

On the Historical Lessons of Reform and Opening-Up

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Abstract: The reform and opening-up initiative has left us with many valuable historical lessons. This paper mainly discusses the historical background of reform and opening-up, Deng Xiaoping Theory, historical lessons, and explores the reform and opening-up in the new era, in light of the decisions made at the Third Plenary Session of the 20th CPC Central Committee. Comprehensive deepening of reform in the new era must adhere to the principle of upholding the Party's overall leadership and the people-centered approach. While focusing on promoting economic system reform, it is essential to coordinate and plan reforms in other fields to fully advance the great rejuvenation of the Chinese nation through Chinese-style modernization.

Keywords: Reform and opening-up, Household Contract Responsibility System, Historical Lessons.

1. Introduction

Reform and opening-up is a major turning point in China's history, bringing profound social changes and economic prosperity. Summarizing the historical lessons of reform and opening-up not only provides valuable references for current and future development but also offers important guidance for reform and opening-up in the new era. This paper aims to explore the key lessons from reform and opening-up, analyze their impact on China's modernization process, and provide useful insights and inspiration for future reform practices.

2. Historical Background

Reform and opening-up in China refers to a series of economic and political reforms initiated in the late 20th century, with complex and multi-layered domestic and international backgrounds.

Domestic Background:

Before reform and opening-up, China implemented a highly centralized planned economy with low efficiency in resource allocation, lack of market vitality, disconnection between production and consumption, and imbalances in supply and demand, leading to commodity shortages and economic stagnation. Additionally, the decade-long Cultural Revolution caused significant damage to China's political, economic, and social systems. The closed environment severely hindered technological progress and industrial upgrading, leaving China's technological level far behind developed countries. The standard of living was low, material scarcity was widespread, and there was a growing public demand for improved economic conditions and living standards.[1]

International Background:

The Soviet model of economic development revealed many problems, providing a negative lesson for China's socialist economic construction. In the early 1970s, the trend of global economic integration intensified, with rapid growth in international trade and cross-border investment. Simultaneously, Nixon's visit to China and the normalization of Sino-American relations created conditions for China's opening to the outside world.

3. Deng Xiaoping Theory

Deng Xiaoping was the key figure in China's reform and opening-up. His theory, summarized from various important speeches and discussions, fully embodies his deep thoughts on reform and opening-up. These ideas are not only an important result of the Sinicization of Marxism but also a valuable experience of reform and opening-up, providing significant guidance for future generations.

The core of Deng Xiaoping Theory is "emancipating the mind and seeking truth from facts." This theory not only combines China's specific conditions and examines the needs of the Chinese people but also follows the basic laws of Marxism and is highly original. At that time, China was filled with empty rhetoric, people falsely reported labor achievements, the government exaggerated grain production, and policies and systems did not address fundamental issues, rendering them ineffective. Therefore, Deng Xiaoping emphasized starting from reality, facing China's specific circumstances, without exaggeration or embellishment. Policies and systems should align with the actual conditions of productive forces and the relations of production under public ownership, while also considering people's demand for a better life and not stifling their thoughts.

Deng Xiaoping advocated learning from practice and following a path of socialism with Chinese characteristics. His theory deepened China's understanding of socialism and Marxism, answering why and how to build socialism with Chinese characteristics. This realization led to a liberation and leap in thought, propelling the advancement of socialism with Chinese characteristics.

Deng Xiaoping Theory provided the ideological and theoretical foundation for China's reform and opening-up and modernization efforts, significantly promoting China's economic and social development.

4. Historical Lessons

4.1. Legalization of People's Wisdom

In November 1978, Xiaogang Village in Fengyang County, Anhui Province, took the lead in implementing the Household Contract Responsibility System, also known as the "Big Contract." By dividing land among households and holding them accountable for their profits and losses, this initiative marked the beginning of reform and opening-up. Although this measure was initially a spontaneous exploration by the villagers, its successful experience had a profound impact on rural reform nationwide.

Before reform and opening-up, China's economy was declining, with the hardest-hit being the people, especially the grassroots laborers. The living conditions of the bottom-level farmers were extremely poor, with a severe shortage of agricultural products, significantly impacting the development of the national economy. Faced with the urgent need to survive, farmers were more eager than anyone to change the status quo and solve the problem of food shortages. The farmers of Xiaogang Village in Fengyang County, Anhui Province, demonstrated extraordinary wisdom and practical ability in adversity. They secretly implemented the Household Contract Responsibility System, achieving remarkable results. This experience showed that workers have the wisdom and ability to solve specific problems, and if given full autonomy, they can fully unleash productivity.[2]

Recognizing the importance of people's wisdom is not enough; it is also necessary to promote these successful experiences nationwide, institutionalizing and legalizing them. As early as 1956,

there were similar attempts at household contracting in Yongjia County, Zhejiang Province, but due to the lack of state recognition, they were not widely implemented to achieve optimal results. When policy-makers turned to learning from people's wisdom and found effective ways to solve problems, they faced the challenge of institutionalizing and legalizing these methods.

China's vast territory and diverse conditions lead to high costs in reforming old systems and establishing new ones. Deng Xiaoping realized that national policies and systems should recognize and legalize the people's wisdom that aligns with productive forces. He promoted the Household Contract Responsibility System, starting from Xiaogang Village in Fengyang County, Anhui Province, gradually expanding it nationwide, making it the basic economic system in rural areas during the current stage. This not only motivated farmers, solving the problem of food shortages, but also achieved a separation of land ownership and management rights without changing collective land ownership, with remarkable success. Deng Xiaoping hailed this achievement as the first leap in rural reform.

Understanding and respecting people's wisdom and legalizing and institutionalizing it is an important lesson from reform and opening-up. The successful practice in Xiaogang Village, Fengyang County, Anhui Province, demonstrated the infinite potential and outstanding results of people's wisdom, providing valuable experience for rural reform nationwide and promoting China's comprehensive economic and social development.

4.2. Starting from Reality

Starting from reality and summarizing experiences in practice. In the early stages of reform and opening-up, the Chinese government decided to start from reality, testing and summarizing experiences through practice, rather than relying solely on theoretical planning. For example, the Household Contract Responsibility System in Xiaogang Village, Fengyang County, Anhui Province, in 1978, is a classic case of practical experimentation. Villagers independently attempted to divide land among households and held themselves accountable for their profits and losses. This approach not only solved the local food shortage problem and improved agricultural productivity but also accumulated valuable experience for rural reform nationwide. This strategy of "summarizing experiences from practice" made reform measures more responsive to actual needs, thereby enhancing the effectiveness and operability of policies.

Although starting from reality is the foundation of reform, to truly solve problems, it is necessary to leverage human initiative. During the reform process, China not only valued actual conditions but also combined them with Chinese characteristics, forming a socialist economic path with Chinese characteristics. For example, the establishment of special economic zones was initially intended to leverage local initiative and explore market economy models suited to China's national conditions. Special economic zones like Shenzhen achieved remarkable economic growth and social development by attracting foreign investment and advanced technology, driving local economic growth, and providing successful models for nationwide reform.[3]

4.3. Opening to the Outside World

Before reform and opening-up, China was in a state of isolation and backwardness in terms of economy, military, and technology. Therefore, opening to the outside world became an essential component of reform and opening-up. This strategy was proposed by Deng Xiaoping and has now become a fundamental national policy of China.

In April 1979, Deng Xiaoping first proposed establishing "export zones," later renamed "special economic zones." In July 1979, the Central Committee of the Communist Party of China and the State Council approved the trial establishment of export zones in Shenzhen, Zhuhai, Shantou in Guangdong

Province, and Xiamen City in Fujian Province, later renamed special economic zones. In April 1988, Hainan Special Economic Zone was also established. The establishment of special economic zones connected coastal cities with the world, providing opportunities and windows to learn from advanced global technology levels and allowed the Chinese people to see a broader world. At the same time, foreign investment was used to introduce advanced technology, improve the quality of Chinese products, enhance their competitiveness, and develop China's industrial level. Foreign enterprises' sales channels were also utilized to adapt to international market demands and conventions, thereby expanding exports, increasing foreign exchange earnings, and promoting economic development. The establishment of special economic zones also stimulated the people's initiative and creativity for self-development.[4] The special economic zones established have now developed rapidly, particularly Shenzhen, which has become a modern, open, international city, achieving leaps in both economic and technological aspects. China has made efforts to introduce advanced technology through opening-up, cultivate scientific and technological talent, and better obtain global economic information.

Opening up to the outside world is not only an inevitable choice in line with the trends of the times, but also an important pathway for economic development and a key measure for advancing the construction of a socialist market economy. Only by actively opening up can a country make itself visible to the world, and truly see the full picture of the world. By observing the rapidly developing global trends and advanced technological standards, China gradually realized its own shortcomings, including the lack of international competitiveness and technological innovation, thereby clarifying its development direction. This realization prompted China to learn from the world and seek opportunities for self-strengthening. Although the process of opening up may encounter twists and challenges, without opening up and reform, China would remain in a backward state, inevitably facing passive setbacks.

China has actively integrated into the global economic system and promoted the process of opening up by joining international organizations and implementing the Belt and Road Initiative (BRI). In 2001, China officially joined the World Trade Organization (WTO), marking a new stage in its opening-up efforts. By lowering tariffs, reducing trade barriers, and opening up the services market, China not only enhanced its attractiveness to foreign investment but also created favorable conditions for domestic enterprises to explore international markets. Through participation in international competition, Chinese enterprises have continuously improved their technological capabilities and management skills, driving the upgrading of domestic industrial structures and achieving high-quality development.

At the same time, China proposed and implemented the Belt and Road Initiative, which, through the construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road, deepened economic ties with countries and regions along the route.[5] Extensive cooperation in areas such as infrastructure construction, energy resource development, and technological innovation has not only improved the economic conditions of the relevant countries but also provided new opportunities for Chinese enterprises to "go global." For example, the implementation of the China-Pakistan Economic Corridor project has not only promoted infrastructure construction in Pakistan but also stimulated local economic development. These opening-up measures have enabled China to reap the benefits of international economic cooperation, assisting in the continuous development of its domestic economy and enhancing its international influence. Through continuous opening and cooperation, China has not only achieved its own economic takeoff but also made significant contributions to global economic prosperity and stability.

Opening up to the outside world is a crucial historical experience of China's reform and opening up, and in the future, it is imperative to persist in and prioritize this approach. By doing so, China can showcase itself to the world, step out into the world, and enhance its international competitiveness.

4.4. Emancipating the Mind

Before the Reform and Opening-up, China was under a long-standing planned economy system, where ideological constraints were severe, and economic development had stagnated. The Party's ideological guidelines and the societal work ethic were severely damaged, leading many people to begin doubting or even denying Marxism.

In this historical context, China urgently needed to break free from ideological constraints and seek new development paths. At the same time, the global economy in the 1970s was rapidly developing, with technological advancements occurring at an unprecedented pace, causing China to fall increasingly behind the rest of the world. This international backdrop made it even more necessary for China to embrace the challenges of globalization through the emancipation of thought. The significance of emancipating the mind lies in the fact that it forms the ideological foundation for promoting reform and opening up. It is a prerequisite for breaking traditional mindsets and overcoming the shackles of the old system. Emancipating the mind helps to unleash the creativity of society, driving technological innovation, institutional innovation, and promoting comprehensive economic and social development.

The reinstatement of the national college entrance examination (Gaokao) is a key practice of emancipating the mind. In 1977, the country decided to restore the Gaokao system, marking a renewed emphasis on knowledge and talent and reflecting the tangible results of emancipating the mind. Through this measure, the state re-established a fair mechanism for selecting talent, providing countless young people with opportunities to change their destinies and supplying a large number of talents for the country's modernization efforts. The reinstatement of Gaokao was not only a restoration of the education system but also a significant initiative for cultural reconstruction and the enhancement of national cohesion. Through Gaokao, knowledge regained its due respect, social customs gradually improved, and cultural confidence was restored. The reinstatement of the Gaokao system enabled a generation to change their destinies through knowledge, boosting society's confidence and support for reform and opening up, and enhancing national cohesion and unity.

In the practice of China's Reform and Opening-up, the emancipation of the mind has driven profound social changes and rapid development by testing the truth through practice and exploring development paths suitable for China's national conditions. For example, the household responsibility system in Xiaogang Village, Fengyang, Anhui Province, and the establishment of the Shenzhen Special Economic Zone, both achieved remarkable success through bold experimentation, becoming successful models for nationwide promotion. In this process, the emancipation of the mind not only emphasized seeking truth from facts and constantly adjusting and improving policies but also fully leveraged people's subjective initiative, stimulating the innovative vitality of the entire society, as seen in the autonomous innovation model of the Zhongguancun Science Park. Therefore, the combination of emancipating the mind and innovative practices has laid a solid foundation for China's modernization and economic take-off, becoming an inexhaustible driving force for the great rejuvenation of the Chinese nation.

Emancipating the mind has laid a solid foundation for the profound changes and rapid development of Chinese society. In the new historical period, continuing to emancipate the mind and seek truth from facts will undoubtedly inject inexhaustible motivation into the realization of the great rejuvenation of the Chinese nation.

5. Reform and Opening-Up in the New Era

With the convening of the 20th Central Committee's Third Plenary Session of the Communist Party, a new era and new journey have begun. Past practices have demonstrated that China has significantly caught up with the times through reform and opening up. Since the 18th National Congress of the

Communist Party, the Party and the nation's undertakings have achieved historic successes and undergone historic changes, all of which have been driven by reform and opening up. In the new historical period, key issues such as how to continue improving and developing the socialist system with Chinese characteristics and advancing the modernization of the national governance system and governance capabilities remain crucial, and these objectives will still rely on reform and opening up [6].

Further comprehensive deepening of reform should be driven by economic system reform. Relevant management departments need to strengthen strategic coordination, optimize the layout and structure of the state-owned economy, and work towards making state-owned capital and enterprises stronger, better, and larger. At the same time, to promote the development of the non-public economy, it is essential to formulate laws to promote private enterprises, enhance property rights protection, and prevent administrative and criminal interference in economic disputes. It is necessary to improve the macro-control system, coordinate and advance reforms in key areas such as finance and taxation, and enhance the consistency of macro-policy orientation. The national strategic planning system and policy coordination mechanism need to be improved, and reforms in the fiscal and taxation system, as well as the financial system, should be deepened to enhance the implementation of regional coordinated development strategies.

Adhering to opening up is a fundamental national policy for China. Reform and opening up are complementary; using openness to promote reform and development is a successful practice of China's reform and development. This plenary session's "Decision" specifically addressed opening up, involving the expansion of institutional openness, foreign trade system reform, foreign investment and management, optimizing regional opening-up layout, and improving the mechanism for high-quality Belt and Road cooperation, signaling a clear commitment to expanding high-level openness.

Science and technology are the primary productive forces, talent is the primary resource, and innovation is the primary driving force. The world is currently facing unprecedented changes, and the arrival of a new round of technological revolution and industrial transformation has accelerated the competition for talent. Therefore, we must pursue the path of cultivating talent independently and achieving high-level technological self-reliance and strength. First, we need to accelerate the construction of a high-quality education system, reforming education methods, school models, management systems, and support mechanisms. Second, adhering to the strategic orientation of "four areas," we should stimulate technological innovation vitality, optimize major technological innovation organizational mechanisms, strengthen national strategic technological force construction, and coordinate the tackling of key core technologies. Finally, we should focus on accelerating the formation of effective talent cultivation, utilization, evaluation, service, support, and incentive mechanisms, implementing more proactive, open, and effective talent policies, and improving the mechanism for independent talent cultivation.

6. Conclusion

The historical experience left by reform and opening up provides valuable lessons for future generations. First, it is essential to fully utilize the methods and wisdom developed by the working people through practice and, based on China's specific circumstances, elevate these methods and wisdom to a national system, making them institutionalized and legalized. Second, it is crucial to reject merely drawing empty blueprints and emphasize practical experience. Reforms should be based on practice rather than solely on theory to ensure their effectiveness. Third, reform and opening up require us to open the country's doors wider and expand foreign openness to promote economic and social development. Fourth, adhering to the principle of emancipating the mind and seeking truth from facts, and fostering a positive social atmosphere, is fundamental to the success of reform.

In the new era, comprehensive deepening of reform must uphold the Party's overall leadership and maintain a people-centered approach. It should emphasize the guiding role of economic system reform, uphold openness to the outside world, and advance integrated reforms in education, science and technology, and talent systems and mechanisms. While focusing on advancing economic system reforms, it is necessary to coordinate and plan reforms in other areas to comprehensively build a socialist modernized strong country, achieve the second centenary goal, and advance the great rejuvenation of the Chinese nation through Chinese-style modernization.

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