WORLD SAVVY

MONITOR

Modern China: The Promise and Challenge of an Emerging Superpower

Issue 2, June 2008

World Savvy
think beyond your borders

Letter from the Editor

Why the World Savvy Monitor?

Many of us have felt it when reading the news headlines from global hot spots… that terrible sense that you have been dropped into the middle of an ongoing story and lack the background and context to understand what is unfolding and why it matters.

Our hearts naturally go out to victims of natural and manmade disasters, warfare and civil strife. Our empathy is often accompanied by a pang of guilt. It seems unkind to live out our days oblivious to these events, yet who has the time to refresh their knowledge of history, geography, economics, political science, and religion in order to appreciate all the nuances of world events and trends? In reality, busy schedules make it impossible for most of us to spend time scouring the Internet for information to provide a wellrounded perspective on global events and issues.

In the 24/7 news cycle, and with the plethora of information available to us in this digital age, educating yourself on critical world affairs ironically becomes harder, not easier. What sources can be trusted? Where can you even go to get international news when the American mainstream media is reporting on Paris Hilton? And how can you make the most of the international news you consume? How can you translate the information into knowledge, and into the lessons you teach your students or children about our increasingly interconnected world?

A global perspective provides a valuable lens through which we can view ourselves, our leaders, and our place in the world. Unfortunately, the trend in recent years to nibble at the margins of big, important issues and ideas can produce apathy, isolation, and pessimism, especially as the problems of the world come to require complex, truly global solutions. But with enhanced global awareness, media literacy, and critical thinking skills, we can approach today's challenges from an informed and empowered place. This is where we hope to transport you with the World Savvy Monitor.

What is the World Savvy Monitor?

The Monitor is a synopsis: a "one-stop shop" for complex global issues, drawing from hundreds of diverse sources and multiple perspectives. We give you the background and context to help you understand the issues deeply, from all sides. The Monitor helps you to participate in the conversation and be comfortable in the gray areas that characterize world affairs in the 21st century.

Consider The Monitor an essential primer, a curious global citizens' guide designed to enhance your consumption of world news; an accelerant that will transform your use of your current news subscriptions or lesson plans. We tell you what to watch for, why it matters, and how to make sense of it.

Additionally, each topic covered by the Monitor is updated monthly with breaking news and developments.

How to Use the World Savvy Monitor

The Monitor has been designed for maximum accessibility – you can read the entire document from beginning to end (which we recommend!), or you can use individual sections as stand-alone sources of information. It can be read in its on-line format on our highly navigable web-site, or may be downloaded as a PDF. Coming soon is a podcast option.

Classroom Companions and World Savvy Salons

Once you have a well-rounded perspective on a pressing global issue, you will want to engage with others and keep the conversation going. World Savvy is eager to support this contagious dialogue, and so each edition of the World Savvy Monitor comes with tools for fostering discussion with students (Classroom Companions) and with peers (World Savvy Salon Guides).

Our Classroom Companion guide is designed for teachers (and parents!) and provides practical ways to integrate world affairs into curriculum. The Classroom Companion has leveled readings for your students on the topic and possible discussion questions; as well as general lesson ideas and specific curriculum resources for every discipline and alignments with national standards.

For the curious global citizen, we encourage you to use the Monitor to bring your co-workers, family, friends and neighbors together to discuss important world issues at the office or the dinner table. Think of the World Savvy Salon as the book club reinvented. The Monitor comes with a World Savvy Salon Guide that outlines the benefits of starting a Salon and how to begin. The Salon Guide also contains possible discussion questions and referrals of books, films, and web-based resources on the topic.

Thoughts on This Month's Edition

We welcome you to the second edition of the World Savvy Monitor, presenting an overview of the important, enigmatic, and complex country that is modern China. In broad strokes, we have created a thoughtful global citizen's guide to China's history, its psyche, its systems, its contradictions, and its challenges as this ancient civilization continues its ascent to considerable power on the 21st century world stage.

It is important to note that an entire industry exists to write about China, from Sinologists to "China Hands": historians, journalists, scholars, policy analysts, diplomats, and experts of every stripe, in China and in countries all over the world. Just as China is home to the most people on the planet; its modern rise and attendant complexities may be the subject of the most extensive range of study and commentary in the field of world affairs today. This edition of the Monitor attempts to synthesize the variety of excellent scholarship, commentary, and perspectives on this enormous topic.

In particular, we hope to provide you with a lens with which to view the media surrounding the 2008 Summer Olympic Games in Beijing. We also hope to inspire you to read more, and will direct you to experts and resources which informed this overview. This edition of the Monitor is designed to be your tool for dialogue on this complex subject, as the world contemplates the implications of China's rise for its citizens and the world.

Two quotes summarize the key takeaways for us, after examining hundreds of perspectives and attempting to summarize what the average citizen should know and understand about China. The first is from Samuel A. Bleicher, who said, "China is, in every sense, a world under construction, with the physical, social, economic, legal, and institutional blueprints being drawn and revised daily as the construction proceeds." This analysis recognizes and honors what is often overlooked about China in the narrative provided by the Western media: the modernization of China has been without precedent in history: a country of 1.3 billion people rising out of isolation and rural poverty to create an urbanized, economic superpower in the space of 30 years. The Chinese have largely accomplished industrialization in a third of the time of most other developed countries, and in a media saturated fish bowl. Think of it this way: imagine if there was the 24-hour news cycle in the late 1800s as America stumbled along its path to industrialization?

We are struck by how complex and massive a process modernization is, and how it generates both a lot of good and a lot of bad, as nations struggle to accommodate the upheaval of change with systems and policies. This does not excuse the excesses and abuses in China, but suggests that we should examine our Western assumptions about the root of these excesses and abuses. Viewing China as a work

in progress might cause us to reflect differently on China's leaders and their intentions; and inspire us to learn more about the pressures China faces today. Ultimately, China faces many of the same challenges the world as a whole faces.

The second quote is from Peter Hessler, a journalist who has written extensively about his experiences living and working in China; most recently in his 2007 book, Oracle Bones, and in the May edition of National Geographic. He sums up the opinion of many experts when he says simply, "No one should criticize China without taking a good look in the mirror." His point is well taken; when considering the West's critique of China, it is important to understand the contradictions and hypocrisies in all countries' narratives.

We leave you with a technical disclaimer. Statistical information about China is tricky to obtain, for numerous reasons. First, the recent explosion in scholarship and journalism about China has produced sets of statistics that are quoted and re-quoted, and, often misquoted, often without attribution to their original source. Second, the information that exists about China is largely a combination of Chinese government released (and often propagandized) facts and figures, and data that is independently gathered by sources outside the country. These numbers don't always match, for obvious reasons. In addition, comparing key indicators for China and other countries is a difficult endeavor because the parameters of measurement are often not standardized (GDP versus GDP/PPP, availability of data for different years, working age populations calculated up to age 60 versus 65, measures of China that include Hong Kong and Macao and those that don't, and many, many more). Lastly, numbers change daily as the US, EU, Japan, and China jockey for position as largest trading partners among themselves and globally. Every attempt has been made to ensure that even if the specific numbers are open to debate, the underlying trends suggested by the data are sound. As far as attribution of statistics, we have generally followed the lead of the sources from which they were obtained – many do not provide the original source, suggesting that the data is thought to be in the public domain; and all statistics we present are found in numerous sources, except where indicated. Please see the Referenced Resources section for a complete bibliography of sources consulted.

This edition leads us to again recognize and appreciate the shades of gray that characterize world affairs today. China, with its mosaic of successes and failures, can be viewed as many things by many different people. We hope this month's Monitor helps you to think critically about China – how and why the Chinese government pursues its policies, how the Chinese people see themselves, and why modern China has not followed a familiar historical trajectory in the process of modernization. Informed dialogue about China should reflect an appreciation of time, history, psychology, and culture, and of the sheer numbers that magnify the challenges and opportunities confronting this rapidly changing nation.

World Savvy

World Savvy staff edit and produce the World Savvy Monitor. Our mission is to educate and engage youth in community and world affairs by providing educational programs and services. World Savvy's vision for the future is one in which all members of society are well informed about contemporary global affairs and act as responsible global citizens. We believe that change will occur if the public has an enhanced understanding of international affairs and is given the tools to think critically about such issues.

Cate Biggs

Cate is the primary author of the World Savvy Monitor. She is a graduate of Yale University, has a Masters from the University of California, Berkeley, and has taught high school American and World History. She has also worked extensively in the non-profit and foundation world. She is currently a consultant for Global Education curriculum and professional development, and a writer living in Northern California with her husband and three daughters.

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Introduction: Did You Know?

China: Did You Know?

- China has 1.3 billion people, making it the most populous nation on the planet, occupying a territory roughly the same size as the United States. China's population is 4x the size of the US population.
- China has 20% of the world's population, yet only about 7% of the world's arable land and 7% of the world's fresh water. Half of China's territory is uninhabitable.
- According to recent estimates by the World Bank which reflect a new way to calculate Gross Domestic Product (GDP with Purchasing Power Parity), China's economy ranks second in the world behind the United States, and ahead of Japan, the UK, and Germany. If current trends persist, China in 2036 will have the biggest economy in the world. However, it ranks 88 in the world in GDP/PPP per capita, with the average share of total GDP/PPP per person roughly one-third of the US figure. This means, despite its powerful economy, most of its citizens remain poor, as China's wealth must be divided among 1.3 billion people.
- The World Bank estimates that 400 million people have been lifted out of poverty in China since economic reforms began in 1978. Life expectancy in China doubled between 1950 and 2003 (from an average of 35 years to 71 years). Infant mortality (percent of children who die before their fifth birthday) declined from 20% to 2.5%.
- Today, 90% of all Chinese children receive at least 9 years of school. That is up from 20% in 1949. The adult literacy rate in China is 91%.
- Currently, 60% of China's population lives in rural areas (750 million). Between 2000 and 2030, it is estimated that 400 million Chinese will move from the rural to urban areas to occupy and work in what will amount to 50% of all buildings constructed in the world during that time. Currently, 15% of China's workforce, or 150 million people, are migrant laborers traveling from rural to urban areas in search of jobs.
- It would take a Chinese factory worker 6 months to earn enough money to buy a Thomas the Tank Engine Set, one of the toys made in China and recalled in 2007 for safety concerns over lead paint used on the toys (100% of recalled toys in the US that year were made in China).
- 16 of the world's 20 most polluted cities are in China. Two-thirds of all Chinese cities do not meet Chinese standards for air quality, standards which are less stringent than those in the US or EU. Two-thirds of China's rural population has access only to contaminated water. Only 10% of China's environmental laws are enforced. Cancer rates across China have risen dramatically as pollution has increased. It is estimated that up to 750,000 Chinese people die prematurely from cancer and respiratory diseases linked to pollution.
- Between 1995 and 2005, China's energy consumption rose 80%. The amount of energy used to produce one unit of output in China is double the world's average.
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- 2 million peasants are forced off their land every year to make room for China's expanding infrastructure (dams, roads, railroads).
- By 2040, fully one-quarter of the world's elderly will live in China.
- The Chinese Communist Party (CCP) maintains dominance over this one-party state, and has since 1949. The 73 million members of the CCP are comprised of both the Central Party apparatus and local/provincial officials. All domestic and foreign policy is coordinated through the CCP system which controls the legal system and media as well.
- In addition to technological mechanisms, the Chinese Communist Party employs up to 50,000 human monitors and censors charged with blocking access by Chinese citizens to information on the Internet considered to be critical of the government and/or threatening to state security.
- The Chinese court system has a 99% conviction rate.
- The protests that began in Tiananmen Square in 1989 ultimately spread to 132 cities and involved millions of people over a period of 6 weeks before they were crushed by government forces.
- Protests in China grew from 8,700 annually to 74,000 between 1993 and 2004. There are now an estimated 200 protests, largely rural, each day involving 3.76 million people annually.
- In 2007, the Committee to Protect Journalists named China as the world's number one jailer of journalists for the ninth consecutive year.
- China's population is 92% Han Chinese, and 8% ethnic minorities. Ethnic minorities such as Tibetan Buddhists, Uighur Muslims and others occupy 60% of China's land, including high quality land on critical international borders.

China in the World: Did You Know?

- China is quickly surpassing the United States, Japan, and European countries as the largest trading partner of nations all over the world. It is a member of the World Trade Organization and party to numerous regional free trade agreements.
- Morgan Stanley has estimated that Chinese imports have saved US consumers $1 billion since reforms began in 1978.
- US, European, and Japanese companies lose an estimated $60 billion per year through piracy of technology and intellectual property in China.
- There are up to 35 million Chinese immigrants and nationals living outside China, responsible for up to 65% of all Foreign Direct Investment (FDI) in China.
- China is a net energy importer, which means it must obtain its oil and natural gas supplies primarily from sources outside the country. These energy needs are growing exponentially and make China increasingly more dependent on relations with Central Asian, Middle Eastern, African, and Latin American countries each year.
- China's diplomatic corps is among the best trained in the world. The Chinese Foreign Ministry sends it best and brightest to study and live in the societies of their future postings; and once assigned, diplomats generally spend their entire careers in their area of specialty.
- China has the most international borders (13 land neighbors and multiple close maritime neighbors), and some of the longest in the world. Despite this, China has largely settled most of its border disputes peacefully over the past 30 years, often to its territorial disadvantage. Negotiations are underway on others, primarily maritime disputes in and around the South and North China Seas.
- The 2008 Olympic Games will be hosted by China in Beijing beginning August 8, amid protests over human rights abuses, treatment of ethnic minorities in Tibet and Xinjiang, and China's role in supporting the government of Sudan throughout the Darfur conflict. The Olympic Logo is described by the Chinese government as "designed to portray the feelings of friendly and hospitable Chinese people and express the sincerity of the city."

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Issue Summary

Note: The People's Republic of China (PRC) as we discuss it here reflects what most know as Mainland China, under the governance of the Chinese Communist Party. It excludes Hong Kong and Macao (recently returned Chinese territories that are technically semi-autonomous regions of the PRC), and Taiwan (seen as either a disputed Chinese province or separate sovereign nation – it is not for us to say which, but, for the purposes of this document, Taiwan is treated as an External Player).

Here, in broad strokes, gleaned from a variety of sources, is a narrative on China's rise as a modern global power:

China is, essentially, an ancient civilization with an illustrious, centuries-long history as a pre-eminent world power that was weakened by Western imperialism, internal weakness and corruption, as well as conflicts within and outside its borders during the latter half of the 19th and early 20th century. For 100 years, as modern industrial powers matured in the West, China's experience was marked by Western and Japanese conquest and exploitation, the demise of both a dynasty and a republic, and devastating civil and world war. Emerging from what became known as its "century of humiliation," China came under the power of charismatic leader Mao Zedong and the allure of stability promised by the authoritarian Communist state. The excesses of the Maoist state and ill-conceived attempts to rapidly modernize the country led to decades more suffering for Chinese people at the hands of their own leaders. China was largely isolated from the rest of the world during this period (1949-1978) as it attempted to industrialize its densely populated peasant society.

In 1978, Mao's successor, Deng Xiaoping, embarked on a period of reform that opened China up to the rest of the world, unleashed the productivity of its large population through the introduction of capitalist free market incentives, and set the Chinese industrial economy on course to become a global powerhouse. However, as individuals were empowered to grow rich and prosper, and Western influences were welcomed, significant contradictions developed within the totalitarian Communist state. These contradictions increased pressures throughout the 1980s, as Chinese citizens and the Communist Party struggled to reconcile economic freedom, social stability, and state-directed modernization. Tiananmen Square in1989 marked a turning point; growing citizen activism and divisions within the Communist Party led to the six week crisis and protests which ultimately spread throughout the country. The world watched to see if this would be the beginning of the end of the government in China. Instead, Party leaders moved against the tide of history and brought China back from the brink of democratization, even while totalitarianism and Communism were discredited in the Soviet Union and Eastern Europe. Tanks rolled into Tiananmen Square, crushed the protests and revealed in no uncertain terms that China would not, in the short term, follow the expected political trajectory of modernization.

Post-Tiananmen Square China was a time of reflection and retrenchment, as the Communist Party took stock of its

near demise and the demise of its Communist counterparts worldwide. The technocratic State apparatus continued China's free market economic development with uniquely Chinese characteristics. Social freedoms were expanded and careful political reforms were instituted to bolster the legitimacy of the Party. These also provided safety valve mechanisms to release popular discontent. Growing economic prosperity eased pressure for further social and political reforms, as the rising tide began to lift more boats. Dissidents and those that could not be co-opted were managed through repressive measures deemed necessary by the state to preserve Party rule, and by extension the existence of a strong, united China. China's foreign policy came to reflect a basic pragmatism around securing the resources necessary for China's growth and staying out of moral adventurism.

After 1989, Chinese citizens were offered an epic bargain: defer to the Party to manage Chinese society, from politics and law to media and civil society, and in return, the Party would assure continued economic growth. This bargain has largely been honored in the years since. Stability and order have tremendous appeal to a population that has seen crushing poverty, famine, and upheaval. A strong state also appeals to a Chinese psyche combining components of Confucian traditions emphasizing hierarchy and leadership with a sense of victimized pride and suspicion of Western intentions. China has no history of democracy or democratic institutions. Yet, the impulse toward liberalization is far from dormant, and the future of the authoritarian state, no matter how repressive or how resilient, is uncertain amidst the deep contradictions that exist in China today. All of this transpires in a world characterized by resource scarcity and unprecedented environmental destruction.

This is an unfinished narrative, and one without historical precedent. Nearly everything about China's rise challenges accepted Western norms of development and classical theories of international relations. The Chinese narrative is unique, and Western powers in an age of globalization find themselves in unfamiliar territory. As global economies become increasingly integrated and pressing world problems require global solutions, the well-being of all countries is affected by China. Most experts see the international community today as being at a crossroads: China cannot be ignored, so it must necessarily be either balanced and contained, or engaged as a full-fledged, (and perhaps unconditional) member of the world's power infrastructure.

Why It Matters

- **Life is a numbers game.** Numerous books about China today quote Napoleon reportedly saying, "Let China sleep, for when she wakes, she will shake the world." China has more people and will soon need more resources than any other nation on the planet, at the same time that these resources, from food to water to fuel to building materials, become increasingly scarce. The sheer size of China's import needs and export markets has repercussions for everyone, everywhere.
- **Modern China is a phenomenon without precedent in history**. The world has simply never before seen such rapid modernization and economic power in such a populous nation that is not democratic. Authoritarian politics has never mixed with a free-market economy on this scale and with this level of global outreach. Understanding the psychology and dynamics that guide China's domestic and foreign policy is the first step to engaging this enigmatic giant on the international stage.
- **The Global Economy depends on China's continued prosperity**. With every country in the global economy so intricately intertwined, the ripple effect of interdependence has never been greater. At the same time many would seek to check China's rise, the world at large has a stake in China's success, from financial credit to the overall health of global chains of supply and demand. The same worker who may lose his job to a Chinese company enjoys low price consumer goods and a low home mortgage rate thanks to China's reach.
- **China's enormous potential can be leveraged to address the world's most pressing challenges**. Global challenges, from poverty and disease to terrorism and environmental degradation, require global solutions in a world characterized by interconnectedness. Sharing the burden of global leadership could be a positive development for the United States and the world; China has relationships with countries with which the West does not, and potentially could play a constructive role in engaging these nations in dialogue and compromise on critical issues. International institutions could be reinvigorated by the respectful integration of China; China and its "rogue" acquaintances could, in turn, be convinced to adopt reforms and systems valued by the international community.

Context

Modern China is a phenomenon the world has never seen before; its strengths, liabilities, and contradictions present a unique challenge to the global community. Many oversimplifications influence the world's perception of this extraordinary nation, and it is critical that China's future be seen and understood within the context of its past and present.

Ancient History: China is one of the oldest civilizations on earth, with a long and distinguished cultural, social, political, and scientific heritage, augmented by the economic domination of the Silk Road. The Chinese Empires before the 19th century were world leaders for thousands of years. In fact, the centuries marked by European or American dominance of the globe are an anomaly in the long-view of history. Seen in this context, modern China's rise is not a disruption of the natural geopolitical order, but a return to it.

Collective Memory – A Century of Humiliation: Beginning with the Opium Wars of the mid-1800s, China was weakened and systematically dismantled by imperialist powers in Japan and the West. The fall of the last Empire in 1912 ushered in a corrupt and incompetent republic that was no match for Western post WWI geopolitical designs. In the 1920s, civil war came to China as the Nationalist government battled nascent Communist factions for control of the disintegrating country. This, combined with heightened Japanese aggression before and during WWII, brought China to its knees. The Communist China that prevailed at the end of this era presided over a weak, impoverished, largely rural population that had essentially been set back a century as the rest of the world modernized and experienced rapid industrialization. When Mao Zedong closed China off from the rest of the world in 1949, China focused on plans to restore its place in the world. A sentiment of victimization prevailed then and now, and extreme nationalism with xenophobic features is evident.

Confucianism: The Chinese psyche has been influenced for generations by an ideology little known in the West. Once the official guiding philosophy of the Chinese Empire, the influence of Confucius continues today and marks a radical departure from many Western ideals. Emphasizing harmony, order, obedience, reciprocal responsibilities, and natural hierarchies between leaders and the governed, Confucianism makes its presence felt not only culturally and socially, but politically as well. Many consider Confucian traditions to be one of several reasons modern China did not democratize in step with countries elsewhere in the world.

Population: Many remark that China's enormous population is both its greatest strength and its greatest weakness, making everything in China an exercise in both multiplication and division. More workers mean potential productivity far beyond the reach of the declining populations in Europe and Japan. As the impact of positive social, cultural and economic trends are multiplied, so do the challenges become magnified and increase exponentially, including wealth gaps, the effects of poverty, the dislocation of people and cultures during rapid

modernization. When a natural disaster such as the recent Sichuan Province earthquake hits China, more people die and are injured and displaced; thousands become millions. China's enormous population also means that spoils of economic growth must be shared with millions more people for equitable distribution. The result is tremendous pressure on the Chinese economy and government to continue rapid growth so that more of its citizens can get their share.

It must also be noted that, beyond its sheer size, China's population contains several important demographic anomalies. Through the One-Child Policy, China has brought its birth rate down to levels seen primarily in advanced Western democracies. Yet, this policy has created a disproportionately male society with important cultural and social implications. It has also created a demographic imbalance between young and old. In 2000, 70% of China's population was of working age. In 2065, only 22% of China's population will be of working age, a group that will struggle to care for aging parents as only children and keep the economy thriving at the same time. Many have remarked that the greatest danger China faces is that it "will grow old before it has time to grow rich."

The Rapid Nature of Chinese Development in the 20th and 21st Centuries: China's rise from near and complete devastation in 1949 to the present is an epic narrative. Immediate post-World War II China was in shambles; but Mao's inaptly named Great Leap Forward and Cultural Revolution saw the death of 40 million more Chinese, and the nation would stall on its promise. It wasn't until 1978 that China's true modernization took off, following the economic reforms that moved the country away from Communism and Socialism and toward capitalistic free markets. In the last 30 years, China has undergone industrialization while also entering the information and technology age; a process which the United States and Europe took over a century to accomplish.

This rapid compression of development has produced powerful side effects, as the Chinese are forced to tackle the social, environmental, and economic fallout of industrialization on an accelerated timetable. This development also happens at a time of diminishing environmental resources worldwide and sophisticated global connectivity. While other industrializing powers could confront the vagaries of free-market failures and mitigate the challenges of industrialization in relative isolation, China's ascent during (and largely due to) globalization has meant that they have to navigate this growth while on the world stage. The millions we hear about – on the move, lifted out of poverty, moving to urban areas – suffer from tremendous social and cultural dislocation that impacts their individual lives and the well-being of the nation as a whole.

The Heavy Hand of the Authoritarian State: Although a snapshot of modern China may look a lot like a snapshot of life elsewhere in the modern, industrial world, China is different in another very important way. It is not a democracy. The Chinese Communist Party is ever-present. Its members are appointed and direct all Central government policy. Although some local, village, and provincial governments utilize some limited form of elections, Party members primarily control all layers of governance. The military, the education system, the judiciary, and the media are all Party-controlled. The state regulates all forms of civil society, from religion to NGOs. It largely decides what it is appropriate for Chinese citizens to know and discuss as well as how and why they gather. Although market liberalization reforms are increasing every day, the state remains a key player in the Chinese economy, wielding its influence with regulations, investments, and subsidies. The Party's promises of economic growth assure peace and social stability in exchange. It is important to remember that China has had essentially no experience with democratic government in its thousands of years of history; and many believe it lacks not only the institutions, but the incentives and the civilian appetite for democracy.

An Identity Crisis of Sorts: China enters the modern era as a leader in a spiritual and ideological vacuum. Confucianism and deference to the Empire was once the guiding philosophy of the population, followed by Communism and a sense of sacrifice for the Maoist state. Since the reform era began in the late 1970s, the CCP and China as a whole have had a difficult time defining what it is internally and in relation to the rest of the world. Communism and Socialism no longer describe the economy, yet Leninism still describes the authoritarian nature of the government, but with important exceptions in some areas of personal freedoms. On one hand, this is a major strength of the CCP, its ability to learn and adapt. On

the other hand, it is a weakness that the CCP cannot give the population a guiding mantra or identity to rally around. This void is often filled by increased nationalism, sometimes to the point of xenophobia. Without a clear idea of what China is about, people tend to define themselves by what they are not about, resulting in anti-Western rhetoric that can be counter-productive in China's extensive dealings with the West over a variety of issues.

China's Existence as an Anomaly in Classic International Power Relations Paradigms: The narrative of classic Rise and Fall theory is as follows: when a nation rises in power above others it sets off two well-proven dynamics. First, other nations will attempt to balance or contain its power. Second, the rising power will ultimately be motivated to project its power in threatening, even expansionist ways. However, most experts agree that neither of these dynamics seem to be in play with respect to China. It threatens to unseat the United States, the European Union, and Japan as hegemonic powers, yet China's own conduct (known as the "peaceful rise") has been largely cooperative; and others' response to it has been largely accommodating. This leaves forecasters in unfamiliar territory, suspicious of China's motives. With more neighbors than any country in the world, some of the longest international land borders and the most disputed international maritime borders, everyone is watching Chinese foreign policy closely. Most predict that the favorable global opinion of China is likely on the decline, making their actions increasingly subject to criticism and resentment that have naturally accompanied the rise of a national power.

Environmental Degradation: As the world becomes more aware of the advancing disruption of the natural ecosystem and climate patterns, China is on the front lines of these dramatic developments. The Chinese people pay with their health and lives; the Chinese economy pays in hidden costs; and the planet suffers in the long and short term. This is an issue ripe for global dialogue and problem-solving, and many believe it will be an area where the CCP will be most likely to engage with the international community.

Resources: China is home to 20% of the world's population with only about 7% of the world's arable land and quality fresh water. It cannot feed its population without importing food; it cannot keep its industries and modern society running without importing oil, coal, and natural gas. As a result, China is on a perpetual resource hunt with links to "rogue nations," often unpopular in the international community.

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Understanding the Headlines – Frequently Asked Questions

1) As China rises in economic power and global influence, does it threaten the hegemony of the US in the world?

- Some experts would answer this question by examining the American angle, and subjecting the idea of American hegemony to scrutiny. These analysts believe that China's rise is less a cause than a symptom of America's decline; and that the notion of China threatening a world order based on American hegemony is flawed because America's dominance has been eroding for some time. In this view, the world has been tiring of America's influence at the same time its influence has been fading. Many here believe that America's economy is fundamentally flawed in ways that are just now becoming apparent as home prices, stock prices, and the value of the dollar fall amid high fuel costs and the mortgage meltdown. They believe the US foreign policy to be ill-conceived, in both the soft and hard power it seeks to project. In this view, America's anticipated fall in share of global GDP and in public opinion worldwide will be results of its own fiscal irresponsibility and military overstretch. In short, these experts believe the decline of the US is inevitable and follows historical geopolitical patterns. China's rise in this scenario is a separate phenomenon and occurs at the same time other potential powers and economies are increasing in influence around the globe, including the European Union, Russia, and, one day, India.
- Some would say that China's growing power won't last and will be diminished before it poses a serious threat because of the fault lines running through China's non-democratic system of government and what they see as the mathematical impossibility of infinite economic growth. These experts believe that people who have been given economic freedoms will come to demand commensurate political freedoms, leading to conflict with the Chinese Communist Party and the ultimate collapse of the state under its own weight. Another possibility is that the bargain trading political freedoms for prosperity will falter in an economic downturn; when the CCP doesn't hold up their end of the economic bargain, the people will clamor for change, which will include demanding increased political liberties. The variety of potential outcomes here all would produce domestic turmoil in the short-term and would theoretically take China off the world stage as a hegemonic power while they undergo a dramatic transition in governance. China would simply be too preoccupied to project much power internationally. In an extreme scenario, this upheaval could be ugly, and featured on the 24/7 global media cycle. This would likely diminish any soft power and goodwill the PRC has built over the last decades.
- Others would say that, as China grows, it will become more like the United States and West, and therefore less of a threat. These experts believe that democracy will come incrementally to China in a peaceful evolution whereby the Chinese Communist Party increasingly allows more social and political freedoms, and ultimately multi-party representative democracy in the form of elections. They believe this development is inevitable, and that, once this

happens, China will join the community of high functioning democracies and support the status quo led by the United States. In this scenario, China becomes a stakeholder in American hegemony, a junior or equal partner in maintaining the current world order, and will begin to play by established international norms and rules. Evidence of this trend may be found in China's increasing participation in multilateral organizations and in its philosophy of the "peaceful rise."

- Some would argue that yes, in fact, China does pose a threat to the current international system. These experts believe the CCP to be cavalier in its treatment of its own citizens, and that the trend will be for Party elites to continue to consolidate power and restrict democratic reform. As China's trajectory increasingly diverges from that of the US and leading Western democracies, experts here believe the PRC will become hostile to the system based on the interest of those countries. Instead of playing by the rules, China will become more recalcitrant with respect to existing international institutions. In this view, China and the US will become adversaries, and the world will follow in an alignment process recreating Cold War dynamics. Disruption of free trade, proliferation of nuclear weapons, increasing militarization, and potential armed conflicts could result. Most believe polarization would be related to China's quest for energy resources as well as an ideological battle with the West, and general anti-Western sentiment would be a feature of any alignment process in the developing world.
- If such an alignment did take place, some believe soft power dynamics would almost certainly become hard power dynamics. In fact, there are those who believe this is already occurring. Stories in the Western media in June 2008 and allegations made in several books released this year allege the Chinese to be involved in a sophisticated espionage effort against the US and West. According to these sources, cyber-warfare is technically underway as accusations are leveled at the PRC for hacking into US and other Western government computers, and even planting espionage instruments in computers manufactured in China for export.
- However, most experts generally give China the benefit of the doubt at this point, and assume that China's international intentions are not hostile, and that the world does not need to be actively containing or balancing China's soft power, nor worrying about the implosion of the Chinese government. They generally believe that China's focus will be domestic for the short-run as it tackles economic, social, and environmental issues within its borders. In foreign policy, they believe China will continue to wield its influence multilaterally through regional and international bodies, rather than unilaterally. The balance sheet largely shows China's participation in these institutions is generally more constructive than obstructionist, despite tensions with Sudan, North Korea, Iran, and Myanmar.

2) Does China pose a military threat?

- Alleged cyber-warfare scenarios aside, and despite dramatic increases in China's military expenditures over the last decade that have gotten the attention of many in the global community, most believe China's military is still not on par with other modern military forces. Although the People's Liberation Army is the world's largest standing army, its troops lack many of the technological advancements that make a difference in modern warfare, namely air and naval power, long-range missiles, and smart bombs. Its budget is a fraction of that of the US Department of Defense; and its overall military expenditures relative to its GDP are miniscule. Even China's nuclear capacities are now seen as outdated, as more nations have joined the nuclear club while China's attentions have been focused on economic development.
- When gauging the level of military threat China poses, most experts watch regional players in Asia for a reaction to China's rise because those countries would be most immediately impacted by an expansionist PRC. The fact that nearly all Southeast, Northeast, and Central Asian nations largely seem to be accommodating and cooperating with China, instead of attempting to balance or contain China, downgrades the perception of the PRC as a potential menacing power internationally.
- In the modern era, nearly all Asian nations have depended on the presence of US army and naval forces in the area as a deterrent to Chinese aggression. That the most notable of these, Japan and South Korea, are beginning to show signs of fatigue with respect to hosting US military troops is a sign taken to

mean that China's neighbors do not fear it as much as they may once have.

- The recent downgrading of the threat of brinksmanship in the Taiwan Strait, after recent Taiwanese elections ushered in a party less confrontational to the PRC, only adds to this generally optimistic assessment of the impact of China's "peaceful rise."

3) Will China become a democracy one day?

- Some believe it is already heading in that direction, pointing to recent efforts by the CCP to more fully introduce the rule of law, especially with regard to commercial matters, reforms within the legal system, the expansion of elections at the local levels, and improved intra-party democratization. Some experts in this camp argue that the repression of political and social freedoms (human rights) will become too unwieldy for the Party to manage, that the natural human inclination toward self-rule will win out, and that China will follow the path of other previously authoritarian governments in Central Asia and Eastern Europe, becoming increasingly democratic, and ultimately a true democracy.
- Others argue that China has no historical experience with democracy, that its citizens are placated by economic prosperity or are too consumed by subsistence living to actively promote democratic reforms, and that the CCP has no intentions of allowing democracy to dilute their power. The CCP is not always seen as having menacing intentions here – the Party has evolved to value leadership by highly trained technocrats. Significant corruption aside, Party leaders (and many Chinese citizens) genuinely do not feel government should be left up to the people, especially not in a nation as diverse, populous, and complicated as modern China. Stability is often valued over potential instability resulting from democracy.

4) Will China at least improve its human rights record?

- The infractions most commonly cited as human rights abuses in China are the suppression of free speech and association; the abuses of the state regarding the questioning, imprisonment, and treatment of suspects; and the forced submission of citizens to what the CCP deems the country's larger good, from land seizures to education to treatment of ethnic minorities to fertility rates. Other infractions commonly cited include China's support for regimes who perpetrate similar or worse abuses on their own populations.
- It is important to note that China's human rights record as described above is not simply a product of CCP neglect or malice. The Chinese government believes that certain domestic measures are critical to preserving CCP rule, and thereby the stability of the country during this time of rapid modernization, regardless of whether these measures compromise human rights.
- China ignores human rights abuses in other countries (even trading partners) because of China's dependence on key exports from those countries, and because after a century of domination by outside powers, China values sovereignty above all else. These two rationales are clearly linked. By refraining from supporting interventions in other countries over issues related to human rights, China hopes to prevent "meddling" by others in its own internal affairs.
- Generally experts believe that, left to its own devices and absent any forcing events, the CCP is incentivized to preserve the status quo on human rights in China. However, the closed nature of the Party makes any prediction here difficult.
- Many human rights advocates around the world have attempted to pressure and/or shame the Chinese government into improving its human rights record, especially at a time when attention is focused on Beijing as the host of the 2008 Olympic Games. Such attempts have been seen as moderately successful, but it is difficult to know how and why the CCP makes reform decisions. This could be viewed as a dangerous approach, however. External criticism of the CCP tends to incite fierce nationalism among the Chinese population, and the CCP has the ability to amplify this sentiment in the state-controlled press. This often reinforces support for the government and the weeding out of moderate voices. Thus it is unlikely that such shaming efforts to pressure China to improve its human rights record will have lasting long term effects.

5) What effect has the Sichuan earthquake in May 2008 had on China as a whole?

- In some ways, the Chinese government (primarily the Central Party leadership) gained credibility and international support in the aftermath of the disaster. The government responded quickly, and Premier Wen Jiabao was on the scene within hours, personally aiding in the rescue effort. The military was dispatched on a monumental humanitarian mission to provide aid to survivors as well as to assist in rescue and recovery operations. The Party allowed the domestic and foreign press immediate access to the area and to the survivors, despite the criticism of the government that inevitably was reported. International sympathy replaced recent condemnation of the Chinese government following the uprising in Tibet and over the situation in Darfur.
- On the other hand, the earthquake revealed a lot about what many feel is the unseen, uglier side of life in China. Shoddy school construction was largely responsible for the overwhelming death toll and has roots in government corruption at the local level. Failure to foresee the devastation of dams and communities built along seismic fault lines did not say much for China's celebrated technical and engineering prowess. In addition, the One Child Policy contributed to the bereavement of families who lost children in the earthquake's devastation. Whether these exposed failures ignite genuine reform or a crackdown on access to public information remains to be seen.

6) What are the expected effects of Beijing's hosting of the Olympics?

- Complying with International Olympic Committee (IOC) requirements of host nations has had a short-term positive effect on how China deals with the foreign press, as many restrictions have been temporarily lifted (for foreign press only). It has also focused increased attention on pollution and air quality issues in Beijing, and their impact on athletes and spectators alike (and by extension, Beijing's citizens). The IOC has also pushed for reform in human rights, and there is hope that whatever temporary measures are instituted will become permanent.
- Theoretically, the Games should further open China up to the international community as hundreds of thousands of foreign visitors are exposed to China and to the Chinese; and international media attention educates millions worldwide about both the good and the bad that is modern China. Both positive and negative attention should increase the level of worldwide engagement in the PRC. Likewise, the Olympics have been called by some China's "coming out party," indicating that the Chinese government seeks further integration into the international community, beyond economics.
- The Olympics in Beijing will be worth watching, beyond the marvels of the athletes competing. With hours of news time to fill, foreign press outlets generally devote a significant portion of their coverage to exploring the host country. If the unprecedented liberties the PRC has stated they will grant the foreign press come to pass, for the first time, the world will be given access to modern China. Everything that happens will contain political and geopolitical nuances. The etiquette that is observed by visiting dignitaries, athletes, and spectators around official ceremonies will reveal much about how the world views China. The way the CCP handles any protests that will likely erupt will enlighten forecasts of the Party's evolution generally. And, even the medal count at the conclusion of the Games will likely be interpreted as a sign of China's place in the world, and others in relation to it.
- Overall, we offer words of caution as to how the spectacle should be perceived. Think critically about what you see and read about the Games. Use the information here in the Monitor as a lens through which to filter the spectrum of opinions that will be proffered. Remember the gray areas, that reality is more complicated than it may seem. Take the extra step to utilize the breadth of perspectives offered by world press outlets on the Internet. A fascinating exercise would be to compare coverage from different news outlets around the world as events unfold on what will truly be a dramatic international stage.

Map of China

China Timeline

Date	China	International Community
1644	Qing (or Manchu) Dynasty begins; unified China is considered the premier Asian power for last 2000 years. Empire run by a Confucian bureaucracy system begins decline into corruption and warlordism.	Age of European exploration continues; formal British-American colonies developing.
1700s	China begins to open ports to Western traders on very limited basis, exporting luxury goods (silk, tea, porcelain) to Western elites. Maintains restrictions on import of British goods.	European nations engaged in trade and imperialism throughout Asia, the Americas, and Africa. North American colonies gain independence. USA formed.
1793	British appeal to China to lift trade restrictions; China refuses, citing unequal benefits and fear of Western imperialism.	Western nations increasingly more aggressive about trade; want more access to China's ports.
1839	China protests exploitative opium trade triangle with Britain and British India; Opium Wars begin.	Britain wages Opium Wars to preserve and increase trade domination in Asia.

Date	China	International Community
1842	China defeated in Opium Wars; forced to sign humiliating Treaty of Nanjing. Hong Kong ceded to Britain; China forced to open 5 treaty ports and grant British special concessions and exemption from Chinese laws in these areas.	Western domination and imperialism in China begins the "Century of Humiliation." Chinese Empire slowly dismantled by Western powers and Japan.
1840-1880	More Chinese treaty ports and concessions created for Western nations.	Western nations consolidate power in African and Asian colonies. US increasingly enters commerce in Asia.
1894-1895	First Sino-Japanese War. China loses Taiwan and other Asian islands to Japan.	Formal "spheres of influence" marked out by Western powers in China.
1900	Boxer Rebellion begins in China against influence of Western powers and the Qing Dynasty that allowed the infiltration of imperialists. Declining Chinese Empire puts down rebellion with help of Western powers and Russia. China forced to pay reparations for damage to Western property and to cede more ports and land to Western concessions.	Western, Russian, and Japanese powers easily defeat Boxer rebels and use the victory to further subjugate China to their own commercial interests.
1900-1910	Qing Dynasty further declines; China essentially ruled by foreign powers. Confucianism abolished as government ideology.	Western powers and Japan continue to consolidate commercial interests in Asia; more annexations and colonization, including Japanese colonization of Korea.
1911	Qing Dynasty implodes, Emperor abdicates.	Fall of the empire seen as sign of victory for Western domination. West and US in throes of Industrial Revolution.
1912	Sun Yat-sen establishes the KMT or Nationalist Party and becomes President of new Republic of China; outlines Three Principles of the People as a way to strengthen China.	European powers in intense competition for colonies and global markets. Imperial powers collaborate with Chinese warlords to further divide up China.

Date	China	International Community
1914-1919	Poor governance in new Republic; China starts to fall apart as independence movements sweep through the provinces. Central government weak and riven by competing ideologies and unable to control warlords throughout country. As a teacher in Beijing, Mao Zedong becomes interested in the Russian Revolution.	WWI breaks out in Europe; Russian Revolution begins and establishes Communist state. Peace Treaty ending WWI cedes more Chinese territory to Japan, an occasion that is marked annually in May 4 Movements. Decline of European influence in Asia; rise of Japanese influence.
1921	Chinese Communist Party (CCP) formed in opposition to ruling Nationalist Party (KMT) of Sun Yat-sen. Mao Zedong begins recruiting revolutionaries in rural areas.	Europe recovering from war; Communist Russia agrees to help Sun Yat-sen battle warlords if he will accommodate the formation of the Chinese Communist Party. Japan becomes more aggressive in attempts to colonize China.
1925-1926	Sun Yat-sen dies and is replaced by Chiang Kai-shek. Chiang allies with Mao and the CCP briefly in an attempt to defeat warlords and unify China.	Independence movements begin in Western colonies in Asia and Middle East. Western ideas and culture spread throughout Asia.
1927-1934	Alliance between KMT and CCP ends; Chiang purges government of Communists and launches attack on Mao's guerrilla forces, successfully defeating them in the wars of the Northern Expedition. Mao continues to recruit among peasants; CCP grows and forms Red Army.	Stock Market Crash and Great Depression in the US, Hitler comes to power in Germany. Japan invades Manchuria (northeast China) and meets little resistance from Chiang's troops. Japan occupies Manchuria in defiance of League of Nations and prepares for full-scale invasion of China.

Date	China	International Community
1934-1936	After a series of wars, Chiang defeats Mao and CCP guerillas, sets up capital in Nanjing. The Long March begins and the CCP regroups to interior mountains of China. Despite heavy casualties, Mao strengthens and unifies CCP after brief internal power struggle. Chiang under fire for not repelling the Japanese invasion of Manchuria. Chinese Civil War brewing amid impending further invasion by Japan. Brief alliance between the KMT and CCP against Japan which proves untenable. Internal weakness in China lays the foundation for a successful Japanese attack.	Run-up to WWII in Europe and Asia from German and Japanese aggression. USSR breaks with CCP and Mao over ideological conflicts and competition; US begins to support both Mao and Chiang to deter an impending Japanese invasion of China. The Great Depression continues in the US. New Deal is launched.
1937	Second Sino-Japanese War begins when Japanese invade China with Marco Polo Bridge incident in Beijing; often considered the beginning of WWII in Asia. Japan easily prevails, takes Beijing, Shanghai. Moves on to take capital where Massacre of Nanjing occurs.	Hitler consolidates power in Germany and oppression of Jewish populations increases. Mussolini consolidates Fascist power in Italy. Franco in power in Spain.
1938-1943	Japanese occupy China while Civil War rages on between Chiang (KMT) and Mao (CCP). CCP consolidates power in Northern China and Red Army fights fierce battles against Japanese forces. Chiang's beleaguered forces further weakened by corruption and weakness within KMT. KMT starts to lose support of US who suspect Chiang is not engaging Japanese in order to save his forces to fight the CCP.	War rages on throughout Europe, Africa, Middle East, and Asia.

Date	China	International Community
1944-1945	Japan defeated by US. Japanese forces withdraw from China. Chiang and Mao vie for power in new phase of Chinese Civil War.	War ends in Europe with surrender of Germany following defeat on Eastern and Western fronts. War ends in Asia with US atomic bomb attacks on Hiroshima and Nagasaki.
1945-1948	KMT does well at first against CCP. Mao rallies rural areas. Floods and famines in 1947 erode support for KMT, especially in cities where Chiang is blamed for poverty, corruption, and incompetence. CCP begins to prevail, consolidating power throughout northern and central China.	India and Pakistan win independence from Britain. Independence movements sweep through colonies of defeated and victorious powers alike throughout the world. Israel formed. Korea divided.
1949	Chiang and KMT retreat to Taiwan to establish the Republic of China (ROC) on the island with US support. Chiang vows to continue struggle to recover Mainland from Communists. People's Republic of China (PRC) established under leadership of Mao Zedong. Doctrine of Maoism prevails as a hybrid of Marxism, a celebration of peasant life, and perpetual revolutionary struggle. China devastated by war, bankrupt, and fragmented. Mao establishes CCP government structure, begins social and economic reforms with goal of modernizing China.	More independence movements throughout former colonies. Cold War intensifies. USSR provides support for China in an uneasy Mao-Stalin alliance undermined by conflicting ideologies and competition. US Marshall Plan rebuilding Europe.

Date	China	International Community
1950-1957	Mao supports Communists in North Korea against UN and US forces; views stalemate and armistice in 1953 as a victory for Communism. Mao determined to wipe out all influences of old society; thousands imprisoned and/or killed for having ties to KMT or being seen as "elites." Socialization of agriculture: private estates seized, peasants organized into tightly controlled government-run cooperatives. CCP extends control over art and culture; consolidates power in media and judicial systems. Mao's "One Hundred Flowers" movement briefly encourages dissent and diversity of opinion, allows criticism of CCP. PRC takes formal control of Tibet, a formerly autonomous region.	Korean War ends in stalemate and original division of country at 38th parallel remains: North Korea becomes Communist ally of China; South Korea comes under protection of US and West. Cold War produces race to align former colonies with US or USSR throughout Asia, Africa, Middle East. Stalin dies and is replaced by Khrushchev. US and others recognize Taiwan as the "real China," over the PRC; Taiwan (ROC) takes Chinese seat on United Nations Security Council. PRC shells Taiwanese military during training exercises and is condemned by USSR for provoking war in the Taiwan Strait. Tensions grow between Mao and Khrushchev.
1958	CCP cracks down on dissent. Purge of "Rightists" from Party affects 1 million people (10% of the Party) who are imprisoned, sent to labor camps, or disappear. Mao consolidates power completely in the CCP and becomes a totalitarian dictator.	Cold War continues with Soviet expansion in to Eastern Europe. McCarthyism in the US includes refrain of "Who Lost China?" Brief skirmish between PRC and ROC in Taiwan Strait.

Date	China	International Community
1958-1963	Mao institutes The Great Leap Forward, a 15-year plan to rapidly industrialize China through giant upheaval of rural society. 900 million peasants pulled off farms, required to work around the clock, making steel from everyday objects. Those left in the agriculture sector required to engage in faulty farming innovations. PRC cracks down on protests in Tibet. Propaganda and further consolidation of power in central CCP; corruption and graft among Party officials. 40 million people die in the greatest man-made famine in history, resulting from disruption of agriculture. Steel produced is useless. Families and communities destroyed. CCP propaganda machine suppresses news of famine and crushes dissenters. Mao briefly steps down as Chairman of the CCP; recovery slowly begins as rigid economic policies are eased. Moderates briefly in control of CCP.	PRC officially splits from USSR over border disputes and direction of global communism. Soviet advisors leave China. PRC-USSR relationship becomes hostile. China isolated from the international community during upheavals and suffering of Great Leap Forward. Independence for former colonies in Africa at its height. Fidel Castro takes control of Cuba. After the Bay of Pigs incident, he officially proclaims Cuba a Communist country. Berlin Wall constructed.
1963-1966	Mao returns to power preaching a doctrine encompassing propaganda, political education, indoctrination, and commitment to the cult of revolution.	US fighting in Vietnam. US President John F. Kennedy assassinated. Khrushchev ousted from power in USSR. Brief border conflict between China and India.

Date	China	International Community
1966-1969	Mao institutes Great Proletarian Cultural Revolution aimed at negating the influence of intellectuals and elites, and affirming the superiority of peasant values and continuous revolution. Purges in the Party; schools and universities closed; youth co-opted and urged to take the reins from Party elders and to spread the revolution throughout the country. Museums, cultural institutions, foreign-owned companies and embassies attacked. Urban youth sent to rural re-education camps. 1 million people imprisoned and/or killed by Red Guards; intense power struggles within Party; moderate voices crushed. Cult of Mao at height.	US in Vietnam amidst domestic protests of the war. Tet Offensive and My Lai Massacre. Cold War continues to intensify with further Soviet aggression in Eastern Europe. Western powers and US begin to look to Communist China as a potential ally against Communist USSR. 7-Day Arab-Israeli War expands Jewish territories. Dr. Martin Luther King, Jr. and Presidential Candidate Senator Robert F. Kennedy assassinated in US.
1970-1971	Cultural Revolution winds down; fanaticism begins to fade; Red Guards disbanded.	Anti-Vietnam War sentiment rising in US.
1972	PRC opens up to the world with the historic visit of US President Nixon.	US President Nixon's visit signals international rapprochement with PRC.
1974-1975	Mao steps back from everyday leadership of CCP; succession battle begins. Fight for the soul of the Party between moderates and radicals. Demonstrations against the Gang of Four (radicals including Mao's wife).	Watergate Scandal forces resignation of President Nixon. US defeated in Vietnam.
1976	Mao dies. Gang of Four arrested. Mao/ Revolution Era in which tens of millions of people were killed is officially over. PRC is impoverished and isolated from the world. Massive earthquake kills over 200,000.	Communist Khmer Rouge leader Pol Pot becomes dictator of Cambodia.

Date	China	International Community
1978-1979	Reform Era begins under leadership of Deng Xiaoping. Deng determined to open up China to outside world and to implement liberal market reforms. Establishes doctrine of Four Modernizations. Deng tries to heal wounds of the Revolution era, reaching out to youth whose lives were destroyed during the Cultural Revolution. Replaces rhetoric of continuous revolution with freedom, happiness, and democracy. Brief experiment with democracy begins and ends with Democracy Wall. CCP remains tightly in control and dissidents continue to be imprisoned. Democracy not a component of reform. Household Responsibility System replaces communes in rural areas; peasants encouraged to embrace market incentives; agriculture rebounds despite droughts. Population control becomes a concern and One Child Policy is instituted.	US and others withdraw formal diplomatic relations with Taiwan (ROC) and recognize Mainland China (PRC). PRC takes the Chinese seat on the United Nations Security Council. Egyptian leader Anwar Sadat and Israeli leader Menachim Begin sign historic peace accords at Camp David. Soviet invasion of Afghanistan. The Shah of Iran deposed by Islamic cleric Ayatollah Khomeini. US Hostage Crisis in Tehran.

Date	China	International Community
1980-1984	Market incentives extended throughout economy. Industry grows and is directed by the Party. Economic Development Plan creates Special Economic Zones (SEZs) where market capitalism is unleashed and foreign investment courted through the Open Door Policy. Investment in infrastructure: transportation, electricity, housing, education, communications. Growth spreads throughout Southern coastal regions, financed largely by Hong Kong and Taiwan. Gradually spreads to inland areas; more international investors enter the Chinese economy. Entrepreneurial spirit encouraged by the Party. Chinese consumerism rises; even rural populations see improved standards of living. New factories open every day. Migration of peasants from rural to urban areas for work in factories alters family structures and strains traditional values. Corruption spreads as Party officials' direct involvement with the growing business sector produces rampant conflicts of interest. Communism as an ideology diminished; culture begins to open to Western influences. CCP maintains rigid control of press and judicial systems. CCP tightens control over Semi-Autonomous Regions of Tibet and Xinjiang.	US and others boycott the 1980 Olympic Games in Moscow to protest the Soviet invasion of Afghanistan. Gorbachev's policies begin to liberalize the USSR. Information and Technology Revolution begins in developed nations. World begins to develop an appetite for low-cost Chinese manufactured goods. USSR mistakenly shoots down a South Korean airliner. Attacks on US marines stationed in Beirut, Lebanon.

Date	China	International Community
1984-1989	CCP Secretary for Tibet, Hu Jintao (future President of China) cracks down on political and religious activity in Tibet. Students coming of age without memories of the Mao's Revolution start to protest legitimacy of totalitarian state; get some traction when they are joined by workers in big cities. Party cracks down on students and professors, but split emerges within the CCP over how to deal with dissent amid modernization. Some softening of Party control over religion. Growing inequality of wealth between rural and urban areas and within cities. Unemployment and erosion of state-run welfare systems produces resentment. Former Premier Zhou Ziyang takes over reformist wing of CCP and division within Party deepens.	USSR boycotts 1980 Olympic Games held in Los Angeles. Historic meeting between US President Reagan and USSR President Gorbachev. Cold War winding down. USSR nuclear accident at Chernobyl.

Date	China	International Community
1989	Death of popular reform leader Hu Yaobang who had been ousted by the Party sparks student tributes and rallies where political demands are issued. Students gather in Tiananmen Square in Beijing to protest censorship and corruption. Students begin hunger strike. Zhou meets with protestors in the Square, making divisions in the Party apparent to protestors. Zhou ousted from party and arrested. Jiang Zemin succeeds him as likely successor to Deng. Deng declares Martial Law; PLA army troops enter the city and are blocked by civilians from entering the Square. Troops repel civilians; tanks enter the Square where an all-out battle ensues. An unknown number (hundreds) of protestors are killed and thousands arrested. Deng uses the incident to consolidate power once again and purge party of dissidents. Students are sent to "re-education" camps.	Outrage over Tiananmen Square leads to brief recall of foreign nationals living in China; foreign investment is curtailed briefly. Fall of the Berlin Wall. Beginning of the end of the USSR and Communism in Eastern Europe. Cold War winding down.

Date	China	International Community
1990- 1995	CCP emerges from Tiananmen Square incident determined to roll back any progress toward democratization or political reform of society. Party closes ranks and increases control mechanisms. Economic reforms expanded; foreign investors move back in. Deng's control of CCP ends, one of the last of CCP founders. Jiang Zemin becomes Chairman of CCP and President of PRC. China loses bid to host the 2000 Olympics over human rights abuses in Tibet and throughout the PRC. Henan Province blood sale scandal; HIV/AID epidemic takes off. Crackdowns on Tibet start with anti-Monastery campaign and end with destruction of many Buddhist temples.	World watches, expecting Tiananmen Square to expose fault lines within Chinese politics and society and signal the beginning of the end of Party domination. Those who believe democracy to be a natural product of economic liberalization are proven wrong as social/political reforms stall and are rolled back in China, even amid downfall of USSR and end of Communism in Eastern Europe. Military exercises in Taiwan Strait along with missile tests ramp up tensions. East and West Germany reunited. Persian Gulf War Boris Yeltsin democratically elected President of Russia. US President Bush and Russian President Yeltsin officially end the Cold War. US lifts trade sanctions on China.

Date	China	International Community
1996-1999	Floods in Eastern and Southern China kill hundreds of thousands and destroy millions of acres of crops. International aid is accepted by the CCP. Growing nationalism is sparked by mistaken bombing of Chinese embassy in Belgrade by American forces. Macao is returned to China. Falun Gong is outlawed as a threat to PRC stability. Two books celebrating Chinese nationalism become bestsellers in China: *China Can Say No* and *Behind the Demonization of China*. Chinese nationalism increases with strong anti-Western, anti-US, anti-Taiwan, and anti-Japanese features.	Hong Kong is returned to Chinese control after a century of affiliation with Britain. China spars with US over Most Favored Nation status over human rights concerns. PRC starts to release political prisoners. President Clinton ultimately disconnects issue of human rights from trade negotiations. Control of Sino-American relations is routed away from US Congressional control and consolidated in the US Executive Office. Tension in UN Security Council over the war in Bosnia. China does not support UN intervention in a sovereign state. Sino-America relations badly damaged when US forces accidentally bomb the Chinese embassy in Belgrade as part of the NATO effort against Serbia. Russia and China establish diplomatic ties. Shanghai Five (Russia, China, Kazakhstan, Kyrgystan, Tajikistan) meet to discuss border, security and trade concerns. Asian Financial Crisis cripples all countries in the region, except China. Southeast Asia severely impacted and gets little help from US or West. China comes to their aid.

Date	China	International Community
2000-2001	Nationalism further ignited by collision of Chinese fighter jet and American spy plane. China joins World Trade Organization. CCP cracks down on corruption. CCP uses the post 9-11 Global War on Terror (GWT) as a justification for cracking down on Islamic dissidents living in Muslim areas of China, particularly in the Xinjiang (Uigher) region. Falun Gong demonstrations in Beijing and elsewhere put down. China granted bid to host the 2008 Summer Olympics in Beijing.	US spy plane collides with Chinese fighter jet. PRC detains American crew temporarily. Chen Shui-bian from the opposition DPP elected President of Taiwan, ending KMT control of the Republic of China. Shanghai Cooperation Organization (SCO) formed from the Shanghai Five adds Uzbekistan and formalizes security, trade, investment agreements. Also addresses issue of ethnic minority separatist movements that affect their common borders. PRC and Taiwan hold separate military exercises simulating attack and defense of the island. US-NATO invasion of Afghanistan.
2002-2003	Hu Jintao becomes President of China and Chairman of the CCP. Wen Jibao becomes Premier. Fourth Generation now in power. SARS outbreak, handled badly by the CCP, eventually contained. China launches first manned spacecraft. Massive building campaign for the 2008 Olympics begins.	US President Bush makes an official state visit to China. India and PRC make historic agreement on Tibet where India refuses to indulge pro-Tibet independence protests in its country. US-led invasion of Iraq.
2004	China and Southeast Asian nations sign trade agreement.	Chen Shui-bian barely re-elected in Taiwan, signals Taiwanese desire to improve relations with PRC.

Date	China	International Community
2005	Jailed reformer Zhou dies and CCP censors all information and forbids memorial demonstrations. Anti-Japanese demonstrations in China over softened Japanese depictions of atrocities committed in WWII in textbooks and visits by Japanese Prime Minister to WWII shrine. Anti-Secession Law passed forbidding Taiwanese declaration of independence.	China and Russia hold joint military exercises. Indonesia and other in Southeast Asia recovering from December 2004 Tsunami. Western and Chinese aid pours in
2006	Completion of Three Gorges Dam, the world's largest hydroelectric power project that displaces millions of peasants. Announcement of new Economic Five Year Plan aimed at addressing rural poverty in China. China-Tibet railroad opens, further facilitating movement of Han Chinese to Tibet and opening region up to economic development. Seen by Tibetans as a way to dilute and ultimately extinguish their culture.	China-Africa Summit attended by 48 African nations and symbolizing growing economic influence of China on continent. China now has oil and development concession throughout the continent, including in rogue states such as Congo, Angola, Sudan, and Zimbabwe.
2007	Chinese missile test in space alarms Asian neighbors. New labor laws passed to address concerns of Chinese workers. Food and drug safety scandals, as well as toy recalls.	China-Japan rapprochement begins. China seen as obstructing UN Security Council efforts to address the conflict in Darfur and accused of violating arms embargoes to militia forces in Sudan.

Date	China	International Community
2008	Anti-China protests in Tibet are met with force by PLA. Olympic Torch relay meets with protest along its route from Athens to Beijing. China responds with counter-offensive and increase in nationalistic rhetoric. CCP announces it has uncovered and foiled a terrorist plot by Uighur/Muslim separatists to disrupt the Olympics. Earthquake in Sichuan Province kills tens of thousands and destroys whole villages. CCP is largely seen as responsive and is hailed for its open press policy about the disaster. Concerns are raised about construction standards in schools and other destroyed buildings. Protests by grieving parents against local CCP officials who were responsible for shoddy school construction are allowed for several weeks, then suppressed by police.	China sends peacekeeping forces to the United Nations/African Union effort in Darfur while China remains under fire for supporting the Sudanese government with whom the PRC has lucrative oil contracts. Ma Ying-jeou of KMT elected President of Taiwan following KMT landslide in parliamentary elections. Signals new era of rapprochement with PRC and maintenance of status quo in the Taiwan Strait. US and others breathe sigh of relief. Worldwide protests accompany Olympic Torch relay as human rights, Save Darfur, and pro-Tibetan groups attempt to send a message to the CCP in advance of the Games. Earthquake quiets protests amid expressions of sympathy for Chinese victims. International community sends funds and relief supplies to China.

A Primer on the Chinese Economy – The Rise and the Impact

> "Since 1979, the world has witnessed what happens when you unleash the entrepreneurial activity of more than one billion people, most of whom will work for the monetary equivalent of a Starbucks latte per day, and then combine this with the insatiable desire of foreign firms to tap this labor and also sell products to the world's biggest markets."
>
> (Joshua Kurlantzik, Charm Offensive)

Overview

The Chinese economy has undergone a rapid transformation since Deng Xiaoping undertook a series of reforms beginning in 1978 that were designed to roll back the socialist system cobbled together in the Revolution years. Over the course of thirty years, China's economic development has been astronomical: annual growth of Gross Domestic Product (GDP) in the double digits for three straight decades; 400 million people lifted out of poverty; literacy, life expectancy, and infant mortality rates brought up to that of the developed world. However, not all of these benefits have been shared equally. Although China ranks as the third largest economy in the world behind the United States and European Union in total GDP, with 1.3 billion people, it has 4x the population of the US and 3x the population of the EU. This means a GDP per capita that puts it in the company of poor nations (rank of 130 by the CIA World Fact Book). And, finally, the time-compressed development of the Chinese economy has wrought attendant damage on the natural environment, with serious global complications for generations to come.

History

For two thousand years, China long occupied a position at the top of the world economic ladder, largely due to its vigorous trade along the famous Silk Road. However, the Middle Kingdom's prosperity dropped precipitously during the century in which it was exploited by outside imperialist empires, weakened by internal warlords and corrupt government, and wracked by both civil war and WWII (1842-1949).

By 1950, the newly proclaimed Communist People's Republic of China (PRC) accounted for only a small fraction of global GDP. To make matters worse, the revolutionary Marxist policies of the Mao era that attempted to modernize China's largely peasant society resulted in negligible growth and widespread famine at a time in which the West was growing rapidly. The infamous Great Leap Forward and Cultural Revolution (see timeline), violently disrupted Chinese social, cultural, and economic systems without enhancing productivity, and isolated China from the rest of the world. By Mao's death in 1976, Socialist doctrines were largely discredited in the eyes of China's new generation of leaders. Upon taking power in 1978, Deng Xiaoping set the populous nation on a course toward modernization based on two key principles: the re-introduction of capitalist or free-market (profit) incentives in agriculture, industry, and

technology; and the opening up of China to global trade and investment.

First, giant state-run agriculture collectives from the Mao era were dismantled, and family farms restored. Under the "responsibility system," farmers were given the freedom to make decisions based on a profit motive, and productivity rapidly increased. As farms became more productive and efficient, workers were freed up to enter the industrial sector.

Industry in China in the 1970s bears little resemblance to what we know today. In 1978, the country had not yet gone through the Industrial Revolution the West experienced in the late 19th and early 20th centuries, and was badly in need of incentives, capital, innovation, and labor. The Chinese Communist Party (CCP) rapidly mobilized all four through the adoption of capitalist principles of ownership and production, creating a system that combined the competitiveness of the open market with government support and direction, and the courting of foreign investment. Not fully trusting either the "invisible hand" of the market, nor the influence of outsiders, the CCP remained very much the overseer in the early stages of the Chinese Industrial Revolution.

By the 1980s the Communist Party's mantra was, "to get rich is glorious." Special Economic Zones (SEZs) were established along the coast near British-controlled, and capitalist, Hong Kong. SEZs benefited from tax incentives, entrepreneurial local management, and unprecedented market freedoms directed toward rapid industrialization. By the mid 1980s nearly 20 SEZs had been established and were spread along China's Eastern coastline where they shipped their goods overseas. In the 1990s, this development began to spread inland and factories sprung up in provinces throughout the country, and foreign companies began to have more discretion and control over the manufacturing of consumer goods and electronics.

What is extraordinary about China's modernization is that, while most developed nations underwent the Industrial Revolution in the late 1800s and the Information and Technology Revolution in the late 1900s, China has tackled both concurrently. In short, what took the US and Europe close to a century to achieve, the Chinese largely accomplished in the course of 30 years. Of this feat, James Kynge has said, "the sheer scale and speed of the renaissance puts it in a class of its own (where) centuries of developmental time have coalesced into a concentrated vigor."

Today, China is a magnet for foreign cash, companies, and entrepreneurs who cannot resist the lure of its 1.3 billion workers and potential consumer base. By 2007, China's share of global GDP as reported by the International Monetary Fund was 15.8%, a three-fold increase in less than 30 years.

How Did They Do It?

Theories abound and there is a different list in every analysis. From a review of various experts on the Chinese economy, we'll try to reconstruct the ingredients of the uniquely potent recipe for this phenomenal and unprecedented industrial expansion:

- **The Embrace of Market Forces to Incentivize the Process**: With profit linked to productivity and efficiency, enormous incentives for entrepreneurial activity were unleashed as barriers were simultaneously removed.
- **People**: Many Chinese were motivated, not surprisingly, by the lure of better wages, especially from impoverished rural areas in a country with limited arable land for farming. People who were largely well-educated, healthy, and willing to uproot their lives for work mobilized; this created an inexhaustible labor supply wherever and whenever they were needed. Strict regulation of workers by the central government prevented the growth of independent labor unions, and tightly harnessed the labor pool to output quotas.
- **Foreign Investment of Capital and Transfer of Technology**: Direct Foreign Investment (FDI) in the form of partnerships or wholly-owned foreign companies brought global buyers and sellers from highly developed nations to China's door. Just as important as their dollars, euros, and yen were their advanced production technologies that allowed modern factories to be built practically overnight.
- **Government Facilitation and Subsidization of the Effort**: With the public/private sector lines blurred, the state has been able to enter and exit industries both formally and informally as needed. Everything from securing raw materials and markets, to moving

laborers, to controlling the flow of information and connections, to propping up weak links in the system, has allowed the CCP to accelerate progress in seen and unseen ways that are typically not tolerated in traditional Western liberal economies.

Although the Reform era has been characterized by a move away from a heavily state-directed economy and toward a private, free-market directed one, the influence of the state continues today and is pervasive throughout all sectors. This produces some efficiencies that truly free market economies do not enjoy; it also suppresses healthy checks and balances found in liberal market economies. Today, the Chinese state retains its most influence in the area of strategic resources like water, electricity, oil, steel, and coal. The state heavily regulates the price and production of these goods, which are crucial to social stability, rather than leaving their supply and demand up to fluctuation in global markets. As a result, the Chinese people enjoy artificially low prices for these basic services and goods.

- **High Levels of Savings and Investment**: Both individual and government savings in China are substantial and mean ample cash is available, unlike in economies like the United States where citizens and the government live beyond their means. This liquidity can be used to influence domestic development, as well as trade terms, and even the policies of foreign governments whose debt can be purchased with these funds.

These forces combined over a thirty year period (1978-2008) to create a nearly unstoppable force that can't really be called Capitalism or Socialism, is definitely not Communism, but retains features of Leninism. It is an anomaly in history: a largely free-market based force that is not democratic in nature, and makes no claim to be; a hybrid economy combining the best and worst of both state and private systems; a first world power economy in a developing world nation. However it has been labeled, it is a force to be reckoned with, and its success or failure impacts each of us in an era of ever-expanding globalization.

Because the Chinese economy is so complex, it defies easy dissection and categorization. The best framework we found to explain the different moving pieces is the one used by David Lampton in his book *The Three Faces of Chinese Power*. Lampton elegantly presents the Chinese economy in terms of the roles it plays in the global system: as buyer, seller, innovator, investor, and donor. Below we use this basic scaffolding to organize information gleaned from a wide variety of sources to show how China's economy affects the destinies of its own citizens and those of people around the world in a myriad of ways.

As a Buyer

With its 1.3 billion people and the voracious appetites and resource needs of both its population and its industries, China is potentially the world's largest market for exports from other countries (goods and services imported into China). China is a net importer of food and fuel, as well as other natural resources such as timber and iron ore, which it often gets from other developing nations. Lacking the capacity (currently) to produce advanced manufactured products such as aircraft, China is a large market for developed nations' wares as well. Add to this an appetite among new Chinese millionaires and billionaires for luxury goods and services produced in the West, and the economies of countries all along the development index are connected to the fortunes of Chinese people and companies. Nowhere else in the world is there a similar market, based on the sheer size and demand of the consumer base, and as a result, many corporations and public entities are eager to gain a foothold in the Chinese market.

It is as an energy buyer that China gets a great deal of attention, because of the nature of oil and gas exporting countries. China can get its grain from multiple sources at a range of prices; but there are only so many oil-producing countries and only so much (nonrenewable) oil in the world. This is a commodity that is central to attaining the kind of Western lifestyle many Chinese aspire to: cars that run on oil, food/alcohol products that are energy-intensive to produce, high-rise buildings that are inefficient to heat, to name a few. Which suppliers the Chinese procure this energy from makes a big difference, not only economically in terms of global gas prices, but also geopolitically. China's oil purchasing power has been used in ways that many believe are harmful to international norms when it courts suppliers such as Iran, Nigeria, Angola, and Sudan. The contention is that this not only props up unsavory regimes, it exacerbates extreme poverty and inequality within

these nations, since oil revenues do not typically reach the impoverished masses in these countries. The Chinese have argued otherwise; they contend that they have little choice of who to solicit for their oil needs. Other, often equally unsavory, sources are tied up by Western powers who got there first. Further, China's purchasing power and the scale of their needs buy them political friends as well as oil. These friends often return the favor in weapons purchases and in votes against China's enemies (Taiwan, in particular) in the United Nations General Assembly.

As a Seller

As Lampton notes, this is the role that gets the most attention as China is alternately celebrated and reviled as the world's factory floor – as a supplier/exporter of everything from shoes and clothes, to cell phones and pharmaceuticals, to steel and cement. Its unique recipe described above allows it to produce all of these things at substantial discounts over similar goods produced in other countries. Often, this is devastating for domestic industries in other nations (from African countries' textiles to Italian artisan products to German steel). Others simply cannot compete with China's extraordinary efficiency and resulting low price; and the power to drive competitors out of the marketplace is a significant one that can be wielded for a variety of purposes. The United States has a giant imbalance of trade with China, but they're in good company – nearly every nation does.

This competitive advantage, however, has hidden costs for China and the world at large. Consider the following:

- **Low wages for the Chinese laborer** perpetuate his dispensability and prevent his upward mobility. This thwarts poverty eradication efforts for the welfare of families throughout the country. It will ultimately create the need for more government spending to help people meet basic needs, and encourages the continuous migration of labor, which disrupts families and societies and puts communities at risk.
- **Poor health, safety, and environmental standards and regulations in Chinese factories** result in preventable accidents, illnesses, and premature deaths, as well as catastrophic levels of pollution. The injured and sick will have to be cared for and their care factored into rising health care costs. Workers' lost productivity will take its toll on the economy, and pollution will take its toll on the productivity of the natural environment as well.
- **Piracy and counterfeiting** produces knock-off or inferior consumer goods and ineffective pharmaceuticals, toxic baby formula and unsafe auto parts. This results in not only endangering the health and safety of unwitting consumers around the world, but also stifles innovation as intellectual property laws are flouted. Costs will be paid out in illness, death, and liability expenses; as well as in a dearth of new Research and Development (R&D) efforts and inventions.
- **Undervalued currency** makes Chinese exports cheaper in the short term. This actually forestalls and ultimately intensifies the downgrading of Chinese economic strength once the yuan is ultimately valued correctly against other currencies. The Chinese economy will have to account someday for the 15%-40% undervaluation, as the international community increases pressure on China to adopt a floating currency standard.
- **Subsidies and corruption** help make otherwise expensive products cheap to produce. This is government money that has to be made up in tax revenue. The corruption diminishes faith in Chinese business and government, a valuable commodity in and of itself.
- **Valuable natural resources are used inefficiently and wasted**. Because people and companies in China enjoy state-managed, artificially low prices on commodities such as oil, gas, and water, they are often inefficiently used. This waste further depletes global sources of non-renewable resources, disrupts global pricing, and opens up further opportunities for corruption.

Seen through these lenses, as it is by numerous experts, the Chinese economy can be said to contain a range of expensive deferred maintenance costs. Some costs are not recoverable; others will take their toll on future generations, from health care and environmental clean-up to lost goodwill and spiking long-term prices. It is interesting to note that some believe, were these hidden costs to be factored into China's GDP, China's impressive double-digit annual growth might actually become negative. Many believe it is time to develop more intelligent statistics to

capture growth in the context of collateral damage and deferred costs.

It bears remembering, though, as Chinese suppliers are reviled for "not playing by the rules," consumers globally would seem complicit. Much of the pollution in China is pollution that has effectively been outsourced from developed nations along with the industries that produce it. Low-priced Chinese manufactured goods allow for a healthy retail mark-up that benefits the stores outside China that sell them. The average American consumers also save a considerable amount of money when they buy these goods, and many are able to afford electronics and other products they would not otherwise be able to purchase at all. China's role in the world as a low-cost supplier, the good and the bad, is a role the world confers freely on the Chinese.

Finally, it must be noted that some of the perceived benefits accruing to China as a supplier are often overstated. In many instances, only one stage of a product's development takes place in a Chinese factory; and the profits are largely retained by the foreign company that owns the patents, designs, and overall production process.

As an Innovator

In the process of manufacturing goods based on Western designs provided by their FDI partners, many Chinese companies apply their considerable engineering talent to develop derivative value of others' inventions: finding new ways to make products more cheaply and use them differently. This is applied in both legal (selling close knock-offs under similar Chinese brand names) and illegal (counterfeit name-brand pharmaceuticals and pirated DVDs) ways, and both figure significantly in the Chinese economy. China's legal innovation in making laptops, cell phones, and digital cameras more cheaply, either in partnership with a foreign company or on their own, has made these products affordable to the world.

However, there is a significant downside to this reverse-engineering of Western goods. Chinese innovation comes at a considerable price to other nations, in the form of brand degradation, lost revenues, damaged incentives for R&D, and money and energy spent fighting intellectual property infringement. When the products are poorly copied or intentionally downgraded or contaminated, the costs affect foreign consumers and companies in health care costs, liability, and potentially, loss of life. Economist James Kynge has written that the loss to foreign companies in 2004 as a result of intellectual property theft actually exceeded the total flow of FDI into China that year. He estimates that US, European, and Japanese companies lost a total of $60 billion that year through piracy; China only received $56 billion in foreign investment.

Recently, China's role as an innovator has been growing in the area of medical research. In November 2007, *Time Magazine* published a story describing the allure of cheap Chinese clinical trials for drug R&D. The Chinese education system puts a high value on scientific and technological knowledge, and there is no dearth of qualified researchers who have the capacity, and the supply of willing patients, to run clinical drug trials for up to one tenth of the cost of US-based trials. Different from the counterfeiting described above, these trials are conducted at the behest of multinational brand-name pharmaceutical firms who are under increasing pressure to develop new drugs as lucrative patents expire and aging baby boomer populations demand new medications to offset the vagaries of aging. Ironically, these companies lose giant sums of money each year to Chinese counterfeiters, but return to China to get clinical trials done quickly and cheaply on new drugs to replace lost revenue on old ones.

Chinese firms have also played a valuable role as innovators in the area of stem-cell research. Unbound by ethical and moral constraints imposed on human embryonic stem-cell research in the United States and some other countries, Chinese scientists may come up with the cures for Parkinson's, Alzheimer's, or other diseases in which stem cell therapies are suspected to be effective. This adds to the irony between the deleterious health effects of some kinds of Chinese innovation (unsafe food and drugs) and the notion that the future of medicine may lie in the PRC.

As an Investor

China is also steadily increasing its own foreign investments, to over 100 other countries so far. Its considerable savings rate allows Chinese investors to become shareholders in blue chip Western companies; buyers of US Treasury Bonds; partners in African oil companies, mine concessions, and transportation projects. Chinese investors are also sending their FDI to factories throughout Southeast Asia

where it sometimes makes financial sense to outsource the production of some components of Chinese products, not unlike Western companies' designs on China.

Again, this economic role confers a considerable amount of power on China. When China holds a substantial portion of US debt (in treasury bonds) and thus keeps US interest rates low (and US citizens spending), it gives the Chinese an important lever on American policies and behavior.

With respect to their investment in the developing world, China's strategy has been described by many as neo-mercantilistic. They first pry open the door of emerging markets containing lucrative natural resources (Sudanese oil, Zambian copper, Congolese coltan) with investments in infrastructure, such as transportation, pipelines, hospitals, schools. They are then able to negotiate deals on the natural resources, often locking up reserves that would otherwise be on the world market at (usually much higher) prices. They have also been accused of "dumping" cheap Chinese manufactured goods on nascent textile markets in other countries, effectively destroying indigenous industries. This is not a new economic behavior, however, and history illustrates that mercantilistic colonialism was practiced by the British on American, and later African, colonies, and has been copied by industrial powers ever since. This paradigm is directly linked to much of the underdevelopment and uneven development that plagues Africa today. African countries are perpetually at the whim of the needs of more developed nations, and are relegated to providing raw materials and unable to grow local industries. In addition, the resulting failure to diversify their own economies makes them more susceptible to the internal corruption that often accompanies the extraction of valuable minerals.

In some cases, investment is not done in the name of resource extraction, but in strategic transportation. As America's Navy patrols the key shipping lanes and chokepoints for Middle Eastern oil to China and much of the world, the Chinese have begun to look west across their Central Asian neighbors' land masses and ports as an alternative way to move oil. The giant construction project underway in the Port of Gwadar in Pakistan is such a strategic investment, as is China's purchase of the company currently controlling the Panama Canal.

These projects and connections in Africa, Central Asia, and Latin America do not just benefit the Chinese, however. Regardless of the intentions of the Chinese, infrastructure is being built where it otherwise would not be, and quickly and cheaply by Chinese laborers working for Chinese companies. See the External Players section for a more thorough discussion of what this means for sustainable economic development and good governance in these countries, as well as in Latin America.

One footnote is worth considering on the future strength of Chinese investment potential. One of the reasons why individual savings rates are so high is that the health and welfare safety net of the Communist era has largely been eroded. Many people save money because they do not have health insurance or pensions and cannot count on the government to provide for their care should they become unable to work. At some point in the future, people may begin to draw on their savings to provide for themselves, which will decrease the amount of money in Chinese banks available to use for foreign investment. How this will affect overall Chinese investment around the world remains to be seen. However, most feel that the amount of foreign currency reserves China holds from debtor governments will keep this investment pool healthy for years to come.

As a Donor

China gives a considerable amount of foreign development and humanitarian assistance, soft loans, and in-kind gifts to poorer nations. Though this generosity is often in their economic and political self-interest, the same is also true of many other donor countries around the world. As they have become wealthier, the Chinese have left the ranks of assistance recipients and joined the global community of donors who "give" in accordance with their strategic interests around the world. While, Chinese aid does much good around the world, China's support for unsavory regimes such as Sudan, North Korea, Burma, and Zimbabwe receives considerable treatment in the Western press. However, Western aid for similarly unsavory regimes such as Saudi Arabia, Egypt, and Colombia bears a striking resemblance. This kind of power is considerable; the geopolitical world order is impacted when rogue nations are sustained artificially even though internal weaknesses would otherwise lead to collapse.

The Underground Economy

China, like other nations, has a considerable underground economy comprised of illicit activities that can be quite lucrative. Manufacturers of counterfeit or pirated consumer goods here are distinguishable from their illegal counterparts in their intent to recklessly deceive. This sector includes companies and individuals who sell purposefully ineffective or even toxic products under brand names, not just generic products or knock-off items with a knock-off name. These include flu shots that are actually saline or even something harmful; fake replicas of cholesterol-lowering drugs, sleeping pills, Viagra, and cancer medication; even machine parts made of dangerously inferior materials. These goods make their way into the supply chains of unwitting distributors and consumers who think they are ordering from legitimate pharmacies on the Internet.

The underground economy is also fueled by openly illegal activities such as narcotics production and sales. Prostitution and sex slave/child labor trafficking are similarly lucrative in a populous country struggling to deal with enormous migration and dislocation of families. Again, this underground economy is not unique to China – all nations have organized crime. It's just amplified by the sheer size of everything in China. And, because the workings of the Communist Party at the central and local level are largely hidden from view, corruption among state officials aids and abets.

The Balance Sheet

In all of these economic roles (buyer, seller, innovator, investor, donor), China has been inexorably integrated into the globalized market economy. Most nations profit considerably from China's rise. In 2001, China joined the World Trade Organization. Many hope it is in this forum where China (and all industrialized nations) may have the potential to address the by-products of free-market capitalism, including unfair business practices, wealth gaps between different sectors of the population, corruption, and degradation of the global commons.

Although China's rapid rise and sheer size have intensified the downsides of industrial capitalism, these are issues all industrial nations face. How do you provide a basic minimum standard of living for all people as wealth grows disparately? How do you temper the rapacious self-interest that creates this wealth in the first place so that the rising tide truly can lift all boats? How do you protect traditional values and families in an era of rapid mobility? How do you protect the natural inputs for growth to ensure sustainability on an increasingly fragile planet? How can you balance short-term and long-term appetites and needs? These questions are not unique to China, but common to all nations that have experienced rapid industrialization and the accompanying cultural, economic, and political changes.

There are those who would like to punish China for its rapid rise. Critics point out the tendency to ignore international trade rules and norms, and mobilize its tremendous size advantage in a cut-throat way. Some lobby for erecting protectionist trade barriers and/or shaming the Communist Party internationally for its way of dealing with market failures. But this presents an enormous bind: the world benefits from China's rise in numerous ways, and their downfall would be everyone's downfall. Many economists predict that if the Chinese were to halt or limit their role as investor, innovator, buyer, seller, or donor, the world would unquestionably be impacted in the form of higher prices, higher interest rates, potential recession, and in the view of many, erosion of quality of life.

The conundrum has become determining how China can be engaged in solving global economic ills by establishing rules and norms accepted by all. In addition, competitor countries who are being left behind will have to consider how education, re-training of workers whose jobs have been outsourced, and increased savings and investment can improve their position globally. Many critics argue that China should not be allowed a free pass for the various ills produced by their rapid modernization, but history shows us that their path is not entirely unique. Most of their failings and crimes have been perpetrated by other nations as well, at other times in history, during their industrial ascent. Regardless, the Chinese economy is here to stay: a market of 1.3 billion consumers; a factory of 1.3 billion producers; a major destination for foreign currency permanently woven into the economic well-being of the world.

This primer on China's economy does not address perhaps the greatest inherent contradiction of its unique system – that despite ever-increasing economic and social

freedoms, the Chinese people do not enjoy significant political freedoms. The liberalization of the economy has not extended to the political sphere. China remains under the control of a one-party, authoritarian government. The people who help power this economic force, for the most part, do not elect their officials; they do not take part in policy decisions; they do not enjoy complete freedom of expression or association.

The question on everyone's mind, and one that we will not attempt to answer here (an entire industry exists to ponder this anomaly) is this: is China's economic miracle sustainable without the evolution of representative government and expansion of individual freedoms? Will the people continue to put up with the bargain of economic prosperity in return for compromised individual liberties? No one knows if the Communist Party can maintain its legitimacy forever or what its motivations are in this realm. As International Relations expert Ian Bremer has said, the CCP currently "uses its open economy to finance its closed political system." It counts on continuous economic growth to forestall protest of its governing policies, which, in turn, puts enormous pressure on the Party to maintain double-digit growth. That such an unprecedented rise cannot likely continue forever presents a dilemma for China's rulers.

Projections indicate that growth should not slow any time soon, if no forcing events intervene. The CCP is very aware, however, that both the demise of the Chinese Empire in 1911 and the fall of Nationalist China in 1949 were accelerated by economic hardship. At the very least, it should be acknowledged, as the Center for Strategic and International Studies writes, "The political system that existed in 1978 when annual income per capita was $200 had to adapt to manage the $1700 per capita Chinese economy of today. The $10,000 per capita China of tomorrow will likewise require dramatically different governance."

China: The Players

Key Internal Players

The Chinese Communist Party
The Legal System
Media
Civil Society
Urban Populations
Rural Populations
Ethnic Minorities: Xinjiang and Tibet
The Demographic Conundrum
The Natural Environment

Key External Players

The US
Taiwan
Japan
Southeast Asia/ASEAN
EU
India
Russia and Central Asia
The Korean Peninsula
Resource Quest: The Middle East, Africa, Latin America
Burma

The Chinese Communist Party (The CCP)

History

The Communist Chinese Party (CCP) was founded in 1921 by Mao Zedong, who adapted the principles of Karl Marx and the experience in Russia to conditions particular to China. Mao had come of age during the "first revolution" in China in 1912, an era in which the Nationalist (KMT) party unseated the three-thousand year rule of the Qing Dynasty and formed the Republic of China under the leadership of Sun Yat-sen. Mao quickly became disillusioned with the weakness and corruption of the KMT as well as the pervasive power of feudal war lords throughout the country. In 1927, he began his famous travels through rural areas where he witnessed the abysmal plight of the large peasant population, and began to formulate a uniquely Chinese brand of Communism that became characterized by an emphasis on the power of the peasants and the need for continuous revolution to achieve a just society.

By the 1930s, the CCP was engaged in civil war with Sun Yat-sen's successor Chiang Kai-shek and the Nationalists for control of the ever-weakening country. After a defeat by KMT forces in 1934, Mao and his army embarked on what became known as The Long March, regrouping to the interior mountains and consolidating their strength. When the Japanese invaded and occupied Nationalist-led China in 1937, the civil war between Chiang Kai-shek and Mao was again in full-swing. The civil war simmered along throughout World War II as both sides fought each other and the Japanese. When the US ended World War II in the Pacific in 1945, fighting between the CCP and KMT intensified until Mao's forces defeated Chiang's Nationalist army, sending them into exile in Taiwan. The Communist People's Republic of China (PRC) was formally established in 1949 with Mao as Chairman of the CCP and leader of the nation.

Communist Party Structure

Ever since its founding, all aspects of life in the PRC have been directed, in some way, by the Communist Party. The CCP controls all government functions on the local and national level through its vast network of 73 million carefully selected Party Members and local Party organizations. It is an authoritarian, hierarchical system with power consolidated in the selected Leader (currently Hu Jintao who was preceded by Jiang Zemin, Deng Xiaoping, and Mao) who serves as President of China, Secretary General of the CCP, and Chair of the Central Military Committee. The Leader is selected by and rules along with the Politburo, in particular the nine members of the Standing Committee of the Politburo (PBSC). There is a People's Party Congress comprised of nearly 3000 members, although their power is largely symbolic and they meet only once every five years. The military wing of the party is the People's Liberation Army (PLA). All government officials are subject to fixed terms, term limits, and age ceilings.

The CCP controls all aspects of the government in China. There are no other political parties outside the CCP; all government officials must be members of the CCP; and all officials of the Provincial and Central wings of the Party

are appointed. There is no voting by the people, with the exception of recently introduced village-level elections where selected Party Members compete for low positions. There is no independent Judiciary; all judges are chosen by and accountable to Party members. The Party apparatus makes all local, national, and foreign policy, and few external checks and balances exist.

CCP members are formally groomed, selected, and trained from childhood. The Party controls all education, what and how students study. Officials in the schools scout for talent, aptitude, and high levels of indoctrination into Party ideology, and people are chosen and sent to Party Schools throughout China for further education to continue the sorting process. On the whole, the system generally functions as a meritocracy. Confucian traditions about hierarchy and the belief that a society as large and complex as China must be ruled scientifically combine to produce what has been described by David Shaumbaugh and others as a "meritocratic technocracy." Most high-level Party officials come from a science and engineering background. The average citizen can neither join the party, nor expect to rise within it.

The reality of the CCP on the ground often looks significantly different than the CCP on paper and in official statements. In this one-party state where decision-making is secret and no civil society watchdogs exist, not surprisingly, corruption is rampant. Party members often acquire and secure their jobs through connections. Local officials are viewed as especially vulnerable to corruption by local interests, largely as a result of the central government's inability to keep tabs on everything in such a vast country. Individuals opposed to or harmed by Party policies have little recourse because Party control reaches into the courts and the press.

In her book, *Fragile Superpower*, Sinologist Susan Shirk examines how the Party exerts control over its citizenry, and has coined the term the "control cartel" to describe the most powerful departments of the government under the central leadership of the CCP. This includes the Organization Department which directs appointments, and the Propaganda Department (also called the Publicity Department) which controls all media and culture through monitoring and censorship. Other key bodies include the Ministries of State Security and Public Security, including the police who have the power to detain, imprison, and sentence individuals without formally charging them in the courts. The People's Liberation Army is the standing army of China and the military wing of the Party; and members are chosen based on their talents and aptitudes as observed by Party scouts. The People's Armed Police is a paramilitary organization designed for use in anti-protest, anti-riot matters. Laws and policies liberally defining "State Secrets" are used with wide discretion to justify many of the actions of the CCP in regulating the activities of Chinese citizens.

As in domestic matters, the Party tightly controls all aspects of foreign relations. A former US diplomat to China, Shirk reports first hand how foreign policy is handled by the Party's Foreign Ministry, except with respect to matters involving the United States, Japan, or Taiwan. These are considered highly sensitive and are routed to the Standing Committee of the Politburo. The Propaganda (Publicity) Department is also on high alert around information concerning these three countries, and all media is brought into line with Party policies and positions.

Reforms

The most significant reform undertaken by the CCP since the Mao era has been in the advance towards a free market economy. The CCP has essentially abandoned the true idea of Communism, while retaining the hierarchical structure of the CCP and totalitarian rule. Whereas state ministries used to control all steps of production – sourcing, labor, pricing, distribution – now the free market does most of that through private enterprise, much of it foreign-owned. The only exceptions are those commodities the government considers essential to social stability – oil, electricity, water. These are still heavily regulated and their prices subsidized by the government to prevent social unrest caused by price fluctuations. In taking steps to liberalize the economy, the CCP, beginning with Deng Xiaoping, has created a unique hybrid with no precedent in history: a modern, totalitarian, flourishing, liberal economic giant. The result is a successful world power that allows many economic, but few social and no political freedoms for its population.

Many feel that the CCP has made a bargain with the people of China to keep the economic development machine humming to produce prosperity for the country, in return for the people's absence from politics. Social freedoms

have been granted as they have been deemed necessary to contribute to prosperity. As Ian Bremer points out, the "iron triangle" of residence permits, secret personnel files, and work units has been loosened somewhat to allow for the critical mobility of industrial labor. However, the state still does maintain control over many aspects of people's daily lives, and this control is seen as a lack of personal freedoms by the West and thus as violations of human rights.

Human Rights

One of the most universally accepted and core documents delineating human rights in the world today is the Universal Declaration of Human Rights (UDHR). The UDHR, in "recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family [that] is the foundation of freedom, justice and peace in the world", consists of 30 articles that illustrate a number of rights that should be guaranteed to all human beings. Subsequent UN documents further categorize these rights as civil and political rights, and social, cultural, and economic rights. Specifically, these human rights include the ability to write, speak, consume the opinions of others, criticize the government, gather and associate, practice religion freely, and pursue family life without interference from the state, among others.

Observing and extracting information on human rights in China is an industry in and of itself, and detailed accounts can be gleaned from multiple resources on the topic. Here is a summary of some of the general freedoms that Chinese citizens do not enjoy:

- **The flow of information is controlled by the Propaganda Department**. The news industry is regulated and content censored. With the advent of the Internet and the introduction of a small sector of commercially-owned news outlets, this censorship has become more difficult. Nevertheless, the Party has invested in technology and manpower to continue to monitor and control what can be said and heard. See Media section for more on this.
- **The right to gather and associate in groups is restricted**. All non-state entities such as churches, NGOs, and civil groups must be registered with the state and are subject to regulation. Organizations are routinely banned.
- **Individuals do not enjoy freedom from arbitrary searches and arrests, or from torture or imprisonment**. Civilians are often under government surveillance and monitoring without their knowledge. Dissidents are routinely arrested, held without charges, tortured, and/or imprisoned in "re-education centers."
- **Citizens enjoy few property rights, and land seizures are commonplace**. Millions of people have been and continue to be dislocated by public works projects (the controversial Three Gorges Dam is a prime example) and in the modernization of China's cities. This is starting to change, however, as it becomes apparent to the CCP that ownership is a pre-requisite of a capitalist economy.
- **Freedom of movement around and in and out of the country is controlled by the government**. Migrant laborers and the homeless are routinely transported out of view; foreign visitors and Chinese nationals traveling abroad must complete elaborate visa and travel permit applications.
- **Families are still restricted to having only one child throughout much of China as part of a population-control effort.** Party monitors travel the country looking for violators who are then fined, or, in extreme cases, forced to have abortions.

With the exception of the family planning laws, all of these restrictions aim primarily to curb any criticism of the government that might interfere with social stability, economic growth, and/or the mandate of the CCP to govern. The position of the CCP on these matters in the face of considerable international criticism is best summed up by East Asian specialist James Seymour:

> The Chinese government's attitude on human rights is based on at least two premises. First, it insists that because nation states are sovereign entities, outside interference in domestic issues such as human rights is generally impermissible. Second, although token homage is paid to the idea of transcendent human rights principles, paramount are economic (subsistence) rights to which political rights are secondary.

Add to this the enormous value placed on stability, and the CCP's position is that the means justify the ends. With much of the country's millions still living below the poverty line, and considering the violent and chaotic nature of

Chinese history up to the 1970s, many believe the majority of the population agrees with the CCP on this. The bargain generally holds as lower classes of peasants and migrant laborers are isolated and immersed in subsistence activities; and the middle class has been largely co-opted by the prosperity such stability makes possible.

The Crossroads: Tiananmen Square and the Fall of the Soviet Union

This bargain looked seriously untenable in the wake of student protests in Tiananmen Square in 1989 and during the fall of Communism in the Soviet Union and Eastern Europe in the early 1990s. An examination of what led to the Tiananmen Square riots, and how the government dealt with the protest and with the discrediting of other Communist Totalitarian states is instructive in understanding why this bargain continues to hold today.

In the spring of 1989, several factors combined to unleash a wave of anger and protest against the CCP. Inflation and other economic pressures created by market failures had quietly begun to erode the faith of university students in the government. In addition, the supply of jobs for highly educated citizens had not kept pace with demand and, under the police state, there had been no avenue for discontent to be expressed. Corruption was becoming more rampant, and the rising tide was not lifting all boats. When CCP reform leader Hu Yaobong died suddenly, hope for reforms seemed diminished, and the spark in the tinder box was lit.

Beginning in April of 1989, millions of students poured into Beijing and 132 other Chinese cities to mourn Yaobong, and to protest the CCP governing mandate. Mass riots turned to hunger strikes. A high-level official and long-serving Premier named Zhao Ziyang who had a reputation as an economic reformer split with Deng Xioaping and others in the Party as to what should be done. Zhao went to Tiananmen Square to try to negotiate with the students, and was summarily fired and arrested. As the Party elite remained dangerously divided, Deng and other hardliners like Jiang Zemin called in PLA troops to quell the demonstration. Martial law was declared. Ordinary people from all walks of life poured out onto the streets and attempted to block the movement of the army tanks. Not wanting to fire on civilians, PLA leadership balked and a letter of protest was sent to Deng and the PBSC.

The Party ranks were eventually closed and the hardliners prevailed. On June 4, 1989 tanks rolled into Tiananmen Square in Beijing and into other cities. Some estimate that thousands of innocent civilians were killed that day; thousands more were arrested, although accurate numbers are still unknown. Recently declassified documents quoted by Susan Shirk reveal Deng saying on that day, "Of all China's problems, the one that trumps everything is the need for stability. We have to jump on anything that might bring instability…and we can't care what foreigners say." See Key Foundation Documents for more government speeches given at this time.

One month later, the Berlin Wall fell, followed by the Soviet Union and the Communist republics of Eastern Europe. The world watched and waited to see if Tiananmen Square was the beginning of a similar end for Communist rule in China. This point was not lost on the CCP elite, who are assiduous students of world history and political science. The Chinese government undertook an extensive evaluation of what had gone wrong for their Communist counterparts as well as an intensive self-study of how they had gotten to the breaking point of Tiananmen Square. Numerous Sinologists and Sovietologists in China and in the West have written about what the CCP found in this elaborate audit, and the measures they put in place to shore up their mandate. Below is a compilation of main ideas taken from various experts on how the CCP resolved to prevent future large-scale demonstrations of social unrest:

- **Achieve unity within the ruling elite**: Most believe that the situation was gravely exacerbated by the impression given to the protestors by Zhou that the government was not speaking with one voice. Addressing this meant improving Party practices from the recruitment, indoctrination, and mid-career training of officials, to the way leadership succession was handled within Party hierarchy.
- **Make it difficult for protest to spread from person to person and to the public at large**: This would come to include repressive measures aimed at preventing people from communicating via the press, Internet, and even cell phones. It would lead to a zero tolerance policy for unsanctioned civil gatherings, as practitioners of the religion Falun Gong would

come to find out. It meant increased surveillance and monitoring of civilians and civil society groups, jailing of potential dissident leaders as well as threatening and/or harassing their families. New laws were passed expanding what constituted a "State Secret" and how violators could be treated. Even the release of statistics about the well-being of the population or economy became a political crime. The petition system designed to vent some democratic frustration was reigned in.

- **Address the corruption issues that lay at the heart of the protests**: Party elites determined to crack down publicly on corrupt local Party officials and to improve intra-party discipline through greater use of the Central Inspection Commission that was given new mandates to punish and expel dishonest officials.
- Introduce some safety valve mechanisms in the form of limited democratic reforms: The CCP began to allow more transparency within the Party over the appointment system. More offices at the local level became democratically-elected positions where citizens were allowed to vote for different members of the Party.
- **Rebuild legitimacy under what Roderick McFarquar has called a "competency mandate"**: If they didn't already know it, the Party learned that continued economic prosperity was critical to the bargain they had made with the population to keep the growth coming in return for lack of popular political activism.
- **When in doubt, use outside threats as a distraction**: Anti-Taiwanese, anti-American, and anti-Japanese sentiment have been used in the years since Tiananmen Square to intensify Chinese nationalism and deflect attention from the CCP's failings. However, there have been times when the government has come close to losing control of the virulent xenophobia they helped ignite as the 2005 anti-Japanese riots proved.
- **Use force to contain any protests that do erupt and deter others**: Efforts were made to mitigate the PLA's resistance to firing on civilians by expanding paramilitary anti-riot units, and using demonstrative force immediately in response to even small protests. Officials realized that securing the capital of Beijing was of particular importance in stopping the momentum of protest throughout the country.

Many experts believe that the events of 1989 provided the opportunity for a productive "catharsis" within the Party as its official control of the PRC reached the age of 40 years. Like the technocrats they are, CCP elites studied the portents for their own demise and took the lessons to heart. Far from opening up a closed society, the Party managed to vent some accumulated tension and set upon a course that has lasted them another 18 years and looks likely to continue.

As for the protestors involved in the riots, and the people who supported them, their fates have been mixed. Some are still jailed, others have been released and considered rehabilitated by the CCP. Many live in limbo, under surveillance by the CCP and occasionally re-arrested. Many dissidents fled the country and can now be found writing and leading Chinese democracy activism efforts from think tanks, universities, and NGOs in the West.

The Legal System in China

History

For thousands of years, the Chinese legal system was based on Confucian ideology that emphasized ethics and relationships between the people and their leaders. Disputes were settled through relationship-based methods such as mediation. The court system was undeveloped and rarely used. When Communism was introduced as the prevailing ideology after 1949, a Marxist-Leninist overlay was constructed that built on traditional adherence to Confucian-based conflict mediation. It was not until the economic reforms of 1978 that a true institutional legal system was introduced, mostly to deal with the demands of the growing economy. As Western businesses moved in to China, they began to demand some of the same protections they enjoyed back home, namely a way of seeking redress from the predatory actions of the state or other individuals and entities. As the CCP scrambled after 1978 to train lawyers and codify laws, it was business law that took precedence over laws pertaining to civil liberties and individual freedoms. Despite an enormous growth in the legal industry (The Center for Strategic and International Studies reports that there are 120,000 certified lawyers, 12,000 law firms, and 300 law schools, compared with 2000 lawyers and 2 law schools in 1979) the system is today still grossly lacking in its neutrality, capacity, and mandate.

The Chinese Legal System Today

It is important to note that, by design, China does not technically have an independent judiciary or a legal system that operates outside the influence of the ruling Chinese Communist Party. This is an important distinction between China and Western democracies in which the court system is a critical component of the checks and balances placed on the other branches of government. In fact, China's lack of an independent judicial system exacerbates all the other fault lines running through the totalitarian state: there simply is no effective recourse available to individuals whose interests are harmed by the excesses of CCP officials, laws, and institutions. Think of the scope and scale of what is addressed in the United States everyday through civil and criminal litigation – redress from unfair laws and business practices, compensation for injury, fraud, and lax environmental regulation, assignment of liability, justice for victims of public and private malfeasance, marital and custody disputes, protection of private physical and intellectual property. Some would argue ours is an overly litigious society. However, the average individual seeking a forum in which to officially air grievances and pursue some form of justice in China has a difficult time.

Most importantly, the system lacks neutrality. The CCP approves all court appointments, and judges are technically responsible to the Party, not to the people. From the Basic, Intermediate, Higher Level People's Court, and Supreme People's Court, the CCP hand is evident. The CCP's Political and Legal Committee has the power to intervene in deliberations, and even to overturn verdicts issued. In addition, the infrastructure lacks capacity; for example, there is one lawyer per 10,000 people in China (the United

States ratio is one lawyer per 550 people). And finally, in many Western democracies, the ultimate arbiter of a law's constitutionality is the court system. In China, this function becomes muddled and the CCP apparatus often rules on the interpretation of its own laws.

Civil and Commercial Law

Most tangible reform in China's legal system has taken place in the area of civil litigation (disputes that are between individuals, between individuals and corporations, or between the state and corporations). These primarily concern business disputes associated with China's rapid economic modernization, in which people seek protection and redress from a wide array of abuses committed in the pursuit of economic competitive advantage: patent infringement, business transactions that are not honored, individuals who have been displaced by private and state-directed construction, labor disputes, to name a few. Since 1978, prompted by the need to provide a safe environment for foreign capital, the CCP has increasingly codified business laws and seeks to train its lawyers and judges to deal effectively and efficiently with the growing civil and commercial caseload. With the current system skewed toward resolving business-business and state-business disputes, the individual plaintiff is often at a significant disadvantage. For this reason, Donald C. Clarke, a Chinese law specialist, has said, "The courts are not necessarily where you would go to seek justice in China."

Alternatives

Other avenues open to individuals who feel they have complaints against the state include the petition system, mediation, and protests – none of these terribly effective either. The petition system auspiciously provides an avenue by which individuals can lodge complaints about treatment they have received from the government, other individuals, or private companies. Remember in China, the hand of the state is involved everywhere, visibly and invisibly, even when disputes seem to involve private companies. There are few private companies that do not have some form of government subsidization and/or regulation. When petitions filed reached a high of 13.7 million in 2004, new laws were passed making the process much more difficult. Studies have revealed that, currently, less than 0.2% of all petitions get any response. A survey of 1200 petitioners in Beijing quoted by the US-based Council on Foreign Relations found that 71% of petitioners experienced retaliation or intimidation upon filing their complaints; and only 5% reported that the authorities took them seriously. In 2008, BBC reporter John Simpson filed a retrospective on the 1989 Tiananmen Square incident that included a visit to the State Petition Office to investigate how seriously the government was taking individual complaints nearly 20 years later. He was denied access to the office and witnessed petitioners who tried to speak with him beaten and detained. It is symbolic that one of the major Petition Offices in Beijing has been razed in construction surrounding the 2008 Olympic Games.

Other alternatives to the court system include mediation, which has been described as only somewhat effective, and for which there is not adequate capacity to process all disputes. Some turn to protests, mainly in rural areas where they get local attention, are disbanded, and their complaints never communicated to high-level decision-makers. And finally, an important alternative to litigation (one that is used to powerful advantage elsewhere) is severely lacking in China: free media. Many scandals and disputes are settled in other countries simply because they find their way to the newspaper or other public outlets. Perpetrators are shamed and agreements are negotiated. Without recourse to a free press (see Media section), the Chinese are denied access to a key avenue for airing grievances.

Criminal Law

The most important distinction between how the Chinese and many other countries deal with criminal defendants is in how they perceive presumption of guilt. In the West, criminal suspects are presumed innocent until proven guilty, and generally cannot be arrested and charged without sufficient evidence of wrongdoing. When a suspect does go to trial, it is the duty of the prosecution to prove their guilt beyond a reasonable doubt. Abuses exist within these systems, but the underpinnings favor the individual defendant against the state until guilt is proven.

In China, suspects are assumed guilty by the system, and must be proven innocent. This is a critical distinction; suspects face incredible hurdles in proving their innocence, and the Chinese National Bar Association reports that 70%

of defendants go to trial without a lawyer. It is thus no surprise that, in China, there exists a 99% conviction rate for criminal defendants. The Appeals System similarly favors the prosecution. The China Statistical Yearbook (CSY) 2003 reports that of the nearly 130,000 cases accepted for appeal in 2002, only 4% were resolved, and, of these, only 0.5% of the verdicts were overturned. Punishments for convicted criminals is harsh and includes the death penalty which can be given for 68 offenses, two-thirds of which are nonviolent crimes such as bigamy, internet-hacking, cyber-crimes, stealing gas, and tax evasion. (The State of China Atlas, 2005).

The Extra-Legal System

The discussions above only pertain to those civil and criminal defendants who make it into the formal system or who are given the freedom to pursue alternatives. Much of Chinese justice for criminal and civil matters is meted out extra-judiciously, at the hands of the police and/or local officials. Although preventive laws and measures are being slowly adopted, it is not unusual for a Chinese suspect to be arrested and routed past the legal system, directly to what have been called "re-education centers," which are, in effect, labor camps with an indoctrinistic flair. Many of these are dissidents who have criticized the CCP or violated any of the state security laws surrounding the media. In these cases, very often, even the defendant's families can be punished and come under indefinite surveillance by CCP officials.

Future Reforms

Freedom from unreasonable search, seizure, torture and detention, as well as the right to a fair trial are major demands placed on China by the human rights community worldwide (see CCP section for a more thorough discussion of human rights). China has responded with what some deem progressive measures in the past few years in the form of The Second Five-Year Reform Program for the People's Courts begun in 2004 with its "50 Goal Agenda." These include new laws limiting pre-trial or extra-legal detention; laws that add torture, official abuse, and retaliation to the list of prosecutable offenses; and efforts to bring down use of the death penalty. Part of this effort was spurred on by pressure from the International Olympic Committee when it granted China the 2008 Games.

The CCP aims to build the legal infrastructure of the country and has embarked on this in their technocratic manner of studying the laws of other countries and carefully codifying their "Chinese adaptations." However, many of the abuses occur at the hands of local and provincial officials among whom corruption is rampant and over whom the central CCP is able to exercise little control. When central party elites have been able to detect abuses and arrest responsible officials, the press is used to showcase progress for their own people and to outside critics. The very public execution of a corrupt Food Safety regulator last year is an example of this.

Regardless, most agree that without adequate transparency within the Party, or within the legal system in which Party officials wield a heavy hand, reform will be difficult. While the CCP has promised that there will be movement on both laws and procedures, skeptics predict that the situation on the ground may not change much. In articles about how Beijing is preparing to thwart protests at the Olympics, the Western press is currently full of stories about the arrest of suspected dissidents in China, as well as the arrest and detainment of lawyers who defend them.

As in other areas, reform in the legal system has often served only a safety valve function; more cases processed, more complaints heard, yet the outcomes remain largely unchanged. Whether these small steps forward ultimately add up to momentum remains to be seen, but many believe that an expanding legal system could bring about true democratic progress in the PRC. For now though, there are many who believe that such small ventings in the system actually serve to strengthen the totalitarian state. As John Thornton has pointed out, "the question is whether the CCP can succeed in building a fair and independent judicial system while maintaining control at the very top."

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Media in the PRC

As the Council on Foreign Relations has reported, the Chinese Constitution provides freedom of speech and the press to all citizens, but effectively negates this with a very important qualifier: "Chinese citizens must defend the security, honor, and interests of the motherland." Many experts have written about how the CCP censors the media (TV, radio, print, and Internet) as well as restricts the free speech of individuals through one primary mechanism, the "State Secret." Under Chinese laws and norms, almost anything can be defined as a "State Secret," and becomes subject to the protocols of the security apparatus, or the Central Propaganda Department of the CCP (known in English to be the Central Publicity Department). Human Rights in China, a research and advocacy organization, describes the "State Secret" system as serving two functions: as a "shield classifying a broad range of information and keeping it from public view," and as a "sword used as a means to crack down on individuals who are critical of the government." Many studies and reviews of Central Propaganda Department (CPD) procedures exist and are worth reading. For the purposes of this briefing, we will broadly outline what is "off-limits," how the censorship occurs, and what the effect has been.

From a review of Human Rights in China's Report State Secrets: China's Legal Labyrinth, and a multitude of articles about China's censorship efforts, three types of subjects generally emerge as targets for treatment by the CPD. First, there are specific subjects prohibited for discussion such as criticism of government policies or leaders, democracy, political reform, protests, human rights, Tiananmen Square, corruption, or Falun Gong. There are also "forbidden subjects of inquiry," including "data and statistics about natural disasters, epidemics, and other negative social phenomena that, once released, are not beneficial to the mind or human society." There are some sensitive subjects that may be covered (or that the Party wants covered for Propaganda purposes), but only as they exist within the Party line, and their treatment in the media is subject to review. Those subjects include, but aren't limited to, Taiwan, Tibet, Japan, or the United States, and the CPD works with the State Council Information Office on these to ensure strict enforcement.

When we step back to consider it, this is an astounding accomplishment in a country of this size in the information age. It is possible, however, because nearly all media is state-owned, and those that do compete in the commercial marketplace are heavily state-influenced. For the print, radio, and news outlets, a memo arrives regularly from the CPD with a list of prohibited topics and stories. Thousands of workers employed by the CCP are responsible for reviewing all media for violations and reporting the perpetrators, and e-mails and cell phones may be monitored. The penalties for noncompliance are harsh and range from fines, to suspension of licensing, to imprisonment and the closing of the outlet by CCP officials. Fear of the repercussions creates an environment of self-censorship practiced by many Chinese journalists, as few are

willing to risk their careers, livelihoods, and even lives by disobeying the CPD guidelines.

Though most believe the figure to be grossly underestimated, China reports officially that there are 210 million Internet users. Internet censorship generally is a tricky and challenging prospect. The same guidelines apply, however, and traditional print, TV, and radio outlets that also maintain websites are held accountable in the same manner. Individuals who maintain websites and informal blogs are an entirely different problem. Chinese President Hu Jintao said as the Internet age expanded, "Whether we can cope with the Internet is a matter that affects the development of socialist culture, the security of information, and the stability of the state." It seems that up to this point, the CCP has generally managed to cope.

James Fallows of the *Atlantic Monthly* and the staff of *Wired Magazine* have both written extensively on what has become known as the "Great Firewall" or the "Golden Shield," an astoundingly complex and effective technological marvel that attempts to extend censorship to online discussions. With much of the technology provided by Cisco Systems and other American companies, and supplemented by somewhere between 30,000 and 50,000 human internet monitors (or "nannies") employed by the CCP, there is much that can be done to limit access to information falling under CPD restrictions. Some of these techniques for monitoring information include: blocking sites, altering content, blocking keywords used in searches, installing taps in personal computers that will report violations back to a central mainframe computer, and mirroring devices that regularly sweep all activity and generate a report that is transmitted to monitors. As was extensively reported in the Western mainstream media, even search engines such as Google and Yahoo agreed, at one point, to tweak their algorithms to accommodate Chinese censors.

As James Fallows reports, what makes this process so successful is its unpredictable nature. In Arab countries with extensive Internet monitoring, if you type in a word that is forbidden, you will receive a message telling you that you are seeking information unsuitable to the Islamic society and you have been blocked. In China, the tactics are always changing: sometimes your search will go through, sometimes your computer will time-out after a few minutes of reading, sometimes it will crash, sometimes you will be mysteriously redirected. Sometimes, the whole process just suddenly becomes prohibitively slow and you really don't know if it is your computer, or the monitoring hands at work. Fallows makes the apt conclusion that one of the primary strengths of this elaborate system is that what it can't technologically block, it can make such a hassle to access that it is no longer worth the effort for the user.

Additionally, as with the traditional media, people tend to self-censor what they publish and attempt to read on the Internet. The stiff fines and threat of detainment work to deter noncompliance. Sometimes it is as easy as having the CCP police symbol pop up regularly on the screen. Of course, tech savvy people can and do get around the censors. Proxy servers and elaborate mechanisms for linking to Western news sources aid and abet the determined user. By and large, however, the censors are remarkably effective. As James Mann has astutely observed, "the Internet has carried China from an old era of clueless authoritarianism to new era of aware authoritarianism."

In the end, the effectiveness of censorship is really buttressed by the lack of options people have to do anything with the information which evades the Firewall. Other restrictions on freedom of association are so pervasive, organizing web users into a group of protestors for a demonstration remains difficult, unless they seek to organize for a purpose the government endorses. In 2005, in the wake of extreme anti-Japanese nationalism awakened by a variety of factors (see Japan section), an online petition was circulated in China and later reached the international community protesting the granting of a seat to Japan on the United Nations Security Council. Of the 46 million signatures obtained in a matter of days, the majority were from Chinese web users. So clearly the potential power is something the CCP is aware of, which explains the extensive battery of controls they've set up for cyberspace. Most people, however, don't believe that they will be able to keep up with the combination of improving technology and human determination. A more likely scenario is that the CCP will increasingly be forced to conduct damage control; when a story containing "state secrets" circulates, the Propaganda Department will acknowledge the story by releasing their own version of it for publication.

This held true during the SARS epidemic in 2002. The outbreak occurred in November and December of 2002

and was classified as top-secret. Emails and text blasts began to circulate by February, forcing the government to issue its own report. Yet the CCP continued to withhold information and force traditional media to do the same. It was not until April, after the World Health Organization had issued its report in March, that the government revealed the extent of the outbreak. The stories released by the CPD did eventually reveal the numbers of patients, but blame was assigned to a handful of local officials in the provinces who were publicly shamed, tried, and subsequently penalized. The CPD handled the deadly snowstorms of 2007 similarly, and was heavily scrutinized in the international press for doing so.

Reforms in 2008

In 2007, the Committee to Protect Journalists named China the Number One jailer of journalists in the world for the ninth consecutive year (followed distantly by Cuba and Eritrea). Also in 2007, Reporters Without Borders reported that 180 foreign reporters had been arrested, attacked, or threatened; and that 32 journalists had been arrested along with 50+ cyber-dissidents, earning China a ranking of 163 out of 168 on a worldwide index of press freedom.

2008 has brought two watershed events in the arena of press freedoms. First, the massive earthquake that killed nearly 70,000 (and still counting) was reported by the CPD-authorized media in a surprisingly quick and transparent way, marking a departure from earlier natural disasters and earning the Chinese press acclaim worldwide for their honesty in reporting the scale of the tragedy. However, censors were not idle. As the immediate shock of the event wore off and people began to place blame for the horrific scale of the devastation, the CPD cracked down on questions and commentary about building standards of schools and buildings that were demolished. Although the Western media reported on the corruption and lack of effective regulation that produced the shoddy buildings, the CPD placed restrictions on discussion of CCP liability or criticism of policies surrounding construction standards or emergency response efforts.

Second, in response to international criticism in advance of the Olympics, and in an effort to make good on promises made to the International Olympic Committee (IOC) when Beijing won the Games, a new press law has been put into effect. This temporary law exempts the estimated 30,000 foreign journalists expected to descend on Beijing from the requirement to obtain official permission for interviews and travel outside the capital in their coverage of the Olympics from January 7, 2007 through October 17, 2008. This loosening of controls applies only to foreign journalists, not to their Chinese assistants, nor to the Chinese press. There have already been reports of threats and reprisals against Chinese reporters who remain under heavy surveillance and are often the subject of government harassment.

Unintended Consequences of Media Censorship: Nationalism

China expert Susan Shirk and others have noted that the CPD's tight control over media expression has created a particular dangerous side effect. Because the only stories that get through often have as their intent the stoking of Chinese nationalism, the nationalistic furor of the population has been indulged. Like in any other media market, scandals and outrages sell, so even outside the state-owned media, the population is fed a constant diet of anti-American, anti-Japanese, and anti-Taiwanese stories. In the absence of any moderating voices, this nationalism can quickly grow to outrage. The Chinese people have then reported back nationalistic attitudes in government polling, and the cycle repeats. Xenophobic and pro-China media tends to have a large impact on the way people think, and to date, most agree that this nationalism has served the state's interests. Shirk calls this phenomena the "echo chamber of nationalism."

As CCP officials attempt to assure the international community that their intentions in the world are peaceful and productive, this nationalism can often hamstring these efforts. The people demand hard-line statements, and have been known to protest any position taken by the CCP that is perceived as weak or deferential to certain outside powers. This can naturally limit the range of options available to policymakers to deal with events in the international realm. The irony is not lost on many policy experts, and is a potentially dangerous one, particularly when nuclear powers are concerned. So, there are those who believe that the CCP has fallen victim to its own propaganda in a dangerous feedback loop between the CPD, the press, and the people. Recent anti-American and anti-French protests

following the tortured journey of the Olympic Torch demonstrate that nationalism continues to be a huge factor. Without widespread access to alternative views, a few vocal nationalists can impact the public through media and, to some degree, foreign policy as well.

One final potentially damaging side effect of censorship in China mentioned by many experts is that, in its efforts to limit information, the CPD may well limit Chinese progress. Knowledge and information are valuable commodities in today's economy; and many believe a society that does not value the efficient transfer of such commodities among its own citizens and with the outside world may be inviting obsolescence.

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Civil Society

Civil Society is generally comprised of the umbrella of organizations and associations – social, religious, issue-oriented, charitable – individuals can voluntarily join to further their interests, make connections with others, and improve society. In China, the state controls these entities largely to ensure that their appeal does not diminish party loyalty.

Religion

Officially, China is an atheist state. However, freedom to practice religion is tolerated to a degree. Religious groups must register with the state and are then subject to regulations. Those unwilling to submit to government regulation have formed house churches, and these have often been the targets of CCP harassment and intimidation when they grow in size. The CCP has been known to look the other way for smaller gatherings. Chinese sources put the number of practicing Taoists at 250 million, Buddhists at 100 million (concentrated in and around the Semiautonomous Region of Tibet), and Muslims at 20 million (concentrated primarily of the Uighur population in and around the Semiautonomous Region of Xinjiang). Reports on the number of citizens practicing a Protestant religion vary widely between the Western and Chinese-reported statistics. While Chinese sources account for 18 million Protestants, Western sources put that figure at 60 million. Both put the number of Catholics at between 12 and 15 million. The CCP requires that Catholics in China swear an oath of allegiance to the Chinese state over allegiance to the Pope. Folk religions based on animism and ancestor worship also exist. The tenets of Confucianism, once the fundamental philosophy of the Chinese Empire, are still widely practiced alongside other religions and as a part of the Communist platform today. Despite government attempts at regulation, 31% of Chinese 16 or older have reported that they consider themselves religious, four times the official estimate ten years ago (*National Geographic Magazine*, May 2008).

An example of the CCP's limit for tolerance of religion can be found in the widely-publicized Falun Gong protests of the 1990s. A blend of various Eastern religions, Falun Gong has come under intense scrutiny by the CCP and has been officially labeled a cult and outlawed. There are a myriad of different opinions as to why the CCP has singled out Falun Gong, but most believe it has to do with the charisma of its leaders and the secrecy of its members; although secrecy itself is a result of decades of attacks and fear of attacks on practitioners by the CCP. Whatever the reason, the CCP sees adherents' loyalty to Falun Gong to be incompatible with and even threatening to Communist teachings and loyalty. Any gatherings detected by CCP officials are forcibly disbanded by security forces.

When Falun Gong practitioners carried out a series of peaceful sit-ins in Tiananmen Square in 1999, the CCP and PLA scrambled to disband them. Each time protestors were disbanded, they persistently reappeared. A decade after the student riots in Tiananmen Square, this weeks-long phenomenon appeared to some to be a crack in the façade of

the CCP, and there were those who wondered if this was the beginning of the end of Party control. However, the protests were eventually stopped, and the Propaganda Department still today goes to great lengths to censor any mention of Falun Gong in the media. Internet monitors are put on high alert for any activity that appears to be online organizing of the movement.

Experts generally expect to see a continued rise in religious activity as people try to fill the ideological void left by the discrediting of true Marxist-Leninist Communism. Much has been written about the effects of Chinese spiritual confusion and sense of dislocation as traditional family structures break down and society experiences the full weight of rapid growth. Both Peter Hessler and Rob Gifford, noted journalist-observers of Chinese society who have spent time interviewing Chinese citizens throughout the country, report on this considerable sense of being set adrift. Both cite the advent of talk radio as a new form of religion and family all rolled into one; call-in advice and talk shows are enormously popular among young adults, especially those who have migrated to the cities. They offer a blend of spirituality, comfort, practical advice and self-help rhetoric similar to Western self-help media and resources.

Non-Governmental Organizations

Non-Governmental Organizations or NGOs consist of the array of organized civil society groups that serve a variety of functions: research, education, advocacy, activism, provision of services. In China, NGOs are regulated and monitored by the CCP: they must register with the Ministry of Civil Affairs and have a CCP sponsor. Currently there are close to 30,000 registered NGOs and some suspect up to 3 million unregistered NGOs of some form.

Sinologist Namju Lee has said that NGOs in China often serve as a bridge between the state and society, and function to fill "holes in the disintegrating social welfare safety net." Unlike protest movements, NGO efforts to encourage the CCP to reform have been moderately effective in arenas where their activities do not threaten the legitimacy of the government. This has been especially true in the area of environmental protection, where numerous groups have, through research and activism, helped to mitigate environmental damage and aid victims displaced by environmental degradation.

The health of the NGO sector is often an indicator of the democratic health of a country. There are many that hope an expansive movement can be nurtured from the range of NGOs working in China to become an agent of change, even beyond the environmental movement. NGOs and individuals operating outside the state apparatus were able to mobilize a tremendous relief, rescue and recovery efforts following the earthquake in Sichuan province in May 2008. Reporting for National Public Radio, Rob Gifford surmised that such groups were able to take advantage of the Party's distraction with the disaster and the impending Olympics to make important inroads that they hope will endure. He said that volunteers of NGOs (even some religious-based charities) were given unprecedented latitude to help the government effort, and, as a result, "tasted empowerment and the freedom to organize." Gifford joins many experts in wondering if this can effectively now be taken away by the CCP.

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Urban Populations

China is home to a large number of mega-cities (defined as having over 1 million residents); and urban dwellers in China make up an estimated 40% of the total population of 1.3 billion. This percentage is growing everyday, and is a relatively new phenomenon for China, which was a mostly rural country upon the proclamation of the People's Republic of China in 1949. China's urbanization happened rapidly and on an enormous scale, as if centuries of history were compressed in time. Cities began to spring up overnight, first along the southeastern coast and then spreading throughout the coast and finally, inland. Spurred by China's rapid industrialization, people migrated in unprecedented numbers to take advantage of higher wages in factories and the service sector that grew in cities.

China today is still trying to address the many challenges posed by the fast pace of urbanization – from squalor and overpopulation in the cities, to dislocation of millions of migrant workers, to the effects on those left behind in the countryside. One of the most problematic consequences of the industrialization and urbanization of the last half century has been the creation of vast inequities of wealth between rural and urban China, and between the different classes living in the cities. An indicator of such wealth gaps is the "Gini coefficient," used by the World Bank and others to measure a country's income disparities. Currently China's Gini coefficient is close to 47 (on a scale of 1-100 where a score of 1 means complete equality and 100 means the least equality – most countries fall within a range from about 25 to 60). Compare this to India with a Gini score of 37, Colombia with a score of 59, and the United States with a score of 41.

The Urban Upper Class

In China, it has been estimated that 1% of the population holds a full 40% of the country's wealth, and most of these elites live in China's cities. Beyond CCP officials who are considered to be at the top rung of society's ladder for their influence and wealth, the most privileged are entrepreneurs, developers, and business owners who have driven the economic boom of the last thirty years. New Internationalist magazine reports that China currently has 345,000 millionaires and 108 billionaires. As in any country, some of this wealth is gained through hard work and an entrepreneurial spirit, and some by corruption and exploitation of loopholes in China's chaotic economy. Most in the wealthiest percentile have some connections to the CCP and to the massive flow of foreign investment in China's industries.

The Urban Middle Class

In response to global surveys, 50% of China's citizens report themselves to be middle class, although experts estimate this segment to be more in the range of 25% or around 300 million, using a definition of middle class as being in an income range sufficient to purchase both an apartment and a car, what Jonathan Unger has called the "sine qua non of middle class prosperity in China". The urban middle class in China is primarily engaged

in the business, professional or service sector. These are the factory and hotel managers, small business owners, professors, government administrators, merchants, lawyers, researchers, financial sector employees, real-estate agents, and telecommunications and technology workers. Their standard of living is very much tied to the explosion of activity in the cities, and they directly benefit from CCP policies. Often they are also closely tied to foreign investment ventures and are members of the CCP. The CCP has recently begun to accept more entrepreneurs and business people into its ranks.

Most Sinologists pay close attention to this critical middle class when watching for signs that people are tiring of Party rule. Historically, in other countries, the middle classes have been an agent of political change; as more people claim a stake in the system that governs them, they eventually agitate for increased social and political freedoms. But in China, this agitation has largely been absent throughout much of the Reform era. The urban middle class, rather than joining together to form organizations to challenge the CCP totalitarian state, has stayed out of politics, focusing instead on business opportunities and enjoying an increasingly Western lifestyle. The CCP is very aware of the potential power of this growing sector of society (well-educated, with close ties to the West, and knowledge of modern democracies), and pursues a strategy of co-opting them in China's growing prosperity. The bargain is implicit and explicit: the CCP will keep the economy humming, and, in return, the beneficiaries will stay out of politics. And, for most of the urban middle class, this works.

Signs of fissure, however, became apparent in a small segment of the middle class population in Shanghai in January 2007. As *The New York Times*' Howard French reported, a group of young men and women became incensed upon discovering (quite belatedly, thanks to CCP censors) that plans to extend a Shanghai rail line would destroy their neighborhood. In largely spontaneous fashion, a protest movement grew that ultimately forced the government to put construction plans on hold, although protestors continue to be routinely harassed and threatened as the decision-making has been postponed. This built on a similar protest movement along a different spot on the train's proposed route the previous year and on a movement by citizens of Xiamen to prevent the construction of a chemical plant in their neighborhood. All have been successful in achieving at least a temporary hold on the projects. Experts disagree as to whether these pockets of protest activity will have a positive or negative impact on the government's willingness to open up infrastructure designs to civilian input. Some see a snowball effect in the making, with protests building in momentum. Other see these as warning signals that won't be ignored by the CCP, and that will prompt harsher crackdowns in the future.

There is another component, a demographic one, to the middle class acceptance of the status quo of the Chinese government. Were true representative democracy (one man, one vote) introduced in China, the privileges the middle class currently enjoys might erode as this population would be vastly outnumbered by the rural peasantry. Most agree that generally, at this point, the middle classes' interests are, more or less, being met by the current CCP leadership and policies, and that the middle classes generally see CCP leaders as intelligent technocrats who have made their way to power in a meritocracy.

This class includes university students, who were once a threat to the CCP back in 1989. Today, it is acknowledged that they, too, hope to translate their education into material wealth, and that this, not hopes for expanded democracy, drives their academic pursuits. Students studying overseas are returning to China in unprecedented numbers, not to agitate for reform, but to take advantage of the favorable economic climate. There are certainly many exceptions to this phenomenon of student support for the CCP, and many wonder what will happen as Chinese society becomes more Westernized in the coming years. The young adult middle class could remain satisfied with their largely open, prosperous lifestyles and keep their end of the bargain not to interfere with governance. Or, they could again turn on the state, especially if jobs for advanced degree graduates do not keep pace with supply. In general, China experts agree that there are no signs the bargain between the CCP and the middle class is eroding, and predict it won't over the next decade as long as economic growth continues.

The Urban Lower Classes

Ensuring that double-digit economic growth continues for the upper and middle class often translates into policies and practices that exploit those lower down on the economic

ladder. The lower classes of urban society are the industrial laborers, construction workers, and members of the service sector, such as janitors, maids, and food industry workers. Here is where you begin to really see the wealth gap in China. Many of these workers are migrant laborers who leave their homes in rural areas, and usually one, sometimes two, parents who must leave children behind in the care of grandparents. Typically, these workers only return home one or two times per year. As revealed in the PBS documentary *China From the Inside*, it is estimated that at any given time, 150 million Chinese migrant workers are on the move, a cause of giant cultural as well as socioeconomic upheaval. Moreover, China expert Elizabeth Economy has reported that this trend is only expected to continue as China plans to relocate 400 million people from rural to urban areas between 2000 and 2030.

For these workers, wages are low, working conditions are harsh, hours are long, safety regulations are not enforced, and health care is too expensive for most to afford. Workers often live in large, basic dormitories with no privacy and little time for recreation. Producers of the documentary *China Blue* reported on many of these abuses in their spotlight on the blue jeans industry in China, finding laborers working 13-hour days for as little as 35 cents an hour, some of which had to be paid to corrupt Party bosses in return for work and residence permits. Recent scandals have surfaced in the Western press about the discovery of child labor employed in factories throughout China's cities. Children as young as 12, kidnapped and trafficked from rural areas, have been kept in slave-like conditions, working up to 300 hours per month. The Chinese press finally did report this story, and the CCP responded with sweeps of up to 3000 factories and the very public rescue of children by the PLA.

Some laborers live permanently in the cities with their families in similarly poor conditions. Multiple generations often live in cramped, sub-standard housing. Food is expensive, electricity and clean water frequently unavailable. Pollution sickens the young and old alike, and without health insurance, medical care is out of reach. The preparations for the Olympics in 2008 have displaced many lower class families living in cities like Beijing as housing is destroyed to make room for luxury hotels and sports venues. Poor factory conditions violate many of China's own codified labor laws, but enforcement is uneven. To the factory owners, the laborers are largely dispensable; independent trade unions are illegal in China, and there is little point to protesting working conditions when there are millions in line to take your job. As more and more migrants make their way from rural areas, there is a labor surplus in China's cities that is exploited by Party and business elite alike. These workers are the victims of the market failures of capitalism, and there is much discussion among CCP elites and think tanks about how to provide a minimum standard of living for these populations while still maintaining what Peter Navarro has called "The China Price" which drives the economic machine.

Sinologists frequently observe class behaviors for signs of evolving protest against the CCP. While the urban lower classes may certainly have reason to protest, they are most often too isolated and consumed with work to organize. For the average urban worker, it is not only their personal livelihood that is at the mercy of the booming industrial economy that often exploits them, but also their families who are affected. Remittances from migrant laborers back home to families living in rural China often provide the only source of household income there. This has also been a hot topic of discussion in Western media outlets as well, as foreign journalists begin to examine what is behind the scenes of the construction boom in advance of the Olympics.

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Rural Populations

Rural populations make up approximately 60% of China's 1.3 billion people, and generally earn an average of 30% less than their urban counterparts. The estimated 750 million peasants who continue to farm the land are among its most impoverished. China, with 20% of the world's population, sits on only about 7% of the world's arable land, and suffers from a widespread lack of water. Thus farming is difficult, and becomes increasingly so as the pace of environmental degradation rises. *National Geographic Magazine* estimates that since 1949, China has lost 20% of its arable land to desertification caused by environmental degradation: overfarming, overgrazing, and deforestation. Nearly one million acres of grassland disappear every year in northern China. Peasant farmers, once the strength of the country under Mao, are now often barely managing a subsistence farming existence. As China's food needs grow, the ability to produce food for the population declines, despite innovations in farming techniques.

China's enormous pollution problem extends beyond the urban smog. In fact, rural populations often suffer more from the environmental damage in China today. Chemical plants and overuse of the fertilizers they produce pollute groundwater and rivers, making drinking water unsafe for large percentages of China's rural populations. Coal-fired plants, widely acknowledged to be the worst perpetrators of carbon dioxide emissions, sicken entire towns and villages. Coal miners, another sector of China's large rural population, suffer sickness, injuries, and death in numbers dwarfing those in any other country. Last year, the Chinese State Administration of Work Safety reported that China produced 35% of the world's coal and suffered 80% of reported global mining accidents. Many more accidents go unreported due to media censoring; and, when they are reported, public reaction looks nothing like the outrage that accompanies news of mining accidents in other industrialized nations.

As the CCP tries to unite the vast swaths of Chinese rural provinces with each other and with urban areas, investments in infrastructure have spiked throughout the countryside. New highways and railroads, as well as dams have displaced an estimated 40 million peasants over the modernization period. Large scale dam building not only displaces millions, it can further destroy remaining farmland through both floods and the diversion of critical water sources. The Three Gorges Dam, the largest hydroelectric construction project in the world, provides an illustration of the negative effects these dam building projects can cause.

In general, rural village life in China resembles that in the world's poorest nations. Most citizens live on less than $1 per day and have no access to affordable health care. The "iron rice bowl," a term widely used to describe the cradle to grave basic subsistence assistance provided by the government in Mao's era, has largely been dismantled. As a result, the incidence of rural protests against corrupt local CCP officials and private companies has risen dramatically. The Chinese government has acknowledged that an average of 200 rural protests occur every day over lack of basic welfare services, environmental issues, displacement, and

corruption. The fact that these protests are largely short-term, issue-specific, and relatively isolated is of some comfort to the CCP. As in the cities, the disgruntled and exploited are consumed with everyday subsistence and the formation of a mass protest movement is unlikely.

However, it was the peasants who made up Mao's revolutionary vanguard, a fact that the CCP also remembers and takes into account. In 2006, the Party undertook a major reform effort to address the concerns of China's rural populations. The reviled agriculture tax system was largely abolished and very public measures were taken to discipline corrupt local CCP officials. The current 5 Year Economic Plan focuses on bringing back basic services to rural populations and addressing the pollution and attendant health problems they face. But, as Howard French reports, many rural Chinese have little hope that these policies of the central government will make any difference in the bowels of China's rural villages. One resident said to French of the impending reforms, "Ordinary people don't get any benefits from poverty alleviation programs. How could relief money get into our hands? It goes first toward relieving the local officials who get rich on the tragedies of the nation." Another said, "We grow just enough food for ourselves to eat, with no surplus grain. We don't have to pay the grain tax anymore, but our lives aren't much better."

Further, the enormous cultural upheaval caused by migration to the cities - both voluntary and forced - intensifies these conditions. It seems clear to most experts that much of the progress being made in industry has not helped, and in many cases, has actually harmed, rural populations. You can see this in the recent spate of media stories about entire villages poisoned by chemical pollution, decimated by the flight of the young and healthy to the cities in the form of migrant labor, and the aftermath of natural and man-made disasters. Two stories, one from the 1990s and one from 2008, illustrate the vagaries of modern life in rural China.

In the 1990s, local government officials realized the lucrative potential of impoverished rural populations in a particularly exploitive way: citizens of the province of Henan, desperate for supplemental sources of income, were paid to donate blood that was then sold in the blood and plasma markets in China and around the world. Untrained medical personnel devised a mechanism for removing donors' blood, spinning out the valuable plasma in a common machine and returning the blood to the donor. Along with unsanitary procedures for needles and other medical equipment, this provided the perfect vehicle for rapid and efficient transmission of the HIV/AIDS virus among the unsuspecting donors. An epidemic ensued in the following years and was largely covered up by corrupt local Party officials. When the scandal leaked out years later, the central CCP did finally begin to provide medical services, but the effects linger, as numerous Western journalists have reported recently.

Another example of the struggles faced by China's rural populations is unfolding today in the aftermath of the May 2008 earthquake that devastated Sichuan province. General neglect, it is now revealed, came years ago to Sichuan in the form of criminally lax building standards for schools and other public buildings thought to be a result of corruption among local officials and builders. With the death toll now reaching 70,000 (and still growing) from the recent earthquake, many of them children, questions are now being asked about corruption and marginalization of the country's rural areas. These questions are primarily surfacing among Western news outlets, since the CCP forbids this type of discourse in the press. Experts estimate that up to 20 million migrant laborers come from Sichuan Province, and the sight of parents returning to their villages in search of their (often only) children among the rubble is a potent image to illustrate the hardship of rural life in modern China.

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Ethnic Minorities

According to the Chinese Statistical Yearbook, Han Chinese make up 92% of China's population, but there are over 50 recognized ethnic minorities making up the remaining 8% of the population. Ethnic nationalities occupy 60% of China's quality land, however, including its main water source on the Tibetan plateau. Tibet and Xinjiang are two areas where different ethnic minorities are concentrated and are designated as Semi-Autonomous Regions, (SARs). They are both strategically significant because of their geographical location on China's northwestern frontiers and their history of secessionist movements. The CCP ensures their ties to Beijing in a variety of ways.

Xinjiang

The Xinjiang SAR lies on China's critical northwestern border with the countries of Central Asia often known as the "stans" – Kazakhstan, Kyrgyzstan, Tajikistan, Afghanistan, and Pakistan. The Muslim Uighur population of Xinjiang shares much in common with Muslim groups across these borders, leading both China and these bordering nations to worry about potential separatist movements attempting realignment along cultural lines in the area. Xinjiang was incorporated into China by the expansionist Manchu dynasty, only to rebel in 1877 against Chinese imperial rule. The rebellion was crushed and Muslims made to assimilate into Han Chinese culture. After the fall of the empire in 1912, Xinjiang enjoyed a measure of autonomy amid the chaos of the Sun Yat-sen and Chiang Kai-shek years.

In 1949, Maoist China again tightened its controls of the western frontier and set about to "colonize" it with Han Chinese. The Xinjiang Production and Construction Corps comprised of Han Chinese migrants were dispatched to the region as the equivalent of "homesteaders," with promises of development assistance in return for establishing a firm Chinese foothold in the Muslim region. This led to overgrazing, overfarming, deforestation, and desertification of the region. By building roads and railroads connecting Xinjiang to the rest of China, the CCP today continues Mao's attempts to suppress separatist movements among the Muslim population and obtain access to the region's considerable natural resources, which includes 40% of the world's strategic coal reserves. Development and Chinese-style education are the incentives for cooperation; the physical presence of the People's Liberation Army is the deterrent. Finally, increased tourism and migration into the area have diluted the cultural and ethnic bloodlines of Xinjiang's residents.

Xinjiang has taken on an increased importance as China's energy needs have grown. Because the US Navy controls most major shipping lanes from the Middle East to Asia, the CCP has increasingly been turning westward across the Chinese interior, developing pipelines that will move oil over land to China's consumers. Although China and the US have no present conflicts involving the international shipping lanes, China is taking no chances when it comes to oil. The final component of this new transport strategy is the Port of Gwadar in Pakistan, where Chinese firms are

building a large deep water port designed to accommodate large oil tankers.

Despite attempts to suppress them, separatist movements employing terror tactics have persisted throughout Chinese rule of Xinjiang. These potential perpetrators are under heavy surveillance by the CCP security apparatus. Many experts feel that these security forces were given justification from the Global War on Terror (GWT) that began with radical Islamist attacks on the United States; many believe that the CCP exploited resulting anti-Muslim sentiment worldwide to justify suppressing dissent among the Uighurs of Xinjiang and Uighur migrants throughout China. In January, the Chinese press announced that it had broken up a terrorist cell in the capital city of Urumqi; this cell was accused of plotting a series of attacks before and during the Olympic Games in Beijing. In March, the CCP announced that it had intercepted a hijacking and bombing attempt on a Chinese airliner by Uighur separatists. Later, in April, the Chinese press confirmed that a large protest in Xinjiang province of Kashi had been put down by the PLA. The "Hanification" process of the region continues under the banner of preventing radical Islamic infiltration, and the population of Xinjiang is now said to be nearly 50% Han Chinese. Even so, the international community has not watched this region or treatment of Muslims here as closely as treatment of Buddhists in Tibet.

Tibet

Tibet is another large restive SAR of China, located just to the south of Xinjiang on China's border with Nepal and India. Tibet's relationship with China proper follows the same general trajectory as Xinjiang; Tibet was loosely annexed during the Empire's era, largely neglected during the war years, and strongly consolidated into Greater China by Mao in the 1950s. After formal annexation by treaty with the Dalai Lama, which most believe was coerced in 1951, the Chinese employed similar tactics to control Tibet as they did in Xinjiang: development assistance, infrastructure to connect it more tightly to the rest of China, and deliberate ethnic dilution by migrant Han Chinese citizens.

China's general policy regarding both these regions has been to force cultural assimilation with China that will soften separatist impulses. In Tibet, this proved harder to do than in Xinjiang. The Buddhist leadership under the Dalai Lama and the ranks of monks who wield enormous cultural and political power resisted Beijing's plans. In 1959, Tibet formally rebelled against Chinese domination. The rebellion was violently suppressed by Mao's forces, and the Dalai Lama forced to flee into exile, along with an estimated 80,000 Tibetan citizens. From multiple historical accounts, it's clear that throughout the 1960s and 1970s, much of Tibetan indigenous culture was systematically dismantled by the Chinese. Temples were destroyed; Chinese educational and cultural institutions were established; Buddhist nomads were forced onto Chinese communes. There was another brief uprising in the capital, Lhasa, in 1987 that was similarly crushed. In the 1990s, China sought to bring economic prosperity to Tibet as a way of co-opting what they called "splittist" groups, while still maintaining a strong military and Party presence there. In fact, current Chinese President Hu Jintao earned his stripes there as a provincial official.

Today, Tibet remains largely poor, despite Chinese investment which includes a train that traverses the highest altitudes in the world to link the region with China. It is landlocked, without much arable land, and tourism has become a major industry. Many observers and reporters highlight the hypocrisy: China reaps enormous gains from Western and Chinese tourism to Tibet's temples, while Tibetan people suffer under corrupt CCP leadership and oppressive military presence. In 2001, the Dalai Lama spoke from exile of pursuing a "middle way" with Tibetan autonomy in domestic matters, but falling back under the Chinese umbrella in defense and foreign affairs matters, but the CCP was hesitant to relinquish any formal control that might set a precedent for other minority-populated areas.

This fragile détente erupted violently again in March 2008 when anti-Chinese protestors rioted, burning over 1000 Chinese-owned businesses and killing Chinese citizens in the Tibetan capital of Lhasa. Chinese authorities responded with an aggressive crackdown on rioters, and other Tibetan citizens even outside the capital, and reports showed many beaten, imprisoned, or killed. For much of March and April, erratic protest and subsequent suppression movements continued in Lhasa and elsewhere in the country. Reports by *The New York Times* estimated that by mid-April, 2200 Tibetans in various areas of the region had been arrested by Chinese authorities. The Western media released pictures of

the PLA beating unarmed monks, despite China's attempt to black-out news from the region. Limited, sanitized tours of Tibet, coordinated by the PRC for foreign journalists in the wake of the crack-down, elicited more protests from anti-Chinese factions.

In April 2008, President Hu Jintao spoke publicly for the first time about the recent violence, and defended China's actions in the name of sovereignty, saying:

"No responsible government will sit idle for such crimes, which gravely encroach human rights, gravely disrupt social order, and gravely jeopardize the life and property of the masses…our conflict with the Dalai clique is not an ethnic problem, not a religious problem, nor a human rights problem. It is a problem either to safeguard national unification or to split the motherland."

The Dalai Lama continued to insist that he had no hand in directing the riots, and admitted to the Western press that he himself is under fire in Tibet for his peaceful stance toward China. By May, both China and the Dalai Lama were making noises of reconciliation, and talks were scheduled to be held between their aides, with the Dalai Lama continuing to insist that independence from China is not his goal for Tibet. The Dalai Lama was quoted in an interview with *Newsweek International* in May saying, "Today, different groups and different nations come together due to common sense. Look at the EU…What is the use of small, small nations fighting each other? Today it is much better for Tibetans to join China. That is my firm belief."

China was subject to intense criticism internationally for the way the crisis in Tibet was handled, and the journey of the Olympic Torch has been thwarted in many cities with pro-Tibetan protestors. The Chinese response has been intensely nationalistic; they believe that these are misguided attempts to unfairly shame them in their year of glory leading up to the Olympic Games. From Hu Jintao's words to the wave of pro-China rallies in China, among Chinese students in the United States, and on the Internet – the response appears to be anger, not concession. The Chinese position is that Tibet is part of China, that this is an internal matter related to China's sovereignty, and that the international community should stay out of it. China expert Edward Friedman commented on China's position on the Tibetan protestors in an interview with Bernard Gwertzman of the Council on Foreign Relations, remarking that, "Most Chinese tend to think actually that the government has done too much for those people, that they are privileged, and are the equivalent of 'welfare cheats' in the United States." For many in China, the issue is one of precedent that would be set for other restive ethnic minorities in Xinjiang (see above) and in Inner Mongolia if concessions were made on Tibetan sovereignty.

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Chinese Demographics/Families

By all accounts, China is on the brink of a major demographic transition that will have lasting cultural, social, and economic effects. Family upheavals in both rural and urban populations deserve special mention.

In 1979, the CCP instituted a "One Child" policy for all families in an effort to address the overpopulation of the country that was exacerbated in the Mao era (when Mao told citizens it was their duty to have more children). The policy's implementation has always been left up to provincial officials, and its enforcement has been uneven and ripe for corruption. Methods for compliance have included widely-adopted contraceptive use and sterilization, as well as reports of more radical techniques such as forced abortions. In his account of his travels across China in the early 2000s, journalist Rob Gifford tells of a harrowing conversation he had with a rural family planning services official whose job it was to travel the countryside inspecting families for compliance with the One Child Policy. Those found to be in violation were fined heavily. In addition, this CCP official traveled with several nurses in tow, and Gifford's reporting describes how it became apparent that part of their job was to perform forced abortions on violators who were caught during pregnancy.

This policy has been immensely effective in achieving its goal: keeping population growth in China in check. The Chinese government estimates that between 300-400 million births have been prevented (roughly equivalent to the population of the U.S.), and China has one of the lowest fertility rates in the world. However, although the One Child Policy has been effective in reaching its overall population growth rate reduction goals, the negative consequences it has produced on China's demographics are significant in two ways.

First, compliance with the One Child Policy has often meant that many baby girls were subject to selective abortion, abandonment, or infanticide. Girls have been less valued in Chinese society, in part because they traditionally join the husband's family. This custom not only physically and emotionally transfers the daughter to another family unit, leaving her aging parents alone, but her earning potential and her role as a caregiver to the elderly goes with her. The result: an enormous gender gap with 117 boys born for every 100 girls. Though this may not seem a giant imbalance, translated across 1.3 billion people, it is a substantial discrepancy.

This means many things, one being fewer potential brides for Chinese men, and in some rural areas, despair of ever finding a mate. This gender imbalance can be destabilizing, often leading to increased prostitution and trafficking women and brides from foreign countries. The psychological effect on women, understandably, can be demoralizing. In an increasingly male-dominated society, women are often marginalized and discriminated against in employment. They are in high demand as sex workers, and their overall public health and life expectancy has declined from its high point during the Mao era. Women were once considered partners in the revolution by Mao, but the combination of their declining population and dislocations/

insecurity caused by the migrant labor economy has coalesced for an overall decline in their well-being. China has a score of .741 on the Gender-Related Development Index (GDI), a combined measurement of life expectancy, literacy, and earnings for women compared with those for men, where the higher the number, the greater the equality. This compares with a score of .936 in the US and .945 in Australia. James Kynge reports on more extreme effects, citing abusive marriages and migrant-labor situations that are producing a staggering increase in the female suicide rate in China. He cites a World Bank/Harvard study that showed that an average of 500 female suicides occurs in China daily, and that 56% of female suicides around the world occur in China.

Second, the One Child Policy is part of a looming predicament for the larger Chinese society and economy as well. While the number of China's elderly is increasing, thanks to greater life expectancies resulting from improved global health and sanitation (experienced worldwide), the population who will care for them and assume their positions in the workforce is shrinking. Journalist Melinda Liu from *Newsweek International* cites a study from the National Bureau of Statistics showing that, in 2005, 42% of Chinese families already consisted of an elderly couple living alone. With Mao's "iron rice bowl" welfare system largely dismantled, this could spell crisis for the aging population who depend on children for their care.

It is estimated that by 2050, the proportion of citizens over 60 will be three times what it is now, while the younger population will decline significantly. This is often expressed in terms of a dependency ratio (the number of elderly as a percentage of working age adults). China's dependency ratio in 2005 was 11%. In 2050 it is projected to be 39%. As a result, in 2008 China briefly flirted with the idea of moderating the One Child Policy, but Party officials ultimately decided instead to keep it in place, with minor revisions, for the next 50 years. Many demographers believe that China's current rise has partially been a result of favorable dependency ratios (the country has been said to be in the "sweet spot"), and that China's demise may be spelled out in numbers, specifically the declining number of laborers available to keep the economy growing. It has been said by many that one of China's greatest dangers on its development trajectory is that "it will grow old before it grows rich."

The Natural Environment

Environmental Impact of China's Growth

It is generally accepted that China's rapid growth has come at a considerable price to the environment. Jim Yardley, who has been reporting on environmental issues in China for *The New York Times* over the past year, sums it up as "China …choking on its own success." Very accessible information on the breadth and scale of China's growing problem in managing the environmental impact can be found in *The New York Times* series reporting, in Brook Larmer's writing in the May edition of *National Geographic Magazine*, and in the August-September 2007 *Foreign Affairs* article by Elizabeth C. Economy titled "The Great Leap Backward."

All agree that the problem is severe and worsening daily. China is the world's largest aggregate emitter of greenhouse gases contributing to global warming; though the U.S. is the largest per capita emitter. China is also responsible for large percentages of other dangerous emissions as well, including sulfur dioxide (a primary ingredient in smog), and mercury (a leading cause of developmental delays and birth defects in children). The World Bank and China's own State Environmental Protection Agency (SEPA) estimate that China is home to 16 of the world's 20 most polluted cities. Only 1% of all urban dwellers in China breathe air that is considered safe by European Union standards; most breathe air that contains 3x the acceptable levels of particulate matter in the US and EU. 700 million people (more than half China's population) drink contaminated water. It has been estimated that 750,000 people die prematurely from air- or water-borne pollutants; and cancer has become the greatest cause of death in China.

China's role in environmental degradation impacts other countries as well, in the form of acid rain in Japan and South Korea and particulate pollution as far away as California. This contributes to larger climate change patterns that will, as forecasted, be no less devastating in China than in other parts of the world. China already suffers from an extreme lack of water, a problem that scientists predict will be exacerbated as glaciers in the mountains of the Tibetan plateau continue to melt; precipitation continues to decline; and the once mighty Yellow and Yangtze Rivers run dry. Desertification from overgrazing, overfarming, and deforestation means that the Gobi desert spreads nearly 2,000 square miles annually, creating dust storms and loss of arable land that have dislocated at least 400 million rural peasants who are now considered environmental "refugees."

What to Do About the Problem?

China is still considered a developing country, despite its sizable GDP. Historically, developing countries have focused on economic growth and security as a priority, without particular regard for environmental impact, and China is no exception. This is the same complaint that has been leveled at developed or industrialized countries, except that they managed development before the full scope of damage to the environment was understood. In China, vast amounts of water are wasted through inefficient irrigation and plumbing systems; industries use more water and energy

per unit of output than do those in developed countries; and China's giant construction boom has produced buildings that are wildly inefficient to heat and cool. Moreover, China still depends on inefficient and 'dirty' forms of electricity generation, chiefly coal-fired power plants and furnaces. Experts like Elizabeth Economy point out that advanced technology isn't even needed to help China decrease the level of environmental damage in the short-term; they first need to employ basic practices that have been around for decades to curb waste and boost efficiency.

Beyond this, China is plagued by a different set of ills shared by its developed nation counterparts. The Chinese middle class has just begun to drive, and there are an estimated 14,000 new cars on the road everyday in China. Add to that growing consumption of meat and alcohol, due to Chinese craving for other aspects of 'Western' lifestyles, and a whole new generation of problems awaits this populous nation. As break-neck urbanization proceeds, the energy needs of Chinese people and their consumer goods will only grow exponentially. Yardley estimates that "China now seems likely to need as much energy in 2010 as it thought it would need in 2020 under the most pessimistic assumptions." Peter Navarro has perhaps said it best: "the world does not have the resources to cater to 1.3 billion Chinese behaving like Americans."

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China in the World – A Foreign Policy Overview

China is in a period of intense transition in terms of how it relates to its neighbors, developing countries around the world, fellow powerful nations, regional entities, and the international community as a whole. Broadly, China's current foreign policy orientation can be said to have three main catalysts:

- Its rise as an economic power – The rise of the booming Chinese economy equals far-reaching global influence, and requires that this influence is used, in part, to meet growing resource needs.
- Its historical experience – The collective memory of China's "century of humiliation" is embedded in the Chinese psyche. From the mid 1800s until Mao essentially closed the country to foreigners in 1949, China was at near perpetual war with its neighbors, within itself, and with other imperial powers. Nationalism and wounded pride from this era exist not far below the surface for many Chinese people.
- The perception that the era of US world domination is waning – It is clear that other countries are considering whether a major transition in geopolitics is imminent, and what implications this would have for them. China's position as the likely contender, along with the European Union, to potentially unseat the United States as the world's hegemonic superpower is fraught with challenges and opportunities for the PRC.

The Peaceful Rise

China's official stated foreign policy doctrine is that of a "peaceful rise," a concept that has its roots in Deng Xiaoping's 24 Character Strategy in the 1990s: "observe calmly, secure our position; cope with our affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile, and never claim leadership." In the early years of the 21st century, the term "peaceful rise" was officially coined by an advisor to President Hu Jintao and summed up by his Premier Wen Jiabao in 2004 when he proclaimed that China's rise "will not come at the cost of any other country, will not stand in the way of any other country, nor pose a threat to any other country." President Hu Jintao said himself that the "peaceful rise" is comprised of Three Nos – "no challenge, no exclusion, no confrontation." The term has since been semantically tempered, and the policy is now officially called China's "peaceful development." It basically seeks to assure the international community (and the United States in particular) that power dynamics in the China Era will not be a zero-sum game. See Key Foundation Documents for more elaboration of this policy.

The motivation for this atypical doctrine in international relations is interesting. Historically, changes in the balance of geopolitical power and the rise of a new power in the world has had a de-stabilizing effect as other countries scramble to balance its disproportionate weight. The new power has also tended generally towards aggressively asserting power on the global stage, often in a menacing

way. Classic examples of this include the rise of Germany, Japan, and the USSR in the 20th century. Thus far, however, it cannot be said that China has acted in an aggressive or menacing way, nor that a major movement is underway to contain or balance its power.

Most foreign policy experts agree that China has not embarked on this path of aggression as it has accumulated extraordinary strength, due to many factors:

- First, China faces enormous domestic challenges created by its rapid industrialization over the past thirty years: extreme wealth gaps, the need to maintain social stability in the face of these glaring inequalities, environmental degradation, food and water scarcity, and restive ethnic minorities. It is, technically, still a developing nation, despite the size of its economy, when you consider the distribution of resources across a population of 1.3 billion people. Since the CCP recognizes that social stability is to some degree contingent on continued economic growth, their focus has been there, and many theorists have speculated that China has neither the time nor the resources for an adventurous foreign policy.
- Second, China has seen its share of war and destruction in the last century: dismantlement at the hands of imperial powers, a long-running civil war, and a devastating World War. Following peace with the outside world in 1949, the Great Leap Forward and Cultural Revolution wreaked further havoc on the population, with massive displacements, starvation, and government-imposed hardship. Times are relatively much better in China in recent years, at least for the middle classes, and there is great incentive for China to stay focused on that, even as international conflict and intrigue orbit them.
- Third, geography matters. China has the distinction of sharing the most international borders of any country in the world, as well some of the longest ones. It simply has too many neighbors, too many disputed boundaries for it to engage in demarcation by military intervention. Since controlling restive boundary regions is already an issue, most speculate that China has neither the capacity nor the desire to pursue territorial expansion. Over the past 50 years, China has largely negotiated its border issues with its neighbors, often to the PRC's own territorial disadvantage. With respect to disputes that remain, chiefly around maritime borders, China is in various stages of negotiation and/or preservation of the status quo.

How China Pursues its Peaceful Rise Doctrine: Soft versus Hard Power

How China protects and manages its interests and ascent to power has largely been described as the practice of soft power (versus coercive power). The term soft power was first coined by historian Joseph Nye and refers to cultural and ideological power and influence that derives from "the attractiveness of a country's culture, political ideals, and policies." China's 'peaceful rise' has epitomized soft power, accompanied by a concentrated effort to downplay or obscure flaws and discontent within their system. Their objectives, as described by researcher Rumi Aoyama and quoted by Joshua Kurlantzick in his book, *Charm Offensive*, consist of "publicizing China's assertions to the outside world, forming a desirable image of the state, issuing rebuttals to distorted overseas reports about China, improving the international environment surrounding China, and exerting influence on the policy decisions of other countries." Most agree that China has been moderately successful in this endeavor, not only among the developing world, but also in developed countries such as Australia:

- A primary avenue of China's soft power has been its economy. Although some of China's economic power may be said to be coercive (driving competitors from the market, the purchase of foreign debt), much of China's economic soft power is derived simply from other countries (voluntarily) having an interest and stake in its success. With much of the world interwoven in to its markets and supply chains, China's prosperity is a recognized factor in the economic prosperity of other nations, a reality which confers on the PRC certain power to influence the actions of stakeholders globally.
- Second, China has also sought to extend its power and influence in the world via a wide range of diplomatic measures. China's formal diplomatic corps is not only a group of multilingual, culturally competent, well-informed professionals in the realm of international etiquette, but they are also assigned long-term posts where they both cannily and genuinely build

relationships that prove enormously valuable. This is in contrast to many U.S. postings, in which diplomats are moved every few years. China's high-level government officials also engage in considerable face time with colleagues in foreign countries, especially those in what Parag Khanna has called the "Second World", or developing countries ripe for alignment with a First World power ready to serve their needs. China both hosts and attends numerous summits involving international players. Finally, China's Party elite are well-educated and look outward to study and learn from other nation's successes and follies. The government supports numerous think tanks and training institutions designed to empirically examine the practices of other cultures and nations and devise trainings and manuals for Chinese diplomats.

- Third, this highly educated and trained diplomatic corps is supported generally by a trend in China's foreign policy circles toward the embrace of multilateral, and especially regional, organizations. ASEAN+3, SCO, and The Six Party Talks are a few of the formal treaty organizations to which China belongs, and they act as an observer to regional bodies beyond Asia. China currently sends more support to United Nations Peacekeeping efforts around the world, including efforts in the Middle East and Africa, than any other permanent member of the Security Council. China is now a member of the World Trade Organization and numerous other multilateral free trade agreements in Asia. Through participation in these bodies, China extends its soft power and diminishes its perception as a threat.
- Fourth, China conducts considerable informal diplomacy and wields soft power through cultural exchanges, student exchanges, and within the diaspora of Chinese nationals and immigrants living abroad. Through these informal channels, Chinese expatriate communities abroad are organized to support PRC policies, as well as lobby their host governments and societies for more access by Chinese companies and organizations. In this way, they can also counter the similar attempts of Taiwanese expatriates who are trying to do the same. The fact that more schools around the world are teaching Mandarin Chinese to students as young as Kindergarten is partly due to informal diplomacy efforts of the Chinese government.
- Fifth, as Joshua Kurlantzick, John Ikenberry and others have noted, China models an alternative path to development than the one offered by the United States and the West. The Washington Consensus is a model for development characterized by rapid adoption of free-market mechanisms. Also known as Structural Adjustment, this policy has consisted of conditional loans to many developing African, Asian, and Latin American countries by the US, World Bank, and International Monetary Fund (IMF), to often disastrous ends. By its very example, and without coercive economic measures, China offers an alternative in the form of the Beijing Consensus. This advocates state-directed, incremental free market reforms without wholesale societal or political liberalization. This makes sense to other developing nations who feel the US and IMF have sought to influence their economies without understanding the challenges the leaders of these poorer nations face. China's model, just by virtue of its relative success, is extremely influential among other ex-Communist states and authoritarian governments – a 'middle' way that seems more in sync with their realities on the ground.

Parag Khanna has remarked that if you were to come up with a metaphor for how the United States and China are "navigating the tricky waters of globalization," the US symbol would be a military aircraft carrier, and the Chinese symbol would be a merchant ship. As more countries around the world become disillusioned with what they perceive is the adventurist, cynical, and increasingly ineffective US military means of persuasion, more countries are wooed by and are gravitating toward China's "peaceful rise." International opinion polls conducted by the BBC, Pew Global Research, and others have recently ranked perception of China's role in the world more positively than that of the United States, particularly among China's neighbors.

Rebuttals to the Peaceful Rise Phenomenon

There are many others who believe China's popularity to be overstated and the United States' influence to be unfairly downgraded. Experts on the American political right and left differ, as do experts around the world. But most do agree that China's strong showing on the international stage is a relatively new phenomenon, and that they are

experiencing a "honeymoon" period that will eventually subside. Most predict that China will not enjoy its current position with soft power indefinitely. The protests surrounding the Olympic Torch show that this is beginning to happen in the developed world and some believe other countries aren't far behind in re-evaluating admiration for China.

Others believe not only that China's soft power is bound to wane, but also that it was never very 'soft' in the first place. These critics point to cut-throat capitalism with a state-provided accelerant, and to China's relations with "rogue nations." Since China must aggressively pursue natural resources to keep its economy humming, and the "peaceful rise" doctrine honors a non-intervention policy in dealings with sovereign nations, this often involves them in partnerships viewed critically in the global community. Recently, this has included regimes widely viewed as some of the worst offenders of international law in the world: from Zimbabwe, Sudan, and Congo to Iran, Burma, and North Korea.

The vast commodities markets in these countries are largely closed to Western competitors because of punitive economic sanctions. China has used this opportunity to steadily build up lucrative contracts for natural resources needed to power its vast economy. In the process, considerable assistance is often provided to these unsavory partners that, some believe, protects them from what would otherwise be the demise of their regimes or states. International outrage over these alliances detracts from China's soft power among other nations. There are times when Chinese non-intervention has been viewed as obstructionist when international bodies attempt to address aberrant behavior in these rogue regimes, as happened with proposed United Nations actions against Sudan, Iran, and North Korea.

China has not neglected its capacity to use hard power, though. From 2000-2005, the PRC has increased its military strength by aggressively overhauling training and technology to create a "smarter," more responsive army and navy. The People's Liberation Army (PLA) is the largest standing army on the planet and increasingly more tech-savvy, better educated, and better equipped for modern warfare, including cyber-warfare. China's overall military expenditures, although they increase by double-digit percents each year, are still dwarfed by the United States. Yet the PLA is becoming increasingly stronger, in the Taiwan Strait, throughout Asia and even beyond.

The Responsible Stakeholder

In 2005 US Deputy Secretary of State Robert Zoellick formally acknowledged China's rise (peaceful and otherwise) and issued a groundbreaking missive to the PRC. Zoellick welcomed China into the international community, and asked them to step up to the attendant responsibilities of their global power and influence. The term "responsible stakeholder" has now become the corollary to the "peaceful rise," and implies that China must look beyond self interest to act in ways that are commensurate with its status in the world. Recently UK Foreign Secretary David Miliband echoed this sentiment, introducing the term "responsible sovereignty" as it pertains to China's actions in the world. An implicit bargain was put on the table: the US and West will accommodate China's rise as long as China begins to play by the rules expressed in international laws and norms. See Key Foundation Documents.

This is an example of another aberration in traditional power dynamics in international relations; current powers accommodating, rather than attempting to balance, deter, or contain a rising power. Whether this strategy will work remains to be seen – will the West honor its stated friendly intentions, and will China truly 'play by the rules'? But as John Ikenberry points out in his article "The Rise of China and the Future of the West," globalization provides a powerful incentive for everyone involved in this grand bargain, and China really only benefits by coming in under the tent of the international community. Ikenberry writes, "Today's Western order, in short, is hard to overturn and easy to join."

Modern China's foreign policy record to date would indicate that CCP leadership understands this reality. With the exception of Taiwan, China has peacefully settled most boundary disputes, has not overtly threatened neighbors, has limited use of its significant veto power on the United Nations Security Council (except cases related to Taiwan), has joined international organizations and numerous regional ones, and generally pursues a multilateral foreign policy. Despite years of obstructionism on behalf of its partner in oil, Sudan, China is now on-board with the current United Nations/African Union Peacekeeping force

in Darfur. China has a generally good record with respect to United Nations Peacekeeping activities, sending more personnel to missions worldwide than any other permanent Security Council nation. For the first time in history, a Chinese Major-General will assume command of a UNPK force, in the Western Sahara.

Likewise, Western powers understand that there are enormous benefits to be gained from China's involvement as a responsible member of the international community. Beyond the economic benefits associated with China's involvement, some have noted that China's ties to unsavory regimes could be put to benevolent use. As anti-Americanism rises in the wake of the Iraq, Afghanistan, and counterterrorism campaigns worldwide, the Chinese may have the ear of leaders in countries who have tired of Western domination. Some of the countries that have caused considerable angst - North Korea, Iran, Burma, Zimbabwe - enjoy close ties to China, which could be leveraged to address some seemingly intractable geopolitical problems. As Christopher Hill, the US envoy to the Six Party Talks on North Korea, has said, "China has become the first stop for any American diplomacy." In North Korea, Hu Jintao has already balanced George W. Bush's more aggressive stance with respect to Pyongyang.

If China does in fact continue to step up to be a responsible stakeholder, including productive participation in the UN, the WTO, and the Nuclear Non-Proliferation Treaty (NPT), at a minimum, these international institutions could grow to provide solutions to larger problems of the global commons and the establishment of basic standards of living for all the world's citizens. Chinese manpower, know-how, and sheer size could re-invigorate these institutions and possibly even lure fence sitters on important issues and treaties.

There are numerous contingencies that could potentially derail this more optimistic view of the new world order. There are events and trends that could cause China to act aggressively and counterproductively with respect to international relations, provoking containment and balancing initiative by other nations against China's rise. This alternative and more dangerous scenario to the "peaceful rise" could realign the world into camps split between China and the West, and work against global problem solving. See What Next section for details.

The United States

China's relationship with the United States is complex, involving both power dynamics and fundamental differences in culture and governance.

History

History illustrates that the United States' relationship with the Communist People's Republic of China (PRC) has been an unsteady one. Although the United States provided support to both the Nationalists and the Communists as they fought to defeat the Japanese in WWII, the United States declared its allegiance to Chiang Kai-shek and the KMT when the Nationalists were defeated by Mao's Communist forces and retreated to exile in Taiwan in 1949. The US joined most of the international community in recognizing Taiwan or the Republic of China (ROC) as the true China, shunning the Maoist Mainland as it shut itself from the rest of the world during the 1950s and 1960s. Nixon's landmark visit to China in 1972 opened the door to US-PRC relations, and by 1978, the US had switched diplomatic recognition to the Mainland, viewing the PRC as a hedge against its other Communist rival, the Soviet Union. Sitting with Communist China on the UN Security Council, US-China relations warmed on economic and trade matters, even against the backdrop of tacit US support for Taiwan's defense against potential Chinese aggression.

US policy regarding the PRC-Taiwan stand-off is one characterized as "strategic ambiguity." The US maintains treaties that both recognize Taiwan to be a renegade province of China (the One China Doctrine) and promise support to Taiwan should the Mainland attempt reunification by military aggression (The Taiwan Relations Act). Taiwan depends on the United States military stationed in the region to deter Chinese reunification attempts. The Taiwan Strait has long been considered one of the most dangerous places in the world for its potential to bring the US and PRC to war over Taiwan because both the US and PRC are nuclear powers. There has been occasional saber-rattling in the Strait over the past half century that has disrupted Chinese-American relations, and diplomatic dust-ups routinely occur around the visit of Taiwanese officials to the United States and vice versa. Although, tensions have cooled considerably since March 2008 elections in Taiwan ushered in an administration less combative to China (see Taiwan section). The diaspora community of Chinese nationals and immigrants living in the US similarly splits along Taiwan-PRC lines, and this dynamic causes some friction in ethnic Chinese communities and within the US-China lobby.

Beyond the issue of Taiwan, US-China relations are cautiously friendly. Exceptions include: US condemnation of the CCP response to the 1989 Tiananmen Square riots; nationalistic anti-American sentiment after the accidental bombing of the Chinese embassy in Belgrade in 1999 by the US military; and the US spy plane collision with Chinese aircraft in 2001. With the economies of the US and PRC inexorably linked, there have been efforts to maintain productive diplomatic relations over the past thirty years. Substantial business and tourist travel takes place between

the two countries, and there are currently over 40,000 Chinese nationals enrolled in American universities. In addition, Mandarin Chinese instruction is becoming more commonplace in many American primary and secondary schools.

As a prevailing superpower and competitor, the relationship between these two countries affects the global community. At the risk of great oversimplification, commentary on the US-China relationship, as it relates to the global power dynamic, by American press, experts, and scholars can be said to fall into three camps, broadly.

Those Who Believe China's Rise Is a Result of US Weakness

There are those along the US political spectrum who believe that the rise of China has been facilitated by declining effectiveness of US domestic and foreign policies. In short, these experts believe the US needs to get its own house in order to maintain its advantage over China. In this view:

- America's declining economic competitiveness is a function of its own failure to keep spending and debt in check, to invest adequately in education, to retrain workers whose jobs have been outsourced, to provide universal health coverage and to fully commit to free trade even when it hurts domestic industries.
- America's declining reputation globally is a function of its failure to invest in soft power mechanisms; and its over-use of its hard power. The US needs to invest in its diplomatic corps (money, manpower, training, and policies), augment its foreign aid budget, be open to talk directly to adversaries, and limit use of rhetoric which alienates moderates in countries hostile to the US.
- America's declining economic and cultural hegemony in the world stems from its reluctance to fully embrace multilateral institutions and agreements. From the Kyoto Protocol, to the International Criminal Court, to its disdain for the United Nations General Assembly, the US itself needs to be a more responsible stakeholder even when this threatens its own narrowly-defined self interests. This is especially true as China's participation in multilateral and regional bodies increases in comparison.

This group is often joined by those who believe the US engages in unproductive hypocrisy when it comes to criticizing China, and that America only alienates China and the rest of the world when it leads its engagement of China with scolding rather than recognition of the similar challenges both nations face. Some examples that are routinely pointed out generally fall in to six categories. First, many believe some US policies surrounding the Global War on Terror could be described as excessive and/or extralegal, including the invasion of Iraq, the treatment of prisoners at Abu Ghraib and Guantanamo Bay, the practice of "extraordinary rendition" of terror suspects, and alleged abuses of the Foreign Intelligence Surveillance Act (FISA) as it pertains to foreign nationals and US citizens. The second area where experts have been known to point out hypocrisy on the part of American critics of China is in the treatment of ethnic minorities. Comparisons are often drawn between Chinese policies toward Tibetan and Uighur minority populations and US policies toward Native American and African-American populations throughout history. Third, some believe that the US cannot fairly take the high road when it comes to free press, when many news media outlets are owned and influenced by corporate conglomerates; and ex-Pentagon officials and military contractors act as "independent" commentators on American foreign policy on news programs. Fourth, in the area of environmental protection and consumer safety regulations, there are those who point out that America has its share of failings, as well, to the detriment of its own citizens and those around the world. Fifth, some believe that US support for unsavory regimes such as Saudi Arabia and Pakistan mirror China's support for similarly unsavory regimes such as Iran and Sudan. Finally, many believe that the US has a long way to go in providing a minimum standard of living and health care for its citizens and should keep its own inequalities of wealth distribution in mind when commenting on the plight of the working poor and elderly in China.

This group generally subscribes to the classic "rise and fall of empires" theory of history, believing that the US, like Rome and Britain before it, is in decay and has over-reached in its power projection, and is now in inevitable and natural decline. The rise of China here is seen as less of a cause of US decline than a symptom of it.

Those That Believe China's Rise Can Be Managed by the United States

This camp includes both those who simply believe China is no match for US hegemony and power, as well as those who acknowledge China possesses significant advantages, but that its power can be harnessed for the greater good of the world.

The first group believes China has not yet unseated the US in power projection – economically, militarily, or culturally. In this view, the US is blessed by its geography, its durable system of governance, its enormous innovative potential, its cultural appeal worldwide, the strength of its economy, its influence in international institutions, its connections, and the unchallenged strength of its military. And though they are catching up, the PRC's growth, in this view, is built on an untenable bargain between the CCP and the Chinese people that will not survive inevitable economic fluctuations and the opening of society that accompanies modernization. When this happens, domestic upheaval and chaos will ensue. China simply won't need containing or engaging.

Among those here who acknowledge China's potential to challenge US hegemony, they generally believe the US and China (and the rest of the world) are all fumbling along in a century marked by unprecedented challenges wrought by globalization, the clash of civilizations, and increased competition for resources on a damaged planet. The best bet for the future is for the US and China to both engage in international institutions to come together to solve pressing global problems. These institutions were largely created by the United States after WWII, and, in this view, remain the best avenue for retaining US power, bringing China into the fold of the international community, and preventing a dangerous alignment shift, with Western powers on one side and rogue and developing nations on the other.

This contingent generally assumes that China's advance toward democracy and responsible stewardship of the international order are inevitable. China expert James Mann calls this the "soothing scenario," and believes this is where the loudest and most powerful voices are in the American foreign policy establishment. Also known as the "red team," this typically includes the substantial China industry in the US government – advisors in the Executive Office, lobbyists, China specialists, diplomats, think tanks, as well as representatives of multinational companies. Mann describes this group as embracing the "paradigm of inevitable change," and one that advocates strategies of engagement and integration, often overlooking China's abuses as temporary strategies of a growing nation. Evidence cited to support this view often includes the handling of China's Most Favored Nation (MFN) status during the Clinton years. Whereas MFN status had always been subject to yearly Congressional approval and linked to human rights progress in China, President Clinton removed Congress from this process. He also removed human rights conditions, placing MFN in the realm of the Executive until it was no longer relevant upon China's accession to the WTO. Recently, the controversial US decision to drop China from its list of Top Ten Violators of Human Rights in March of 2008 shows evidence of this continuing trend among decision-makers.

In this view, as China is brought into the prevailing international system in which the US, and to a lesser extent, the European Union have enjoyed power, it will begin to look more like and think more like Western nations. As China becomes more deeply engaged in international treaties and institutions, its power will necessarily be checked by global norms, and pressure to become a responsible stakeholder could divert attention from the economy. This strategy advocates containing China's power by engaging it in responsible international leadership.

Those Who Believe the US Underestimates China's Potential Threat

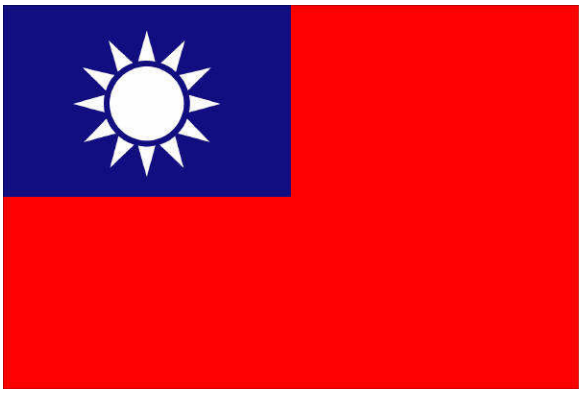
This scenario portrays the future as dominated by the continued strength and influence of a CCP-dominated China that does NOT agree to play by the rules. As James Mann has written, proponents of this theory are known informally in policy circles as the "blue team," consisting of US pessimists on the future global order. In this view, China will not likely embrace Western democratic values any time soon, and will continue to accrue power in a pragmatic way, cooperating in international institutions only when doing so serves its interests.

In this forecast, China will play by its own rules, ultimately leading a bloc of countries who do the same against a US or EU-led bloc of Western style democracies. This will require the US to employ both hard (military and coercive economic sanctions and/or tariffs) and soft power

mechanisms to counter China's leadership. Alternatively, some here believe China will use its influence to change the rules of the game in its favor. International institutions may become the battleground as China's power continues to grow and shape the norms of the international order among the hundreds of growing Second and Third world nations, diminishing Western liberal democratic values worldwide. Kishore Mahbubani, in a recent article for *Foreign Affairs* magazine entitled "The Case Against the West," describes current US and Western-led international institutions as "outdated" and "flouting principles of democracy, rule of law, and social justice."

America's Strength Within the West

No matter the trajectory of China's rise, most experts believe that US strength lies in its alliances with the larger Western community through the institutions it helped create. Most believe the era of US unilateral behavior and leadership is gone, and that leadership must be more inclusive of the West, and ultimately of China. John Ikenberry writes, "If the defining struggle of the 21st century is between China and the United States, China will have the advantage. If the defining struggle is between China and a revived Western system, the West will triumph."



Taiwan

> "The Taiwan issue is not about power, but about identity. China claims Taiwan not because it will move China's military influence 90 miles further into the Pacific Ocean, or because Taiwan's value as a military asset can have any appreciable impact on the regional balance of power."
>
> (David Kang, *China Rising*)

History

Taiwan (also known as the Republic of China or ROC) is a small island located east of China in the South China Sea with a current population of approximately 23 million people. Originally named Formosa, Taiwan was taken over by the Chinese from the Dutch in 1661, and remained in China's possession until 1895 when Japan assumed control of the island in the Sino-Japanese War. Taiwan underwent rapid development under Japanese control, becoming a dominant exporter of rice and sugar. The Japanese built up the infrastructure of the island, provided education for Taiwanese residents, and exerted political and cultural influence on the Taiwanese population. Taiwan was used as a critical staging ground for Japan's aggression against China in Southeast Asia during WWII. Following the defeat of Japan in 1945, China was again awarded control of Taiwan.

In 1949, when China again descended into civil war and Mao's Communist forces defeated the Nationalist forces of Chiang Kai-shek, Nationalist factions fled to Taiwan and set up their own exile nation under the dictatorship of Chiang in the capital Taipei. The Nationalist or Kuomintang (KMT) party ruled the small island under the belief that it was "the real China," and was recognized by the international community as such. Taiwan held the Chinese seat in the United Nations, and enjoyed the strong support of the United States against its rival, the new Communist-led PRC.

In the 1970s, the tide began to turn. Western nations resumed trade and relations with Mainland China, as did the United States, a trend illustrated by the famous visit of President Nixon with Mao Zedong in 1972. Taiwan lost to the PRC the right to represent China in the United Nations (including China's permanent seat on the Security Council), and most nations, including the US, opened formal diplomatic relations with the PRC, officially endorsing its "One China" doctrine which states that Beijing is the sole government of all of China, including Taiwan.

Internationally isolated and in a state of limbo regarding its sovereignty, Taiwan began the process of developing an identity beyond its rivalry with Mainland China. As new generations of leaders who had not fought in the revolution came to power, great energy was diverted away from enmity with the PRC, and put into developing a foundation for democratic governance as well as a strong economic infrastructure within the island itself.

Its isolation ended when Taiwan became an economic power in its own right, beginning with the manufacturing of computers and electronics. Modernization continued at a fast pace, and by the millennium, Taiwan could boast of a booming economy fueled by international trade, including trade with China (in fact, currently, China is Taiwan's largest trading partner). A large middle class developed and, by the

late 1980s, Taiwan was a prosperous democracy. Taiwan today is considered to be the most stable democracy in East Asia; and its citizens enjoy a life expectancy and standard of living similar to that of Western countries. Taiwan is the world's 18th largest economy, consistently ranks highly in global surveys of performance in economic development, and is positioned to become a leader in technological innovation.

Despite this economic integration into the global community, Taiwan enjoys few diplomatic relations internationally. Any country that recognizes the PRC cannot have formal relations with Taipei. This leaves Taiwan excluded from participation in the United Nations and other international bodies. In September of 2007, Taiwan launched a bid to join the UN under the name Taiwan (previous bids under the name The Republic of China had been rejected), and was again defeated, largely due to the influence of China on the UN Security Council. As Taiwan has entered the global economy, this diplomatic isolation became not only inconvenient – Taiwan's high officials are not allowed to visit many countries of the world, including the United States (a recent dust-up occurred over a refueling stop in Alaska for a plane carrying Taiwanese diplomats to Central America) – it became expensive as well, since all trade and travel between Taiwanese citizens and Mainland China has had to be conducted via Hong Kong.

Tensions with the PRC

Despite their active economic relationship (nearly 1 million Taiwanese live or work on the Mainland), political, emotional, and even military tensions very much remain between the "two Chinas." At the heart of the matter is the very nature of the island – is Taiwan an independent nation or a renegade break-away province of China?

Under the "One China" principle, the PRC insists that Taiwan is a part of China, despite Taiwan's de facto sovereignty; and the PRC opposes any declaration of independence by the island nation – not only because of its nationalism surrounding Taiwan, but also because of the precedent that would be set which could possibly incite other restive semi-autonomous regions in the PRC. Relations between Beijing and Taipei have been strained since 1949, and each country has built up significant military presence in the area dividing them known as the Taiwan Strait. For many years, a fragile "status quo" existed, perhaps best illustrated by the "1992 Consensus" that proposed the "One China" principle be maintained, but opened the door for "different interpretations" of the principle in each country. As Taiwan and the PRC became more economically linked, tensions between Beijing and the Kuomintang (KMT) government in Taipei began to ease somewhat, although nationalist tensions remained high.

But, in 2000, tensions were aggravated again when former Taipei mayor Chen Shui-ban was elected President of Taiwan. Mr. Chen represented the opposition Democratic Progressive Party (DPP), which takes a much more nationalistic and antagonistic position toward China than does the Kuomintang. Under his leadership, relations between Taiwan and the PRC deteriorated significantly, causing Taiwan to become more confrontational with China over issues of independence and Taiwanese representation in the UN. In return, China consistently made clear that it would not rule out the use of force should independence be formally declared or a referendum on the UN application held in Taiwan. In 2005, the PRC passed the Anti-Secession Act emphasizing its military response intentions. In 2006, Chen formally dissolved the National Unification Council, a body negotiating possible strategies for reunification with the Mainland. In a powerful symbolic gesture, Chen even went so far as to refuse an offer from China for two panda bears (a rarely offered gesture from the Mainland). Controversy also swirled around the Olympic Torch and whether it would come through Taiwan on the "domestic" or "international" leg of its journey in 2008. Both China and Taiwan significantly increased their military capacities during these years.

Many saw Chen's provocative actions as a way to shore up his declining domestic support amidst a backdrop of corruption charges. Yet, as Chen and the DPP tried to unite the Taiwanese population behind them in a pro-independence, anti-China stance, they ran up against powerful business interests and an electorate tiring of saber rattling in the Taiwan Strait. It became apparent that Taiwanese citizens generally recognize that they stand to gain from trade and relations with the economic powerhouse that is their mainland counterpart. In a paper for the East-West Center in 2006 titled "Taiwan's Rising Rationalism," author Shelly Rigger writes that the new KMT

philosophy espoused by the majority of voters revolves around the belief that "loving Taiwan doesn't mean hating China." The KMT came to embrace a platform known as the "Three Nos," no negotiations for reunification, no formal declaration of independence, and no use of force in the Taiwan Strait. In 2008, the KMT swept both parliamentary and Presidential elections in landslides, reflecting the Taiwanese population's desire for retention of the "status quo," or "peaceful coexistence," with the PRC. Interestingly, the referendum on Taiwan again launching a bid to join the UN (a DPP-supported initiative that was condemned by both China and the US as incendiary) failed as the Taiwanese population made clear their intentions for a ratcheting down of tensions with the mainland giant.

Now, not only does the KMT control both the legislature and the Presidency, they have better foreign connections to indeed maintain this "status quo." While out of power in 2005, KMT officials made a historic trip to the PRC and began to work on moving the country back towards a position similar to that expressed in the 1992 Consensus, a stance that is also known as the notion of "One China, Two Systems" (such as exists today with respect to Hong Kong) – indicating that reunification might proceed with each side "interpreting" differently what unification entails for themselves. Although, in his acceptance speech, President-elect Ma Ying-jeou stopped short of promising pursuit of such a unification strategy, emphasizing instead improved economic and transportation ties and peace in the Strait. There has also been talk of a formal treaty being developed that would de-militarize the Strait.

The recent unrest in Tibet that occurred as Taiwanese voters were going to the polls in mid-March was significant, in that the DPP candidate Frank Hsieh tried to exacerbate anti-PRC sentiments among the Taiwanese population, essentially saying that the crackdown by China against independence protestors on what it considers to be another renegade province is a harbinger of the PRC'S intentions toward Taiwan. The voters were clearly unconvinced that actions by China would occur on their soil, and the Tibetan situation had little effect on their desire for improved relations with the mainland.

All of this controversy surrounding Taiwan's position regarding China has occurred against the backdrop of China's stupendous rise as a global economic powerhouse. As the PRC and the United States increasingly vie for power, influence, and resources throughout the world, the issue of a small island's sovereignty has become increasingly more significant.

The Impact of Taiwan on US-China Relations

The United States' policy on the Taiwan issue is known in diplomatic circles as "strategic ambiguity." Following the Chinese Revolution, in which the Communists gained control of the mainland, the United States supported the exiled Nationalist government in Taiwan. Aid and military supplies flowed to the embattled island until the early 1970s when Communist China began to open its doors to the international community. Following Nixon's visit to Communist China and the ouster of the Taiwanese government from China's seat at the United Nations, the US moved in tandem with the international community and began to court favor with Mao Zedong's government on the mainland. In 1978, the United States formally broke relations with Taiwan and established diplomatic ties with the PRC (including signing on to the "One China" doctrine), and entered into a treaty with the PRC that mandated a ban on the sale of US weapons to Taiwan. Yet, the very next year, the US then signed the Taiwan Relations Act (TRA) that guaranteed economic relations and military support to the island would continue. Ever since, the US has played a delicate balancing game, assuring each side of different obligations.

The contradictions continue today, as the US trades vigorously with both China and Taiwan, and serves as home to a diaspora of both Chinese and Taiwanese immigrants with conflicting loyalties. The United States is "officially" committed to the eventual "One China" reunification of China and Taiwan. Yet, every US President, including George W. Bush, has also said that the US will do "whatever it takes" to defend Taiwan against Chinese aggression, and has done so in the form of $20 billion in arms sales to Taiwan over the last 10 years and the maintenance of a large US fleet in nearby Japan that is ostensibly ready to intervene in the Strait.

A Showdown in the Taiwan Strait?

Because neither the PRC nor the US has taken the military option off the table should the "status quo" be disrupted

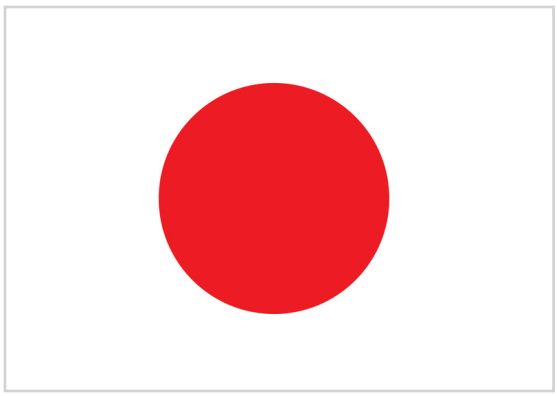
(in the form of an invasion of the island by China or the declaration of independence by Taiwan), and because both the PRC and the US are nuclear powers, many have, in the past, considered the Taiwan Strait to be one of the most dangerous places in the world. Over the years, coinciding with various statements in support of unification or independence, both the PRC and Taiwan have staged military exercises and trainings fairly routinely in a show of force that runs a fine line between deterrence and provocation in the Strait. With the US and China coming into competition for hegemonic power in Asia and beyond, the Strait has been seen as the perfect place for a proxy war between the superpower and its rising rival. Yet, most believe that recent economic trends and the recent political ascendance of the KMT in Taiwan, make this potentially apocalyptic confrontation increasingly less likely. In short, the world breathed a sigh of relief in March when the KMT took power of the Taiwanese government by a healthy margin.

Defusing the Brinksmanship

Easing tensions in the Strait and preventing such a dire contingency has enormous benefits for Taiwan, the United States, and China. Despite its posturing, Taiwan could not realistically defend itself against Chinese aggression in the Strait without the intervention of the United States. China boasts the largest standing army in the world and a nuclear arsenal capable of striking most of Asia, including Taiwan, and has just announced a sharp increase in their military spending to $58.8 billion for 2008 (although many experts believe it to actually be more than has been officially reported). As a practical matter, with the US military bogged down in Iraq and Afghanistan, and the US economy nearing recession, it is unlikely the US has the military capacity, will, or economic stomach to actively defend Taiwan's interests. Should the rhetoric and tension continue to be ratcheted down in Taipei, the United States could, conceivably, begin to disengage in the issue and pursue its "strategic ambiguity" with a lower profile. In fact, Secretary of State Condoleeza Rice recently scolded Chen for being needlessly "provocative" in his anti-China rhetoric last year, indicating that the US would work well with a KMT-led government.

Prevention of conflict in the Strait is in the hands of China as well, and a less provocative Taipei could allow them to save face and gain power globally as they preserve the status quo and forgo aggression. The PRC largely stands to benefit from exercising restraint in the Strait, especially during the Olympic Games. In addition, China's international profile is high on matters of trade, nuclear proliferation (North Korea), and development and conflict issues in Africa (Darfur). Aggression against a fellow economic tiger, and a democratic one nonetheless, in international waters would not help. The prevailing calculus predicts that the PRC and Taiwan will "play nicely" under this surveillance and with new leadership in Taiwan. This is assuming that the CCP leaders do not resort to nationalist Taiwan-baiting in order to shore up popular support for their regime. The Chinese people remain emotional on the issue of Taiwan – and some see it as the last remaining vestige of their "century of humiliation." Many feel that China cannot regain its rightful place as a world leader until the unification of Taiwan is achieved. The CCP has used this fervor to its advantage in the past, and it wouldn't take much to reignite this fervor using anti-Taiwanese and anti-American propaganda in the state-controlled Chinese press.

Policy analysts and theorists agree that definitive answers to the questions of Taiwan's official sovereignty and its representation in the UN remain elusive. Some options include pursuit of the "One Country, Two Systems" approach to unification, and a move to seat a Taiwan representative in the UN in coordination with the PRC and under the name currently used by their Olympic team – Chinese Taipei. Taiwanese nationalism versus "rationalism" will play a big part, as will China's need to maintain its image and relations in the international community. Respectful maintenance of the status quo by both sides is currently seen as the best option for peace in the region. To that end, Willy Lam of the Jamestown Foundation reports that Taiwanese President Ma has called for "100 Years of Peace in the Strait," that would include normalized travel and tourism, developing a cross-strait free-trade zone, a peace accord, and attempts to sign agreements with the PRC that would allow Taiwan to participate in some international bodies, if not the UN. The two countries recently held the highest level talks in their history, and have plans for further continued dialogue.



Japan

Sino-Japanese relations are plagued by history and each country's perception of the other's role in its history, leading to tense relations today. Japan is also the only East Asian nation that could conceivably challenge China's regional dominance, economically or militarily (through its military treaties with the United States).

China's "century of humiliation" began with its exploitation by Western imperial powers (and Japan) in the 19th century, and continued with its descent into civil war in the early 20th century. It was Japan who took advantage of the weakness of the foundering republic in the 1930s. First invading Manchuria, and then invading and occupying China itself, the Japanese are the villains of the Chinese historical narrative. From 1931 to 1945, Japanese forces wreaked horrific abuse on the Chinese population, including the use of chemical weapons and the infamous Rape of Nanjing where hundreds of thousands of innocent Chinese civilians were raped, tortured and killed, though the actual number killed is still disputed between China and Japan. It is estimated that overall more than 10 million Chinese ultimately died during the Sino-Japanese conflict that was finally ended with the conclusion of WWII.

This history haunts Sino-Japanese relations today. Although the two nations restored diplomatic ties in 1972, and signed a Treaty of Peace and Friendship in 1978 that was augmented by the Sino-Japanese Joint Declaration in 1998, tensions remain high. A major point of symbolic contention in the 21st century has been the journey of Japanese officials to the famed Yasukuni Shrine, where Japanese WWII casualties are honored (and which includes the burial site of several convicted war criminals). Every visit has elicited violent waves of protest and condemnation by the Chinese, who feel generally that Japan has not apologized sufficiently for its role in WWII.

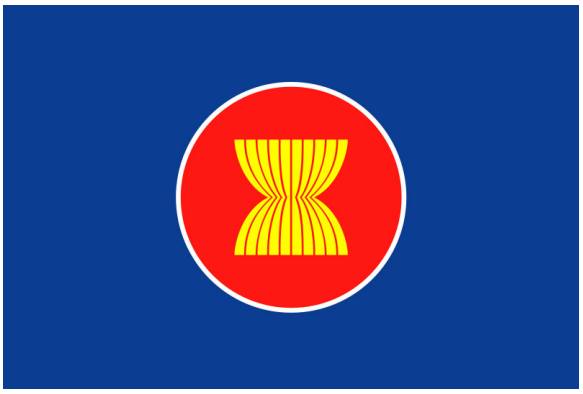
Tensions reached a fever pitch in 2001 when Japanese textbooks were released that appeared to downplay Japan's role in China's devastation during the war, and again in 2005 when Japan launched a bid for a seat on the United Nations Security Council. The 2005 riots were of particular note. Throughout the spring of 2005, intense anti-Japanese sentiment was stoked through the use of Internet blogging, and a wave of protests spread, involving tens of thousands of students across 26 cities in China. These coincided with the yearly anti-Japanese May 4 Movement protesting the granting of Germany's Asian concessions to Japan following WWI. Although not forbidden by the CCP, these riots began to threaten social stability and were finally reigned in by the Party. They served as a reminder of the power of Chinese nationalism, a power that could potentially be turned against the CCP itself, a point not lost on Hu Jintao and Wen Jiabao.

In 2006, Japan's new Prime Minster Abe lowered tensions when he made two symbolic gestures: he visited Beijing before he visited Washington, DC; and he discontinued official visits to the Yasukuni Shrine. In 2008, Chinese President Hu Jintao made a landmark official visit to Japan where many overtures toward peace and reconciliation were made, including agreements to hold regular summits, affirm

the importance of Sino-Japanese ties, "face history squarely," and cooperate in the peaceful development of the Asian-Pacific region.

As David Kang has written, Japan has been a foreign policy aberration since its defeat at the end of World War II. While its economy grew exponentially and it became the richest, most advanced country in the region, Japan was restricted from projecting this power by its post-war pacifist constitution which forbids its re-militarization. It has thus been at the mercy of the United States whose military protects the island and its shipping lanes. Japan's economy declined throughout the 1990s as China's economy began to take off. Currently Japan and China enjoy a booming trade business, and Japan has a significant stake in the health of the Chinese economy. Japan is increasingly falling prey to the vagaries of an aging population brought on by its low birth rate and strict anti-immigrant policies, and worries about the long-term health of its own economy. Most experts believe this will likely limit its adventurism beyond its borders. In addition, experts point to President Hu Jintao and Prime Minister Yasuo Fukuda's recently completed successful state visit where they pledged to make their countries partners rather than rivals as a positive sign of peace in the region.

However, Sino-Japanese armed conflict is not completely out of the question. There is building pressure within the Japanese government to modify the pacifist clause of its constitution, and to allow a gradual build up of armed forces that could complement and ultimately replace US troops who are often seen as a burden on Japanese society. The US is not discouraging this, and there are many who believe that the US would like to see Japan become more of an independent balance in the region as the US and Taiwan scrutinize the intentions of China's growing military. In addition to the Spratly Island disputes China has with ASEAN countries, there are also some islands in the North China Sea that China and Japan both claim. Japan is not now, but could easily become, a nuclear power, and a militarized Japan supported by the United States could be a combustible development in this region. There is tremendous pressure on both the Japanese and Chinese governments to both save face and control the nationalistic impulses of their populations. As Susan Shirk and others have pointed out, there has never been a time in history where the world has had a strong China and a strong Japan at the same time.



The Association of Southeast Asian Nations (ASEAN)

The Association of Southeast Asian Nations (ASEAN) comprises the ten smaller nations of the South China Sea that have become part of what has been called China's Greater Co-Prosperity Sphere. Founded in 1967, ASEAN now includes the nations of Burma (Myanmar), Brunei, Cambodia, the Philippines, Indonesia, Singapore, Laos, Thailand, Vietnam, and Malaysia. In 2006, ASEAN members incorporated 560 million people, 4.5 million square miles of territory; and had a combined GDP of $1.1 billion dollars (China's GDP in 2006 was $2.7 trillion). As written in their charter, the aims of ASEAN are:

- To accelerate economic growth, social progress, and cultural development in the region;
- To promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries in the region and adherence to the principles of the UN Charter.

In 1996, China was given Full Dialogue Partner Status, creating the ASEAN+1, which aims to tackle matters related to "trade, security, the environment, finance, agriculture, tourism, energy, labor, culture, science and technology, information and communication, social welfare, health, development, youth, poverty eradication, and crime."

China's relationship with ASEAN is a primary avenue by which the PRC projects its power in the region. Parag Khanna writes that ASEAN nations make up a critical block of Second World countries ripe for strategic and economic alignment with the US, EU, or China; and that China "courts" the different ASEAN members assiduously, using its markets, exports, technological assistance, and aid to draw them in. China makes numerous soft loans, grants, free trade deals, and infrastructure investments to the ASEAN 10; and each of their economies are becoming more dependent on the regional giant.

How China got to this place of cooperation and friendship with the ASEAN 10 is an indicator of its soft power in the region. Throughout Mao's era, China provided support for Communist and other insurgencies within Southeast Asian countries, and mistrust of the PRC was common among all ASEAN 10 countries. By 1991, the PRC enjoyed diplomatic recognition from all members (over Taiwan), and was increasingly seen as a benevolent and positive force in the region. In 1997, China further won the support and gratitude of Southeast Asia when it came to the rescue of nations caught up in the Asian Financial Crisis of 1997. The economies of Southeast Asia, from wealthy Singapore to destitute Burma, are firmly woven into the economy of the PRC, who is also their largest trading partner. Numerous treaties were signed after the creation of ASEAN+1, including the important Declaration on the Conduct of Parties in the South China Sea in 2002, and the Treaty of Amity and Cooperation in 2003. Together, China and ASEAN members address issues of piracy along the vital shipping lanes that connect them; and with large Muslim populations between them, work to counteract US influence under the banner of the Global War on Terror.

The only disputes that remain in the area are between China, the Philippines, Vietnam, and Malaysia over ownership of

the Spratly Islands (including Mischief Reef); this is a string of uninhabited islands in the South China Sea thought to contain untapped strategic reserves of oil and gas. Although China has, in the past, done some military posturing here, all parties involved are now working toward joint exploration and mining ventures and preservation of the status quo. China has peacefully settled other land disputes with its contiguous Southeast Asian neighbors, sometimes even to its own territorial disadvantage.

Between advantageous trade relationships with China, and the ethnic and cultural ties that bind Southeast Asian nations to the PRC, ASEAN members show no signs that they are worried about the threat of China's rising power in the region. Some see this lack of "balancing" activities as a strength of China's influence. Others see it as a sign of ASEAN's weakness generally. ASEAN has come under considerable criticism for not dealing with Burma (Myanmar), for not implementing many agreements, and for internecine squabbling.

Greater ASEAN

China sits at the table frequently not only with the core ASEAN 10 in the context of the ASEAN+1, but also the newer ASEAN +3, adding Japan and South Korea, and the ASEAN Regional Forum (ARF) which includes Australia, Canada, China, the EU, India, Japan, South Korea, Mongolia, New Zealand, Papua New Guinea, the Russian Federation, and the United States. Through these regional and multilateral institutions, China wields increasing power both regionally and on the global stage.

The European Union (EU)

The European Union (EU) is very much engaged with China: bilaterally, multilaterally, and within its member nations' diplomatic corps. On their website, the stated EU Policy on China is:

- To broaden and deepen dialogue with China, both bilaterally and on the world stage;
- To support China's transition to an open society based on the rule of law and respect for human rights;
- To ensure the ongoing integration of China in the world economy through bringing it fully into the world trading system, and support the process of economic and social reforms;
- To raise the EU's profile in China.

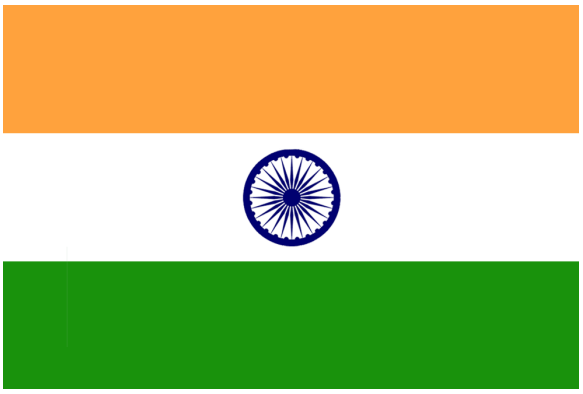
The EU is one of China's biggest trading partners (Sino-European trade exceeds Sino-American trade) and the provider of a substantial share of Foreign Direct Investment (FDI) in China's economy. Domestic EU manufacturing sectors suffer as much as anyone from the competitiveness of Chinese products especially in the textile, glass, and steel industries. In fact, they often suffer more because the relatively generous social safety net that is provided to the average European worker deeply cuts into the competitiveness of European prices. Despite this tension, China largely enjoys a more favorable reputation in the EU than in the US. There is vibrant cultural and student exchange between the European countries and China, and many experts confirm that China generally is more open to European consultation on its domestic social concerns.

There are numerous reasons why the Chinese and Europeans largely enjoy productive and congenial relations. First, the Taiwan issue is a non-starter. As David Shaumbaugh points out in his article "China and Europe: The Emerging Axis," the EU firmly supports the "One China" policy with respect to the PRC and Taiwan, and has no formal ties or commitments, beyond trade, with Taipei – there is no Taiwan lobby or "strategic ambiguity" to complicate matters, and Europe does not officially receive Taiwanese leaders. In fact, unlike the significant US military presence in Asia, there are no European forces in the Pacific at all to potentially threaten China or its allies.

China and the EU also find common ground in their perception of the US. Being the lone superpower invites criticism, and the US receives an enormous amount from both the Chinese and the EU bloc, the two powers who will potentially vie with the US for supremacy and alignments in the 21st century. They disapprove of what has been called US "cowboy diplomacy" in the Middle East, and are skeptical of what they perceive are US abuses committed under the banner of anti-terror activities. As many experts point out, Europeans have already ceded elements of sovereignty in the formation of the EU, and their participation in multilateral institutions is a core concept of their identity as global citizens. By most accounts, they generally have more faith in multilateralism, and appear to China to be more genuine in their efforts to use international organizations as agents of global problem solving than the Americans.

Given these factors, some believe that the EU should exert more influence than it does toward China's liberalization. The EU has more credibility on issues such as human rights, because they are signatories to important treaties that promote such rights. The EU does not allow the death penalty to be used in its judicial system, and thus stands on firmer ground when persuading the Chinese to move away from its use of executions. Finally, Socialism has deeper historical and psychological roots in Europe, and this is seen by China as an affinity it does not share with America. In short, the EU is viewed by China as less demanding, less threatening, and more engaged with China in many important ways, even as they both jockey with the US and Japan for the top spots on the global economic ladder.

Despite this congeniality, the upcoming Olympics have placed tremendous strain on China's relationship with many EU members. Germany's Angela Merkel and UK Prince Charles will not attend the Opening Ceremonies; the UK's Gordon Brown will not attend the Opening Ceremonies, but he will attend the Closing Ceremonies; and French President Nicolas Sarkozy is undecided. China responded negatively to the disruption of the Torch's journey through Paris and to the granting of honorary French citizenship to the Dalai Lama. A grass roots boycott of the French retailer Carrefour developed; and the French scrambled to officially apologize and honor both the Torch and the Chinese athlete who was hurt in the Torch protest.



India

India and China are often positioned in the Western press as rivals: for power in the region, for scarce resources to satisfy their enormous populations, and for economic dominance in the globalized marketplace.

They have a history of conflict over disputed areas along their border, which flared in 1962 and is yet unresolved despite diplomatic efforts. These disputes flared up again in several spots in 2007 amid accompanying protocol breeches, including one regarding a visit to India by Taiwan's President-elect. China is friendly with India's enemy in the region, Pakistan, and generally enjoys favorable relations with most of India's neighbors. India is the home of the exiled Tibetan Dalai Lama who fled there with 80,000 of his supporters following China's invasion of Tibet in 1959. Many believe the United States conceives of India as a potential balancing force to China in the region, pointing to US-India affinities as former British colonies and governance by democracy. The US recently increased sales of military hardware to India, and appears to be cultivating relations with New Delhi as a possible successor to its increasingly unpopular pro-Pakistan policy.

China and India undoubtedly compete for resources around the globe, and increasingly more so in African markets. With over 2 billion people between them and growing, this competition is expected by most to become more intense. Both suffer from environmental degradation and extreme water scarcity, and widespread poverty plagues their rural and urban populations.

Their economic relationship is characterized by most as highly competitive. India enjoys dominance in the high technology/software sector, while China's manufacturing capacity greatly outstrips manufacturing capacity in India. China enjoys an edge in wide-spread literacy among both its urban and rural populations. Ultimately, many believe that China has the overall advantage with more educated people, more manufacturing jobs (150 million versus 10 million in India), and as Rob Gifford points out, more options for advancement in China.

As manufacturing becomes more expensive in China, some jobs may end up in India; by then, the Chinese are expected to be more competitive in the high tech sector. Recent domestic turmoil in India over the creation of Special Economic Zones (SEZs) modeled on those in China does not bode well for India's march toward industrialization. The unknown variable is how well the CCP can appease its citizens by maintaining economic growth in exchange for democratic liberties. India on the other hand is the world's largest democracy, and it remains to be seen if this will provide a strategic advantage in the short and long term.

India and China are also very pragmatic in their road to development, and both realize that conflict between them is unproductive when both face social and economic challenges ahead. In 2007, they began conducting joint military exercises, cooperating on anti-terror mechanisms. India also provided critical support for China in the recent Tibetan conflict. As the Olympic torch was making its way to India, the Indian Foreign Ministry issued a statement

of policy: "India does not permit Tibetans to engage in anti-China political activities in India." With their large Tibetan exile population, this was a significant pro-China development on the part of China's rival in the region.

Russia and Central Asia

One of China's most important multilateral commitments is to the Shanghai Cooperation Organization (SCO). Born from Sino-Soviet border-control mechanisms, the SCO has grown into a strong regional player, and now includes China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. The SCO also has four official observers: Iran, Mongolia, Pakistan, and India.

True to its mission, SCO provides one the main avenues of interaction between Russia and China, widely acknowledged as being both rivals and allies in the region. China and Russia have a long and winding history tied to their Communist pasts and geopolitical power dynamics. In the 1850s, before Communism came to either country, Russia participated with Western imperialist powers in exploiting the weakness of the Chinese empire. Following the founding of the first Chinese republic in 1912, and the Russian Revolution in the same decade, the two powers went to war in the 1920s over Mongolia. Mongolia ultimately became a Soviet satellite state. Russia (USSR) supported the KMT in its battle against Chinese warlords in the 1920s, and was instrumental in arranging the alliance between the newly formed Chinese Communist Party (CCP) and the KMT shortly after its founding. When the KMT-CCP alliance disintegrated, and China descended into civil war, the Soviets supported fellow Communist Mao and the CCP throughout the duration of the civil war and WWII. China and the USSR suffered the most casualties of any of the countries involved in WWII, and in the aftermath during the 1950s, a solid alliance developed between the two Communist nations. However, by the 1960s they had split, largely over disputes regarding their 4,000 mile border and the changing nature of the two Communist societies. The 1970s were marked by China's alignment with the US against the USSR in the Cold War. In the 1980s relations warmed, and in the post-Soviet era of the 1990s, the two countries settled most of their border disputes and grew closer economically.

The SCO was formed with China and Russia as anchors to address both regional security and economic issues, though the two countries quickly diverged on priorities for the SCO, based on their national interests. Russia desired to use the SCO to balance militarily the US/European led multilateral organizations, while China saw the SCO more as a vehicle for economic cooperation, especially around energy resources. This central tension still exists today. Because both the PRC and the Russian Federation are nuclear powers and because they wield power, respectively, as vast energy importer and vast energy exporter, their relationship is important. How their relationship develops, in the SCO and bilaterally, is of great concern to regional and international parties. The Council of Foreign Relations has quoted East Asian expert David Wall as saying, the SCO is "like OPEC with bombs."

Experts agree the two countries have a lot in common, such as their authoritarian and Communist pasts, mutual suspicion of the United States and distaste for a unipolar world. They share a critical stance against American unilateralism in Iraq and elsewhere, and have been known

to vote as a bloc against American and European interests in the ASEAN Regional Forum, the Six-Party Talks, and the United Nations Security Council. They want the US out of Central Asia as well, something the SCO accomplished with regard to US bases in Uzbekistan. They both publicly condemn US military policies around missile defense shields and the weaponization of outer space. They both disapprove strongly of American democracy-promotion efforts in Central Asia, holding them partially responsible for many of the "color revolutions" that turned ex-Soviet satellites into Western-aligned democracies. As the list of SCO members and observers has grown, the US is noticeably excluded from any form of participation.

By most accounts, Russia in the continuing Putin era and China under the CCP are both highly nationalistic countries that seek a return to what they perceive to be their formal, rightful place at the international table. Culturally, many remark that Russia perhaps shares more in common with its Asian neighbor than with its Western European ones, especially around embrace of what has been called the free-market authoritarianism of their governments. Both value a strong state; neither system is terribly transparent. Russia fully supports Chinese policy toward Tibet, Taiwan, and Xinjiang, which strikes a chord similar to its own difficulties with restive minorities and separatist movements.

The tensions that exist continue to revolve around the primary mission of their alignment through the SCO. Russia prefers the SCO to become more of a formal defense treaty organization, and to focus more on border issues of crime, terrorism, and drug trafficking. China wants the alliance to focus on getting resource extraction, namely more Russian oil and natural gas, and moving energy from other sources through Central Asia to the PRC. Ultimately, as expert John K.C. Daly has pointed out, China would like the SCO to become a vehicle for economic integration similar to the EU, and Russia would like it to look more like a security organization like NATO. To Russia's frustration, China has been known to go outside the SCO to negotiate bilateral deals with Central Asian countries to influence the route of key oil and gas pipelines in the area. Russia also faces enormous demographic problems as its population ages and low birth rates have failed to maintain population numbers. For this reason, observers note, China's sheer human potential can be seen as a threat to Russia.

Despite these tensions, according to *Asian Survey Journal*, China and Russia may be said to be currently enjoying their best relations in years. In fact, 2007 was officially deemed the Year of China in Russia (2006 had been the Year of Russia in China). 2007 also saw an unprecedented joint military exercise involving the SCO to which China contributed troops in numbers never before seen in past years.

The Korean Peninsula

Korea was a colony of Japan from 1910 to 1945. In the 1950s, the US went to war to prevent Communist forces backed by the Chinese from taking over Korea. The war ended in a stalemate, and an official line splits the Peninsula into Communist North Korea (DPRK) and the US-supported South Korea (ROK) at the 38th parallel. Between the two still lies today a de-militarized zone (DMZ), the Southern side of which hosts a large American military presence. In 1961, China and North Korea signed an official Treaty of Friendship, and since then food and fuel aid from China has largely kept the DPRK from collapsing during the corrupt and authoritarian regimes of the 20th and 21st century. China's motivation is threefold: (1) to counter the presence of the United States in South Korea; (2) to show solidarity for a fellow Communist regime, crippled by sanctions; and (3) to prevent the flow of North Korean refugees into China should the regime collapse. While China's aid supported the North Korean population, the DPRK embarked on a nuclear program most believed was intended to produce weapons of mass destruction. At the insistence and direction of the United States, United Nations' international weapons inspection teams were deployed, but soon ousted by North Korean leaders in 2002.

China established diplomatic relations with South Korea in 1992, making them one of the few countries in the world that has diplomatic relations with both Pyongyang and Seoul. As a result, North Korean refusal of nuclear inspections put the PRC in a tough spot. On one hand, China's interests could be harmed by heightened nuclear tensions and an arms race in the region. On the other, a nuclear North Korea would be a balancing force against the US in South Korea, would likely prevent a reunification of the peninsula on American terms, and might deter any Taiwanese or Japanese aggression in the region. At the same time, South Korea was by some accounts tiring of the pervasive presence of American troops, and starting to realize the benefits of open trade and improved relations with China. Eventually, the PRC took an unprecedented step in its history with regard to North Korea: it supported sanctions and joined criticism of the regime in the United Nations. China ultimately went on to lead the Six Party Talks aimed at ending North Korea's nuclear program (along with the US, Russia, South Korea and Japan). In 2006, North Korea reacted with hostility, launching a bold missile test, against international laws and norms.

Six Party Talks resumed in 2007, and China continued to play a constructive role on the side of the UN and the US on the subject of nuclear non-proliferation on the Korean Peninsula. Agreements were made to dismantle an existing nuclear facility, allow inspections of all other nuclear capacities, and stop potential transfers of nuclear technologies to other rogue states and/or terror groups. Since that time, it is widely agreed that implementation of these agreements has been troubled and uneven, with the DPRK missing an important December 31st deadline.

Meanwhile, most experts agree that the United States' confrontational manner on the North Korea issue is alienating the other 6 Party Talk members. Even South

Korea, who relies heavily on US support, has seen its citizens complaining about American troops on their soil, signaling that they are not afraid of North Korea or the rise of China. In fact, South Koreans are showing signs of reconciliation with North Korea, with whom they share bloodlines, as well as economic interests. Some see this reconciliation and potential reunification as a South Korean hedge against China's growing power in the region. Internationally, it is widely agreed that China's support for North Korea is no longer the international liability it once was, partly because of the credibility conferred on the PRC through the 6-Party Talks. Most predictions have the PRC remaining very involved in matters on the Peninsula to ensure that any reunification scenarios develop in a way that favors Chinese interests.

Resource Quest: The Middle East, Africa, and South America

China's resource needs have been described by many as insatiable. With 20% of the world's population, China is not endowed with abundant natural resources, and its appetite increases as the economy grows and the middle class adopts resource-intensive lifestyles. Numerous experts are tracking China's relationships in the Middle East, Africa, and Latin America as it embarks on this voracious resource quest. Here, in general terms are a summary of the main dynamics currently at play. In all three regions China has several advantages over its Western competitors, including a policy of non-intervention in the sovereign affairs of trading partners; its perception as a developing nation; and finally, the efficiency of its state-supported endeavors.

The Middle East

According to multiple sources, China currently imports 60%-70% of its oil supplies from the Middle East. China's two primary suppliers are an uneasy American ally (Saudi Arabia) and an American enemy (Iran). Saudi oil company Aramco announced in Spring 2008 plans to double its exports to the PRC in 2008, and further, plans to expand exports again several times before 2010. This places China in direct competition with the Kingdom's other two primary oil markets, the United States and Japan. China's major consideration, many note, is that this oil must travel from the Gulf to the PRC via shipping lane chokepoints controlled by the American Navy. For this reason, China is looking to its Central Asian neighbors for viable, alternative pipelines via land to the PRC. China has invested heavily in infrastructure to facilitate this, in the port of Gwadar in Pakistan and throughout Central Asia.

China is also courting Iran, who does not trade oil with the US because of sanctions. Iranian oil contracts are thus ripe for Chinese domination, and the oil itself can be moved to China via land pipelines in Afghanistan and Central Asia (in which China is also investing heavily). The international community generally condemns China's embrace of Iran in its resource quest, believing that China's purchases there prop up an onerous regime that might have otherwise collapsed by now. There are also worries that China might be tempted to trade oil in return for nuclear technology, a resource many suspect that Iran is increasingly more desperate to obtain for itself.

Africa

Africa is fast becoming a primary destination for China in the quest for natural resources, as revealed by recent news stories about deals in Congo and Zambia. Howard French, a well-respected journalist who has lived and worked extensively in both Africa and China, perhaps sums it up best when he wrote in *The New York Times*, "with their customary speed and unfussiness, the Chinese have made themselves at home in Africa…The Chinese people today look at Africa and see opportunity, promise, and a fertile field upon which their energies, mercantilistic and otherwise, can be given full play." This stands in stark contrast with American and European interests on the continent which largely consist of humanitarian aid,

missionary work, election-monitoring, loans, and elaborate relief and development efforts tied to improving governance. Susan Shirk quotes in her book, Fragile Superpower, an American general testifying before Congress who was told by an African leader, "We love the United States. You, above all else, tell us exactly what we need and then China turns around and gives it to us."

While many African leaders reportedly see Western involvement on the continent squandered in consultants and overhead; in contrast, the Chinese generally dispatch a team capable of planning and implementation. The PRC sends Chinese engineers and laborers to build the primary infrastructure required to extract the desired resources (oil wells, mines), and also roads, aviation, water wells, government buildings, and hospitals. While Western aid, investment, and debt relief is increasingly more conditional on the development of democracy and good governance or cooperation in the Global War on Terror, Chinese aid flows where the resources are, generally without such considerations. Experts note that the only geostrategic demands typically made by China are that recipient nations vote against inclusion of Taiwan in the United Nations. This appeals to healthy and unhealthy African governments alike who are in need of funds, and the yuan generally comes with less hassle than the dollar or euro. Some feel that China's status as a developing nation also bolsters its credibility in brokering deals with other second and third world nations. The 2006 Sino-African Summit showed this formula is working as China played host to 48 of 53 African countries.

China's "non-intervention" clause of the "peaceful rise" doctrine makes moral and ethical considerations other nations might face regarding unsavory regimes a non-issue. The US and the West are largely prevented from taking advantage of lucrative markets in places like Sudan, Chad, Congo, and Angola by formal sanctions and informal international norms. Chinese investors are able to exploit international sanctions and arms embargoes to set up near-monopolies at non-competitive prices, sometimes by selling Chinese-made weapons to regimes and guerilla armies that the West cannot or will not touch.

China is also at a great advantage on the continent because the state subsidizes Chinese companies doing business in Africa. For most other liberal economies, investment in war-torn, poorly governed nations can be too risky for privately-held companies who must answer to shareholders. Chinese construction and oil companies can take those risks because the state generally covers losses, despite often rampant corruption.

Experts speculate on China's downfall in Africa as it becomes more brazen in its expansion on the continent. Much Chinese activity currently happens under the radar. Many experts, however, feel Chinese companies follow familiar colonial patterns; extract valuable natural resources at privileged prices through questionable deals reached with desperate governments; and in return, sell cheap manufactured goods that thwart development of local industries, primarily textiles. In Africa, it is commonly held that revenue from resources doesn't usually make it past governments to the people. Many feel that as poverty and discontent grow; backlash will ensue. If democracy begins to spread in Africa, despite the reverse incentives China provides, African people's voices will have to be recognized and heard as the wealth gaps grow in mineral-rich countries. Further, many experts note the Chinese way of doing business is also often secretive and exclusive in a culture that values relationships; and complaints abound about Chinese workers keeping to themselves and acting contemptuously of African village life.

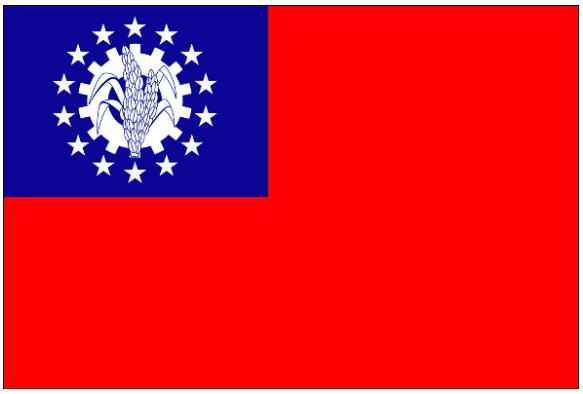
Others feel that China's footprint across the continent will be diminished through international criticism for its dealings with "rogue" nations. As China becomes more integrated in international institutions, it may be forced to play by the rules of those institutions, or suffer political consequences that would slow its peaceful rise. Experts feel that when and if this will happen is the question of the hour, but that indicators suggest China is coming around with respect to Sudan. As awareness of the Chinese role in the Darfur crisis and in the troubled deployment of the UNAMID peacekeeping force grows, pressure will continue to mount. China is now, reluctantly and incrementally, putting pressure on Khartoum to cooperate with the international community in ending the crisis. Likewise, China's decision to halt arms sales and reduce aid for Zimbabwe in the wake of alleged recent election fraud has been seen by many as a positive development as well.

Latin America

Latin America is another destination for China in its resource quest. Building on lingering resentment over their colonial pasts, playing up Chinese affinity with developing countries, and bearing offers with few strings attached, China has moved to lock up valuable natural resource contracts with regimes of all types. Sometimes, these countries are openly anti-American (like Venezuela), sometimes just hungry for willing buyers. By most accounts, however, China is establishing a presence in Latin America while US engagement with Latin America could be viewed as declining.

Among the many reasons to court Latin American resource suppliers, is that China would benefit from more countries allegiant to the PRC rather than Taiwan. Half of the countries that currently recognize Taiwan are in Latin America, a fact China is very much looking to change. And, for the most part, underdeveloped Latin American countries, who have seen various free trade agreements such as the Doha Rounds fail and generally resent neglect by the United States, are low-lying fruit for the PRC.

The perils of China's strategy in Latin America are similar to those described for Africa. International criticism for its alliances with regimes like Chavez's in Venezuela, whom the international community considers a "rogue," may take its toll. The neo-populist governments it supports could collapse, leaving China on the wrong side of future regimes. Environmental degradation is an added liability in Latin America as well. Numerous sources report that much of China's illegally logged timber comes from this hemisphere, and the international community might one day take steps to stop it.



Burma (Myanmar)

Known by both its British colonial name and the one assigned by the military junta that took control of the country in 1962, Myanmar is a special ASEAN member nation when it comes to relations with China. Myanmar has been called by Transparency International the world's most corrupt country, spending less for the health and education of its citizens than any other country on the planet (less than $2/day for both). In addition to being extraordinarily poor, Myanmar's citizens are subject to persistent violence and warfare between the myriad of 30+ militias who are either supported by or acting in resistance to the military government, some of them ethnically or politically defined, others by their pervasive criminal endeavors such as the drug trade. *New Internationalist Magazine* reports that Myanmar's own military is estimated to rank within the top 15 nations in the world in terms of number of active duty troops and military expenditures, despite the country's small size and extreme poverty. It is believed by many in the field to have the world's highest number of child soldiers; and one in ten children born today die before their first birthday. It is one of the world's major suppliers of opium and methamphetamines; and Gross National Income per person is estimated at $220 per year. However, it is largely closed to the rest of the world, so estimates on quality of life indicators are difficult to obtain, but general reports confirm that life is extraordinarily harsh.

To further illustrate this point, in September 2007 the military government cracked down on thousands of pro-democracy protestors, most of them monks, imprisoning up to 5,000 and killing many others. In the wake of this upheaval and widespread repression, ASEAN stuck to its policy of non-intervention in the domestic affairs of member nations. China, Myanmar's patron in the region, found itself in a bind. Many felt that China had blood on its hands following the recent violence, after years of soft loans and weapons sales to the regime. Myanmar is home to 1 million Chinese nationals, and is considered a strategic ally of the PRC; it also has two primary assets China covets: ports and land contiguous to China for oil and gas pipeline construction. As Stephanie Kleine-Ahlbrandt and Andrew Small have written, Myanmar is thus, "a strategically important client and an embarrassment for China."

In this instance, China initially blocked referral of the military junta to the United Nations Security Council, but came around to approve a carefully-worded condemnation. Many felt this was insufficient, and urged China to follow suit with Western nations and impose sanctions and boycotts. China moved incrementally toward more constructive engagement with Myanmar, but again in May 2008 the junta displayed its callousness towards civilians. A devastating cyclone hit the Irawaddy Delta area of the country; the government blocked or embezzled international humanitarian aid, and went on to hold a planned referendum on their continued rule amid the chaos and suffering. Again, China was called on to be the critical bridge between the generals and the international community. As this edition goes online, the Chinese response is yet to be determined. As Frida Ghitis has written

for *World Policy Review*, "The generals plainly don't care about their people. They will only listen to their patrons in China. Right now, China does care what we think." With the Olympic spotlight upon it, many hope China will step up to this critical challenge.

What Next

China's Economy

The main challenges China faces economically are:

- How to moderate the excesses of industrial capitalism and mitigate market failures (including wealth gaps, exploitation of labor, irresponsible of inefficient use of scarce resources, production of poor quality goods, pollution of the global commons) that harm people, the environment, social stability and international good will;
- How to shore up the commercial rule of law to promote faith in the Chinese economy, especially in the area of intellectual property protection, regulation of banking practices, and the elimination of corruption;
- How to spur innovation in technology and fairly use the expertise and ideas of others around the world to develop new products people will be demanding in the future, especially around the "green industry";
- How to obtain the resources and inputs China needs to meet the staggering demands of its economic system in a sustainable way, and how to obtain these without violating international norms around fairness and the support of unsavory regimes;
- How to thwart nationalistic impulses which favor protectionism, mercantilism, and controversial currency exchange practices at the expense of free trade.

And the ultimate challenge will be how to factor the above adjustments into the economic system while keeping Chinese goods competitively priced on global markets, so that China can maintain current levels of growth in its economy. At some time in the future, presumably, this pace of growth will decrease; it is almost a mathematic certainty that China's extraordinary rise will ultimately level out. The Chinese need to be prepared for this as well.

Most people believe that the solutions to China's critical economic challenges lie in international institutions as much as they do in the policies of the CCP. These challenges are not unique to China; they are common to any industrializing nation at some point in its development. The sheer scale and pace of China's industrialization has compressed natural stages of growth and exacerbated their attendant liabilities. In an era marked by increasing globalization, however, the stakes are the world's, not just China's.

What Next: China's Foreign Policy – The Peaceful Rise

In his landmark 1996 book, The *Clash of Civilizations* and the Remaking of World Order, Samuel Huntington made several prescient observations that are fascinating to consider 12 years later. Writing during the Deng Xiaoping administration, and roughly half-way into the thirty years of reform leading up to contemporary China, Huntington correctly predicted that "China's history, culture, traditions, size, economic dynamism, and self-image all impel it to assume a hegemonic position in East Asia." In response to this rise, he predicted one of two scenarios would result: that

others in the region and beyond would seek to balance and/ or contain China's influence and power; or that they would accommodate its rise. He even lays out a list of expectations China would have of others in the region as part of an accommodating stance: from supporting Chinese territorial integrity to resisting militarizing against it to expanding trade with Chinese companies and individuals, to abstaining from creating anti-China alliances. It can safely be said that all of these contingencies occurred, and China has, in fact, become the dominant country in Asia, overcoming the power and influence of its closest rival, Japan.

Huntington went on to write, "Chinese hegemony will reduce instability and conflict in East Asia." This prediction also seems to be proving accurate. The strength and reach of its economy, combined with its soft power, has allowed China to both reduce instability and conflict, and to dominate the region, if not militarily. As China becomes more dominant and becomes a possible contender to US unipolarity in the world, it is taking numerous actions to prevent "threatening" others and stirring a balancing and/ or containing phenomenon. (See Foreign Policy Overview). By reaching out through multilateral, regional, and international institutions, and acting generally cooperatively within these bodies (with the exception of matters pertaining to Taiwan), China is doing a great deal to convince the hundreds of other countries in the world that its intents are, indeed, both peaceful and responsible.

However, there are numerous contingencies that could potentially derail this optimistic new world order:

- The most obvious one here would be any renewed contention in the Taiwan Strait. If Taiwan were to declare its independence or make any move that could be perceived as upsetting the status quo or preventing ultimate reunification with Mainland China, the PRC is likely to take action quickly against Taiwan. And if the PRC acted, the United States and Japan would feel compelled to counter that action to preserve the balance of power in the region. The scenarios here range from threats and sanctions to a conventional confrontation, or even in the most extreme scenario, a nuclear confrontation.
- Another event that could tip China into a defensive, anti-Western position would be actions, accidental or otherwise, by a Western power that cause injury or insult to Chinese national pride. The outrage and surge in nationalism that followed two accidental US-perpetrated actions against the PRC – the bombing of the Chinese Embassy in Belgrade and the collision of a US spy plane with a Chinese aircraft – shook the fragile peace between the two powers at the turn of the 21st century. This nationalism was apparent in the Chinese public's response to the protests during the Olympic Torch relay in spring 2008, and this risk will resurface during the Games themselves in August. A boycott or some sort of international incident at the Olympics could influence China back into an anti-Western stance.
- Any significant change in the status of US military power in Asia could also move China towards an adversarial or aggressive stance. The US Navy has a considerable presence in North and Southeast Asia – from its forces in South Korea to its installments in Japan which now include a nuclear battleship (as well as troops on China's Western border in Afghanistan). China has always feared being encircled by US power and US proxies; the US Pacific Command has been said to be greater than all its other forces combined. In contrast, the Chinese Navy has yet to develop the basic blue water capacity to travel around the world, much less engage in a protracted naval battle. Any increase of US military power anywhere in Asia would be seen as provocative and unacceptable by the PRC, and would invalidate the responsible stakeholder bargain, and could potentially initiate an arms race.
- Similarly, the world watches China's military capabilities as well. Double digit percent increases in military spending for much of the last decade, combined with efforts to increase the "smart technology" of its military might, have made China experts around the world a bit nervous lately. China has gone to great lengths to downplay this threat. The PLA engages in joint military exercises with many countries, and contributes to the common good by participating in rescue and mine-sweeping exercises as well. But should the PLA begin to exercise any form of hard power (in the Taiwan Strait or around contested islands in the South China Sea, as it has done before), it could incite balancing and containment efforts on the part of the US and/or Japan.
- And finally, resource competition in an era marked by $130 dollar barrels of oil presents another possible

area for conflict between China and the West. As oil reserves diminish, and increasingly the world's oil supply is held by rogue nations, there is a possibility that China will reconsider the current calculus amid what economist Lester Brown has called "the politics of scarcity." The PRC may decide its resource needs are more important than its place as a responsible stakeholder, and it may scramble to lock up exclusive contracts which would violate WTO laws and/or put the PRC more firmly in bed with the world's most unsavory regimes, negating the grand geopolitical bargain laid out by Zoellick and others.

Forecasting

The big question on many people's minds is: can China's rise and the world's reaction to its rise remain peaceful and productive, or will the paradigm become one of alignment and containment such as existed during the Cold War? Many also wonder what China's long term stance will be, and Susan Shirk asks whether the PRC will continue to be a "cautious, responsible power preoccupied with its own domestic problems and intent on avoiding conflict that would disrupt economic growth and stability," or will it adopt a "nationalistic, aggressive stance tapping into a century of humiliation?" Similarly, will the leadership of the current world powers (the US, EU, and Japan) continue to accommodate China's rise and reach out to the PRC through international institutions from a place of respect and inclusiveness? Or will their criticism of the CCP's failings domestically and abroad prevail, and will traditional power dynamics kick in and lead to a policy of containment, rather than engagement?

Various experts outline further steps the PRC must take to continue on this path and prevent an alignment movement from occurring:

- Refine its definition of sovereignty as it pertains to the behavior of "rogue" nations. Many believe China needs to move toward what UK Foreign Minister David Miliband has described as "responsible sovereignty," taking a more flexible and pragmatic approach so that it does not run afoul of international opinion the way it did in Sudan and Burma. This will be extraordinarily difficult in places where China's strategic and oil interests are at stake; and will be a challenge in places where human rights abuses mirror those that the CCP practices at home. As Fareed Zakaria writes, "If China were to criticize the Burmese dictatorship, what would it say to its own dissidents?"
- If China must have unsavory allies, many believe it should use its influence where it can. Without coming right out and joining Western condemnation, the PRC has had a tremendous impact on North Korea's cooperation within the 6-Party Talks, and was instrumental in getting the Sudanese and Burmese governments to reluctantly accept international aid in dealing with their disastrous internal affairs.
- Exercise extreme caution in well-known hot spots around the world: the Taiwan Strait, contested islands in the South and North China Seas, Japan, Pakistan, Iran, North Korea, Venezuela, and the Chinese-controlled Panama Canal. In all of these places, dangerous miscalculations could result from any player.
- Treat Chinese ethnic minorities in Semi-Autonomous Regions such as Tibet, Xinjiang, and Inner Mongolia with restraint and cultural (if not political) respect. The world watches these conflict-ridden areas within China's official borders carefully, and these are places where much goodwill can be lost and backlash easily instigated by diaspora communities around the world.
- Reign in nationalism, particularly among China's youth. Numerous polls and articles show that China's middle class, educated youth are often nationalistic to the point of xenophobia. Their lifelong diet of pro-China propaganda seems to have worked too well, even as the Hu Jintao/Wen Jiabao government adopts a more conciliatory stance on hot issues such as China's relations with America, Taiwan, and Japan. Many feel that China should dial back the rhetoric in the state-controlled media.
- Continue to open up diplomatically – in bilateral, multilateral, regional, and international organizations. Chinese officials are celebrated for generally showing up at summits and official state visits, especially when Western nations don't. Going beyond merely taking a seat at the table to helping constructively bring these organizations in line with international norms is the next step many believe is natural and necessary.
- Continue to embrace a win-win philosophy of geopolitics. Hu Jintao/Wen Jiabao statements of late

have emphasized the interdependence globalization has brought to traditional power dynamics. In an interview with Margaret Warner of PBS in late May, Assistant Foreign Minister He Yafei, said, "China cannot develop itself without it getting involved with the world, or without the support of the international community; and the international community, its peace, stability of the world cannot be achieved without the participation and contribution of China." This sentiment needs to outlast the 2008 Summer Olympic Games in Beijing and become part of China's long-term strategy in the world.

However, global harmonization is not only in the hands of the Chinese. The international community, and the United States as the unipolar leader in particular, must prevent a balancing or alignment movement from taking place. Various experts weigh in on what other countries need to do:

- Own up to their own challenges in operating as responsible stakeholders in the world - from the violation of the Nuclear Nonproliferation Treaty to the Kyoto Protocol to the International Criminal Court and the Doha Rounds of WTO talks concerning developing nations. For international institutions to work, they must be honored and constructively engaged by the powers that created them.
- Avoid using unilateral mechanisms to influence the PRC's behavior. Engage the Chinese in multilateral institutions and let international laws and norms do the talking. This will be more effective in both the short and long term, and will be less likely to play to the nationalist fears of the Chinese people.
- Engage in humility. The myriad failures, excesses, and even abuses perpetrated by the CCP in the post-Mao era can be found in varying degrees in the histories of nations around the world, including the United States. Global problem solving is most effective when others begin the conversation with a solution, rather than a criticism.
- Make the effort to understand the Chinese psyche – from their history to their current pressures. The strong Confucian tradition in China means neither the people nor the leaders think exactly like Westerners.
- When in doubt, assume good intentions. As ill-motivated as the CCP can sometimes seem, modern top-level CCP officials are generally well-educated, technocratic problem-solvers who put an enormous amount of effort into studying the experiences and best practices of other nations in an effort to figure out how to rule the most populous nation on the planet comprised largely of impoverished peasants. China is very much a work in progress, and it cannot be assumed that its leaders do not care about its citizens.
- Understand the effects boycotts, anti-Chinese protests, and general shaming from the West generally have on Chinese leaders and the Chinese people. Outsiders need to recognize that pressure techniques that are effective in Western democracies are not necessarily effective in authoritarian societies, and can produce a dangerous backlash in place of desired results.
- Keep the pressure on for democratic liberalization, environmental regulation, and the general rule of law, but do it from a constructive place of engagement.
- Recognize that there are benefits to be had in sharing the burdens of leadership. Being able to draw down US troops from the Pacific region to be deployed elsewhere is a positive development for America; medical and green technologies developed in China will benefit everyone everywhere. The US needs to focus on the benefits of having company at the top of the heap.

What Next: Democratic Reforms in China

A central complicating factor pointed out by many China observers is that the conversation about democratic reforms in China often confuses liberty and freedom with democracy. It is not possible to have true democracy (one man, one vote, representative government responsible to the people) without liberty and freedom. It is possible to have measures of liberty and freedom without democracy, though the first has historically led to the second. The PRC has already, throughout the Reform era, dramatically expanded economic freedoms as well as social freedoms. With some exceptions, the Chinese people can generally work, live, marry, and entertain themselves pretty much the way they like. The exception is in the area of political freedoms, or more specifically, the freedom to participate in politics (from criticizing the government to getting elected and running the government – components of a healthy democracy).

As John Thornton writes in a recent essay for *Foreign Affairs* magazine, both Hu and Wen have made statements over the past years concerning democracy in China. Hu has said, "democracy is the common pursuit of mankind," and Wen has remarked, "developing democracy and improving the legal system are basic requirements of the socialist system." But, as Thornton points out, when Wen Jiabao was pressed in 2006 to describe what democracy means in China, he chose CCP initiatives that most felt fell short of the Western definition of democracy: local and provincial elections where competitive voting among a roster of Party-chosen leaders is allowed, intra-party consultation and voting among members as to which Party members should occupy which positions, and a faintly independent judicial "system of checks and balances" designed to reign in corruption within the Party and in how Party officials deal with the public.

In the analysis of Thornton and others, none of these mean that true universal representative democracy is coming to China any time soon. These measures have often been described as "deliberative" or "consultative" – engaging the people and lower party officials in a limited review process designed to increase their general faith in the legitimacy of the CCP system, and to allow for the venting of some democratic impulses, lest they fester and aggregate in a way that would challenge Party dominance.

That is the case as of May 2008. The above reforms have largely been put in place and their implementation will be tested in the coming years, especially around the selection of leaders who will succeed Hu and Wen in 2012. No one expects whole-scale change and doubt the limited electoral process will be allowed to expand beyond the village and intra-party level.

As for the Chinese people as a whole, many experts are not convinced that radical democratic reform is a goal. Democracies are messy; and many believe it is a combination of Confucian ideals of harmony, hierarchy, and order, combined with memories of the difficult Mao and immediate post-Mao years that disinclines much of the Chinese population in general from seeking further democratic reforms. The fact that the middle classes, nationalistic youth, the elite, and the multinational business community are all benefiting from the current system is significant. Jeffrey Wasserstrom observed poignantly, as he sat in a Beijing internet café in 2003 and spent hours investigating how to get around CCP Internet censors, that few of his fellow, mostly young, Chinese patrons were doing the same thing. He reports contemplating writing an article entitled, "What If They Built a Public Sphere and Nobody Cared?"

The potential agents of change have generally been co-opted by the economic prosperity the CCP system has created. It is important to note that true democracy in a country with close to a billion not so satisfied customers (rural peasants and migrant/lower class laborers) would endanger the future of the CCP and, potentially, its beneficiaries.

What Next: The Chinese Communist Party

The "fifth generation" of CCP leaders will assume power in and around 2012. Largely Western-educated and widely traveled, they grew up in peacetime and perhaps do not instinctively fear the instability that further democratic reform would undoubtedly unleash. Yet, the very survival of their privileges in society would certainly be at stake; and mankind has shown itself to be anthropologically wired for self-preservation. Below, taken from a variety of experts and perspectives, is a synopsis of the debate that is taking place in Beijing, Washington, and around the world.

Can the CCP preserve its mandate to govern in the face of economic liberalization, globalization, and the increasing (planned and spontaneous) opening of Chinese society to the rest of the world?

Yes

Those that would argue "yes" generally believe that the CCP has studied well and learned its lessons, from Tiananmen Square to the fall of the USSR and through the rigorous inspection and evaluation of best practices in governments from around the world and across time. The Party is not hardened; it has enormous "resiliency," as many experts have noted, and is constantly adapting to changing conditions on the ground. As mentioned above, it has co-opted those with the most time and talents for fomenting change through the economic prosperity over which it presides. Those not co-opted are either benefiting from the economic prosperity or are too busy working as farmers or laborers to rise up in a coordinated revolt, despite their sporadic and isolated protests of the many injustices they face. The vocal

dissident community is largely controlled through effective intimidation and suppression measures that not only silence the dissidents themselves but serves as a deterrent to other citizens.

Generally, enough reform in the areas of personal, economic, and social freedoms outweighs the limited nature of political reforms. Nevertheless, just enough meaningful political reform is introduced at the local and intra-party levels to provide a safety valve function. The foreign policy of the CCP has been, for the most part, successful, producing peace and largely restoring China's image internationally as a force to be reckoned with after the "century of humiliation." High level Central Party officials are well-liked, and the general impression of the Party is as a meritocracy where talented people painstakingly ponder the future of the world's most populous nation and one of its largest economies. The indoctrination process largely still continues to work, as evidenced by the growing nationalism and xenophobia of the college-educated youth in the population. International criticism now often meets with vigorous pro-Chinese responses without prompting from the Party itself. The recent earthquake was devastating, and revealed serious corruption at the local level, but the Central Party members may potentially feel they can deflect this blame on the growing decentralization of government, and possibly use it as an excuse to consolidate power centrally. The Olympics are coming with great fanfare; the world seems to have increased empathy for the Chinese following the earthquake, a noted change from the negative press from the Olympic Torch's tortuous journey through the West. Life is generally good, and with measured reform and determined tinkering, it should stay that way with minimal challenges to the Party's overall mandate to govern.

No

Those who believe the CCP's days are numbered can be just as convincing. Most here believe that serious cracks exist under the surface of China's shiny new façade -from corruption to increasing wealth inequities, to protests that threaten to gain momentum, to divisiveness within the Party, and the lack of Party capacity to reign in its vast, decentralized system. These experts generally believe that the repression of free speech and association has only masked a growing discontent among the Chinese people, and made this discontent more dangerous because the Party has no way of gauging how people are feeling or where there enemies are. Rod McFarquar talks of "regime tiredness," and the inability of the CCP to maintain its "competency mandate" in the face of mounting complexities associated with China's rapid modernization. In this view, the CCP is paranoid and often irrational, and the situation is ripe for dangerous miscalculation by a reactive government in the face of an unforeseen forcing event.

Experts disagree on what this "spark" might be. It could have been (and could still be) the 2008 Sichuan earthquake as grieving parents retaliate against corrupt local officials that had a hand in shoddy school construction and the One-Child Policy that has left them completely bereft. It could easily come in the form of recession or declining economic growth. It could even be in the form of a mishandling by the CCP of an international slight. The spark could come from anywhere, be man-made, such as an act of terrorism, or a natural disaster, such as another earthquake or an epidemic. Experts here argue that the Party is too brittle to withstand such a forcing event, and that its implosion and/or overthrow would be certain.

Should the CCP falter, there is also tremendous disagreement about what might replace it in a country with 1.3 billion people, enormous domestic challenges, many neighbors, and absolutely no experience with Western-style democracy. The replacement could be something much worse than the CCP, such as a military junta. Regardless, the fall of the CCP would send shockwaves through every government and economy in the world. It is, to many, a case of being careful what you wish for.

A Compromise Position

Most, outside extreme hawks in the Pentagon, and avid human rights activists, realize the CCP's problems are complex, and that the best chance for influencing China's evolution toward a more liberal state is to engage with the current Chinese leadership, and press for reforms through the use of respected multilateral forums and pressures that signal a win-win, rather than a zero-sum game of reform. Regardless, whatever develops will be particular to Chinese culture, traditions, and current realities. China's unique system does not now and will not in the future look like anything the world has ever seen before.

What Next: China's Environmental Woes

The question here is, can China curb and possibly reverse its enormous ecological footprint without disrupting its continued economic growth? And, will China be willing to engage with the international community to address its environmental problems as part of larger solutions to environmental degradation and climate change?

Challenges to Reform

Introducing basic efficiency measures and adopting cleaner, yet more expensive technologies to power industry in China will be no small task. Consider how difficult regulation and conservation efforts have been in the United States and start multiplying. The CCP and the Chinese economy are not set up to be green anytime soon. Reform will cut into profit margins and may slow the growth of the manufacturing sector in the short term, a move which is antithetical to the Party's goals. As the deck is stacked now, companies and individual consumers alike will have little incentive to cooperate in the face of state-subsidized, artificially low prices on key commodities.

Enforcement will be a Herculean task left to understaffed government bureaucracies. Most enforcement will fall to local and provincial officials who are incentivized to hide problems from the Central Party apparatus rather than report them. Corruption will likely lead to loopholes and abuse. A lack of free press and the regulation of NGOs shields these shortcomings from public view. The lack of a vibrant judicial system favors polluters and those that game the system. And the CCP struggles to balance short-term and long-term considerations that could compromise the stability of their regime.

But as nearly all experts agree, the real costs of not acting to address the continuing inefficiencies in the way resources are used in China, and the fallout from using them poorly, are immense. It is especially powerful to note that, if the costs of environmental degradation are factored into economic models, those costs would cut into China's GDP growth so deeply that the result would not be eye-popping double-digit increases, but net losses.

What Needs to Be Done

There are measures agreed upon by most experts that the CCP needs to take to mitigate the damage and salvage the sustainability of the Chinese environment:

- Price water and electricity accurately, without government subsidies that encourage waste;
- Give local officials, factory owners, as well as multinational company officers appropriate incentives for reform, including tax breaks and other benefits tied to outcomes;
- Let up on restrictions on NGOs and the press so that they may more effectively publicize environmental problems, provide outlets for protests, and organize communities for reform;
- Strengthen regulations and staffing of enforcement bodies;
- Enter into partnerships and common funding mechanisms with the US and other countries to facilitate innovation.

Finally, the onus here is on the West as well. Most believe the developed world must own up to its share of the crisis. Kishore Mahhubani has pointed out that the per capita emissions load that is thought to be responsible for current global climate change entered the atmosphere beginning in 1850. Taken in this long view, the US is responsible for 29% of overall emissions, Western Europe 27%, and China 8%. Yes, China's emissions are growing faster than others, but the rest of the world got a free pass on this one for a century before China started contributing. The solution must, as in most issues addressed here, lie in international treaties, efforts, and institutions for all in the global community.

What Next: The Olympics: One World, One Dream?

China's culture minister told Margaret Warner of the PBS Online News Hour that "hosting the Olympics will demonstrate to the world that China has transcended a century of foreign invasion and humiliation and political and economic turmoil that kept it a backward nation." Noted China expert Minxin Pei, at the Carnegie Foundation for International Peace, has emphasized the monumental nature of this sentiment, saying that, for the Chinese, the Olympics are nothing less than "an opportunity to demonstrate China's confidence, achievement, and status as a world power… a coming of age party."

The stakes of the Olympics are enormous…not only for the athletes, but for China and for people around the world who will certainly use the forum to highlight their concerns about China on all the various topics covered in this edition of the Monitor. Interestingly, China lost its bid to host the 2000 Olympics to Sydney, so this controversy has been going on a lot longer than many realize. The construction effort alone has been stupendous. The *Wall Street Journal* estimates the bill is over $180 billion; and reports that 2 million migrant laborers have been literally working around the clock in 15 hour shifts, 7 days a week in 10,000 different sites comprising 1.7 billion square feet of vertical and horizontal space (3 times the size of Manhattan). Some estimate that up to 1.5 million people have been displaced to make way for sports venues.

To have their bid chosen by the International Olympic Committee (IOC), Beijing was required to promise many reforms generally in society, as well as specifically around the time of the Games. On general reforms in Chinese society, mostly around human rights issues, their record has generally been perceived as uneven. Chinese officials have met with both IOC and US officials to "discuss" human rights, but little news of progress has been released in Chinese or Western media, beyond the US officially dropping China from its top ten list of countries with the worst human rights records in spring 2008.

Ironically, at the same time Chinese officials are supposedly attempting to implement IOC-mandated human rights reforms, the Party is actually committing more human rights abuses. In an attempt to suppress protests occurring around the Games among Chinese dissidents, the CCP has taken what many see as extreme pre-emptive measures. These include arresting Chinese citizens solely based on their past association with protest groups, and imprisoning human rights advocates and lawyers, as well as journalists who have reported on the exploitation of Chinese laborers in the massive construction effort in Beijing. Others singled out for pre-emptive action include Falun Gong practioners. *World Policy Review* journalist Nishika Patel has reported that, according to the US-based Falun Data Information Center, 1878 practitioners from 29 provinces have been arrested since January 2008.

China has made better progress in meeting IOC demands surrounding specific conditions related to the Games themselves. The CPD has issued temporary exemptions on press restrictions for foreign journalists and is working on meeting specific environmental air quality standards for the summer. On the environmental front, many are worried that some events may have to be postponed on high pollution days. The Chinese counter that this will not be a problem; and they have contingency measures in place to temporarily shut down industries and remove thousands of cars from Beijing's streets in order to meet requirements in August. This is not totally within their control, however. Beijing's geographical location within wind patterns on the continent make it a victim not only of its own pollution, but of nearby cities as well.

Protests

Formal protests against the Beijing Olympics began worldwide as the Olympic Torch embarked on its journey from Athens to China; and the route has been routinely disrupted by pro-Tibetan, Save Darfur, and human rights advocates. Of particular note were large protests in London, Paris, and San Francisco. In April, IOC Head Jacques Rogge described the torch protests as a "crisis," and admitted that the IOC had considered abandoning the journey altogether. IOC Vice President Gunilla Lindberg called into question some of the protestors' motivations, telling The *New York Times* that many of them were not pro-Tibetan, but rather "professional demonstrators of the type who show up at the G-8 to be seen and fight."

Potential protests among athletes participating in the Games have become an issue as well, as it has many other times in Olympic history. Rule 51 of the Olympic Charter forbids athletes from joining in "a demonstration or political, religious, or racial propaganda" at official Olympic sites. The *New York Times* reports that athletes fall along a wide spectrum of intentions regarding the Beijing Games. Some have joined what is known as Team Darfur and will wear clothing announcing their support of the cause when they are not officially competing. Others have reported that they will openly protest on behalf of Darfur and/or Tibet and will risk being disqualified for violating Rule 51. Others are on the fence, worrying about the reaction to protest by their lucrative corporate sponsors such as footwear and apparel giants who have a considerable presence in the Chinese manufacturing sector. Some sponsors prohibit any protest by athletes under contract with them; others give official free

rein to their athletes, but often quietly discourage political statements that could harm company interests.

Regardless, it is likely there will be numerous protests in and around Beijing this summer – the venue is just too tempting with the amount of international attention and worldwide media focused on the Games. Chinese officials are expected to react with usual gusto, but how well they will be able to contain so many outsiders in such a public forum in the technology age remains to be seen. International relations expert Moises Nam aptly sums up what to expect: "In fact, the Beijing Olympics…will also test the limits of a centralized police state's ability to confront a nebulous swarm of foreign activists armed with BlackBerries. A government bureaucracy organized according to 20th century principles will meet 21st century global politics. Lenin meets YouTube."

Boycotts

The US and 60 other nations boycotted the 1980 Olympic Games in Moscow to protest the Soviet invasion of Afghanistan. In retaliation, the USSR and East Germany boycotted the 1984 Games in Los Angeles. Many are now urging boycotts of the Beijing Games over a variety of issues including China's actions regarding Darfur and Tibet and with respect to human rights in general. Jonathan Alter supported the rationale behind the concept of potential boycotts, saying in *Newsweek* that the Olympics offered "a window of opportunity to bring China further into the community of respected nations."

Most experts on China agree, however, that a boycott would not lead to such an end – for two reasons. First, they believe that such actions would be ineffective (the CCP is, in the end, more concerned with protecting its interests in Tibet than with what the world thinks of its actions). Authoritarian governments respond to different pressure points than democracies; and boycotts would produce little leverage on the CCP. Fareed Zakaria cautioned in *Newsweek International*, "Every multinational business that has had success in persuading the Chinese government to change course will testify that public humiliation does not work nearly as well on the regime as private pressure." *World Policy Review*'s Nirav Patel goes further to say, "Boycotts generally work when their targets are heavily reliant upon the support of others." The reality is that the world is now currently reliant on China.

Second, boycotts could potentially backfire, emboldening hardliners and nationalists within the Party and among the Chinese population, perhaps resulting in harsher CCP policies in Tibet and on human rights generally. There has been quite a bit of nationalist, anti-Western rhetoric coming out of China recently in the wake of the Olympic Torch protests, threatened boycotts, and international criticism of Chinese policies. Not all of this rhetoric has been incited by the CCP, as Chinese youth have spontaneously reacted with harsh words and counter boycotts of French products as France's President Nicolas Sarkozy threatens to boycott the Opening Ceremonies.

There are those who fear that threats of boycotts over current issues in China are squandering potential leverage the international community needs in terms of China's cooperation on other pressing global issues like nuclear proliferation, trade, and climate change. And, as always in Western dealings with China, there is the hypocrisy of it all. Author Wan Jian Wei told Gwen Ifill of the PBS Online News Hour that if you accept that China is not fit to host the Olympic Games because of human rights abuses, then it follows that China should necessarily be disqualified from participation in the WTO and from participation in all global trade, saying, "if you apply this logic consistently, then basically you are talking about shutting China out of the international community." This ultimately, is not an end that most think will serve the global interest.

See the August 15th edition of the World Savvy Monitor for updated information on any development surrounding the Games which begin August 8th.

Visual Sources – Documentaries, Photos, Videos

Below are some useful and interesting visual sources to illustrate some of the issues covered in this issue of the Monitor about modern China. Also see the Salon Guide for additional recommendations for books, films/documentaries, and other multimedia sources.

China From the Inside Documentary Series
http://www.pbs.org/kqed/chinainside/

China Photos from Trek Earth
http://www.trekearth.com/gallery/Asia/China/

National Geographic Sources
http://www3.nationalgeographic.com/places/countries/country_china.html
http://news.nationalgeographic.com/news/2008/05/photogalleries/earthquake-photos/
http://www3.nationalgeographic.com/places/photos/photo_china_china.html
http://www.nationalgeographic.com/traveler/photos/china0801/china_gallery.html

China Blue - Documentary on Chinese Factory Workers in the Blue Jean Industry
http://www.pbs.org/independentlens/chinablue/

Is Wal-Mart Good for America? - Documentary on Wal-Mart, includes section on trade with China
http://www.pbs.org/wgbh/pages/frontline/shows/walmart/china/

China in the Red - Documentary on Life in Communist China
http://www.pbs.org/wgbh/pages/frontline/shows/red/

Nixon's China Game - Documentary About US President Nixon's Historic Visit to China
http://www.pbs.org/wgbh/amex/china/

From China With Love - Documentary About Famous Chinese Spy Case
http://www.pbs.org/wgbh/pages/frontline/shows/spy/

The Tank Man - Documentary About 1989 Tiananmen Square Protests and Post-Tiananmen China
http://www.pbs.org/wgbh/pages/frontline/tankman/

Music Video Memorializing 1989 Tiananmen Square Massacre
http://chinadigitaltimes.net/2008/06/song-blood-is-on-the-square/

Video Footage from BBC – Various news stories on China
http://search.bbc.co.uk/cgi-bin/search/results.pl?q=china&scope=all&tab=av&recipe=all

Video Interview with Chinese Expert on Rising Chinese Nationalism
http://chinadigitaltimes.net/2008/05/video-hung-huang-on-nationalism/

Memorial Video About 2008 Earthquake
http://chinadigitaltimes.net/2008/05/memorial-video-china-shaken/

Links to Chinese News/Entertainment

http://www.china.org.cn/
http://www.chinatoday.com/
http://www.chinaview.cn/
http://www.youtube.com/user/cctv
http://chinadigitaltimes.net/

Key Foundation Documents

Human Rights Documents

Universal Declaration of Human Rights (UDHR) - 1948
30 articles which set forth basic inalienable rights and fundamental freedoms for people around the world. http://www.udhr.org/UDHR/default.htm

International Covenant on Economic, Social and Cultural Rights (ICESC) – 1966
This Covenant grows out of the UDHR and lays out the specific economic, social, and cultural rights accorded to people, and steps that governments should take to protect these rights. China has ratified this Convention in 2001. http://www.unhchr.ch/html/menu3/b/a_cescr.htm

International Covenant on Civil and Political Rights (ICCPR) – 1966
This Covenant was developed from the UDHR and lays out the specific civil and political rights accorded to people, and steps that governments should take to protect these rights. China has not ratified this Convention, but is a signatory to it (2005), which is technically the first step before ratifying. However, some states "sign" a convention with no intention of ever ratifying it, as a diplomatic and PR move with the global community, so it is unclear whether China really intends to ratify, and thus be held accountable to the rights in the Convention, or intends to remain a signatory. http://www.unhchr.ch/html/menu3/b/a_ccpr.htm

Key Foreign and Domestic Policy Speeches

Speech by Chairman Mao Zedong delivered on June 30, 1989: "The People's Democratic Dictatorship"
http://www.fordham.edu/halsall/mod/1949mao.html

Speech by President Deng Xiaoping delivered on May 7, 1978: "Realize the Four Modernizations and Never Seek Hegemony"
http://english.peopledaily.com.cn/dengxp/vol2/text/b1200.html

Editorial appearing in the People's Daily on April 26, 1989 at the beginning of the Tiananmen Square protests: "It Is Necessary to Take a Clear Cut Stand Against Disturbances"
http://www.tsquare.tv/chronology/April26ed.html

Speech by President Deng Xiaoping delivered on June 9, 1989 following the suppression of protests in Tiananmen Square: "Speech to Martial Law Units"
http://www.tsquare.tv/chronology/Deng.html

Remarks by Premier Wen Jiabao at Harvard University outlining the Peaceful Rise Doctrine: "Turning Your Eyes to China"
http://www.news.harvard.edu/gazette/2003/12.11/10-wenspeech.html

Speech by United States Deputy Secretary of State Robert Zoellick delivered on September 21, 2004 to the National Committee on US-China Relations outlining the Responsible Stakeholder missive: "Whither China: From Membership to Responsibility"

http://usinfo.state.gov/eap/Archive/2005/Sep/22-290478.html

Speech by President Hu Jintao delivered on April 28, 2008 at the Opening Ceremony of the Boao Forum for Asia Annual Conference: "Continuing Reform and Opening Up and Advancing Win-Win Cooperation"
http://news.xinhuanet.com/english/2008-04/12/content_7966431.htm

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WORLD SAVVY

MONITOR

Classroom Companion

Classroom Companion

This companion document to the Issue in Focus provides educators with guidance to incorporate the content into classroom teaching. This component is geared towards grade 6-12 teachers, with connections across subjects and disciplines.

Contents of this Classroom Companion include:

- Student Readings
- Discussion Questions
- Lesson Ideas/Curriculum
- Additional Resources
- National Standards

Student Readings:

Below are some links to articles and reports at various reading levels that would be appropriate to use with students to learn more about contemporary issues in China.

Advanced:
http://ngm.nationalgeographic.com/2008/05/china/whats-next/hessler-text

Intermediate:
http://teacher.scholastic.com/scholasticnews/indepth/upfront/features/index.asp?article=f050508_Olympics

Beginner:
http://www.pbs.org/newshour/extra/features/world/jan-june08/china_4-16.html

Background information on social and political issues in modern China: http://uk.oneworld.net/guides/china/development

Student Voice: http://www.pbs.org/newshour/extra/speakout/world/jan-june08/china_2-19.html

Possible Discussion Questions:

1. What recent and/or upcoming events taking place in China have focused attention on that country?
2. What kind of government does China have? What is the name of the ruling party of China?
3. China has been growing and changing rapidly over the last decades. From the article you read, describe some ways in which China has changed.
4. Have these changes you just described been positive or negative for the people of China? Why or why not?
5. Critics believe that China is not doing enough leading up to the Olympic Games to address human rights and freedoms in China. What issue do you believe is the most important for China to address?
6. Evaluate the relationship between the United States and China. What role do you think the US should take in its stance toward China?
7. What do you think should be the stance of the international community toward China? For instance, on the question of the environment, should China be held accountable by the

international community to improve environmental standards and reduce pollution, even though they are a developing country and in the process of becoming fully industrialized?

Lesson Ideas/Curriculum

In this portion of the guide are selected suggestions for engaging activities and curriculum to teach students about this issue - across the disciplines. In addition, there are links to recommended curriculum units that are available from the web.

Social Studies/History:

- Refer back to the Issue in Focus and select several of the key players described. Make sure students understand a bit about the background of modern China, then assign each of them (or groups of students) to take on the role of one of these key players. Create a simulation of a foreign summit or human rights conference where students, acting with the political interests in mind of the key player they were assigned, work toward resolution on a key issue in modern China, such as the environment.
- Trace the path of Communism in the Soviet Union versus China. How are they alike, and how are they different? Based on what you have studied, do you think the Chinese Communist Party can maintain its control over the country, or will it fall, as in the Soviet Union? Do you think that as the economy continues to grow and people become wealthier, the Chinese will continue to accept a totalitarian government?
- China is a large country with a very diverse physical geography – and could be an interesting study for geography courses. For middle school ancient civilization courses, study the way that rivers were crucial to the rise of early civilizations, and the role of rivers in China today; and in high school courses, study the impacts – social, economic, political, and environmental – that the rapid migration from rural to urban areas is having in China. Or look at the vast landscape that makes up China – what challenges does this pose for keeping the country unified under one central government?
- Analyzing U.S. foreign policy toward China and its impacts presents a great opportunity for history and government students to examine foreign policy in action, and even design their own foreign policy proposals for how the U.S. should deal with the rising power and wealth of China. International Relations students could also study foreign policy relationships between China and her neighbors; hold a global summit, with the U.S., China, and China's neighbors present (Japan, South Korea, India, etc.)
- 2009 will mark the 20th anniversary of the Tiananmen Square protests and massacre. Have students investigate Tiananmen Square along with other historical revolts. What were the results, and what changes can or cannot be seen since Tiananmen Square in 1989? How does this compare to other popular protests and revolts?
- One of the main criticisms of modern China is that it does not protect the human rights of its citizens. Have students research human rights (see Key Foundation Documents for a place to start), and then choose a right that they feel is being violated in modern China to investigate. They can present what they find to classmates, or create a video PSA and discuss how to

take action on the issue.

- Tibet has been in the news frequently over the years, and in the lead-up to the Olympics. Where is Tibet; what is its history, and what is its connection to China? Who is the Dalai Lama, and what does he propose in order to resolve the situation regarding Tibet? Have students write their own proposals to the Chinese government about how they believe this situation can be resolved.
- Have students in government courses investigate the role of the free press in a society, and then look at the role of media censorship and its effects in China. For those interested, Amnesty International USA has a campaign regarding freedom of the press in the lead-up to the Olympics. http://www.amnestyusa.org

English/Language Arts:

- Recent protests in San Francisco and other cities around the world during the Olympic Torch relay highlight the strong feelings many people have about modern China. Many Westerners are upset at the human rights abuses of the Chinese government, but many Chinese have strong feelings of pride about the progress their country has made as an economic and world power over the last decades. Find readings that show both of these points of view, and analyze them with students. Examine these articles for media bias as well – whose point of view is represented, is there key information missing, who are the sources of information, etc.?
- Use China as a case study for learning about censorship and propaganda. What is the power of words; and why does censorship exist? Why does China's Communist Party feel the need to control what its citizens read and say – both in the press and on the internet?
- Responding to Literature – there are many fiction and non-fiction works (see some recommended books below) detailing different perspectives on modern and historical China. Have students write literary responses using these texts, as well as analyze the historical context of literature and point of view.
- Creative writing – either in conjunction with the literature being read in class or in connection to reading non-fiction texts about China today, students can step into someone else's through a creative writing project. Such projects could include writing diary or journal entries from a character's or historical figure's point of view, a letter to a noted figure or character, or writing a mock interview with a historical or modern figure.
- Have students research and design travel brochures to showcase China's vast geography, people and culture.

Science:

- Study the environmental impacts of the Three Gorges Dam, which opened in 2006. The construction required flooding large portions of the valley, moving huge numbers of residents to entirely new cities, and changed the course of the Yangtze River, greatly lessening its flow to the sea. Have students track current news for the environmental impact of the dam. They can weigh the pros and cons of the project or hold a classroom debate – providing flood control and electricity to a growing populace versus the environmental (and social and cultural too) impacts of the dam.
- Study the impacts of urbanization on the natural environment of China. How is the rapid influx of people moving into the cities affecting the natural landscape? What health and environmental issues does rapid urbanization cause in cities?
- Desertification is increasing rapidly in China, starting in the North and West but moving toward the coasts, due to both natural causes and human activity. Have students research what causes desertification, what are its impacts on people and the environment. How can further desertification be prevented; and can some of the damage be reversed? Have students create proposals with their recommendations for addressing desertification in China.
- Pollution is a major problem in China, and will be getting much attention with the upcoming Olympics. What is causing this pollution, what impacts is it having on the country and its people, and what can be done to control pollution? Have students track instances of pollution throughout the Olympics. The wind patterns in Beijing are said to be such that pollution from Beijing and other cities affects the city – have students investigate wind patterns and how they affect pollution.

Mathematics:

- Use information from the readings to review mathematical concepts. For example, there are about 1.3 billion people living in China, and it is estimated that 40% of the population lives in cities and 60% lives in rural areas – calculate the number of people living in urban and rural areas. Or look at the ratio of men to women in China today – 117 boys born in China to 100 girls. For a population of 1.3 billion, how many more men than women are there in total? You could also use comparative statistics for China and the US to show proportions, or review graphing and charts.
- The Olympics in Beijing in summer 2008 will provide ample opportunity to use numbers and statistics in math classes. Have students track the number of people attending the games, the number of medals won by different countries, the impact of the Olympics on the Chinese economy, number and cost of venues built for the Olympics (and the flip side of that, the number of people displaced to build venues).
- Global population growth provides an excellent, real world example of the exponential growth curve in algebra classes, but how does China compare? How is the One-Child Policy in China affecting its growth curve today? Have students research the estimated population of China through different dynasties and historical time periods, and the population of China today. Refer to this teaching resource from Columbia University for more background info: http://afe.easia.columbia.edu/china/geog/population.htm#2b.
- Delve into the mathematical and economic issues surrounding factories and manufacturing in China. Just how much are people earning on average? How does this compare to wages in other countries? Show the documentary China Blue to students, or search for current events articles on the topic to turn up statistical information, or go to http://www.cleanclothes.org to see the cost breakdown of the average pair of athletic shoes. For more ideas on this type of project, see the excellent reference book, Rethinking Globalization, from Rethinking Schools.

Recommended Curriculum Units

Choices Program – China on the World Stage: Weighing the U.S. Response

This resource provides background information to familiarize students with changes in China over the last few decades, as well as the history of the U.S. – China relationship, and then asks students to analyze options for what they believe U.S. policy toward China should be.
http://www.choices.edu/resources/detail.php?id=11

China From the Inside Lesson Plans

Using clips from PBS's documentary "China from the Inside", two lesson plans explore the changing face of China. One focuses on the environment by exploring the impact of Three Gorges Dam while the other examines the complexities of globalization by having students take on roles in a debate on the issues surrounding globalization.
http://www.pbs.org/kqed/chinainside/edlesson1.html

The Road to Beijing

With the coming 2008 Beijing Olympics, the Stanford Program on International and Cross-Cultural Education (SPICE) has developed a set of curricula units that promote a deeper understanding of Chinese culture, history, and contemporary issues.
http://spice.stanford.edu/docs/road_to_beijing

PBS Wide Angle: Lessons on China's Economy and Rule of Law

The first of these lessons investigates China's rapidly growing economy and economic reforms; the second lesson investigates recent changes in the legal system in China, and both utilize film clips from recent PBS Wide Angle documentaries.
http://www.pbs.org/newshour/extra/teachers/lessonplans/world/china.html
http://www.pbs.org/wnet/wideangle/classroom/chinalaw.html

The China Project

This website contains an extensive list of lesson plans related to China, though some are beginning to be outdated. See in particular "Representation of Chinese minority Groups in Propaganda Art" and "Has Geography Contributed More to Uniting or Disuniting China?"
www.globaled.org/chinaproject

Additional Resources

This list of resources is provided if you want to find some more specific and nuanced information about the themes presented in this issue of the World Savvy Monitor. These resources comprise additional books, films, web sites, and multimedia resources that can be used in the classroom. All resources are available from Amazon, unless other sources are noted.

Books

Additional books for advanced high schoolers and adults can be found in the Salon Guide.

Balzac and the Little Chinese Seamstress: A Novel by Dai Sijie
This moving, often wrenching short novel by a writer who was himself re-educated in the '70s tells how two young men weather years of banishment, emphasizing the power of literature to free the mind. A feature film has also been made of this novel.

The Diary of Ma Yan by Ma Yan
This is the real diary of Ma Yan, a 13-year-old schoolgirl from the extremely impoverished Ningxi region in northwestern China. Originally written with a ballpoint pen purchased in lieu of two weeks' worth of food, these diaries detail the day-to-day life of a girl determined to get an education despite crippling poverty. This book was first published in Europe, after Ma Yan's mother pressed three notebooks containing the diary into the hands of a visiting foreign journalist. With photographs.

Dragonwings by Laurence Yep
This Newberry Award-winning novel takes place in the San Francisco Bay Area at the turn of the 20th century. It is the story of a Chinese boy, Moon Shadow (the narrator), who moves to Chinatown to be with his father, Windrider, who is working on a flying machine even as the Wright Brothers are. An historical novel, it depicts not only the lives of and discrimination against San Francisco's Chinese immigrants in the early 1900s, but also the 1906 San Francisco earthquake. Many of Laurence Yep's many other books touch upon similar themes and would be excellent for students.

Forbidden City by William Bell
This novel for teesn focuses on the Tiananmen Square demonstrations in China in 1989. The genre is historical fiction, and tells the story of the protests through the eyes of a fictional American high school boy caught in the demonstrations with his father, a photojournalist.

The Good Earth by Pearl S. Buck
Set during the reign of the last emperor of China, this 1932 Pulitzer Prize winner tells the story of the honest farmer Wang Lung and his selfless wife O-lan, allowing readers to appreciate the sweeping changes that have occurred in the lives of the Chinese people during the past century.

The Joy Luck Club by Amy Tan
This classic novel shows the stories and struggles of Chinese immigrants in America, but through their stories also provide a window into the lives they left behind in China as well.

Red-Scarf Girl: A Memoir of the Cultural Revolution by Ji-li Jiang
Ji-li Jiang was twelve years old in 1966--the year the Cultural Revolution began in China. Red Scarf Girl is her heart-wrenching account of the Revolution--an unforgettable portrait of a young girl torn between her love for both country and family. Memoir is appropriate for middle school and above.

Wild Swans: Three Daughters of China by Jung Chang
Chang chronicles three generations of women in her family living in China during the 20th Century. Her grandmother was a warlord's concubine, her mother rose to a prominent position in the Communist Party before being denounced during the Cultural Revolution, while Chang herself marched, worked, and breathed for Mao until doubt crept in over the excesses of his policies and purges.

Films

China: A Century of Revolution
This powerful three-disc documentary takes an objective, first-hand look at China's tumultuous 20th century, examining the nation's social, political and cultural upheaval through personal interviews and rare historical footage. Beginning in 1911 with the fall of the last emperor, the program journeys through the decades, following China's growth into one of the world's largest economies.

China from the Inside
This PBS documentary explores China's people, past and present, in four 60 minute episodes: Power and the People, Women of the Country, Shifting Nature, and Freedom and Justice. The full film is too long for the classroom, but lessons, film clips, and other background information are available from the PBS website: http://www.pbs.org/kqed/chinainside/.

China Blue
Shot clandestinely at a blue jeans factory in southern China where 17-year-old Jasmine and her friends work around the clock for pennies a day, China Blue reveals what international retail companies don't want us to see: how the clothes we buy are actually made. Available at http://teddybearfilms.com/dvds

Manufactured Landscapes
This documentary by award winning director Jennifer Baichwal follows Edward Burtynsky, a large-scale photographer of nature, to China, as he captures the effects of the country's massive industrial revolution. This film leads us to meditate on human endeavor and its impact on the planet.

China's Mega Dam
Discovery Channel video about the making of the Three Gorges Dam. Investigates the engineering marvel of the Dam, as well as the social, cultural, and environmental impacts the dam has on the surrounding landscape. http://shopping.discovery.com/product-59110.html?endecaSID=11A7F1C87615

The Tank Man
This documentary from PBS Frontline chronicles the story of the Tiananmen Square demonstrations in 1989, and what has happened in the struggle for democracy in the years since then by tracing the story of "The Tank Man" – the iconic figure who stood in front of advancing tanks. Buy the film, or watch it online. The website also includes a teacher's guide with lessons focusing on media and rights. http://www.pbs.org/wgbh/pages/frontline/tankman/

Voices in Exile
This documentary presents the Tibetan exile community from the Tibetan point of view. The perspective provided from the modern history of Tibet and China reveals a great deal about the nature of China's future leadership. Available at http://www.tibetanphotoproject.com/voicesinexile.html

Multimedia and Web Resources

Changing China
BBC website with graphs and charts about several key issues regarding modern China, including geography, the economy, ethnicity, and more. Click on the "Changing China" button at the top to see an additional BBC website with updated news and analysis on China today. http://news.bbc.co.uk/2/shared/spl/hi/in_depth/china_modern/html/1.stm

China on the Rise
PBS NewsHour correspondent Paul Solman traveled to China in the summer of 2005 to produce a seven-part series on the Asian nation's rise as a global economic contender and America's anxiety that China will overtake the United States as a superpower in the 21st Century. The website

includes transcripts, audio, video streaming, as well as links to relevant resources. http://www.pbs.org/newshour/bb/asia/china/

China Digital Times
China Digital Times is a collaborative news website covering China's social and political transition and its emerging role in the world by aggregating up-to-the-minute news and analysis about China from around the Web. http://chinadigitaltimes.net/about/

Choking on Growth
This 10-part series of articles and multimedia from the New York Times examines China's pollution crisis and how it relates to the nation's rise to economic power. http://www.nytimes.com/interactive/2007/08/26/world/asia/choking_on_growth.html#story4

Stephen Voss Photography
A photo essay of water pollution in China that documents the effects polluted water has had on the land and the people. http://www.stephenvoss.com/stories/ChinaWaterPollution/index.html

Population by Age and Sex, 1950-2050
This animation of China's population demonstrates the dramatic change in the country's age structure between 1950 and 2050. http://www.china-profile.com/data/ani_pop_1.htm#

Standards

Activities described in this Classroom Companion correspond to the following national standards from McREL (Mid-Continent Research for Education and Learning).

Social Studies - -

World History Standards:
Era 9: The 20th Century Since 1945: Promises and Paradoxes

- Understands the rise of the Communist Party in China and factors that influenced political conditions in China after World War II

World History Topics:
Economic Development and Growth

Environmental Issues

Human and Civil Rights

Migration and Settlement Patterns

Population Explosion and Environmental Degradation

Historical Understanding:
1. Understand and know how to analyze chronological relationships and patterns

2. Understands the historical perspective

Geography - -

2. Knows the location of places, geographic features, and patterns of the environment

12. Understands the patterns of human settlement and their causes

14. Understands how human actions modify the physical environment

15. Understands how physical systems affect human systems

16. Understands the changes that occur in the meaning, use, distribution and importance of resources

18. Understands global development and environmental issues

English/Language Arts - -

Writing:
1. Gathers and uses information for research purposes

Reading:
6. Uses reading skills and strategies to understand and interpret a variety of literary texts

7. Uses reading skills and strategies to understand and interpret a variety of informational texts

Media:
10. Understands the characteristics and components of the media

Science - -

Earth and Space Sciences:
1. Understands atmospheric processes and the water cycle

Topics:
Environmental Issues

- Populations and Ecosystems
- Science, Technology, and Society
- Water in the Earth System

Mathematics - -

1. Uses a variety of strategies in the problem-solving process

3. Uses basic and advanced procedures while performing the processes of computation

6. Understands and applies basic and advanced concepts of statistics and data analysis

9. Understands the general nature and uses of mathematics

WORLD SAVVY

MONITOR

World Savvy Salon Guide

Possible Discussion Questions

1. How do you believe the media has portrayed recent and/or upcoming events taking place in China?

2. Recent protests in cities around the world during the Olympic Torch relay highlight the strong feelings many people have about modern China. Discuss these issues, especially around human rights. What are protestors seeking to achieve? Do you think these protests were an effective way to pressure the CCP? How do democratic and totalitarian states respond to pressure differently? Can you think of any human rights abuses perpetrated by Western governments today?

3. Given the uproar, should China even have been granted the 2008 Olympics? Should teams boycott as they did in 1980 in Moscow and 1984 in Los Angeles? Should Heads of State attend the Opening Ceremonies? Why or why not?

4. Consider the growing sense of nationalism and even xenophobia that has developed among some Chinese citizens in response to the Torch protests. What effect might this have on the policies of the Chinese government? On the policies of Western governments toward China?

5. Discuss some of the profound social and cultural changes that have occurred in China over the last 30 years. What impact is this having on families and individuals? Are there any of these changes or impacts that resonate with Western societies?

6. Use China as a case study for thinking about censorship and propaganda. Consider the power of words and why the CCP tries to limit freedom of speech. Do you think that they can continue to exert this control as modernization and contact with the outside world only increases? Compare Chinese censorship with laws and policies regarding free speech in the West and the US. How important is free speech to the development of other freedoms?

7. Evaluate the relationship between the United States and China. What role do you think the US should take in its stance toward China? What does a post-US-dominated world look like?

8. What do you think should be the stance of the international community toward China? For instance, on the question of the environment, should China be held accountable by the international community to improve environmental standards and reduce pollution, even though they are a developing country and in the process of becoming fully industrialized?

9. Do some forecasting about China's future, especially around its continued economic growth and the dominance of the CCP. Will China's people continue indefinitely to trade one for the other? Is evolution toward democracy inevitable or are we seeing a new model for development arise, one that will perhaps inspire other second and third world countries for whom democracy is not working well? Will we see an alignment movement like we saw during the Cold War or will China be integrated into the international community as a "responsible stakeholder?"

10. Refer back to the Issue in Focus and select several of the key players described. Make sure everyone understands key aspects to the background of modern China, then assign people (or groups) to take on the roles of these key players. Have a debate on major issues.

11. Take a Western newspaper or magazine article about a current event in China, and compare it to articles on the same event in the Chinese press (worldpress.org). What differences do you see?

12. Things to Watch For in the Coming Year:

- Watch coverage of the Olympic Games from the Western media perspective, and then go online to compare it with Chinese coverage, especially if protests break out.
- Continue to watch China's role in the effort to bring peace to Darfur (see the May edition of the World Savvy Monitor on The Situation in Sudan and the Crisis in Darfur for background).
- April through June 2009 will mark the 20th anniversary of the Tiananmen Square protests and massacre. Pay attention to how the occasion is marked in the West and, if at all, in China.
- Tibet will continue to figure in the news as the Dalai Lama ages and is potentially replaced (a controversy has already been created over whether China or Tibet should appoint the second-in-command to the Dalai Lama, the Panchen Lama). Muslim areas of China will also be important topics in the news as the Global War on Terror continues in Central Asia.
- Watch for potential backlash against China as Western economies stall amid high oil and food prices. Unpack what this means and how global economies affect each other.

Additional Resources

Books

Balzac and the Little Chinese Seamstress: A Novel by Dai Sijie
This moving, often wrenching short novel by a writer who was himself re-educated in the '70s tells how two young men weather years of banishment, emphasizing the power of literature to free the mind. A feature film has also been made of this novel.

The Diary of Ma Yan by Ma Yan
This is the real diary of Ma Yan, a 13-year-old schoolgirl from the extremely impoverished Ningxi region in northwestern China. Originally written with a ballpoint pen purchased in lieu of two weeks' worth of food, these diaries detail the day-to-day life of a girl determined to get an education despite crippling poverty. This book was first published in Europe, after Ma Yan's mother pressed three notebooks containing the diary into the hands of a visiting foreign journalist. With photographs.

The Good Earth by Pearl S. Buck
Set during the reign of the last emperor of China, this 1932 Pulitzer Prize winner tells the story of the honest farmer Wang Lung and his selfless wife O-lan, allowing readers to appreciate the sweeping changes that have occurred in the lives of the Chinese people during the past century.

The Joy Luck Club by Amy Tan
This classic novel shows the stories and struggles of Chinese immigrants in America, but through their stories also provide a window into the lives they left behind in China as well.

Wild Swans: Three Daughters of China by Jung Chang
Chang chronicles three generations of women in her family living in China during the 20th Century. Her grandmother was a warlord's concubine, her mother rose to a prominent position in the Communist Party before being denounced during the Cultural Revolution, while Chang herself marched, worked, and breathed for Mao until doubt crept in over the excesses of his policies and purges.

Oracle Bones: A Journey Through Time in China by Peter Hessler
This is an unusual, fascinating book – part travel journal, part memoir, part history – by a journalist who has lived and worked extensively in China. The author combines personal, heart-wrenching narratives by citizens from throughout modern China with reflections of his own, and examines some of the contradictions that exist in this ancient country as exemplified by a series of archaeological excavations taking place amidst modernization.

China Road: A Journey Into the Future of a Rising Power by Rob Gifford
Another wonderful travelogue/memoir by NPR correspondent Rob Gifford who spent months traveling along the old Silk Road route (now Route 312) through China into Central Asia. He unearths many poignant narratives of ordinary citizens, and combines their colorful stories with historical and political commentary.

Chinese Lessons: Five Classmates and the Story of the New China by John Pomfret
These are the stories of China as told from the perspective of American exchange students who lived in China in the 1980's. These first-hand accounts of their experiences include narratives of Chinese citizens who lived during the Mao era and have been part of China's vast modernization. Pomfret went on to cover modern China as a journalist and offers many insights into the remarkable social and political journey of the country.

The Second World: Empires and Influence in the New Global Order by Parag Khanna
This highly readable survey of current geopolitics revolves around the thesis that the future global order will depend on the vast swathe of nations currently considered "the second world," ripe for alignment with the great powers of the US, China, and EU. Region by region, Khanna gives succinct and insightful treatment to countries about whom many of us may know very little, and shows how their relationship with the Big Three first world powers will change the future of the planet.

The Post-American World by Fareed Zakaria
Certain to become one of the bestselling books of 2008, respected journalist and Newsweek International editor Zakaria examines the decline of American hegemony, and explores what will happen in a century characterized by "the rise of the rest." This brand new book is a must read for understanding China and others' place in the new global order, and draws from many of the same sources we have presented here.

Films

Below is a select, recommended list of films and multimedia resources. For even more documentaries and visual sources, see Visual Sources section of the Issue in Focus.

China: A Century of Revolution
This powerful three-disc documentary takes an objective, first-hand look at China's tumultuous 20th century, examining the nation's social, political and cultural upheaval through personal interviews and rare historical footage. Beginning in 1911 with the fall of the last emperor, the program journeys through the decades, following China's growth into one of the world's largest economies.

China from the Inside
This PBS documentary explores China's people, past and present, in four 60 minute episodes: Power and the People, Women of the Country, Shifting Nature, and Freedom and Justice. The full film is too long for the classroom, but lessons, film clips, and other background information are available from the PBS website: http://www.pbs.org/kqed/chinainside/.

China Blue
Shot clandestinely at a blue jeans factory in southern China where 17-year-old Jasmine and her friends work around the clock for pennies a day, China Blue reveals what international retail companies don't want us to see: how the clothes we buy are actually made.

Available at http://teddybearfilms.com/dvds

Manufactured Landscapes
This documentary by award winning director Jennifer Baichwal follows Edward Burtynsky, a large-scale photographer of nature, to China, as he captures the effects of the country's massive industrial revolution. This film leads us to meditate on human endeavor and its impact on the planet.

The Tank Man
This documentary from PBS Frontline chronicles the story of the Tiananmen Square demonstrations in 1989, and what has happened in the struggle for democracy in the years since then by tracing the story of "The Tank Man" – the iconic figure who stood in front of advancing tanks. Buy the film, or watch it online. The website also includes a teacher's guide with lessons focusing on media and rights.
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Available at http://www.tibetanphotoproject.com/voicesinexile.html

Farewell My Concubine
A seemingly unshakable friendship gets put to the test by war, a communist takeover, the Cultural Revolution and especially by the intrusion of a woman into the lives of two Chinese opera stars. Inseparable since childhood, Duan

Xiaolou (Zhang Fengyi) and Cheng Dieyi (Leslie Cheung) find themselves increasingly at odds after Xiaolou weds a lovely courtesan (Gong Li). The film captures 50 years of Chinese history as it spins around the characters.

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http://news.bbc.co.uk/2/shared/spl/hi/in_depth/china_modern/html/1.stm

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http://www.pbs.org/newshour/bb/asia/china/

China Digital Times
China Digital Times is a collaborative news website covering China's social and political transition and its emerging role in the world by aggregating up-to-the-minute news and analysis about China from around the Web.
http://chinadigitaltimes.net/about/

Choking on Growth
This 10-part series of articles and multimedia from the New York Times examines China's pollution crisis and how it relates to the nation's rise to economic power.
http://www.nytimes.com/interactive/2007/08/26/world/asia/choking_on_growth.html#story4

Stephen Voss Photography
A photo essay of water pollution in China that documents the effects polluted water has had on the land and the people.
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Population by Age and Sex, 1950-2050
This animation of China's population demonstrates the dramatic change in the country's age structure between 1950 and 2050.
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