Ethnic Minorities in China’s Western Development Plan*

Jihyeon Jeong

Ethnic unrest within China’s borders is commonly linked to problems of regional underdevelopment, yet ethnic minority issues have rarely been examined in the context of the PRC’s regional economic development plans. What is the political logic of China’s development in terms of minority policy? What resources are distributed, and where are they allocated? Here, I attempt to answer these questions in light of the Western Development Plan (WDP, xibudakaifa), China’s largest regional development plan to date. I argue the WDP functions as a control mechanism of ethnic unrest by distributing resources selectively to key minority areas.

Keywords: China, ethnic minorities, western development, regional development

1. INTRODUCTION

Problems in governance of ethnic minority populations have bedeviled democratic and authoritarian regimes alike. In the wake of increasing, and violent, ethnic conflict in the former Yugoslavia, Rwanda, and Sudan, democratic and non-democratic governments have puzzled over policies geared toward maintaining statehood in diverse societies. Emerging from this debate is a renewed interest in minority governance in authoritarian regimes. The People’s Republic of China (PRC), with its 55 official ethnic minorities comprising approximately 110 million people and populations larger than many of its neighboring nation-states, has sparked interest in recent years with ethnic unrest in its western territories of Xinjiang and Tibet.

At the same time, China has launched a series of regional development plans aimed at ensuring balanced development across the nation. This article addresses the largest of these projects, the PRC’s Western Development Plan (WDP). Geared toward relatively underdeveloped inland areas, the WDP or Great Western Development (xibudakaifa) has been widely acknowledged as one of the PRC’s most prominent regional development strategies since the commencement of economic reform (gaigekaifang) in the late 1970s and early 1980s. It has been particularly ambitious in terms of scope, both in investment amounts and geographic areas included in the plan. Although the impact of the WDP on western territories has been widely recognized, relatively few works have scrutinized the actual outcome of the WDP for minority regions. Here I assess the impact of the WDP on China’s minority areas. What is the political logic of the WDP’s minority policy? Who are the main actors, and how did the plan develop to include minority regions? What resources are distributed under this scheme, and where are they allocated?

Given development of the WDP so far, commonly held theories of political and socio-

* This work was supported by the Ewha Womans University Research Grant of 2013.

1 The three major regional development plans are, in order of inception: Western Development Plan (WDP, xibudakaifa), Northeast Revitalization Plan (NRP, zhenxing dongbei laogongye jidi), and the Rise of the Central Regions (RCR, zhongbu jueqi jihua).
economic incentives driving the program appear in need of review. The main policy motivation and justification for the WDP was the problem of interregional inequality. Yet, after nearly 15 years of implementation, findings have emerged that suggest the WDP has neither been successful in nor particularly geared toward resolving this issue. Due to a variety of reasons, income inequality between regions and gaps in economic development has improved little since the inception of the plan. Instead, the WDP appears to have operated as a system of resource distribution and rent allocation (Shih, 2004).

I argue the WDP fundamentally seeks to diminish ethnic security concerns by distributing resources to minority areas. Politicians in China’s authoritarian regime have strong incentives to seek out career security by pursuing policies favorable to career advancement. Among these policies, control of ethnic minorities in border areas and in restive regions has become a prerequisite to maintaining a career. As the WDP has expanded over time, politicians have increased its scope in order to redistribute to ethnic minority regions across the nation. The concept of the “West” in the WDP has broken geographic boundaries to stand for the “periphery” as opposed to the “center,” rather than simply the landmass to the inland of China.

In the following pages, I advance my argument. The next section covers the inception of the WDP, noting the rationale for the plan and its shifting goals. “Minority Policy in the WDP” details the political development of the WDP’s minority policy and its geographic scope, especially its inclusion of minority areas outside the traditional scope of the geographic west. In “Resource Allocation and Development in Minority Areas,” I provide an overview of resource allocation, showing that the start of the WDP correlates with increased transfers and investment to minority-heavy areas, and discussing the implications of such findings. Afterwards I conclude with discussion and suggestions for research in the future.

2. THE RATIONALE FOR THE WDP

The WDP was essentially a large-scale stimulus and investment package geared toward the “West,” or inland area of mainland China, announced by the central leadership of the PRC in 1999 and put in motion formally and in reality by 2000. The dominant view – political and academic – during the period leading up to the WDP pointed to regional economic inequality as the main rationale for the plan. Most argued that under Deng Xiaoping’s economic reform campaign, eastern coastal provinces received the greater share of benefits from the “get rich first” strategy of export-led economic development, which led to marked and growing economic disparities between coastal areas and inland provinces, and rural and urban areas (Wang and Hu, 1999; Golley, 2007; Naughton and Yang, 2004). According to some accounts, living standards between the coast and interior regions varied to the point where by 1992 over 80% of the country’s national poverty counties were

---

2 As most of the literature notes, the strategy called for unbalanced development, intentionally favoring the coastal provinces in order to pursue export-led development. Deng Xiaoping’s two-stage plan called for balanced development, or re-balancing, after the coastal province strategy had succeeded; WDP was seen by many as the fulfillment of this overall strategy (Lai, 2002).

3 National poverty counties were designated in the 1980s by the central government in response to external pressure from the World Bank to reduce the country’s poverty level. Counties were selected by the central government (presumably on basis of income alone, although experience indicates both
located in non-coastal regions. Even among urban areas, coastal per capita income levels were at least 40% higher than the interior (Lai, 2002). In mainland China, a rare consensus emerged, spearheaded in academia by scholars such as Wang Shaoguang and Hu Angang, among others, who published and publicly argued that the central government had a responsibility to restore the balance between regions. Such arguments were supported by subnational governments in the interior and became a lobbying point for representatives in the National People’s Congress and Communist Party Congress⁴ (Lai, 2002; Holbig, 2004).

Thus, a substantial body of work has grown out of this literature on regional development and inequality over the last decade with specific focus on regional inequality in China’s WDP.⁵ Some hailed the WDP as a success (Liu, Wang, and Hu, 2009). On the other hand, an emerging academic literature has argued that the WDP allocated resources in a manner that contributed little to resolving problems of regional inequality (Li and Gibson, 2012; Grewal and Ahmed, 2011; Shih, 2004; Gong, 2005; Choi, 2010; Kim, 2012).

These findings throw a questioning light on regional inequality as the main impetus for the WDP. Even in the early stages of the WDP, scholars noted the differences in stated policy goals of the plan by a variety of actors involved in decision-making (Goodman, 2004; Shih, 2004; Naughton, 2004; Holbig, 2004; Lai, 2002). These at times conflicting goals were primarily 1) the alleviation of regional inequality proclaimed by Jiang Zemin, with the State Council on Development and Reform adding the goal of 2) increasing social and national stability in western areas, a blanket statement generally seen as referring to minority-populated areas (Goodman, 2004a), and 3) the goal of environmental protection. As the plan expanded scholars went on to point to a variety of different political and economic rationales for the WDP. Shih argues for a leadership-based analysis, stating that “top State Council officials structured [Western Development Plan] policies to bolster the jurisdictions of the central bureaucracy, to increase central power over rent distribution, and to complement a host of other policy objectives to help their own individual or factional interests.” (Shih, 2004: 435) Naughton more broadly points to economic equality concerns by the center along with trends in fiscal policy after 1994, arguing fiscal reform in 1994 strengthened central government power over redistribution, doing away with the traditional aversion to fiscal deficits by the late 1990s and creating an expansionist fiscal environment that supported government-led spending projects such as the WDP (Naughton, 2004). In addition, China’s accession to the WTO in 2001 was argued to have added to central government motives to balance regional development (Holbig, 2004). Others fleshed out the narrative with accounts focusing on relationships between center, province-level and local governments, and intergovernmental bargaining and lobbying as key to the resource allocation and implementation of the WDP (Hong, 2004; Goodman, 2004b; Oakes, 2004; Litzinger, 2004).

The literature alluded generally to minority support as a component of the WDP (Wang and Hu, 1999), but so far few have directly scrutinized the impact of the WDP on minority

---

⁴ Holbig (2004) sees such a regional coalition emerging not only during the period leading up to the WDP but during economic reform, particularly leading up to Deng Xiaoping’s two-stage strategy of development.

populations, either at the early or later stages of the plan. In spite of the early debate on regional inequality, the WDP has emerged as a plan that appears geared toward rent allocation and state-led distribution of benefits (Shih, 2004). The question that emerges out of this is: where does the government distribute, and for what purpose? The next section details how distribution to minorities emerged out of the development of the WDP.

3. MINORITY POLICY IN THE WDP

3.1 The Development of the WDP

In 1999, Jiang Zemin publicly proclaimed the plan in a speech referring to “Western Great Development” (xibudakaifa) to address regional economic inequality within China. By 2000, major party central decision-making organizations and the state ministry formally accepted the project, with Premier Zhu Rongji proclaiming it China’s greatest project of the 21st century at the 9th 3rd Party Plenum in 2000 (Gong, 2005). Following the leadership’s public announcement of the WDP, economic and planning work conferences endorsed the WDP in late 1999 and in 2000 the Western Development Leadership Small Group, headed by Zhu Rongji, established the Western Development Office under the State Council.

The minority component of this plan was apparent from the beginning to many observers. According to Goodman (2004a), Zhu Rongji openly pointed to this advantage by saying “common prosperity” would result in the “strengthening of national unity, safeguarding of social stability, and consolidation of border defense,” all of which were barely coded phrases for being concerned about issues surrounding the non-Han Chinese.” (Goodman, 2004a: 326) Wang Shaoguang and Hu Angang noted the ethnic minority component in developing western China, and Naughton (2004) likewise pointed to minorities in emphasizing the goal of national unity underlying the WDP.

Under the Western Development Leadership Small Group the timeline for the WDP roughly followed three stages: the first period during the tenth five-year plan from 2001 to 2005, in which the early background of the program was established; the second period beginning with the eleventh five-year plan from 2006 to 2015, when most projects were pushed forward; and a third period in which as a result of projects regional imbalances would be corrected. Overall, the plan encompassed up to 50 years (Chung, Lai, and Joo, 2009). Each stage incorporated a loose group of projects broadly situated in the areas of infrastructure development, energy resources, and environmental protection. These were meant to dovetail with the five policy goals announced at the beginning of the plan by Zhu Rongji in 2000: 1) rapid development of infrastructure, 2) environmental preservation, 3) restructuring of industry, 4) developing science and technology skills, and 5) attracting investment.

Projects were often large in scale, such as the Qinghai-Tibet railway line. A massive infrastructure project, the railway development scheme was one of the most prominent of the WDP, purporting to cover nearly 2,000 km. Similar construction was undertaken to connect

---

6 Exceptions include Barabantseva (2009) and Potter (2011).
7 Note the slight differences in the literature regarding the main policies or strategies of the WDP announced in 2000; Choi (2010) argues that in the place of infrastructure development, one of the five policies was “strengthening the macroeconomic environment.” (Choi, 2010)
the country’s highway systems over 17,000 km of land (Choi, 2010). Energy-related schemes such as the Xinjiang pipeline, stretching over 4,200 km (Naughton, 2004) which aims to transfer natural gas from the Tarim Basin to the east coast, were initiated, and the country’s electricity grid was unified with energy transfers from the west to east through three major channels. These projects mixed a majority of government funding with domestic and international investment, with natural resource investment spearheaded by state-owned enterprises and a combination of domestic and foreign firms investing in exploration and early stages of excavation.

But even more striking were the political incentives underlying the WDP which ultimately led to the plan shifting – and losing – focus from the original goal of ameliorating regional inequality to incorporate myriad overlapping goals and purposes. As the literature on Chinese politics has amply acknowledged, politicians in an authoritarian political system such as China face greater losses in the event of losing power and therefore have stronger incentives to hold onto political control. Shih (2004) and other scholars point out the importance of politicians’ consolidating and increasing control over a variety of policy-making processes in order to increase their career standing, and ultimately their hold on political power. The WDP greatly enhanced the power of the State Development and Planning Commission (SDPC, currently part of the National Development and Reform Commission (NDRC)), under the State Council (SC) over economic policy-making (Shih, 2004). SDPC officials served concurrently in the Western Development Office. As the SDPC grew in power, officially serving as an approval chamber for large-scale construction and infrastructure projects, individual interests and career incentives affected policy goals so that the WDP broadened to include multiple policy objectives as time passed.

Tellingly, several have noted the decentralized, incremental nature of the plan, as the stated policy goals of the plan shifted and broadened (Naughton, 2004; Shih, 2004; Holbig, 2004). The stated goal of regional re-balancing gave way to five main policy goals announced in the first few years, which included issues such as environmental degradation and minority nationalities. Ten major projects were announced, to be taken over by new projects and or merged with previous ongoing projects as new white papers and documents came to light. The timetable for the plan shifted occasionally, with second and third stages being shifted backwards and then forward. The confusion bled into the early literature on the WDP, forcing shifts in focal points as authors followed the most recent developments. Much of this contributed to the perception of the WDP as a fungible, sprawling strategy: Holbig (2004) characterizes the program as “soft policy” and Naughton (2004) uses the term “omnibus strategy” to describe the plethora of policy goals taken on.

This process exemplifies the career incentives faced by politicians in these decision-making organizations. In each area, the need to hold onto political power creates changes and shifts in the WDP, so that the plan shifts to incorporate multiple policy goals of multiple political actors in the central and local governments. Among these, the goal of maintaining stability in minority and border areas serves as a strong career incentive for central politicians in light of the government’s emphasis on controlling unrest in ethnic minority areas and pursuing “national unity.” By the Sixteenth Party Congress in 2003, the government had officially phrased the minority issue as one of national unity and border security:

---

8 See Martin (2014) on the development of the NDRC and its role under the Hu-Wen administration.
“Implementing the Western Development Program is an important program for promoting the unity and enrichment of various nationalities; and a necessary measure for ensuring consolidation of frontier areas and national security.”

3.2 Geographic Boundaries of the “West” and Minority Populations

The geographical scope of the WDP is perhaps its most striking character, and most illustrative of the fungible nature of the WDP itself. Traditionally, China’s coastal region as demarcated in government documents and analyses consists of nine provinces: Liaoning, Hebei, Shandong, Jiangsu, Zhejiang, Fujian, Guangdong, Guangxi and Hainan, and three province-level municipalities: Beijing, Tianjin and Shanghai. In contrast the Western Region is made up of nine provinces and one municipality: Shaanxi, Ningxia, Qinghai, Gansu, Sichuan, Xinjiang, Yunnan, Guizhou and Tibet; and the Chongqing province-level municipality. The remaining provinces constitute the Central Region (Keng, 2006).

Within these traditional boundaries WDP started out by incorporating first the ten western areas (nine provinces and one municipality), then suddenly shifting to twelve in 2000 by incorporating two more: ethnic minority-dominated Guangxi and Inner Mongolia. In 2001 three minority regions, Yanbian Minority Autonomous Area in northeast Jilin, the Xiangxi Tujia-Miao Autonomous Prefecture of Hunan, and the Enshi Tujia-Miao Autonomous Prefecture of Hubei were added to receive “preferential treatments” (Holbig, 2004; Goodman, 2004).

A puzzle emerges here: many of the central and coastal provinces excluded from WDP suffer from the same problems of poverty, low income, and underdevelopment. Why include specifically minority dominated areas in the central and coastal regions and exclude others? By the standards of regional inequality laid out by Hu Angang and Wang Shaoguang (Wang and Hu, 1999), and by most accounts supporting the notion of regional imbalances, the central provinces in the interior were no different from areas in the plan, and certainly did not differ from the areas added in 2000 and 2001.

The Inner Mongolia Minority Autonomous Region was included as part of the northwest ecological area, citing the problem of ecological degradation in the grasslands and desertification issues that warranted inclusion into environmental projects funded by the WDP (Holbig, 2004). Guangxi, a Zhuang minority autonomous province and a coastal area, was puzzling because it had previously received benefits as a coastal province during development. While Xiangxi and Enshi at least bordered Chongqing geographically, Yanbian also startled foreign watchers because it was neither western (rather, despite Jilin’s inclusion into the central provinces, its actual location is on the opposite end of the mainland to the northeast), nor, in comparison to regions in the western and central areas, particularly noted as a region marked by inequality. These areas were included on minority development grounds, but the question of selection criteria remained. Goodman (2004a) argues that variation in terms of poverty and inequality, level of development, even minority population makeup does not really explain this regional selection. Even if regional inequality between coast and west exists, the “West” includes areas that have high GDP, and significant minority areas to the East and South and even in the Northeast are missing, for instance, the Manchus.

---

9 Translation taken from Pittman (2011), original source “Guowuyuan Xibu Kaifa Ban 2003.”
10 He also points out that minority areas, as we know, are not majority minority for the most part;
Documentary resources from minority regions indicate the central government deliberately included these areas in the WDP for political purposes. In 2001, in a document sent to the Yanbian local government the Western Development Office of the State Council referred to Yanbian as “geographically in the Central Region zone, but a less developed area inhabited by ethnic minorities” (Western Development Office of the State Council, 2001). The document states the intent of inclusion in the WDP is to speed up development and narrow the development gap, along with Enshi and Xiangxi. It also points to the importance of Yanbian’s location as a “foreign economic post in the China, Russia and North Korea tri-border area and east of the Sea of Japan” (Western Development Office of the State Council, 2001). Altogether, the document shows a distinct goal of including minority regions in the WDP, despite geographic location outside the traditional West, in order to distribute resources to specific minorities that are in strategic locations whose restiveness might prove problematic to the central government.

The traditional conception of the “periphery,” or “border area,” versus the “center” in China has played a major role in this process of gradual inclusion of minority areas in the WDP. That is, WDP as a regional development plan for the “West” in reality encompasses every inland border province in China, whose long periphery borders 14 land neighbors. Not only do provinces generally considered “western” fall under this plan, the central government has also included under either the WDP or a very similar set of plans minority areas to the Northeast, including the Yanbian Korean minority area in Jilin Province, and Inner Mongolia. The WDP is in geographic reality a plan for non-coastal China, encompassing most of the nation, a conceptual “West” that exists as an entity outside the eastern corridor of the traditional Zhongyuan and prosperous southeast and Beijing. While the center-periphery characterization of the WDP is not new, as others (Becquelin, 2004; Potter, 2011) have previously emphasized this component at the inception of the plan, what is surprising is that this dynamic has only become more apparent over time, as not only minority border regions become part of the WDP but the WDP takes on strategies and projects that increasingly point to strengthening certain borders through redistribution of resources rather than simply correcting regional imbalances.

We find control mechanisms by the center employed in order to rein in periphery areas or strengthen porous borders, in the form of resource allocation, welfare distribution, and the use of tactics such as crackdowns on religious activities or education or even relocation. In WDP this viewpoint leads to an economic plan that appears to increase benefits to these areas, but the trickle-down effect to minorities is not always a given conclusion so long as control over a geographical landmass is the primary concern. Even allowing for variation in implementation caused by subnational and local-level government, this overall framework remains valid. The next section takes on the question of the outcome of the WDP in minority areas and focuses on illustrating this dynamic further.

---

population makeup of minorities has long since ceased to match administrative designations and indeed never really matched it in the first place.
4. RESOURCE ALLOCATION AND DEVELOPMENT IN MINORITY AREAS

4.1 Fiscal Transfers

The fiscal background of the WDP lies in the 1994 tax system reforms, in which the center restructured center-local relations in fiscal policies to increase central revenue and the tax base, primarily relying on consumer-based taxation such as the VAT (value-added tax). The 1994 reforms are generally argued to have decreased provincial bargaining power with the center in return for increased autonomy in local taxation and fiscal management. Provinces therefore lost the ability to leverage the center, and the center increased its ability to leverage provinces because provincial budgets relied on returned shares of revenue and handouts from the government. This dependence was particularly marked in the western and central regions, which came to increasingly rely on fiscal transfers from the central government to make up for their comparatively lacking sources of revenue.

Thus at the time of the WDP’s inception, around 2000, the western and central regions lacked the bargaining power necessary to leverage the central government to receive pork and handouts. Instead, the WDP is mostly seen, fiscally, as a distributive initiative of the central government for the center’s interests (Shih, 2004). The renewed control of the center over fiscal policy since 1994 was matched by the expansionist environment of the period, allowing the center to spend relatively freely (Naughton, 2004).

The process of political re-centralization and concentration of power in the center thus explains the major role played by center-to-local fiscal handouts in the WDP. Funding for the WDP involved a mix of domestic and foreign direct investment for major projects. But it primarily involved government-backed investment and earmarked transfers, from central to local governments. Part of the rent allocation of the WDP (Shih, 2004), these transfers serve as a useful measure of government support in the WDP. Because earmarked transfers are not contingent on provincial GDP or the amount of revenue brought in during the past year, we can use this measure as a separate indicator of central government intent.

Between 2000 and 2004, the share of the western region in total fiscal transfers across the nation rose from 28.0% to 34.4% (Grewal and Ahmed, 2011). An overview of the distribution of per capita fiscal transfers at the time of the inception of the WDP shows an increase in earmarked funds distributed to minority-heavy border areas. Figure 1 shows lagged per capita transfers trends in all 31 provinces and province-level administrative units from 1995 to 2003. Among the areas included in the WDP with the exception of Shaanxi, all other areas experience an increase in funding around 2000. But the trend is particularly marked in Tibet and Qinghai, provinces populated by the restive Tibetan population, and Ningxia, where the minority Hui population is concentrated. Overall, the data corroborates government documentary evidence from this period that indicate special transfers were made available to minority-heavy areas such as Tibet and Xinjiang (State Development and Reform Commission and Western Development Office, 2002). Fiscal transfers are further distributed to other minority areas. Hainan, with its large Muslim Hui population, sees an increase in fiscal transfers around 2000. In contrast, Shaanxi, which has fewer minorities,

11 More in line, perhaps, with the dominant argument of regional inequality is the allegation that the 1994 fiscal reforms further disadvantaged the interior provinces by decreasing the proportion of central transfers and increasing provincial government deficit in non-coastal areas (Lai, 2002).
experiences a dip in transfers in spite of its inclusion in the WDP.

Also of interest is the increase in transfers evident in the Northeast provinces around this time. Known as the “Rust Belt” of China, the Northeast experienced a significant economic downturn after economic reform in the 1980s and 1990s brought about the dismantling of large state-owned enterprises (SOEs) and a shift from heavy industries to consumer goods. By the 1990s and 2000s, labor unrest in the region’s factories and mines grew at a rapid pace, and the Northeast became the subject of increased attention by the central government as a region prone to unrest. In 2003 the central government announced the Northeast Revitalization Plan (NRP, *zhenxing dongbei laogongye jidi*) or Revitalize the Northeast Old Industrial Bases, another regional development plan aimed at increasing economic disparity between the Northeast and the Southern coastal regions (Zhang 2008; Chung et al., 2009). The plan was announced in 2003 and formally put into motion only in 2009 to 2010. However, the data shows a marked increase in transfers to the Northeast region around 2000, at the inception of the WDP. The Northeast region is home to a heavy concentration of border minorities, including the aforementioned Yanbian Korean Autonomous Area. The uptick in transfers at the inception of the WDP suggests border minority concerns motivated fiscal transfers, or grants, regardless of actual “western” geographic location.

### 4.2 Investment Projects

Another channel of resource allocation Beijing has utilized is the economic funding,
employment and development opportunities offered by large-scale state-sponsored investment projects in the WDP. As noted previously, some of the largest infrastructure and natural resource extraction projects are geared toward minority areas such as Xinjiang and Tibet. For example, the Qinghai-Tibet railway line and the Xinjiang gas pipeline are located over Tibet and Xinjiang, and involve massive amounts of funding from the center. The Qinghai-Tibet railway alone attracted state investment approved at the amount of 33.09 billion yuan, and government audits estimate 21.42 billion yuan of actual investment occurred up to 2005. Minority regions later included in the WDP were likewise recipients of project investment. In rural Enshi in 2003, the prefecture head Zhou Xianwang reportedly quoted the NDRC saying an investment of approximately 700 million RMB would be made in the next five years to promote biogas technology in the region (Xinhua, 2003). The area also received funding for road and infrastructure projects linking rural areas to larger urban hubs. In 2002, Yanbian announced the area had received a record 550 million RMB in State treasury-bond investment from the central government, mostly for infrastructure and industrial projects, and had 48 projects planned for regional development (People’s Daily, 2002). Preferential tax benefits and exemptions were reported as part of the WDP’s plan for improving the region’s economy.

Foreign investment in general was encouraged, and according to Goodman (2004a), during 2001 to 2002 almost every province in the West arranged trade fairs and visits from potential investors. Grewal and Ahmed (2011) report the number of foreign investment projects in the West with labor cooperation from the west increased by 5.6% between 2001 and 2003. Foreign aid projects were also seen as viable sources of economic development, with Yunnan, a traditionally underdeveloped area, making aid and NGO projects a central part of their development strategy (Goodman, 2004a).

Domestic investment was another, highly important aspect of the central government’s plan. While Chung, Lai, and Joo (2009) find foreign direct investment in the WDP less important, they emphasize the domestic component in which firms in the eastern part of China were expected to act as a source of investment. Province-level units in China were encouraged to cooperate and “help out” sister provinces in the inland (Potter, 2011); for instance, the province of Jilin in the Northeast announced 23 million RMB would be used for a construction resource-producing facility in Tibet in 2001. In 2003, Jilin was expected to participate in 10 projects in Tibet in the industries of tourism development, social services, human resource training, and infrastructure development. Overall, 3.2 million RMB was planned in investment in Tibet from Jilin.

For minority areas, the border component in some of these projects was apparent. Yanbian, for instance, was encouraged to propose projects geared toward attracting foreign investment from, and eventually trade with, nearby Russia and South Korea. Yunnan’s large hydropower plants, drawing electricity from the Lancang and Nu River areas, were built with the prospect of a nearby Southeast Asian electricity market (Magee, 2004). Even

---

12 Investment amounts were first drawn up by the SPC at 26.21 billion RMB in June, 2001. In June 2005, the NDRC raised this amount to 33.09 billion yuan, a plan approved by the State Council (National Audit Office of the People’s Republic of China 2006).
13 The process of constructing “[east-west] domestic linkages” (dongxi lianxi) was emphasized (Chung et al., 2009).
14 While stymied for decades, the Tumen River Development Project, an initiative of the UNDP, remains a symbolic project.
Xinjiang saw the birth of special economic zones (SEZs) promoting trade with Central Asia, complete with incentives such as lower taxes and tax reforms. The SEZ area located in Khorgos of Xinjiang is also the site of a natural gas pipeline from Turkmenistan (Shi, 2011).

However, the issue of investment projects is complicated by the apparent lack of results in attracting private investment versus state loans. While the center announced large-scale investment projects would be funded by domestic and international sources, increasing overall investment in the West, the Western Region’s share of national investment remained unchanged from 2000 to 2004 (Grewal and Ahmed, 2011). Shih (2004) and Chung, Lai, and Joo (2009) all point to the failure of the WDP to attract foreign investment. Not only that, Goodman (2004) points to the fact that most of these investment projects were already in motion before the WDP was implemented, rendering the WDP’s project investment considerably smaller than publicity would suggest. In addition, while the WDP appears to have allocated substantial resources to minority areas, the question of “who benefits?” remains. Do these investment projects have a trickle-down effect on actual minority populations in the area? The next section details some of the changes, and problems, associated with WDP in minority regions.

4.3 Migration, Population Change and Problems

Concurrent with the resource allocation in terms of fiscal transfers and investment in the WDP is the issue of migration in minority regions. On the one hand, human resource allocation to Western areas, where skilled personnel are scarce and education level low relative to the developed East, is a major component of the WDP’s resource allocation scheme. From the beginning of the plan, officials signaled their awareness of the relative scarcity of high-skilled labor in regions included. As part of Zhu Rongji’s fourth policy goal, “developing science and technology skills,” investments included government support for education and high-skill training, and most importantly support for skilled and unskilled migration to relatively underdeveloped areas. While acknowledging the gaps in technical knowledge and skill in minority-heavy regions, the center sought to address the problem in the short term by offering incentives for migration. Documents from this period show central government promoted migration to western areas through the establishment of hardship allowances for employment in WDP areas, and relaxed the household registration system (hukou), encouraging skilled operators in investment projects in the West to retain their original hukou and thereby benefits they enjoyed in the non-western areas (Xinhua, 2001). Skilled college students in particular were given incentives to become “volunteers” in the region. They were offered stipends, including medical care, preferential treatment in government civil service exams, training courses and priority admission to graduate-level programs (Chinese Communist Youth League, 2009).

In addition, reverse migration from central and eastern areas to inland China reflected state goals of changing the flow of internal migration and diverting workers from areas that had seen massive flows of migrant labor in the 1980s and 1990s. “According to a member of the State Council, “the phenomenon of ‘the peacock flying to the south-east’” — as this migration was characterized — will be replaced by the “phenomenon of the ‘peacock flying west’.”” (Goodman, 2004a: 327). Low-skilled labor also poured into the region, locating primarily around construction sites and urban areas.

Accordingly both low and high-skilled migration, under the WDP, took off in particular in the west in Xinjiang. Over the past decade since the inception of the WDP a continued
stream of Han migrants poured into Xinjiang, seeking work in government-funded investment projects and construction (Martina, 2014; Demick and Pierson, 2009). While the census data from the period of the WDP does not show a radical change in the share of Han versus Uyghur and other minority populations in the total population of Xinjiang from 2000 to 2010, the census data does not take into account the population of unregistered migrants and the heavily Han-dominated Xinjiang Production and Construction Corps (XPCC) (Côté, 2015).

In-migration to minority areas has given rise to allegations that incentives for migration disrupt the population balance between Han and minorities in the region, intentionally reducing the minority presence and creating ethnic tensions, furthering repression of minorities in general. Since the 1950s, a continued stream of Han migration into Xinjiang has reduced the dominance of the Uyghur ethnic group and other ethnicities vis-à-vis the Han (Côté, 2015). The current incentives and jobs offered to Han migrants have been controversial in this regard (see next section “Discussion”).

In addition, the Xinjiang Production and Construction Corps (XPCC or bingtuan) has been the main organization driving economic development and political control in Xinjiang since the 1950s. Maintained as a quasi-military organization directly controlled by the central government, outside the People’s Liberation Army (PLA), the XPCC was set up with the purpose of political control of a porous border and economic development in a western area (Kim et al., 2008), and still exists today as a political and economic organization responsible for at least one-seventh of Xinjiang’s economic output. The bingtuan essentially acted as a group of state-owned enterprises (SOEs) in the process of economic development. Xinjiang has been, and continues to be, an economy disproportionately dominated by SOEs (Yu, 2013). This situation is compounded by the fact that many of the bingtuan residents are PLA retirees, and overwhelmingly Han. The bingtuan has been viewed as an organization perpetuating Han-Uyghur disparities by placing most Han in management position versus the Uyghur, and employing mostly Han employees, thereby ensuring that the trickle-down effect of economic development accrues overwhelmingly to the Han population in the bingtuan.

5. DISCUSSION

An assessment of minority policies in and coinciding with the WDP brings to the surface the question of “who benefits?”: minorities or non-minorities, or the societal groups and cleavages crisscrossing the divide. On the one hand, we have evidence of fiscal and other resources allocated primarily to minority areas. On the other, we are faced with a question: do the resources allocated to minority areas actually trickle down to minority residents? Although lacking comprehensive national-level statistical data on minority incomes, media, lay and scholarly accounts bring evidence counter to state claims of WDP improving minority economies. In Tibet and Xinjiang, minorities report racial discrimination in employment opportunities, with new jobs created by construction and infrastructure projects mostly allocated to Han migrants newly settled in the area (Demick and Pierson, 2009; Gilley, 2001; Green, 2006). Xinjiang farmers report losing land and opportunities to Han farmers who are subsidized (Lipes, 2013). In terms of income, the Tibetan population is generally estimated to have considerably lower incomes than the Han (Lhundup and Ma, 2013), and Han residents are supposed to enjoy greater returns to education and employment in both areas (Hannum and Xie, 1998). Investment projects are often managed and owned by
Han (Wong, 2010).

These disparities have been linked to ethnic unrest and inter-ethnic hostilities in both Tibet and Xinjiang. The most recent instances of large-scale ethnic conflict in 2008 and 2009 have attracted strong responses from the central government, and ethnic hostilities continue to drive violence in the region (Lipes, 2010; 2012).

The extent of local and central actions against minorities that occurs in conjunction with the WDP also points to evidence against state claims. Minorities in western regions have increasingly fought against and expressed frustration with policies repressing expression of religion and linguistic and educational dominance of center-driven Chinese-language education in schools (Wong, 2010; Demick and Pierson, 2009). Political repression of prominent minority intellectuals, such as the Uyghur scholar Ilham Tohti, has drawn international attention (Grace, 2014). Media and scholarly evidence suggest agency issues plague the WDP, allowing local governments leeway to use the WDP to pocket administrative funding and appropriate minority land for local government usage (Lipes, 2013). These reports suggest the WDP’s minority policy is not aimed at increasing minority economic welfare per se, but rather increasing state control in minority regions by increasing Han presence and organizations of control in these areas, thereby directly benefiting politicians whose career incentives remain contingent on maintaining stability in otherwise restive regions.

The WDP may be characterized as a “civilizing project,” similar to the earlier attempts at “civilizing” minority regions carried out by the Chinese Communist Party (CCP) and previous political leadership. Yet the current contours of the plan, and its impact on minority regions, suggests career incentives and politicians’ need to retain power – and in the process, power over economic policy-making processes in local regions (Shih, 2004) – play an important part in the shifting and fungible nature of the WDP and its minority policy. Certainly the center-periphery dynamic shown in the geographic scope of the WDP gives some credence to the notion of the center trying to civilize minority border regions. But even more, we see a focus on political control and increasing Han presence in these regions rather than increasing minority benefits. This supports the idea that political career incentives, rather than ideological incentives, drive minority policy in the WDP.

6. CONCLUSION

Although many studies have attempted to analyze the impact of the WDP on the Chinese economy, few have been able to present an adequate overview of minority policy in the WDP. An expanding plan, the WDP has shifted from its focus on regional inequality to incorporate many additional goals: sustainable development and environmental protection, maintaining stability in minority regions, etc. Yet the core of its minority policy points to the same theme as previous actions by the CCP: expanding and strengthening central control over minority areas. The possibility of ethnic unrest in these regions, be it external or internal in origin, serves to create central incentives to expand control in order for central politicians to serve their career goals.

Because the WDP was followed in three to four years by the Northeast Revitalization

---

15 For the use of earmarked fiscal transfers as discretionary funding, see Shih (2004).
Plan and afterwards, Rise of the Central Regions, the data for this period possibly conflates these distinct yet overlapping regional development schemes. But the main thrust of the WDP remains the same, in its geographical scope, clearly delineated in government documents and reports. The fact that the WDP included minority areas unrelated to the traditional geographical area of the “West,” and proceeded to follow up with fiscal transfers and primarily state-led investment, proves the importance placed upon minority regions in the WDP. Instead of regional inequality serving as the main impetus for the plan, we find a plethora of goals conflicting and overlapping in the WDP, with minority control as one of the main objectives.

Additionally, I find ample room for discussion in regards to the effectiveness of the WDP in terms of minority welfare. While the WDP provides central politicians with a control mechanism for minority areas, it functions less as a mechanism for providing actual benefits to citizens. The accounts of malfeasance and preferential policies toward Han, encouraging migration, are not limited to Xinjiang and Tibet, although these are the two major areas of interest in the Chinese inland under the WDP. Minority grievances are voiced in areas far apart geographically from the West, and remain relevant for all minority areas included in the WDP.

Finally, research in the future will able to properly assess the role of the WDP in China’s regional economic development as it progresses. In the meantime, the role of minority policy in the WDP is crucial to understanding the layout of the plan itself, and the role of political incentives in shaping economic policy in modern-day China.

Article Received: 03-02-2015 Revised: 04-22-2015 Accepted: 05-04-2015

REFERENCES


Clarke, Michael. 2007. “China’s Internal Security Dilemma and the “Great Western
Development”: The Dynamics of Integration, Ethnic Nationalism and Terrorism in Xinjiang.” Asian Studies Review 31 (3):323-42.


Li, Chao, and John Gibson. 2013. "Rising Regional Inequality in China: Fact or Artifact?" World Development 47 (0):16-29.


Jihyeon Jeong, Assistant Professor, Dept. of Political Science and International Relations, Ewha Womans University, 52 Ewhayeodae-gil, Seodaemun-gu, 120-750, Seoul, Korea, Tel: +82-2-3277-6640, E-mail: jeong01@ewha.ac.kr