

# 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

# CHINA'S PAST: WEIGHT OF HISTORY

Mandate of Heaven

王

Ruler formed a link between heaven and earth

Ruled through virtue



# CHINA'S PAST

## 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

- 禮 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

# LEGACY OF TRADITION

- Strong central government
- Government legitimacy rests on maintaining order
- Emphasis on stability
- Importance of symbolism and hierarchy in relationships

# CENTURY OF HUMILIATION AND STRIFE

1800s Internal and external pressures. 150 years of turmoil

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

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- 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

# HUMILIATION AND STRIFE

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?*

# MORE HUMILIATION AND STRIFE

## 1949-1976: More political turmoil

- Communist Party seeks to force radical change
- Paranoia leads to political and ideological struggles
- Anti-Rightist Campaign, Great Proletarian Cultural Revolution
- Economic and political chaos
- 1976: Death of Mao and Great Tangshan earthquake. Onset of a political earthquake.

# 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 11<sup>th</sup> 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

# 1989: CLASH OF FORCES

## **Politics**

- Slow pace of change
- Continued lack of personal freedoms, job mobility
- Workers rights

## **Economics**

- Rural incomes rising rapidly but urban incomes stagnate
- Economic growth creates space for widespread corruption

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

# CHINA TODAY 2008-2011

Period of national pride

- 2008: Olympics in Beijing
  - 2009: 60<sup>th</sup> Anniversary of founding of PRC
  - 2010: Shanghai World Exposition
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- A succession of events that allow China to showcase the success of its modernization drive

# CHINA TODAY

- Economic might. World's 2<sup>nd</sup> 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<sup>th</sup> century turmoil left few systems and institutions to work around
- Authoritarian system efficiently clears obstacles in the way of growth

# CHINA TODAY: THE FULL PICTURE?

- 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

# CHINA TODAY: INCOME GAP

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](http://thechinabeat.org)
- The China Digital Times  
[chinadigitaltimes.net](http://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 21<sup>st</sup> Century: What everyone needs to know* by Jeffrey Wasserstrom



# THANK YOU

