

China Politics Weekly

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The innovation silver bullet

Xi gave a major speech at the National Science and Technology Conference last week, less than two weeks after the Central Committee released a national strategy for promoting innovation. Xi's recently published speech on the economy – his most authoritative statement on the subject since taking power – puts innovation at the center of China's development strategy, so it should come as no surprise that he is taking pains to promote it.

The question is: can the Chinese Communist Party successfully promote innovation? The easy answer is no. Given the increasingly restrictive information environment and bureaucrats' penchant for top-down innovation, critics will argue that China's current push is destined to fail.

Such critiques are valid, and point out some of the key weaknesses of the Chinese system. But they are also oversimplified and incomplete. State-fostered technological development is not impossible, and Chinese officials often point to the success of their initiative to create an atom bomb in the 60s (at the height of China's international isolation) as proof that they can work.

I have yet to look at the new innovation strategy in detail, but my sense is that it suffers from many of the problems that traditionally plague industrial policy (in China and elsewhere) – namely that governments are often less adept at identifying value than entrepreneurs and the market.

But, they are not completely inept either. And, the simple fact of spending trillions on research and supporting hi-tech enterprises is sure to pay dividends in some areas. The results may be sub-optimal, but I think the more interesting China watchers will be trying to find out where they might succeed, and what the implications are in these areas – for China and the world.

PBSC Week in Review

Xi Jinping
*Party General
Secretary; PRC
President;
Chairman of*

June 6

Xi addressed attendees of the US-China Strategic and Economic Dialogue.
Full text of his remarks (in Chinese).

June 3

Xi held talks with Cambodian King Norodom Sihamoni.

Central Military
Commission

Xi extended congratulations to the opening of the G20 Agricultural Ministers' meeting in Xi'an.

Xi visited an exhibition on China's science and technology achievements during the 12th Five-Year Plan period.

June 2 Xi sent a congratulatory letter to the 7th Clean Energy Ministerial and inaugural Mission Innovation Ministerial.

June 1 Xi met with representatives of the Workers' Party of North Korea.

May 30 Xi held talks with Togo President Faure Gnassingbe.

Xi spoke at an event combining the national conference on science and technology, the biennial conference of the Chinese Academy of Sciences and Chinese Academy of Engineering, and the national congress of the China Association for Science and Technology.

Full text of his speech (in Chinese).

Xi and Egyptian President Abdel Fattah al-Sisi exchanged congratulatory messages on the 60th anniversary of the establishment of diplomatic ties.

Xi congratulated Rodrigo Duterte on being elected as president of the Philippines.

Xi wrote a letter in response to 12 primary school students who are descendants of the volunteers who went to cultivate the Dachen Islands.

Li Keqiang
Premier

June 3 Li met with Cambodian King Norodom Sihamoni.

Li visited an exhibition on China's science and technology achievements during the 12th Five-Year Plan period.

June 2 Li met with delegates to the 8th Conference for Friendship of Overseas Chinese Associations.

Li signed a law enacting rules to improve the development of engineering projects on farmland and water conservancy.

The law will come into effect on July 1, 2016.

June 1 Li chaired an executive meeting of the State Council.
The meeting decided to strengthen support for children living in hardship, improve fund management for scientific research projects and cancel more professional qualification licenses.

May 31 Li met with Togo President Faure Gnassingbe.

		<p>Li met with delegates from the annual board meeting of the Asia News Network.</p> <p>Li sent a written instruction to the China Association for Science and Technology innovation campaign.</p>
	May 30	Li spoke at an event combining the national conference on science and technology, the biennial conference of Chinese Academy of Sciences and Chinese Academy of Engineering and the national congress of the China Association for Science and Technology.
Zhang Dejiang <i>Chair of the National People's Congress</i>	June 3	Zhang met with Cambodian King Norodom Sihamoni.
	June 1	Zhang met with Khalid Hilal al Ma'awali, chairman of the Consultative Council of Oman.
	May 31	<p>Zhang visited an exhibition on China's science and technology achievements during the 12th Five-Year Plan period.</p> <p>Zhang chaired a meeting of inspectors under the NPC Standing Committee to check the enforcement of the Food Safety Law.</p>
Yu Zhengsheng <i>Chair of the Chinese People's Political Consultative Conference</i>	June 3	<p>Yu met with Khalid Hilal al Ma'awali, chairman of the Consultative Council of Oman.</p> <p>Yu visited an exhibition on China's science and technology achievements during the 12th Five-Year Plan period.</p>
	June 2	<p>Yu chaired a bi-weekly consultation session of the CPPCC.</p> <p><i>The meeting discussed the employment and entrepreneurship of ex-servicemen.</i></p>
Liu Yunshan <i>Head of Party Secretariat; Head of Propaganda</i>	June 3	Liu visited an exhibition on China's science and technology achievements during the 12 th Five-Year Plan period.
	May 31	<p>Liu spoke at the China Association of Science and Technology National Congress.</p> <p><i>Full text of his speech (in Chinese).</i></p>
Wang Qishan <i>Secretary of the Central Commission for Discipline Inspection</i>	June 3	Wang visited an exhibition on China's science and technology achievements during the 12 th Five-Year Plan period.
Zhang Gaoli	June 3	Zhang met with Georgian President Giorgi Margvelashvili in Tblisi, Georgia.

Executive Vice
Premier

- June 1** **Zhang held talks with Prime Minister of Azerbaijan Artur Rasizade in Baku, Azerbaijan.**
- May 31** **Zhang chaired a meeting of the China-Russia Energy Cooperation Committee in Sochi, Russia.**
- Zhang met with Azerbaijani President Ilham Aliyev in Baku, Azerbaijan.**

About CPW

China Politics Weekly aims to keep business leaders, investors, diplomats, scholars and other China hands up to date on important trends in China. It is produced by Trey McArver, a London-based consultant providing advice and intelligence to firms and investors engaged in China and the region. You can find out more about Trey and CPW in [this interview](#).

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