MAKING SENSE OF A CHANGING CHINA

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THE CHINA DILEMMA

Americans Swing Between Two Views of China

- Developing Country
- Friendly and Foreign
- Cuddly Panda Bears
- Democracy Activists
- Fascination

- Economic Superpower
- Populous and Powerful
- Fire-breathing Dragons
- Tanks in Tiananmen
- Fear
A CHINA BECOMING MORE LIKE “US”

Kentucky Fried Chicken

Starbucks

NBA

The Titanic

Barbie

Disney
A CHINA THAT THREATENS US

Goose-Stepping Military Parades

Anti-American Protests

Economic Behemoth

Ally of North Korea
AN INSCRUTABLE NATION

- Group needs valued over individual rights
  - Guanxi more important than merit
    - Harmony over confrontation
  - Facts and memorization over creativity
HOW CAN WE MAKE SENSE OF CHINA?

Search for Insights Into Forces Shaping Present Day China: Race Through Chinese History

Look at Key Dates and Concepts in 3 eras
CHINA’S PAST: A TELESCOPING LENS

- 3000 BC to 1800 AD  The Weight of History
- 1830s-1970s Humiliation and Strife
- 1978-2007  Plunging into Modernity

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China Today and America’s Response
Mandate of Heaven

Ruler formed a link between heaven and earth

Ruled through virtue
The Central Kingdom
One Heaven
One Ruler
System of Vassal States
CONFUCIUS 551-479 BC
CONFUCIAN VALUES

- Itinerant Scholar
- Great Teacher
- Developed ideal model of how society should work

CORE VALUES
- 礼 Ceremony, Ritual
- 義 Righteousness
- 仁 Benevolence
CONFUCIUS THROUGH THE AGES

• Moral Order
• Harmony, Avoidance of Open Conflict
• Ritual, Hierarchy
• Family, Veneration of Ancestors, Respect for Elders and for Authority

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• Modesty, Conformity, Thriftiness
• Exam System, Civil Service, Import of education
• Strong central government
• Government legitimacy rests on maintaining order
• Emphasis on stability
• Importance of symbolism and hierarchy in relationships
1800s Internal and external pressures. 150 years of turmoil

- Foreign trade, Treaty ports
- War and humiliation by foreign powers
- Population pressures

1860
Defeat in Opium Wars and Taiping Rebellion
HUMILIATION AND STRIFE

Late 1800s/Early 1900s

Defeat by Japan 1895
Increasing calls for reform, modernization
1900 Boxer Uprising—rage against foreigners
Allied forces defeat China, Heavy reparations
1911
Sun Yatsen leads overthrow of Qing Dynasty
Establishment of Republic of China

Sun a Western educated doctor, reform-minded

A fresh start for China?
MORE HUMILIATION AND STRIFE

- Failure of 1911 revolution
- Descent into warlordism
- CCP gaining strength in countryside, rivalry with KMT intensifies
- Misery of Japanese invasion unites China
- WW II ends
- CCP and KMT descend into civil war
- 1949-Establishment of PRC
- A fresh start for China?
<table>
<thead>
<tr>
<th>MORE HUMILIATION AND STRIFE</th>
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<tr>
<td><strong>1949-1976: More political turmoil</strong></td>
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<tr>
<td>• Communist Party seeks to force radical change</td>
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<td>• Paranoia leads to political and ideological struggles</td>
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<td>• Anti-Rightist Campaign, Great Proletarian Cultural Revolution</td>
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<td>• Economic and political chaos</td>
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<td>• 1976: Death of Mao and Great Tangshan earthquake. Onset of a political earthquake.</td>
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LEGACY OF HUMILIATION AND STRIFE

• US rise vs. China’s struggles
• Hypersensitivity to foreign aggression
• Importance of China’s unity and territorial integrity
• Late to modernize and adapt
• Reinforced drive for stability
1978-2008 PLUNGING INTO MODERNITY

- Gang of Four
- 1978: Third Plenum of 11th CCP Congress
- Official beginning of Reform and Opening
- Four Modernizations

- Deng Xiaoping
- “Seek Truth from Facts”
- Exchanges with the West pick up speed
A TIME OF TRANSITION

1979: Personal Witness to History
- Shanghai
- Fudan University

A good vantage point from which to view China’s change in direction

Teachers: Hopeful, cautious optimism
Students: Excited, eager to make up for lost time
1979-1989

- Nationwide burst of pent-up energy
- Peasants unleashed from Communism
- Urban workers allowed to start individual enterprises
- SOEs allowed to respond to market forces
- SEZs allowed to experiment with export-led growth

Rapid change leads to build up of pressures
<table>
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<tr>
<th>Politics</th>
<th>Economics</th>
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<tr>
<td>Slow pace of change</td>
<td>Rural incomes rising rapidly but</td>
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<td>Continued lack of personal</td>
<td>urban incomes stagnate</td>
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<td>freedoms, job mobility</td>
<td>Economic growth creates space</td>
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<td>Workers rights</td>
<td>for widespread corruption</td>
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June 4, 1989  Brutal Crackdown on students in Tiananmen Square followed by 3 years of political and economic stagnation
RUSH TO MODERNITY RESUMES

• 1992- Deng Xiaoping visits Shenzhen

• Economic growth and investment pick up again. China’s economic miracle takes off—world’s fastest economic growth

• More emphasis on balanced growth, urban development

• Rise of consumer culture
LEGACY OF 1978-2008

- Government legitimacy rests on economic growth and national unity
- Focus on stability, rapid economic development
- Democracy viewed as dangerous: leads to political chaos
- Events around the world reinforce authoritarian tendencies: Russia, Ex-Soviet states, 9/11
Period of national pride
• 2008: Olympics in Beijing
• 2009: 60th Anniversary of founding of PRC
• 2010: Shanghai World Exposition

• A succession of events that allow China to showcase the success of its modernization drive
CHINA TODAY

• Economic might. World’s 2nd economy, largest exporter
• A nation of “mosts”
• Modern skyscrapers
• New airports, train stations, public works
• World class museums, concert halls
• Cities of more than one million
• Students, engineering graduates
CHINA TODAY: HOW DID THEY DO IT?

- Hard work—pent up energy of the people and desire to “catch up”

- Accident of history—20\textsuperscript{th} century turmoil left few systems and institutions to work around

- Authoritarian system efficiently clears obstacles in the way of growth
Is China an unstoppable juggernaut that will inevitably surpass the West and threaten our way of life?

Maybe not. Breakneck speed of China’s economic and social transition has created new problems and exacerbated others.

China’s division problem
Poverty and growing income disparity in China

- Shanghai’s 20 million people--$11,500 per capita
- 10 cities with GDP per capital over $10,000

- Population in poverty greatly reduced but 150 million people still below poverty line
- Gaps between rich and poor among world’s highest. Underclass in cities and rural areas
CHINA TODAY: THE OTHER CHINA

• Pollution and environmental degradation in second tier cities
• New roads clogged by too many cars
• Widespread corruption breeds cynicism
• A countryside where parents are absent
• Legal system inadequately protects individuals
• Inflation and struggle to make ends meet
• Confusion over guiding values
IF IT SOUNDS TOO GOOD TO BE TRUE...

High Speed Railroads
• Fastest development
• Most track
• Highest speeds
• Substandard materials
• Low ridership
• Huge debts
• Safety concerns

Higher Education
• Enrollment expansion
• Beautiful new facilities
• Impressive test scores
• Quality of education
• Questionable practices
• Huge debts
• Poor job prospects—
  “The ant tribe”
RESPONDING TO CHINA

• Be skeptical

• Look for the full story

• Understand developments in light of Chinese experiences
AMERICA’S RESPONSE TO CHINA

- US-China tendency to blame each other for problems of our own making
- Develop trust—Policies of reassurance
- Collaboration and exchanges to minimize potential for misunderstanding
AMERICA AND CHINA

Our interactions affect the world
World problems require both countries to cooperate

Energy
Resources development
Environmental degradation
Foreign policy challenges
MORE OPPORTUNITIES TO INTERACT

Business, culture, tourism
Student exchanges
US-China Consultation on People-to-People Exchanges
IMPROVE UNDERSTANDING

• Knowledge of a country’s past and appreciation of cultural differences can defuse potential conflicts

• Improves prospects for long-term stability of relations
SAMPLING OF INFORMATION SOURCES

- The China Beat: Blogging How the East is Red
  thechinabeat.org
- The China Digital Times
  chinadigitaltimes.net
- The Economist
- The New Yorker: Peter Hessler, Evan Osnos
BOOKS

- *China Candid* by Sang Ye
- *Oracle Bones* by Peter Hessler
- *China in the 21st Century: What everyone needs to know* by Jeffrey Wasserstrom
THANK YOU