantage sector of natural resources per capita	region	Total abundant sector
1	Qinghai	1.1609	Tibet	7.0307	Tibet	2.7708
2	Inner Mongolia	1.1034	Inner Mongolia	3.3244	Qinghai	1.9641
3	Tibet	1.0920	Qinghai	3.3231	Inner Mongolia	1.9152
4	Xinjiang	1.0805	Xinjiang	1.9495	Xinjiang	1.4514
5	Yunnan	1.0345	Shanxi	1.7087	Yunnan	1.2859
6	Heilong-jiang	0.9540	Yunnan	1.5984	Shanxi	1.1974
7	Guizhou	0.9080	Ningxia	1.2663	Heilong-jiang	1.0562
8	Sichuan	0.8966	Guizhou	1.2109	Guizhou	1.0486
9	Shanxi	0.8391	Heilong-jiang	1.1693	Ningxia	1.0094
10	Ningxia	0.8046	Shanxi	1.0408	Sichuan	0.9448

Source: Liu Zaixing, 1993, p.111.

*(3) Minorities live in relatively compact communities, with a high percentage of Han majority*

The 55 minorities primarily live in the middle and western regions. In 1990, the Tibetan population made up 96.7% of the total population in the Tibet autonomous region, while in Xinjiang, the population of minorities made up 60.2%. The percentages of the other provinces are: Qinghai (51.0%), Guangxi (42.7%), Guizhou (36.8%), Yunnan(36.0%), Ningxia (33.6%), Inner Mongolia (23.3%). The percentage of minority population in these eight provinces and autonomous areas is 45.7%, We can find that, except for Tibet, Xinjiang and Qinghai, the population of minorities in other provinces made up less than 50%. There are 18 minorities in China whose population is over 1 million, but 14 of them are distributed in middle and western regions. From the viewpoint of compact level (the population of one minority in 8 minority provinces and autonomous regions accounting for the population of the same minority in China), among the 55 minorities, 35 of them are highly compact minorities, with a compact level of more than 90%. From 1964 to 1990, the percentage change of the population of 38 minorities were within 2 percentage. This demonstrates that most of the minorities live in relatively compact communities and most of them are basically stable in the percentage of the population.

*(4) The regions are characterized by slow social and economic development, but agriculture has comparative advantages*

According to the way dividing economic types of Hu Angang (Hu, 1995), in minority provinces and autonomous regions where people of minorities live in compact communities (here the autonomous prefectures and counties in Gansu and Sichuan provinces are included

because the minority people there live in compact communities), 76.5% of the provinces and autonomous regions, 58.7% of the prefecture level units and 70% of county-level units belong to low-income or extremely low income regions. The GDP per capita in the minority provinces and autonomous regions in 1995 was only 61.5% of the national average. An analysis of the comparative advantages of major agricultural production in 1995 shows that the co-efficient of comparative advantage of Yunnan was 11.5 for its tobacco resources and it was 10.0 for sugar cane in Guangxi, 7.9 for cotton in Xinjiang. All were far higher than the other provinces and autonomous regions. This reveals that most minority regions possess an agricultural advantage. As the people of minorities are distributed over vast areas, they are strongly differing in terms of natural conditions, language, education, religious beliefs, economic types and cultures, they are also quite different from the Han majority. This determines that the national characteristics have to be taken into full consideration in accelerating the social and economic development in the regions inhabited by minority people.

Table 2: Economic types of minority regions in the middle and western parts of China (1994)

GDP per capita	County level unit		Prefecture level units		Province unit	
	number	Ratio (%)	number	Ratio (%)	number	Ratio (%)
Extremely Low income	266	50.0	25	31.3	1	10
Low income	141	26.5	22	27.4	6	60
Lower middle income	58	10.9	15	18.8	2	20
Upper middle income	53	10.0	11	13.8	1	10
High income	14	2.6	7	8.7	0	0
Total	532	100	310	100	10	100

(Gansu and Sichuan provinces are included)

### 3 Major problems facing minority regions in the middle and western parts of China

There are many problems in the minority regions in the middle and western parts of China. But all boil down to the problem of stability and development. Stability and development are two problems quite different in nature but closely correlated. Stability is the pre-condition while development is the foundation. Development may promote social stability. There are many obstacles to the social and economic development in the minority regions. As compared with the eastern developed regions and the national average, there are big gaps and the gaps are widening. This manifests itself in the following four aspects (Zhang, 1998):

*(1) Inaccessibility and relatively backward infrastructure*

Minority regions are far away from the Center of Chinese politics, economics and culture. There is no access to the sea. When calculating the direct distance from the respective capitals to the nearest harbor, we find that the average distance of eastern regions is 265 km, of middle regions is 897 km. The distances from major cities in minority regions to the nearest eastern harbour are normally over 1000 km. Some of them are even over 2000 km away (table 3). The average height in Tibet is over 4000 m, some places have not been occupied by persons.

Table 3: Distances from major cities in minority regions to coastal areas

From Xingang (Tianjin) to						From Shanghai to				From Beihai (Guangxi) to		
Ürümqi	Kash-gar	Lanzhou	Xining	Yinchuan	Hohhot	Lhasa	Kunming	Guiyang	Nanning	Kunming	Guiyang	Nanning
2540	3500	1250	1410	980	560	2900	1960	1510	1600	780	620	180

Source: Measured according to 1:600000 map.

From table 4, we can figure out that the railway densities of Guangxi, Guizhou and Ningxia are higher than the average of China, but that of Xinjiang, Qinghai and Tibet are far too low. In Tibet, there is still no railway in operation and the road network density is also much lower than the national average. Therefore, the average railway densities in minority regions are lower than half of the national average level. The roads there are of low grades and in poor conditions. The telephone density rate in five of the provinces and autonomous regions is less than half of the national average, except Inner Mongolia, Xinjiang and Ningxia. A considerable number of villages and towns in the impoverished areas are inaccessible neither by roads nor telephone nor posts, so the passenger densities in these minority regions are tremendously lower than the national average( table 5).

Table 4: Railway density in the middle and western minority regions (km/10000km<sup>2</sup>)

Year	Inner Mongolia	Guangxi	Guizhou	Yunnan	Tibet	Qinghai	Ningxia	Xinjiang	Minority regions	China
1980	38.1	72.3	74.3	43.8	0.0	7.0	81.3	6.6	19.9	52.0
1985	38.2	89.4	80.0	43.8	0.0	15.3	81.3	9.5	22.7	54.3
1990	43.6	96.9	79.9	44.2	0.0	15.3	81.3	9.5	24.2	55.6
1995	50.6	98.8	80.4	42.9	0.0	15.3	136.7	12.3	27.0	56.9

Source: Regional economy after reforming and opening up for 17 years in China, 1996.

Table 5: Passenger density in the middle and western minority regions (person/10000km<sup>2</sup>)

Year	Inner Mongolia	Guangxi	Guizhou	Yunnan	Tibet	Qinghai	Ningxia	Xinjiang	Minority regions	China
1980	36.4	396.3	335.6	136.9	0.0	7.5	124.7	8.2	48.8	356.0
1985	58.4	846.8	619.1	244.9	0.4	18.0	260.4	22.4	95.8	646.0
1990	91.4	1108.3	2328.3	279.0	1.7	25.7	547.9	57.7	184.5	804.9
1995	159.8	1451.6	4542.1	565.6	2.0	33.3	881.3	195.0	347.8	1221.5

Source: Regional economy after reforming and opening up for 17 years in China, 1996.

## (2) Rapid growth of population and relatively backward social development

According to the population census, the average annual population growth rate in minority areas is far higher than the provincial average. It was 4.0% in 1982-1990, 2.6 times higher than the provincial population growth in the same period. It remained almost the same in 1990-1995. The growth rate was as high as 6.0% in Qinghai and 5.6% in Inner Mongolia (table 6).

Table 6: Annual population growth rate in 1982-1990, 1990-1995 in minority regions (%)

Region	1982-1990		1990-1995	
	Population growth rate in province	Minority population growth rate in province	Population growth rate in province	Minority population growth rate in province
Inner Mongolia	1.35	4.21	1.82	5.58
Guangxi	1.87	2.20	2.02	3.77
Guizhou	1.59	5.83	2.16	3.35
Yunnan	1.60	2.33	2.07	3.60
Tibet	2.07	2.23	2.26	2.34
Qinghai	1.70	2.55	2.07	6.03
Ningxia	2.25	2.78	2.41	2.69
Xinjiang	2.52	3.11	2.39	1.68
China	1.50	3.95	1.81	4.03

Source: Calculated by population census and population statistics (1997).

In 1982, the percentage of minority population in China was 6.6%, in 1990, this percentage increased to 8.0%, in 1995, it increased to 9.0%. Within the 55 minorities, population growth rate of 52 minorities were above the national average.

But the cultural level failed to grow correspondingly with the population growth. Table 7 shows that the average educational years of the population in 1990 was lower than the national average (5.52 years) in most minority areas.

Table 7: Educational years in 8 minority provinces and autonomous regions in 1990

Region	educational years in provinces	Educational years among minorities
Inner Mongolia	8.13	6.67
Guangxi	7.47	5.81
Guizhou	7.32	4.21
Yunnan	7.30	4.01
Tibet	7.17	1.81
Qinghai	8.16	2.91
Ningxia	8.08	3.90
Xinjiang	8.03	5.61
Total	7.59	4.87
China	7.87	5.28

Source: Calculated by population census.

Except Xinjiang and Inner Mongolia, minority people received very limited education. It was only 1.81 years in Tibet, 4.14 years in Yunnan and 4.16 years in Guizhou. The proportion of illiterate and semi-illiterate population among most of the minorities has reached 30.8%, 9.3 percentage points higher than that of the Han majority. The coverage rate of TV and radio

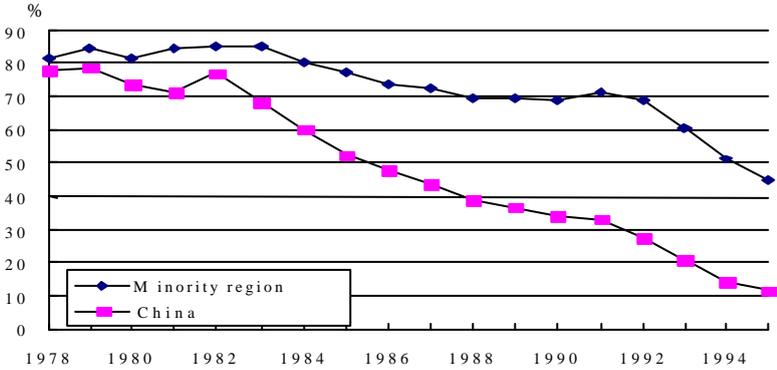
broadcasting in the country as a whole was 78.7% in 1995. But it was 45% in Tibet, 58% in Qinghai and 61.7% in Guizhou, far from the national average. The number of newspapers on the per capita basis is also far lower than the national average. It was 4.5 print sheets in Inner Mongolia, 16.8% of the national average, 5.9 print sheets in Guizhou, 22.1% of the national average. This shows that knowledge and the spread of knowledge are far from the national average level.

*(3) High degree of poverty, economic mono-structure*

The minority regions are areas where less-developed regions and regional poverty are most concentrated. Of the 592 impoverished counties listed in the national anti-poverty program, over 40% are located in nationalities areas in the middle and western parts of China. Among the 58 million people not lifted out of poverty in 1996, about half of them were distributed in the minority areas in the middle and western parts. Their financial revenue is low and deficits are high. The financial self-sufficiency rate in the eight nationalities provinces and autonomous regions in 1994-1996 was only 43.2%. The overwhelming majority regions have to rely on central financial subsidies, a fact that is known as “blood transfusion“ by the central government. Some areas not only lack funds for construction but also are unable to pay out the regular wages.

The economic structures in minority areas are still in the low stage, with outstanding structural problems. The primary sector takes up a rather large percentage, while the percentage of secondary and tertiary industries are very low. In 1995, the percentage of the primary sector of 8 minority regions was 33.2%, which is 12.6 percentage points higher than the national average. The ratio of industrial and agricultural output value in 1995 was 63:37, with the percentage of agricultural output value 19 percentage points higher than the national average. State enterprises are still in the dominant position and the non-state sectors of the economy have developed slowly. In 1978, the ratio of state enterprise output value in minority regions and in China were almost the same. Since then, the gap was widening. In 1995, the ration of the industrial output value of the state sector in minority regions was 44.9%, nearly three times higher than the national index ( 11.5% ). The profits and taxes delivered by state-owned industry made up 88.3%, 31.4 percentage points above the national 56.9%. This means that the minority regions were heavily influenced by planning economy and a lack of private enterprises.

Figure 2: Comparison of the share of state enterprise output value between China and minority regions



(4) *Export-oriented economy develops slowly*

The total import and export trade of the eight major nationalities areas in 1995 was only US\$90.2 billion, which had increased by 13.2 times compared with that of 1980. But the figure was no more than half of Shanghai and only accounted for 3.2% of national total. In 1995, this figure accounting for GDP was only 14%, one third of the national average. The total amount of foreign capital actually used was US\$2.12 billion, only 4.4% of the national total (tables 8 and 9).

Table 8: Total import and export trade and ratio accounting for GDP in eight major minority provinces and regions

Region	Volume of foreign trade (billion \$)		Accounting for GDP (%)	
	1980	1995	1980	1995
Inner Mongolia	0.44	11.23	1.0	13.8
Guangxi	3.78	32.11	5.8	16.7
Guizhou	0.31	6.32	0.8	8.4
Yunnan	1.29	21.21	2.3	14.7
Tibet	0.17	0.65	2.9	9.7
Qinghai	0.04	1.62	0.3	8.2
Ningxia	0.47	2.78	4.4	13.7
Xinjiang	0.32	14.28	0.9	14.3
8 minority provinces and autonomous regions	6.82	90.2		

Table 9: Foreign capital actually used, major minority regions (million \$)

Region	1990		1995	
	foreign capital actually used	rank	foreign capital actually used	Rank
Inner Mongolia	10.64	26	106.05	24
Guangxi	60.31	16	963.95	13
Guizhou	29.83	22	96.37	25
Yunnan	10.96	25	344.79	22
Qinghai	0	30	7.96	28
Ningxia	13.37	23	55.39	27
Xinjiang	76.29	14	546.99	19
7 minority provinces and autonomous regions	201.40		2120.50	

(No data available for Tibet).

Due to the following reasons, reforming and opening up to the outside world in minority regions are relatively slow (Zhang, 1998):

Firstly, the large number of state-owned enterprises built in the period of planned economy are unable to shake off the influence of the planned economy due to constraints in funds,

market and system. Secondly, due to historical, regional and ethnic factors, there is a weak sense of competition, and the progress in market-oriented development is slow. This has made it difficult to form a unified market. Table 10 demonstrates that national minorities provinces ranked in the backward places in market economy. Thirdly, the administrative organs are bloated and the administrative expenses are enormous. The proportion of people on the public payroll is 30% above the national average. In some provinces and autonomous regions, the proportion of administrative overhead expenses is even twice as much as the national average, far beyond the local financial means.

Table 10: Score and rank of market process in provinces in China (1992)

Region	score	rank	region	score	rank
Guangdong	2.58	1	Jiangxi	-0.29	16
Fujian	2.42	2	Henan	-0.3	17
Zhejiang	1.4	3	Hunan	-0.34	18
Jiangsu	1.35	4	Sichuan	-0.43	19
Tianjin	1.17	5	Guangxi	-0.56	20
Shanghai	1.11	6	Shanxi	-0.65	21
Liaoning	0.89	7	Heilongjiang	-0.81	22
Beijing	0.72	8	Gansu	-0.96	23
Henan	0.58	9	Ningxia	-1.0	24
Shandong	0.56	10	Inner	-1.04	25
			Mongolia		
Hebei	-0.02	11	Xinjiang	-1.3	26
Shaanxi	-0.21	12	Qinghai	-1.32	27
Anhui	-0.26	13	Guizhou	-1.34	28
Jilin	-0.27	14	Yunnan	-1.37	29
Hubei	-0.29	15	Tibet	--	No data

Source: Chen Shuyu, 1995,1

#### 4 Strategic options for accelerating development

Here development means that as far as the living standard of the people in minority regions is concerned, we will find obvious improvement, and the people are basically lifted out of poverty. Environment is not tremendously destroyed, and the gap between minority regions and eastern developed regions can be controlled and even narrowed. When there are still too many people living in poverty in minority regions, or the economic growth rate is too low, or if the gaps are still widening, or the environment is greatly destroyed, this can not be called "development".

To ensure acceleration of development in minority regions, one should keep in mind the following suggestions:

*(1) Promote economic and social development, narrow the gaps between the nationalities regions and the rest of China, safeguard social stability*

To narrow the development gap may proceed in two steps. The first step is to narrow the relative gap between the nationalities regions in the middle and western parts of China and the

national average. The second step is to narrow the absolute gaps between the nationalities regions and the national average. We argue that the gaps have historical reasons, and will be necessary to narrow them. In fact, Guangxi and Xinjiang have gradually narrowed the relative gap in GDP per capita since the beginning of the 1990s (table 11). The reasons are that Xinjiang has taken full advantage of "white-black", whereas "white" means cotton, "black" petroleum; Guangxi has taken advantage of tourism and developed sugar cane and infrastructure. As Guangxi is close to the sea, it is easy to develop import and export trade.

Table 11: Annual growth rate of GDP and GDP per capita (8 minority provinces and regions) (%)

Period	Inner Mongolia	Guangxi	Guizhou	Yunnan	Tibet	Qinghai	Ningxia	Xinjiang	Total (8 provinces)	China
<b>GDP</b>										
1978-1985	11.82	7.94	11.04	10.03	11.66	7.37	10.16	11.66	10.28	9.84
1985-1990	7.18	6.12	6.75	9.36	2.24	5.29	7.93	9.65	7.58	7.87
1990-1995	10.00	16.67	8.65	10.16	9.67	7.57	8.15	11.80	11.35	12.00
1978-1995	9.91	9.89	9.06	9.87	8.23	6.81	8.91	11.11	9.79	9.88
<b>GDP per capita</b>										
1978-1985	10.20	5.77	9.44	11.93	9.53	5.61	7.74	10.21	8.56	8.43
1985-1990	5.57	4.30	4.96	2.85	0.45	3.29	5.23	7.32	5.63	6.14
1990-1995	8.40	14.95	7.82	8.60	8.02	6.09	6.34	9.04	9.81	10.45
1978-1995	8.30	7.95	7.63	8.21	6.34	5.06	6.56	9.01	8.25	8.34

Source: Calculated according to comparable prices.

Secondly, how to narrow the gaps of social development. The heart of the matter concerning the acceleration in the above four aspects is to give priority to narrowing social development gaps, including gaps in knowledge, technology and information. The narrowing of social development gaps is favorable for narrowing the gaps in economic development, opening up and reforming. At the same time, it is necessary to accelerate the construction of infrastructure facilities to remove bottlenecks of communications and improve the investment environment. Thirdly, China will have to develop leading economic sectors. The economic development in minority regions should be market and resources-oriented by taking advantage of the shift of resources' development and developing leading economic sectors. First, the tertiary sector, especially tourism should be developed. The middle and western regions have rich tourism resources and unique landscapes (including ethnic cultures), and the development of tourism will stimulate the development of associated industries, such as communications and transportation, commerce, catering, services and tourism souvenir processing. This was already demonstrated by the successful experiences of Yunnan, Guangxi and Tibet in developing local economy. We must recognize that sometimes resources exploitation will

have a bad impact on tourism. Particularly when the environment is destroyed, tourism will surely decrease. Therefore, in the process of natural resources exploitation, sustainable development should guide thinking. Secondly, the deep processing of farm and sideline production: New and adaptable technologies should be imported in order to develop cotton industry, sugar-refinery, tobacco industry, fruit industry, animal husbandry and food processing, textiles and food industries, that means actively developing nationalities industries. Third, in order to develop heavy industry and chemical industry it is essential to adopt advanced technologies in order to improve the standards of petrochemical industry, coal chemical industry, salt chemical industry, building materials and raw materials industries and their further processing. Fourthly, we have to safeguard social stability through the development in minority regions (Ning,1995).

Any minority is a member of the family of the Chinese nation. The prosperity of the Chinese nation benefits all nationalities, and humiliation of the Chinese nation makes all nationalities suffer. Under the precondition of strengthening national unity and safeguarding national unity, we should oppose both Han-chauvinism and local nationalism. It is necessary to build a new type of ethnic relations proceeding from the national development, opening up and coordinating the interests of all nationalities regions. By accelerating social and economic development in the minority regions we can advance social stability, social stability can also accelerate social and economic development. But the efforts cannot be separated from the priority support by the state and the support and assistance by the eastern developed regions and the Han majority. The cooperation between Hans and minorities will be of importance for the whole nation.

*(2) protect the ecological environment of the minority regions in the middle and western parts of China and follow the path of sustainable development*

Sustainable development is an eternal theme. Although the ethnic regions are still at the initial stage of industrialization, it is also necessary for the minority regions to consider sustainable development to be an important guide because of their fragile ecological environment. The coastal regions have developed rapidly at the expense of high input, high consumption of resources and sacrificing of the environment. The ethnic regions should not follow their beaten track. With a growing population, the further development of resources and of the economy, the ecological environment is facing tremendous pressures due to drought, sandstorms, alkaline, soil erosion and serious pollution, thus further reducing the space for survival and lowering the quality of living. It is, therefore, very important to handle correctly the relationship between economic development and environmental protection. It is imperative to develop production under the precondition of protecting the ecological environment and to improve constantly the ecological environment on the basis of developed production.

China's Ministry of Finance intends to invest more than 1100 billion Yuan in the western regions in order to improve the ecological environment within the next five years. In 2000, the money invested in the West for protecting and improving ecological environment will amount about 150 billion Yuan, which is 50 billion Yuan more than 1999. The Ministry of Agriculture and Forests will invest 2000 billion Yuan within the next ten years in forestation and improvement of ecological environment. The most important issue is to protect the natural forests in the Yellow river area. At present, a plan has been elaborated in order to stop the decreasing of arable land and to increase the area of forest and grass land in the West. The tendency that the ecological environment becomes worse will be controlled within the next 10

years. In the meanwhile, our government will try to cooperate in the field of environmental protection with the World Environmental Fund Commission, the World Bank, the United Nations etc.

### *(3) Strengthen the construction of infrastructure facilities*

At present, our government is aware of the importance of infrastructure and has planned to invest huge amounts in infrastructure facilities. To accelerate the infrastructure construction in the minority areas, especially communications and telecommunications, is considered to be a basic condition and an important measure to break down regional barriers and accelerate regional social and economic development. This includes the construction of regional railways, roads and air transportation networks, the construction of infrastructure facilities at the county and township levels of impoverished areas, including road, power and water supply.

Communication networks in the nationalities regions are complicated and difficult to build. It requires huge investments and involves great risks. Therefore, a diversified investment system should be established with the state as the main investor. It has been reported that Xinjiang will invest 1300 billion Yuan into its infrastructure. The Qinghai-Tibet railway project will start out soon. This will end the long history that there is no railway in Tibet. In other provinces, there are also big infrastructure programs going on. We can predict that these measures will accelerate development in minority regions. In the process of construction of infrastructure, market mechanisms and national macro-control by the government should be combined.

### *(4) Introduce preferential policies toward minority regions*

The essence of preferential policies is to improve the return of investment. This is of particular importance for the less-developed regions in order to accelerate development. We hold that the preferential policies toward the minority regions should not be abolished and on the contrary the policies toward these regions should be continued for a long time. Apart from implementing the original preferential policies announced by the central authorities, such as financial policy, tax policy (the enterprise in minority regions can keep 70% of the tax income, other enterprises 50% only), educational policy (minority universities in Beijing, northwest China and southwest China were established, the score for university entrance is lower than that in higher learning institutions in other provinces). A anti-poverty policy (supporting minorities in terms of funding, technology and skilled personnel), trade policy (there are preferential loan interests for minority enterprises), industrial policy (support minority regions in developing industry). Some other preferential policies should be added, including the increase in the proportion of financial transfer of payments within the central finance budget, the continuation of the preferential policies and support for minorities, border regions and less-developed areas, further delegation of power in economic development decisions in order to increase the autonomy of the nationalities regions in developing their economies, thus enhancing their "blood creation" capabilities. We should adopt more effective anti-poverty measures to strengthen the fight against poverty (Kang, 1995). The anti-poverty struggle should continue even after the people are basically lifted out of poverty in order to prevent relapse. There should be a supervision mechanism that will ensure that the anti-poverty funds are properly used and projects are properly executed.

We should give the minority regions more power, such as some power of exploiting natural resources. For the important resources, local and national government may join together and make a joint exploitation. It is also necessary to enhance the power in order to open up both to other parts of the country and to foreign countries and promote a rational flow of production factors. Opening up to both domestic and foreign investors is an important measure for accelerating the social and economic development in ethnic regions. It means to open up in the direction of South Asia, Central Asia, and Russia. To open up to domestic investors means to open up the production factors markets and specialized markets in order to promote the inflow of funds, technology, personnel and materials from the eastern to the middle and western parts so as to realize regional cooperation in the spirit of mutual benefit and common development. By opening up to both domestic and foreign investors, especially the attraction of foreign direct investment, international trade, technology transfer and technical licensing, the ethnic regions may absorb advanced technologies and management experience of foreign countries and coastal China, narrow their technical and knowledge gaps towards the developed regions and promote regional social and economic development.

It is important to expand the power of opening up and the autonomy in foreign trade. First, it is necessary to expand the scope of opening up in the border regions and gradually extend from border ports to interior to open cities and open regions. Second, while continuing border economic cooperation, special economic zones, free trade zones and tax-free zones should be opened in the border regions on an experimental basis. At the same time, the minority regions should be given larger power, that is similar to those in the eastern part of the country.

#### *(5) Attempt to avoid possible conflicts in minority regions*

With the exploitation of the West and the improvement of infrastructure, the economy of minority regions in middle and western parts of China will surely be improved. But some conflicts may appear at the same time, conflicts as in terms of natural resources' use and environment protection. Actually, this may cause a primary conflict. A variety of conflicts may occur: Conflicts in terms of modernization, e.g. between traditional cultures, traditional life and modern life-patterns; boundary conflicts; self-government problems; quarrels about who owns a certain land and certain resources, do those resources belong to autonomous areas or to the central government? The latter might be a rather critical conflict and at present it will be difficult to find an appropriate solution for both the minority people and the central government. These conflicts may bring about great challenges for minorities.

We can find similar conflicts in the case of northern Canada (Mary L. Baker and Dietrich Soye, 1994). The northern Canadian development conflicts involve several interwoven themes, including sustainable resources' use, center-periphery relations (so called heartland and hinterland conflict), boundary impacts, minority-majority relations, etc. Among these conflicts, sustainable resources have become a key theme in public debates. In northern Canada, the natural resources belong to public provinces, the private companies have the right to exploit natural resources. There are often conflicts in terms of self-government, settlement of the outstanding land claims and guaranteed rights. As far as the ownership of the land claims conflict is concerned, in 1973, the federal government adopted a policy of accepting the negotiation land claims based on traditional land use and occupancy. Indian and Inuit organizations are now negotiating land claims with the Canadian government. This negotiation about land claims will last for a long time. In this place, rights over territory and airspace, noise impacts on people and wildlife, social-economy and environmental effects of the project have also shaped that conflicts.

There are two different kind of directions in West China, both of them have advantages and disadvantages. First, if the central government agrees that the land and natural resources belong to autonomous areas, as it is the case in Canada, then conflicts between minority people and the central government will not be so serious. But that means that the government must give up power. Secondly, the land and natural resources belong to the central government, a fact that is exactly intended by the government. But when the minority people lose their basic right to use natural resources, they will seek public support and forge alliances with other groups and even explore and develop transnational links, that might be dangerous. Therefore, when making decisions, the government should keep in mind the advantages and disadvantages and the possible consequences. The government should also be aware that environment damage and land losses in minority regions may undermine the development of these areas, thus conflicts will soon appear. So we must be very careful about exploiting natural resources. If we exploit too much of the natural resources, this may give rise to serious environmental problems, and of course will have an impact on tourism and the local economy. Natural resources exploitation should enable people to choose future paths in keeping with the cultural aspirations. This is also very important.

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