



# GLOBAL CHINA REVIEW

## What is China's Role in the 21<sup>st</sup> Century World?

Beyond Growth	Qimin Fei	4
Investing in Renminbi Reality: Practical Approaches	Adam Powell	9
China's Monetary Policy and the Effects on China's Economy During the Financial Crisis	Amanda Serfozo	14
Rise of the Sixth Generation: Politics of the 202 Chinese Presidency	Daniel Tedesco	18
Navigating the World's Oldest Continuous Civilization: Thinking about Chinese History	Norman Ho	30
是什么击碎了知识分子的最后心理盾牌	徐超	35



## Global China Review



*Published by*



Global China Connection

全球中国联接



## EDITORIAL STAFF

Karina Legradi  
Alexander Banh  
Lisa Yan

Editor-in-Chief  
Copy Editor & Layout Editor  
Graphic Designer

Visit our website at [www.gccglobal.org](http://www.gccglobal.org)



The contents of *Global China Review* are the property of Global Knowledge Network and its independent contributors. Reproduction or distribution without obtaining written permission is prohibited

2011 Global China Connection.





# Finance & Economics



# Beyond Growth

by Qi-min Fei | GCC Bonn

Coca Cola's Chief Executive Muhtar Kent accidentally proposed a toast to Chinese President Hu Jintao by saying "kanpai" (which is Japanese) and caused everyone on the table - including Henry Kissinger - to laugh.



So what's so funny about this minor mistake, one may ask? Well let's say China is the market with steady amazing growth rates for beverages and 1.3bn thirsty

potential customers, it is the place where Coca Cola announced to invest 2bn USD within three years and China is also the country where Coca Cola experienced 11% growth in sales in Q3 2010. So is it possible to address 1.3bn people if you don't speak their language?

Twenty years ago it was probably enough to know "kanpai" in Asia, but time has changed and there are a lot of people out there who think that it is now en vogue - yes maybe inevitable to also know "ganbei" to stay competitive in today's global market - for instance like those who laughed at Mr. Kent's mistake.

In times when the visit of Chinese President Hu Jintao to the White House (hyped by the media as the "meeting of giants") happens to take place and everyone in the world is talking about China it is hard to stay unenthused as a Chinese.

This article will not deal a lot with the facts that are rather obvious to maybe everyone. Those facts about decades of two-digit GDP growth, 2.7 trillion USD of foreign-exchange reserves, the fact that China effectively overtook Japan as second biggest economy, that China is catching up with developed countries in modernizing its army and so on and so on.

Let us examine some points that are most important:

### 1. China is growing

Undeniably China's growth in previous years has been striking also in wake of the financial crisis (+9.2% in 2009 vs. -2.6% for US), but the most striking number is definitely 300 million. 300 million is the number of people who had been lifted out of poverty in less than a generation in China (according to World Food Program). Regardless of the admittedly high social inequality in China, this is a tremendous achievement. One must imagine that a mass of people making up approximately the whole US population has been saved from hunger in something like 30 years. Amazing!

This is what really matters about Chinese growth so far - giving the people the primary human right...to live.

*Why China will grow further:*

Anyone who has ever been stuck in one of the hundreds of thousands of traffic jams in Beijing, Shanghai or Shenzhen understands why VW is now selling more cars in China than in the US or in its home country Germany - 1.92m in 2010. Well, this

number looks quite tiny if one considers the fact that only 2% of all Chinese households possess a car at all - the reader may do the maths...

So asking why China will continue to grow it is generally said *size, relative stability* provided by the government and a certain *work ethic* among Chinese people deeply rooted in their tradition.

This is also why China inhabits the largest ports in the world, the largest banks, producing most solar cells, having largest energy consumption etc. Everything is just large and even growing larger.

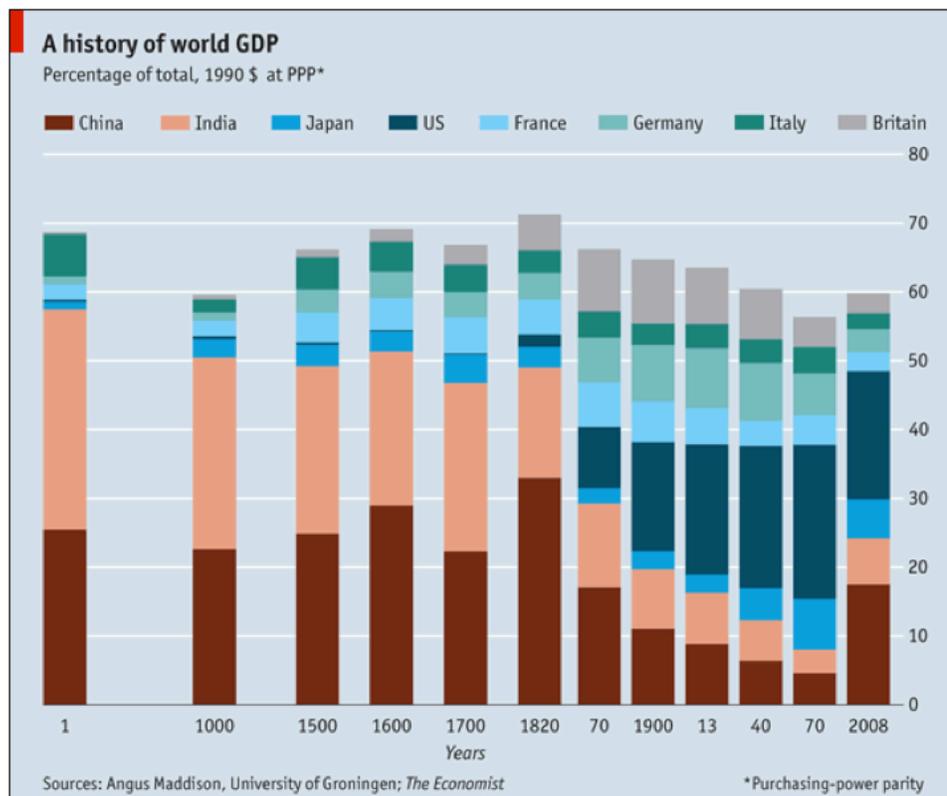
But one must bear in mind that the per capita GDP is not large at all among Chinese people (ranking somewhere between 90th and 100th in the world, right before Namibia and behind Ecuador). And this is the challenge that bears a lot of chances for China in the upcoming decades.

### 2. China is becoming a peaceful global power

In Western media China is often depicted as a fire breathing dragon that will later or sooner abuse its power to concuss its competitors. They have rather mistaken the Chinese - quite severely.

People say that China is a growing world power and nobody is able to predict its moves. Well that's not new, taking a quick look into Chinese history (yes, China really has one) and one will find out that excluding recent 200 years China has for almost the last two millennia been a world power:



Daily Chart: *The Economist*

If you open up the history book of any Western power you may always find at least some bloody offensive wars, be it the US (in Iraq), be it Great Britain (in France or take any other European country) or be it Germany or Japan (in the world). But if you open up a book on Chinese history you might rarely find any offensive wars despite Chinese long-period strength and the resulting capability to start one (assuming Dschingis Khan just had fun doing war and didn't really wanted to conquer the countries he had overrun).

Therefore Chinese philosophy was always about self-defense - protecting and conserving the wealth that the country has achieved. Because in contrast to the European countries China was always big

enough to inhabit its citizens (no scarce "Lebensraum") and in contrast to the US China never felt being predestined to fulfill the mission of a "world-police". So these two distinguishing elements are key and also strongly contributing to the present (and past) policy of the Chinese government of "peaceful rise". Just look at the topics where China is said to be opposed to the "Western world" - it is all about defending its very own interest. Of course in today's global world those interests interfere with the interests of other countries, but from the very intention China does not want to harm any other country and moreover is willing to talk about those conflicts of interest.

Much of Chinese-defined core interests

may seem odd to the Western audience at first glance, but there's quite a lot of Chinese culture and also very pragmatic rational buried deep inside them.

### 3. China requires a new growth model

Given size, relative stability and people's willingness to work hard, the economic growth will not last into perpetuity if you only try to produce cars or clothes cheaper than anyone else. So more and more innovation and improving technology move into China's field of focus.

In terms of education and research China is still by far lagging behind developed countries. Many high school students are accused of lack of ability to think creatively and often speak quite awful English, Nobel prizes in sciences always make a circuit around China and internationally China has not overcome the reputation of being a copycat concerning advanced technologies.

But fortunately Chinese leaders have also realized those challenges and decided to face them. In addition, China is all but a country without a proper basis. The traditionally high esteem towards learning and inventions has been inherited through hundreds of generations (recall Confucius, the tradition of "imperial examinations", the "Four Great Inventions" etc.) and there is also a relatively high literacy rate of 92% in China (compared to about 66% in India).

Education has become one of the top priority topics in China over the previous decades. For instance central budget planning in 2010 targets education

spending at 215.99bn RMB, an increase of 9% from 2009 or 2.7 percentage points higher than the average increase in total expenditures in the central budget.

Early successes have been realized so far. 2010's international PISA Test results on 15-year-old students' performance in Science, Reading and Maths surprised many experts. Debutant Shanghai scored best in *every category*, followed by Hong Kong in Top 3 or Top 4:

Also regarding innovation and technology China has made great steps forward. Heavy investments into "new" industries such as solar energy or electric vehicles led to technology leadership. Also undeniably China has become a serious competitor to the US or Europe in aerospace and fields of

SCIENCE	PISA SCORE	READING	PISA SCORE	MATH	PISA SCORE
Shanghai, China*	575	Shanghai, China	556	Shanghai, China	600
Finland	554	Korea	539	Singapore	562
Hong Kong, China	549	Finland	536	Hong Kong, China	555
Singapore	542	Hong Kong, China	533	Korea	546
Japan	539	Singapore	526	Taiwan	543
Korea	538	Canada	524	Finland	541
New Zealand	532	New Zealand	521	Liechtenstein	536
Canada	529	Japan	520	Switzerland	534
Estonia	528	Australia	515	Japan	529
Australia	527	Netherlands	508	Canada	527
Netherlands	522	Belgium	506	Netherlands	526
Taiwan	520	Norway	503	Macao, China	525
Germany	520	Estonia	501	New Zealand	519
Liechtenstein	520	Switzerland	501	Belgium	515
Switzerland	517	Poland	500	Australia	514
Britain	514	Iceland	500	Germany	513
Slovenia	512	United States	500	Estonia	512
Macao, China	511	Liechtenstein	499	Iceland	507
Poland	508	Sweden	497	Denmark	503
Ireland	508	Germany	497	Slovenia	501
Belgium	507	Ireland	496	Norway	498
Hungary	503	France	496	France	497
United States	502	Taiwan	495	Slovakia	497
AVERAGE SCORE	501	Denmark	495	AVERAGE SCORE	497
Czech Republic	500	Britain	494	Austria	496
Norway	500	Hungary	494	Poland	495
Denmark	499	AVERAGE SCORE	494	Sweden	494
France	498	Portugal	489	Czech Republic	493
Iceland	496	Macao, China	487	Britain	492
Sweden	495	Italy	486	Hungary	490
Austria	494	Latvia	484	Luxembourg	489
Latvia	494	Slovenia	483	United States	487
Portugal	493	Greece	483	Ireland	487

\*In the study, China was represented by the city Shanghai and by the administrative regions Hong Kong and Macao.

airspace. In 2007 China overtook Germany (the "land of poets and thinkers") in terms of patent applications.

So although the 2009's Nobel laureate in Physics Gao Kun strictly said has not been a product of the Chinese education system (born in Shanghai, main part of education in Hong Kong - back then British colony - and England), one may start to place bets on when the first "real" Chinese will be awarded the Nobel prize in sciences.

#### 4. The miscellaneous about China

After reading the points above one might argue that the author is totally blinded by his patriotism. Well, he is certainly very

bullish on China, but he - needless to say - also knows that China's growth story faces various challenges. Issues on intellectual property, the aging society, pollution, social unrests - to name few - have to be mastered in the upcoming decades...and centuries.

A 60-year-old German investment banker who has travelled a lot to China once said: "You know what is so amazing about you Chinese guys? You think about the future in quite a different way than our governments do. We talk about the next four years, you talk about the next 20, 30, 50 years!"

Exciting times ahead.

#### Sources

1. "Cola-Chef prostet Chinas Präsidenten zu - auf Japanisch", accessed January 21, 2011, Spiegel Online, <http://www.spiegel.de/politik/ausland/0,1518,740779,00.html>
2. "Hello America", last modified on August 16, 2010, Daily Chart: The Economist, [http://www.economist.com/blogs/dailychart/2010/08/chinas\\_economy](http://www.economist.com/blogs/dailychart/2010/08/chinas_economy)
3. "Top Test Scores From Shanghai Stun Educators", published December 7, 2010, The New York Times <http://www.nytimes.com/2010/12/07/education/07education.html>

The author Qi-Min Fei is 21 years old, born in Hangzhou, China and grew up in Germany. Currently he is a master student in Economics and Mathematics at the University of Bonn. Qi-Min is the founder and chapter president of GCC Bonn. He also heads the consulting firm MarcAurelConsult and the investment club Triple A in Bonn as CEO and president. Priory he has worked with the consulting firm McKinsey, the investment banks Goldman Sachs, Lazard, UniCredit and the funds TDR Capital and Bosera in Hong Kong, Shenzhen, London, Frankfurt and Munich. Qi-Min speaks Chinese, German, English, French and Latin.



Contact Qi-Min at [qi-min.fe@uni-bonn.de](mailto:qi-min.fe@uni-bonn.de)

# Investing in Renminbi: Practical Approaches

by Adam Powell | GCC Penn

The rapid strengthening of the renminbi relative to the U.S. dollar provides a potential investment opportunity. This article explores the costs and benefits of investing in the renminbi, in which the details of several investment strategies are discussed.

The renminbi (人民币 “The People’s Currency”), also known as the Chinese

Yuan, is the official currency of the People’s Republic of China. Different currencies are used in Hong Kong (the Hong Kong Dollar) and Taiwan (the New Taiwan Dollar). Fittingly, all paper denominations of the renminbi bear the likeness of Mao Zedong. In February 2011, the 100 renminbi note featured below (the largest paper denomination) was worth USD 15.15.



100 Renminbi - The Largest Denomination<sup>1</sup>

The renminbi is different from most foreign currencies in that the People's Bank of China carefully regulates the exchange rate. Until 2005, the value of the renminbi was pegged to the value of the dollar at a fixed exchange rate, 8.3 renminbi to the dollar. Now, the renminbi is allowed to float around an exchange rate that is determined by the value of a basket of currencies. The exchange rate is not entirely determined by the market, and the People's Bank of China actively intervenes to maintain its stability. There has been recent talk of the government further loosening restrictions, and allowing the renminbi to further strengthen. If an American buys renminbi and the renminbi strengthens relative to the dollar, he will make money if he exchanges his renminbi back for dollars.

As of February 2011, one United States Dollar buys 6.6 renminbi. Last February, a dollar bought 6.8 renminbi. This means that a Chinese with a given amount of

savings can buy more dollars today than he could have last year. Likewise, an American can buy fewer renminbi now than he could have last year. Holding other factors aside, if trade only occurred between the U.S. and China, Americans could effectively buy less with a given amount of money now than in the past, and Chinese could buy more.

While this shift in the exchange rate has favorable implications for the Chinese consumer, it can potentially benefit American consumers as well. If you think that the dollar is going to continue to weaken against the renminbi, you could convert some dollars into renminbi. At a later point in time, you could then take the renminbi and convert them into dollars at the new exchange rate. Unfortunately, many banks charge currency conversion fees ranging from 1-2%. This can take a serious bite out of any profits resulting from small currency movements.



Five Year ¥/\$ Exchange Rate<sup>2</sup>

### The Transaction Cost Problem

Imagine that last year, you had \$100, and then converted it into renminbi at the exchange rate of 6.8 renminbi per dollar. However, your bank charged you a 2% conversion fee. Now, imagine that you converted that money back to dollars a year later at the exchange rate of 6.6 renminbi per dollar, with the bank again charging a 2% conversion fee. How much money would you make?

If there were no currency conversion fees, you would end up with:

$$(\$100 * 6.8) / 6.6 = \$103.03$$

With currency conversion fees, you would end up with:

$$((\$100 * 6.8 * .98) / 6.6) * .98 = \$98.95$$

Thus, as a result of the exchange fees, this investment would go from having a return of 3.0% per year to having a return of -1.1% per year. While neither is a great investment, that should be the least of an investor's concern. Investing in renminbi is, for now, far safer than investing in other currencies with far more erratic movements. Over time, a renminbi tends to buy more and more dollars. Other currencies, on the other hand, move more wildly in both directions. However, if something unexpected happened and the exchange rate had gone to 8 renminbi per dollar (a strengthening of the dollar), someone holding renminbi as an investment would have lost money, regardless of the size of exchange fees. Furthermore, the buying power of both currencies is reduced over time if there is price inflation. It now takes \$1.50 instead

of \$1.25 to buy a bottle soda in the U.S., and the price of goods and services have risen in China as well.

### Renminbi Exchange Traded Funds

As I previously mentioned, there are substantial transaction costs associated with buying and selling actual renminbi. One way to get around them is to buy Exchange Traded Funds (ETFs) which have a linkage to the renminbi; Market Vectors Chinese Renminbi/USD ETN (CNY) and WisdomTree Dreyfus Chinese Yuan (CYB). ETFs are equities that are sold over the counter, like any other stocks. However, rather than representing companies, they represent investment strategies. Although two ETFs sound similar, they are not interchangeable. Looking at their summaries reveals the difference. CNY replicates the returns of the S&P Chinese Renminbi Total Return Index, which tracks the value of non-deliverable three-month currency forward contracts.<sup>2</sup> Meanwhile, CYB reflects money market rates available in China to overseas investors, as well as changes in the exchange rate.<sup>3</sup> However, it does not do so directly. Both funds take about 0.5% of your money each year to pay for expenses. Movements of the two ETFs are not perfectly correlated. Making things even scarier, neither seems to move in the same direction as the exchange rate!

### Chinese Equities

One alternative to investing in renminbi is to invest in companies whose value is measured in renminbi. This provides growth from both changes in the value of the company and in the exchange rate. The



ETFS; Two Year Relative Performance of CNY and CYB vs. the ¥/\$ Exchange Rate<sup>3</sup>

downside of this strategy is that it exposes you to risk resulting from shifts in the stock market as well as from shifts in the exchange rate. The upsides of this strategy are that it provides two sources of growth and potentially enables you to avoid the fund management fees. Furthermore, since CNY and CYB do not appear to shift in the same direction as the exchange rate, it may enable you to better capture shifts in the exchange rate.

There are two approaches to investing in Chinese equities; buying a broad-market

ETF that represents the overall performance of Chinese companies, and hand-picking Chinese companies in which to invest. Two broad-market ETFs covering China are the iShares FTSE China 25 Index Fund (FXI) and PowerShares Golden Dragon Halter USX China (PGJ).

Alternatively, it is possible to directly invest in Chinese equities. Many Chinese companies, from Alibaba to Baidu to Geely, can be purchased over the counter (OTC) by investors. They are commonly



Two Year Relative Performance of FXI and PGJ vs. the ¥/\$ Exchange Rate<sup>4</sup>

sold by the OTC Markets Group, Inc. (aka the Pink Sheets) and often trade in low volumes. Investing in them is riskier than investing in broad-market funds, as they do not provide diversification. Furthermore, in many cases, foreign and Pink Sheets investments are not required to meet the disclosure requirements of the U.S. Securities Exchange Commission set forth for equities listed on conventional American stock exchanges. Nonetheless, if you feel more confident about particular Chinese companies than the market as a whole, these investments provide a way to profit off of both the shift in the exchange rate and the growth of China.

## Conclusions

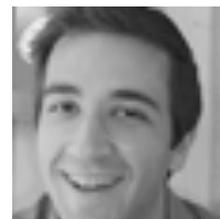
There are multiple ways to invest in the Chinese market. Investments can be made by directly purchasing currency, by purchasing an ETF that tracks currency changes, by purchasing an ETF that tracks changes in Chinese equities, or by investing in the equities themselves. The most appropriate strategy is dependent on both your appetite for risk and knowledge of the market. Although the strengthening of the renminbi is making Chinese goods more expensive for Americans, there are ways in which Americans can counteract the effects and even profit.

## Sources

- 1 “Market Vectors ETNs – Product Facts”, Morgan Stanley / Van Eck Global, accessed June 4, 2011, <http://www.marketvectorsetns.com/products.aspx>
2. “CYB Profile | WisdomTree Dreyfus Chinese Yuan Stock,” Yahoo! Finance, accessed June 4, 2011, <http://finance.yahoo.com/q/pr?s=CYB+Profile>
3. “Yahoo! Finance,” Yahoo!, accessed February 20, 2011, <http://finance.yahoo.com>
4. “Yahoo! Finance,” Yahoo!, accessed February 20, 2011, <http://finance.yahoo.com>

All diagrams in this article were generated by Yahoo! Finance (finance.yahoo.com) on February 20, 2011. This article should not be viewed as an investment recommendation. The author has holdings in some of the investments mentioned in this article.

Adam C. Powell, Ph.D. is a management consultant and an alumnus of the Penn GCC Chapter. He holds a doctorate in Managerial Science and Applied Economics from the Wharton School of the University of Pennsylvania. Dr. Powell regularly posts information on investing and personal finance on his blog, [adampowell.com/invest](http://adampowell.com/invest)



Contact Adam at [adampowell@adampowell.com](mailto:adampowell@adampowell.com).

# The Renminbi Reality: How China is Saving (and Being Saved by) America

by Amanda Serfozo

If “globalization” was the buzzword of the last ten years, then surely “superpower” is the buzzword of the burgeoning decade. Specifically speaking, so-called Chinese domination is the red-hot topic around many negotiating tables as of late, with international diplomats, politicians, and economists quivering at the notion of a formidable People’s Republic. However, little is known about the nation’s formal foreign policy, or for that matter the shards of domestic policy, which shape its inner and outer relations – tall tales and speculation often overcrowd strategy, and in the case of Asia, legend often overshadows evidence. We’re left wondering whether or not China, the all-powerful, all-militaristic, all-economically sound, and all-technology savvy nation we have come to know it as in America, is more ballyhoo than bona fide.

But no matter how you turn it, China is making America nervous. With a

mountain of U.S. debt at its fingertips to twist it like a marionette, U.S. diplomats are left wondering what exactly is sparking China’s interest in foreign investment. It is important to discuss the Asian Financial Crisis as it relates to contemporary China. The Renminbi (RMB), otherwise known as the yuan, was firmly tied to the United States dollar at a ratio of 8.3 RMB to 1 USD in early 1997. Although the American press speculated that China would devalue its yuan in order to remain competitive, it did not. China effectively escaped the crisis with only minor injuries. With most foreign investment coming in the form of Chinese factories rather than securities, it remained relatively insulated from the Asian collapse – it was front row, however, to see the weakening of its neighbors. Where Thailand, Singapore, Malaysia, and Japan were hit the hardest due to FDI (foreign direct investment) pullouts and subsequent sagging, China remained relatively neutral. These wounds

are parallels to the United States' current economic crisis – foreign investors are pulling out of the U.S. to find cheaper labor overseas (thus, outsourcing), the real estate market has seen its glory days, and eroding loan opportunities are rearing their ugly heads to the middle class American.

Where does that leave us? China has a magnificent opportunity to kick the United States while it's (fiscally) down. We have to assume that the new "Asian powerhouse" recognizes this: any economics major will tell you that the People's Republic is using rational self-interest in America right now. Government-backed corporations like the China National Offshore Oil Corporation have expressed interest in buying U.S. oil from California-based UNOCAL in 2005, however, this goal was shot down by Congress shortly after plans were launched into motion. We're left to wonder – does China want to essentially "own" the United States? And further, is ownership attractive in diversified sectors? Think about the United States' weak health, bank failures, and deeply regressive fiscal policies recently emerging from the White House. Then, think about China's emboldened purchasing power, the buffet of financial and investment options waiting to be handpicked by a stable economy and ambitious politicians at the helm. Fat wallets on the Chinese side can buy American trust, or stated in a more politically correct fashion, Chinese investments can help America get back on its feet with a little help from a potential friend who wants some recognition in exchange. We have to ask whether China might be buying political legitimacy with its economic legitimacy? Is the United

States' diminished purchasing power a convenient time to negotiate for more prestige?

As things stand right now, China and America are somewhere betwixt a yin-yang, seesaw relationship, full of political and fiscal ebb and flow. While China was experiencing economic hairline fractures during the late 1990s, the American economy was relatively strong under the Clinton administration. Where China was in debt, the U.S. was enjoying a surplus. When China was experiencing investor pullouts, those investors were migrating to Western shores. It seems cyclical – while one nation is stable politically and financially, the other is weak, creating the perfect environment for power plays. Now the tables have turned. Following 2006, America catapulted to sky-high debt (today this figure lies around \$12,023,592,509,178[1]) due in part to the war in Afghanistan and Iraq. Where America is in debt, China is seeing a surplus in yuan. Where the U.S. once captured the attention and awe of foreign investors, those investors are now flocking back to the Chinese mainland. And – most importantly – where America is in debt, China is looking to purchase it.

This raises all kinds of apprehension, not only on an economic front, but on a diplomatic front as well. Although our purchase of Chinese exports remains high, we are on a slippery slope. American consumers need cheap products now more than ever thanks to the recession. While our WalMart stores might be stocked to the brim, our US dollar is utterly devalued. The most frightening hypothetical still remains – if China all of a sudden and for whichever reason (driven by political or

military motives) decides to halt its continued and recently escalating purchases of U.S. Treasuries, American interest rates in everything ranging from credit cards, loan rates, and mortgages could take a dangerous overnight hike.

At the same time, China's undivided attention to United States debt is an investment in China's profit. Our continued acceptance of Chinese investment might keep our own interest rates low, but it also means that we are essentially fanning the fire, fattening the pig, or feeding the dragon. All of these idioms are an underhanded way of saying this: it is ironic that we are so gullible to believe that China takes a genuine interest in the U.S. economy, while we purchase consumer goods that directly fund China in order to keep it as a steady competitor. Both friend and foe, China is able to befriend us while buttering its own bank account. This is what diplomats must be wary of when negotiating with the new Asian power, and we must continually ask our leaders what the motives are on both sides of the table.

But it is also ironic to consider the inverse: China relies on us just as much as we rely on them. Without our continued, incessant purchases of Chinese products, China's own economy could potentially cave. Additionally, if we impose tariffs on

Chinese goods, we could do equal harm to China as a trading power. President Obama enacted such tariffs on Chinese tires in early September 2009, placing the percentage tax at 55% in the first year, and declining by 10% for three years after that. However, this is only one clear option that remains. Americans will not cease buying cheap and affordable goods from WalMart, Target, or Costco, all of which are a haven for good stamped with 'Made in China'. Quite frankly, it is nearly impossible to even consider an American refusal to buy such products. Americans would literally have to stop buying altogether, and immediately, in order for China to feel the pinch.

As intimidating as it all sounds, we should remember that these economic policies run on a two way street – we must keep buying Chinese goods and services in order to continue Chinese investment in American debt. While it thickens the wallets of China's surplus, it leaves American interest rates low in a time when we need to scrape by. And even further, China simultaneously hooks us with cheap products and a more comfortable way of life. This is China's economic policy as it stands today – lift America's fiscal burden in order to drive profit. So far, China is proving to be a savvy investor.



# Politics & History



# Rise of the Sixth Generation: Politics of the 2022 Chinese Presidency

by Daniel Tedesco | GCC Management



## Introduction

Who will be the sixth generation president of the People's Republic of China? It's a simple question, but the answer is quite complicated. Since the founding of the PRC in 1949, the complex processes by which presidents are selected have changed numerous times. Moreover, steep competition and bureaucracy make rising with the Party extremely difficult. One band of young leaders has taken all the right steps in their political careers to reach the top. Using a variety of Chinese and English sources, I will place these up-and-coming party members within the intricate structure of China's Communist Party and show why they are the most likely candidates for sixth generation presidency.

## The Chinese Presidency

China's political leadership roles and selection processes have long been a mystery to outside observers. Roles within the Chinese Communist Party and those

within the national government are very opaque and often overlap. Without transparent elections at the highest levels, role selection and even transition of power is very unclear<sup>1</sup>. Efforts to adjust this system have begun, most notably through Jiang Zemin, but do not seem to be changing very rapidly. The state and development of these processes has inevitable consequences on the meaning of the Chinese presidential system (国家主席制度), as leaders are selected through them.

## Official and Realist Definitions

The Chinese Communist Party boasts over 76 million members across the country. Determining which single member will lead the country as President is not an easy task. To understand the role of China's president and how one might reach the position first requires a brief overview of the structure of the central government and where the President fits



into it. The formal definition of government structures as outlined in China's constitution are deeply questioned by political analysts, who believe those written rules have little bearing on the actual distribution of power.

According to China's constitution, a fairly clear central government structure exists. The official highest ranking body of officials is the National People's Congress (NPC or 全国人民代表大会), which meets once each 5 years to set goals for the next five years. The NPC Standing Committee is a collection of top NPC leaders elected by the NPC. These groups set the agenda for concrete action taken by other divisions of the government. These include State Council, which handles most executive functions of the government and is lead by the Premier; Central Military Commission (CMC), which leads China's military forces; Supreme People's Court, the judicial branch of China's government; and Supreme People's Procuratorate, the

inspection and compliance branch of government<sup>2,3</sup>.

In the constitution of the People's Republic of China, the role of President is described in the second section of the chapter on state structure. Elected by the National People's Congress, the president must be a Chinese citizen over 45 years of age. A person may not hold the role longer than two meetings of the NPC, in other words, he or she may not remain president for more than ten years<sup>4</sup>. The constitution names several key powers to the President, in conjunction with the NPC:

- To decide and announce laws
- To appoint and dismiss the Premier and all members of the state government
- To confer honors and titles
- To grant amnesty
- To declare national states of emergency
- To declare war
- To mobilize military forces<sup>5</sup>



Figure 1

The President is also charged with officially representing China abroad and to visiting foreign diplomats, as well as leading China's foreign affairs. In conjunction with the NPC, the President

in the national government, whereas those who have spent time nurturing their political capital (i.e. through youth or other political organizations) tend to rise in the Party<sup>9</sup>.

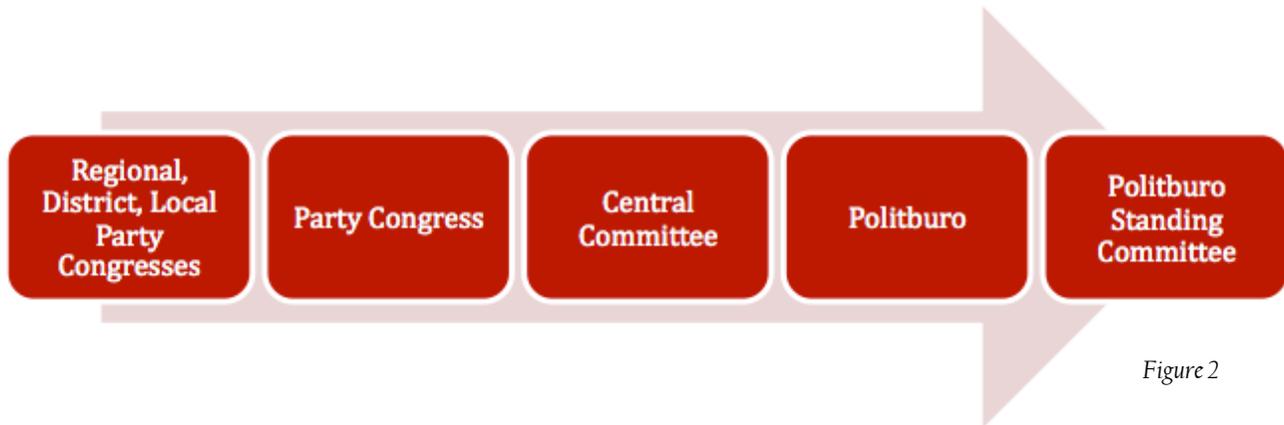


Figure 2

can also sign and repeal international agreements and treaties<sup>6</sup>.

Many analysts would argue that the above description is very different from what actually goes on<sup>7</sup>. They find that Chinese politics are divided into at least two realms of power. First is the national government. Led by numerous overlapping committees, the government takes on administrative and executive functions. Second, and much more powerful, is the Chinese Communist Party (CCP). As members of government are mostly party officials, party leaders have ultimate power to decide who rises in both government and the party. Moreover, the CCP has a structure and procedures that are entirely independent of the national government<sup>8</sup>. Figure 2 provides more detail of the hierarchy. As a result, those with more technocratic backgrounds tend to hold higher positions

As shown above, the group is organized in a hierarchy, with groups at the top having nearly total control over those below them. Local and regional party congresses elect the National Party Congress (not to be confused with the National People's Congress). These congresses meet once every five years, and are the venue for top Chinese officials to reveal major shifts in Party ideology and to elect members for the Central Committee. The Central committee of over 300 members is more powerful, and its plenary sessions are places for policy and leadership changes between National Party Congresses. Chosen by the Central Committee, the 24-member Politburo and its nine-member Standing Committee are the top leadership of China. A Chairman leads the Politburo who, by tradition, is also the President<sup>10</sup>.



Figure 3

## A Shifting System?

The Chinese presidency has had a continuously changing place within Chinese politics. The role was first defined in 1954, when the first NPC meeting restructured China's government from a ruling committee to a series of more explicit roles. Mao Zedong formally held the position from 1954 until 1959. Liu Shaoqi held the position until the beginning of the Cultural Revolution in 1966. The position was soon abolished and ceased to have a formal place within the government structure until the 1980's<sup>11</sup>. In 1982, the new constitution reestablished and clarified the role, and still holds that definition today<sup>12</sup>.

Looking at Figure 3<sup>13</sup>, we can see that recent stability in term lengths began in the 1980's<sup>14</sup>. This is substantially due to the work of Deng Xiaoping in stabilizing and formalizing many of the processes of China's government and CCP systems. Though Deng was never president, he held the de facto highest position of authority

through most of the 1980's. Deng abolished the life-tenure system for CCP leaders<sup>15</sup>. After his reign, an informal Politburo age limit of 70 has been implemented, with the single exception of Jiang Zemin during the beginning of Hu Jintao's presidency<sup>14</sup>. Also, Figure 3 shows a precedent for presidents to hold office no more than two five-year terms<sup>17</sup>.

Some argue that the system is still changing. Jiang Zemin emphasized intra-party democracy, taking steps to begin that shift at the local levels and work its way up. The Chinese government makes clear that a multi-candidate election will ultimately be implemented in NPC presidential selection. Whether or not this will affect the 2022 decision is unclear, as no timeline for this shift has been released<sup>18</sup>.

However, it is clear that the comparatively reformist days of Jiang Zemin, where ideas like township and town elections could be introduced, are not a piece of recent Chinese politics<sup>19</sup>. The 17<sup>th</sup> Party Congress

budget presented by Wen Jiabao is proof that political reform has taken a back seat to enforcement of the status quo. Moreover, given Xi Jinping's Maoist and elitist leanings, there is little hope for him to encourage great shifts in personnel selection. In the 12<sup>th</sup> five-year plan, which covers the years 2011 to 2015, the government seeks a number of programs that will enhance welfare entitlements and restructure the economy in order to be more equitable. However, there is very little offered in the way of political reforms. In fact, earmarks for Wei-Wen expenditures, programs for keeping surveillance of the population and eliminating dissent, now surpass the budget of the People's Liberation Army (nearly \$100 billion)<sup>20</sup>.

### Populist and Elitist Factions

Beginning with Deng Xiaoping in the 1980's, top Chinese leaders have had control over their successor's successors. At the end of his period of influence, Deng made an effort to groom rising stars within the CCP and provide them opportunities to grow. He provided opportunities for young cadres, emphasizing education and beginning a political career early. Great benefactors of this stance were Hu Jintao's group in the elite Communist Youth League<sup>21</sup>. This is known as *ge dai* (隔代), or 'skipping a generation'. As the leader of the CCP, the president has power to push forward younger generations of political leaders, giving them a clear advantage against competitors of their own age.

Since then, analysts believe the party has fractured into two major groups: elitists and populists. The elitist group, lead by

upcoming President Xi Jinping, is more interested in sustaining China's rapid growth by placing more emphasis on the growing middle and upper classes to sustain growth and less on supporting the lower classes. Many of these leaders are princelings (太子党), or relatives of former high-level cadres. Second is the 'populist' group. The populist group, lead by current president Hu Jintao and upcoming premier Li Keqiang, is interested in balanced economic development with a focus on improving living conditions for the poor. Many of this group gained power through the Communist Youth League Faction (团派), a youth leadership organization closely affiliated with the CCP. Many populists spend much of their careers outside of Beijing, working their way up through local, regional, and provincial government bodies. Those who are being groomed for high-level politics tend to hold posts outside of Beijing to show that they are getting a sense of China beyond the industrial and commercial cities of the coast<sup>22</sup>.

Xi Jinping makes no secret of his political affiliations. In a recent visit to Chongqing, he spent a good amount of time with friend, and fellow princeling, Bo Xilai. Both have very Maoist and nationalist perspectives, and encourage their peers as well as their followers to focus on a strong education in Marxist thought<sup>23</sup>. Moreover, Xi has arguably been working against the CYL Faction leaders. He spent some time making corruption accusations against a number of CYL leaders, but he can only influence the group so much. Some analysts believe that Hu Jintao will stay on as CMC Chairman for a few years after Xi

Jinping takes over, just as Jiang Zemin did when Hu Jintao took over. This will allow him to retain some political power in order to push for more CYL Faction leadership<sup>24</sup>. Moreover, those CYL Faction sixth generation leaders can act as a counterweight during Xi's presidency to defend Hu Jintao's policies<sup>25</sup>.

### Legacies of the Past

The upheaval and chaos of the Cultural Revolution left great scars on contemporary politicians. Constant uncertainty crushed China's economy and limited the ability of an unstable government to act. When choosing leaders, Mao Zedong and Deng Xiaoping each forced two of his successors out of position, leaving a rather messy scramble for power among those who were left<sup>26</sup>. As a result, contemporary Chinese leaders have a great focus on stability. This perspective was the impetus behind a violent reaction to protests in Tiananmen Square during the late 1980's<sup>27</sup> and lives today in the form of internet censorship and the recent crackdown in response to the "Arab Spring". However, a focus on stability also makes the trajectories of political candidates much clearer. Moreover, historical trends can show which positions in particular are prerequisites and preparatory roles for the presidency.<sup>28</sup>

From this analysis, it is clear that only those who reach the highest levels of party membership are even considered for the role of president. Given the age limits, one would have to grow very quickly to reach that point. Therefore, one can predict potential candidates for election many years out by simply determining who is in

the appropriate positions at the appropriate ages.

## The Sixth Generation

At the end of each generation of CCP leadership, the leadership of that generation will be old enough to retire. In 2012, Hu Jintao will have finished his two terms as president, and most likely relinquish his post to current Vice President Xi Jinping. The leaders of the 2020's, following Xi's fifth generation, will comprise of politicians born after 1960 (60后). This group has been making noticeable moves in the Party since 2006<sup>29</sup>. Members of this generation were teenagers during the Cultural Revolution, and mostly escaped persecution from radical Maoism. They were able to pursue education as a means to open new options in their careers. Many of them, notably Sun Zhengcai, have advanced degrees<sup>30</sup>. They came of age in the 1980s, and built their careers in an era where market and political reforms appeared in abundance throughout the government. Moreover, few sixth generation leaders have any princeling ties<sup>31</sup>.

### The Competitors: Hu, Sun, Zhou

A major event in 2009 was the publication of a state-run magazine that profiled five sixth generation leaders<sup>32</sup>. The government spared no words in praising the rise of the next generation. Most notable was the April 2009 issue of *Huanqiu Renwu* (环球人物), a government-produced publication that highlights important people in Chinese

society. All five made the cover of the magazine, and no one seemed to get more serious attention than the others<sup>33</sup>.



Figure 4a, Cover of April 2009 issue of Huanqiu Renwu

Changes are in line with Deng Xiaoping's belief that top party leaders should come from many different backgrounds and have a variety of experiences<sup>34</sup>. Many analysts interpret this announcement as a sign that these five will be the future top of Chinese political leadership. Hu, Sun,

and Zhou are known to be the favorites, while Bekri and Lu were announced for other reasons. Bekri is from Xinjiang. Analysts believe his appointment is the result of “Chinese ‘affirmative action’<sup>35</sup>. Lu Hao, a strong member of the CYL faction is not considered a potential successor for Xi.

Additionally, a reshuffling in late 2009 brought several leaders to the forefront of Chinese politics. However, only two of those profiled—Hu Chunhua and Sun Zhengcai—were promoted as provincial party chiefs. Five new provincial party secretaries were named; most are over the age of 57<sup>36</sup>. As such, they will be at least 70 (the assumed retirement age for Chinese officials<sup>37</sup>) when the sixth generation president is announced in 2022. Sun and Hu are glaring exceptions. Sun was promoted to Party Secretary for Jilin province in China's northeast and Hu to Party Secretary for Inner Mongolia. Both are 46 years old, making them the only provincial-level party secretaries who will be of the right age to take on the presidency in 2022. This same strategy was taken in 2007, when a group that included Xi Jinping and Li Keqiang were put in the spotlight prior to receiving positions within the Politburo.

Name	Age	Former Position	Current Position
Hu Chunhua	46	Governor of Hebei Province	Party Secretary of Inner Mongolia Province
Zhou Qiang	49	Governor of Hunan Province	Provincial Secretary of Hunan Province
Nur Bekri	48	Deputy Party Secretary of Xinjiang Autonomous Region	Chairman of Xinjiang Autonomous Region
Sun Zhengcai	46	Minister of Agriculture	NPC Standing Committee Director for Jilin Province
Lu Hao	42	First Secretary of the Communist Youth League	First Secretary of the Communist Youth League

Figure 4b



Figure 5 Hu Chunhua

Hu Chunhua<sup>38</sup> was born in Hebei Province in April 1963. Growing up in a farming family, Hu tested into Peking University's Chinese department when he was only 16. At 20, he became a member of the Communist Youth League Tibet Autonomous Region Committee and stayed there for 23 years. During this time, he held positions in the Office of the Secretary, ultimately becoming Secretary of CYL from 2006 to 2008. After this, he was parachuted into his home of Hebei as Governor. In late 2009, he was again promoted to Party Secretary of Inner Mongolia. In less than 2 months as Party Secretary, he visited 12 prefecture cities, and pledged to increase disposable income for urban and rural citizens by at least 10%<sup>39</sup>. In his new position of truly national authority, he recently took a delegation to meet with officials in Bulgaria, Belarus, and Hungary.<sup>40</sup>



Figure 6 Sun Zhengcai

Sun Zhengcai<sup>41</sup> was born September 1963 in Shandong to a farming family. While earning his PhD in Agriculture, Sun spent a year studying in the United Kingdom. Beginning with local government positions in Beijing, Sun ultimately worked his way into the Beijing Party Congress Standing Committee as Secretary-General. Later, he became Minister of Agriculture, before taking his position on the Central Committee<sup>42</sup>. Sun spent his entire career in Beijing. Those in favor of Sun might argue that Hu has no experience working in China's affluent East, and has rather spent his career working in poorer, rural areas that have less economic significance to China<sup>43</sup>. Though not a princeling himself, Sun's political orientations align more with the "elitism" of princelings like Xi Jinping<sup>44</sup>. Given the tradition of ge dai, Hu Jintao might have the ability to block Sun from becoming Xi's successor.



Figure 7 Zhou Qiang

Born 1960 in Hubei Province, Zhou Qiang<sup>2</sup> received a graduate degree in Legal Studies from the Southwest University of Politics. He has held positions in the Justice Department and was Secretary of the Communist Youth League. In 2006, he began a career in Hunan, ultimately becoming Governor and then Provincial Secretary. Known as a stalwart for good governance, the first project he took on in Hunan was to clearly outline the roles and responsibility of the province's 55 government departments<sup>45</sup>.

The perspectives of these sixth generation leaders are still largely unknown. Though many of them have grown through the Communist Youth League, their perspectives still vary. If they merely continue the trajectory of Hu's and Xi's regimes, there is danger that a lack of political creativity and innovation within

China's leadership will deter China's quest for status as an international superpower<sup>46</sup>.

## Conclusion

Many analysts believe that Hu Chunhua has taken all the right steps to become president of China, outpacing his competition each step of the way. Hu Chunhua is taking a trajectory similar to that of Hu Jintao and many other high-level officials—rising up through the Communist Youth League, while spending much of his time leading localities far from the center of Beijing. 'Little Hu', as he is known, has even been announced as Hu Jintao's "protégé", by some media sources<sup>48</sup>. Were Hu to be promoted to a position on the Politburo during the 18<sup>th</sup> Party Congress in 2012, it would almost precisely echo Hu Jintao's own entry to top CCP leadership. Hu Jintao was brought onto the Politburo Standing Committee in 1992, also ten years prior to his ascendance to the presidency<sup>49</sup>.

His ability to maintain that lead will only be revealed over time. Only four years ago, analysts knew nothing of Xi Jinping. Xi was not even considered a fast-rising CCP star, let alone a leading candidate for the fifth generation presidency<sup>50</sup>. The current likelihood of any candidate being the assured winner of the 2020's is still low, perhaps even in the minds of top Chinese leadership.

## NOTES

<sup>1</sup> Martin, Michael. "Understanding China's Political System".

<sup>2</sup> "国家机构". 中国政府网。

<sup>3</sup> Image data from "国家机构". [http://news.xinhuanet.com/ziliao/2003-02/11/content\\_724234.htm](http://news.xinhuanet.com/ziliao/2003-02/11/content_724234.htm)

<sup>4</sup> 中华人民共和国宪法。第三章，第二节，第七十九条。

<sup>5</sup> 中华人民共和国宪法。第三章，第二节，第八十条。

<sup>6</sup> 中华人民共和国宪法。第三章，第二节，第八十一条。

<sup>7</sup> "How China is Ruled". BBC.

<sup>8</sup> Chovanec, Patrick. "Primer on China's Leadership Transition".

<sup>9</sup> Zang, Xiaowei. [Elite Dualism and Leadership Selection in China](#).

<sup>10</sup> Ibid.

<sup>11</sup> "国家主席制度的历史发展". 中国政府网。

<sup>12</sup> "国家主席制度". 百度百科。

<sup>13</sup> Data from "历届中华人民共和国主席". [http://www.gov.cn/test/2007-11/12/content\\_802099.htm](http://www.gov.cn/test/2007-11/12/content_802099.htm)

<sup>14</sup> Image from [http://en.wikipedia.org/wiki/President\\_of\\_the\\_People%27s\\_Republic\\_of\\_China](http://en.wikipedia.org/wiki/President_of_the_People%27s_Republic_of_China).

<sup>15</sup> Chen, Weixing and Yang Zhong. "Introduction: Leadership in a Changing China".

<sup>16</sup> Ibid. [Leadership in a Changing China](#).

<sup>17</sup> Ibid. "Chinese Public Gets Peak at 'Sixth Generation' Leaders".

<sup>18</sup> "The Presidency of the People's Republic of China". Gov.cn.

<sup>19</sup> Ibid. Cheng, Joseph and Yushuo Zheng.

<sup>20</sup> Lam, Willy. "Beijing's 'Wei-Wen' Imperative Steals Thunder at NPC".

<sup>21</sup> Ibid. "Chinese Public Gets Peak at 'Sixth Generation' Leaders".

<sup>22</sup> Murray, Matthew. "Engaging the BRIC Countries: Diplomacy Outside the Capital".

<sup>23</sup> Lam, Willy. "Xi Jinping's Chongqing Tour".

<sup>24</sup> Ibid. Lam, Willy. "Xi Jinping's Chongqing Tour"

<sup>25</sup> "Skipping a Generation" to Pick a Leader". *The Straits Times*.

<sup>26</sup> "Chinese Public Gets Peak at 'Sixth Generation' Leaders". *The Straits Times*.

<sup>27</sup> Foster, Peter. "Can China Change? Ask Me After 2022".

<sup>28</sup> Ibid. Foster, Peter

<sup>29</sup> Lam, Willy. "The Traits and Political Orientation of China's Fifth Generation Leadership".

<sup>30</sup> Liu, Melina. "China's New Guard," Newsweek.

<sup>31</sup> Ibid. "Chinese Public Gets Peak at Sixth Generation Leaders".

<sup>32</sup> Image from <http://www.shm.com.cn/newscenter/attachement/jpg/site1/20100708/18a905d9c7cb0d9fb41c05.jpg>

<sup>33</sup> "聚焦当今中国政坛60后高官：调动频繁履历丰富". 人民网。

<sup>34</sup> Hsiao, Russell. "Sixth Generation Leaders Promoted to Top Party Positions".

<sup>35</sup> "Chinese Public Gets Peak at 'Sixth Generation' Leaders". *The Straits Times*.

<sup>36</sup> Guo, Qiang. "Reshuffle Hints at Future Leadership".

<sup>37</sup> Ibid. [Leadership in a Changing China](#).

<sup>38</sup> Photo from <http://smg.photobucket.com/albums/v653/jcmatias80?action=view&current=HuChunhua.jpg>

<sup>39</sup> "几位'60后'省委书记的同与不同". 人民论坛。

<sup>40</sup> "胡春华离京出访白俄罗斯、保加利亚、匈牙利". 人民网。

<sup>41</sup> Image from <http://images.china.cn/attachement/jpg/site1007/20100302/00016c8b5de00cf6e53102.jpg>

<sup>42</sup> Ibid. "几位'60后'省委书记的同与不同".

<sup>43</sup> "Little Hu' in Front as Future China Leader". *The Straits Times*.

<sup>44</sup> Ibid. Hsiao, Russell

<sup>45</sup> Image from <http://www.chinatoday.com/who/z/zhou-qiang.jpg>

<sup>46</sup> Ibid. "几位'60后'省委书记的同与不同".

<sup>47</sup> Lam, Willy. "Changing of the Guard: Beijing Grooms Sixth-Generation Cadres for 2020s". The Jamestown Foundation. 2010. Special Report.

<sup>48</sup> "Little Hu' in Front as Future China Leader". *The Straits Times*.

<sup>49</sup> Ibid.

<sup>50</sup> Ibid. "The Traits and Political Orientation of China's Fifth Generation Leadership".

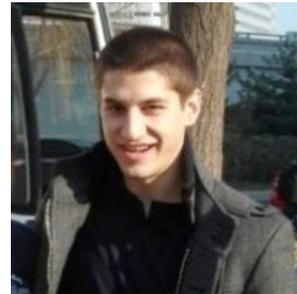
## Works Cited

- Chen, Weixing and Yang Zhong. "Introduction: Leadership in a Changing China". *Leadership in a Changing China*. Eds Weixing Chen, et al. Palgrave MacMillan: New York, NY. 2005. Pp. 1-13.
- "Chinese Public Gets Peak at 'Sixth Generation' Leaders". *The Straits Times*. 27 April 2009. <http://www.themalaysianinsider.com/world/article/Chinese-public-gets-peek-at-Sixth-Generation-leaders/>. Retrieved on May 10, 2011.
- Chovanec, Patrick. "Primer on China's Leadership Transition". *An American Perspective From China*. Blog. 08 May 2011. <http://chovanec.wordpress.com/2011/05/08/primer-on-chinas-leadership-transition/>. Retrieved on May 10, 2011.
- Foster, Peter. "Can China Change? Ask Me After 2022". 2009. *The Telegraph*. [http://blogs.telegraph.co.uk/news/peterfoster/9665536/Can\\_China\\_change\\_Ask\\_me\\_after\\_2022/](http://blogs.telegraph.co.uk/news/peterfoster/9665536/Can_China_change_Ask_me_after_2022/). Retrieved on May 10, 2011.
- "国家机构". 中国政府网, 2007. <http://baike.baidu.com/view/98661.htm>
- "国家主席制度". 百度百科, 词条, 2010. <http://baike.baidu.com/view/91388.htm>. 找回日天: 05日10月2011年。
- "国家主席制度的历史发展". 中国政府网, 2007. [http://www.gov.cn/test/2007-11/12/content\\_802176.htm](http://www.gov.cn/test/2007-11/12/content_802176.htm). 找回日天: 05日10月2011年。
- Guo, Qiang. "Reshuffle Hints at Future Leadership". *Global Times*. 02 December 2011. [http://en.huanqiu.com/china/chinanews/2009-12/488928\\_2.html](http://en.huanqiu.com/china/chinanews/2009-12/488928_2.html). Retrieved on May 10, 2011.
- "How China is Ruled". *BBC*. [http://news.bbc.co.uk/2/shared/spl/hi/in\\_depth/china\\_politics/government/html/1.stm](http://news.bbc.co.uk/2/shared/spl/hi/in_depth/china_politics/government/html/1.stm). Retrieved on May 10, 2011.
- Hsiao, Russell. "Sixth Generation Leaders Promoted to Top Party Positions". *The Jamestown Foundation*. *China Brief*: 9, 24. 03 December 2009. [http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews%5Btt\\_news%5D=35791](http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=35791). Retrieved on May 10, 2011.
- "胡春华离京出访白俄罗斯、保加利亚、匈牙利". 人民网. 2011. [http://paper.people.com.cn/rmrb/html/2011-05/09/nw.D110000renmrb\\_20110509\\_6-03.htm](http://paper.people.com.cn/rmrb/html/2011-05/09/nw.D110000renmrb_20110509_6-03.htm). 找回日天: 05日10月2011年。
- "几位'60后'省委书记的同与不同". 人民论坛. 2011. [http://paper.people.com.cn/rmlt/html/2011-03/21/content\\_770266.htm](http://paper.people.com.cn/rmlt/html/2011-03/21/content_770266.htm). 找回日天: 05日10月2011年。
- "聚焦当今中国政坛60后高官: 调动频繁履历丰富". 人民网. <http://leaders.people.com.cn/GB/9135964.html>. 找回日天: 05日10月2011年。
- Lam, Willy. "Beijing's 'Wei-Wen' Imperative Steals Thunder at NPC". *The Jamestown Foundation*. *China Brief*: 11, 4. 10 March 2011. [http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews\[tt\\_news\]=37630](http://www.jamestown.org/single/?no_cache=1&tx_ttnews[tt_news]=37630). Retrieved on May 10, 2011.
- Lam, Willy. "The Traits and Political Orientation of China's Fifth Generation Leadership". *Challenges and Policy Programs of China's New Leadership*. Ed. Joseph Cheng Hong Kong Press: 2007.
- Lam, Willy. "Xi Jinping's Chongqing Tour". *The Jamestown Foundation*. *China Brief*: 10, 25. 17 December 2010. [http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews\[tt\\_news\]=37293](http://www.jamestown.org/single/?no_cache=1&tx_ttnews[tt_news]=37293)
- "Little Hu' in Front as Future China Leader". *The Straits Times*. 01 December 2009. <http://www.themalaysianinsider.com/world/article/Little-Hu-in-front-as-future-China-leader/>. Retrieved on May 10, 2011.

## Works Cited Cont'd

- Liu, Melina. "China's New Guard," Newsweek, 2007. <http://www.newsweek.com/2007/10/09/china-s-new-guard.html>. Retrieved on May 10, 2011.
- Martin, Michael. "Understanding China's Political System". Congressional Research Service. 14 April 2010.
- Murray, Matthew. "Engaging the BRIC Countries: Diplomacy Outside the Capital". U.S. Army War College, United States Department of State. 2010. Graduate thesis. pp. 7-9.
- "Skipping a Generation" to Pick a Leader". The Straits Times. 09 December 2009. <http://www.themalaysianinsider.com/world/article/Skipping-a-generation-to-pick-a-leader/>. Retrieved on May 10, 2011.
- "The Presidency of the People's Republic of China". Gov.cn, 2006. <http://english.gov.cn/links/presidency.htm>. Retrieved on May 10, 2011.
- Zang, Xiaowei. Elite Dualism and Leadership Selection in China. RoutledgeCurzon: New York, NY. 2004. Pp. 1-10. [http://books.google.com/books?id=S3CB3ko\\_m8C&printsec=frontcover#v=onepage&q&f=false](http://books.google.com/books?id=S3CB3ko_m8C&printsec=frontcover#v=onepage&q&f=false). Retrieved on May 10, 2011.
- 中华人民共和国宪法。第三章，第二节。 [http://news.xinhuanet.com/ziliao/2004-09/16/content\\_1990063\\_5.htm](http://news.xinhuanet.com/ziliao/2004-09/16/content_1990063_5.htm)。找回日天：05日10月2011年。

A recent graduate from Drexel University, Daniel is a Fulbright Fellow for the 2011-2012 academic year. Daniel co-founded Drexel University's GCC chapter (2009), the GCC Shanghai Committee (2010), and currently serves as President for GCC. He enjoys meeting people, running, and reading Ancient Chinese philosophy.



# Navigating the World's Oldest Continuous Civilizations: Thinking about Chinese History

by Norman P. Ho | GCC Hong Kong

*As China plays an increasingly more prominent role in global politics and the world economy, more and more students are naturally getting interested in Chinese culture and Chinese history. President Obama, for example, has pledged to send 100,000 US students to China in the coming years, and China continues to cement its status as an increasingly popular study abroad destination. These developments are of course all highly positive, but misconceptions about Chinese history persevere. This essay seeks to briefly dispel some common misconceptions and offer some humble suggestions on how to think about Chinese history on a macroscopic level.*

In China's eyes, the 2008 Summer Olympics represented a critical opportunity – not only an opportunity to organize and put on a successful international athletic event of unprecedented scale, but more importantly, to display China and Chinese culture to the world. For individuals who had never been to China or who knew relatively little about the country, the Beijing 2008 Olympics Ceremonies in particular became a condensed way to present the apotheosis of thousands of years of Chinese culture and history, offering many viewers a foray into the splendors and mystery of the Middle Kingdom. In other words, the Opening Ceremonies became a way for China to project a certain image of itself that its leaders wanted others to see.

The Opening Ceremonies were important not just for what was included in the presentation, but also for what was *not*

included. Men dressed in traditional pre-Qin dynasty garb, holding ancient bamboo strips of writing, chanted the words of Confucius for all to hear. On the other hand, individuals dressed in Mao-suits, holding little Red books, and chanting the words of Mao Zedong were conspicuously absent. Symbols of traditional Chinese culture – calligraphy, Tang dynasty dancers, and the great ships of Ming dynasty explorer Zheng He – dominated; representations of Marxism were nowhere to be seen. Indeed, it is hard to believe that just a little over thirty years ago, “historical China” did not draw veneration and admiration from China's leaders, but rather verbal and physical condemnation through the destructive policies of the Cultural Revolution. However, it is clear the Chinese leadership now values very much China's past and the resources it has to offer contemporary society.

This in turn has sparked dramatic interest in China's history among Chinese scholars, Chinese citizens, and non-Chinese alike. More and more students outside of China are engaging in the study of Chinese language and history. More and more books about China's past for both scholarly and popular audiences are also being published and read. Even more significant, a growing number of non-China specialists are venturing beyond just reading and learning about twentieth-century China, coming to the correct realization that China has a relevant, interesting, and important *premodern* historical story as well.

For the student or person who is just embarking on the study of or just informally pursuing interests in Chinese history, it might be helpful to keep some important points or principles in mind. To that end, I have tried to provide some general suggestions that I hope are somewhat helpful for thinking on a macroscopic level about Chinese history. Some of these suggestions attempt to dispel what I think are rather pervasive common misconceptions about China and Chinese history; others are aimed at providing some direction as one navigates the vastness and complexity of China's past.

### What is "China"?

One important idea to keep in mind when studying China's history is that the country we now know and call "China" can be said to be a relatively recent construct. "China" as a nation-state with a national flag and national anthem dates to the establishment of the Republic of China in 1911, after the fall of the Qing, the last

imperial dynasty. Throughout China's dynastic history, the name of particular dynasty was also the name of the Chinese empire (for example, "China" during the Qing dynasty was known as *Da Qingguo*, or the "Great Qing Empire"). What implications does this have when we study Chinese history? Frequently, it is tempting to make broad generalizations about "China," both past and present. But as one immerses himself or herself more deeply in Chinese history, one will quickly realize that "China" is not a static, monolithic entity. Past and present-day China is a land of geographic, linguistic, and cultural diversity. Even business leaders and investors today in China will readily admit that there is no one single "China" market; rather, China is comprised of multiple markets, each requiring a different business strategy. The same is true with Chinese history – while generalizations are important and necessary (this article, for example, requires a certain degree of unavoidable generalization given its purpose), as one studies or reads more about China's past, it is particularly helpful to pay attention to *regional* and *local* histories, and appreciate how different geographic areas of "China" developed distinctly from one another (or points of similarity). This more precise approach to Chinese history is also important given the fact that China's dynastic history was marked by periods of both *unity* and *disunity* – when the land we know as "China" was unified under an emperor and his family line, or when it split up into several competing kingdoms. Furthermore, thinking about "China" not as an unchanging monolith also allows one to ask critical questions about important themes in Chinese history – the changing

and dynamic relationships between *center* (center of government) and *periphery*, Han-Chinese interactions with non-Han Chinese, and the North-South divide.

### **There is no one narrative of Chinese history.**

This may be an obvious point, as one can replace the word “Chinese” above with any nation – there is no one narrative to British, French, or Russian history, for example. But I think this point is especially important to keep in mind when reading books or the standard narratives of Chinese history that are available on the market. The major records we have of China’s past – sources that are often used and relied upon to write these classic narratives – are largely official sources, written and produced by previous dynastic governments. For example, throughout Chinese history, one of the most important jobs of a new dynasty was to write the history of the dynasty that preceded it. These official histories, or *zhengshi*, written under state patronage and direction, served as a legitimizing force for the new dynasty since they placed the new emperors within the long timeline of China’s dynastic history. They covered important events, people, and institutions of previous dynasties. Indeed, such projects were taken very seriously by Chinese rulers. Specific instructions regarding the compiling of *zhengshi* were often issued by the emperor himself, and they were generally not written by private individuals, but rather by official committees of historians working in state organs, such as the Bureau of Historiography in the Tang Dynasty (618 – 907 AD). While the *zhengshi* are invaluable sources, note that books that rely mostly

on them tell a story of China’s history mostly from the perspective of the literati and scholar officials who wrote them. One could craft a substantially different narrative based on *sishi* (private histories), *bieshi* (unofficial histories), or *biji* (informal, private writings of individuals). Thus, as in studying any nation’s history, it is important to keep in mind what sources are being used in the particular historical work you are reading and ask how the narrative might change if different sources are employed.

### **The Falsities of the “Rise of China” and “China as a New Superpower” Image.**

Over the past few years, countless headlines across newspapers and magazines have employed phrases such as “the rise of China” to describe China as a new economic and political superpower. Such language, however, can lead to an image of China as an inactive, dormant entity for centuries that suddenly “rose” to prominence as a new player in world affairs over the past few years. Worse, such headlines may lead some to see China as a threat, or fear that since China is only now “rising” to the world stage, it might be an unstable and unpredictable world actor. However, if one looks at the huge expanse that is premodern Chinese history, such headline language and worries seem inappropriate. For many centuries, numerous dynasties played an important role in global affairs. China during the sixteenth century under the Ming dynasty played a responsible and significant role in the world economy, trading with states such as Spain, Portugal, and Japan. Furthermore, for substantial periods during the Tang and Ming dynasties, one can say that China

was the most economically powerful state in the world. Thus, if we place headlines such as “rise of China” and “China as a new superpower” in historical context, we should not be at all surprised at China’s growing position in the world today. In its history, China has experience in playing important roles in world affairs.

### China’s History as Linked with World History.

This is related to the previous point. One of the largest misconceptions of Chinese history that continues to persevere to this day is an image of historical China as insular and isolated. The symbol that has been (wrongly, I think) used by many to portray such deliberate separation with the world has of course been the Great Wall. But for most of its history, China has been indubitably linked with the rest of the world in terms of economic and cultural development. The Tang and Song dynasties had sophisticated international trade routes. It can even be said that in some periods China was at the very *center* of global trade (for example, when tea was one of the most important trade products of the world). Diplomatic and private missions from Central Asia and Japan were welcomed during the Tang. During the late Ming and early Qing dynasties, there was a long period of Sino-European cultural exchange, as Jesuit missionaries shared and taught European science to Chinese officials, and were themselves enriched by Chinese traditional philosophy. China has a history marked by international sensibility.

### Reading Chinese history forward, not backwards

The author Norman P. Ho is a J.D. candidate at the New York University (NYU) School of Law, and holds a B.A. and M.A. from Harvard.

Contact him at [nph225@nyu.edu](mailto:nph225@nyu.edu)

Reading history backwards is one of the biggest crimes in any study of history. But I find that in thinking about China and Chinese history, it is very easy and tempting to fall into such an intellectual trap. Many commentators and writers today still read Chinese history backward and use Chinese history as a tool to make their points about contemporary China. Some critics of China, for example, say that we should not be surprised at China’s current political system because for most of China’s history, autocracy prevailed and there were very little individual rights. But if one studies Chinese history forward, one can better appreciate the many roads Chinese history could have traveled on, and attempt to understand why one particular road was chosen over another. Furthermore, specifically regarding the autocracy argument above, if one reads Chinese history forward, one can appreciate numerous eras where although the emperor still was the absolute ruler, his authority was checked by a vigorous political activity of his ministers and other politicians at court (one can point to the politically vibrant Northern Song dynasty in the late eleventh century).

It is my hope that these suggestions, at the very least, will provoke thought and discussion among students engaged in the study or reading of Chinese history. Chinese history is hard, hopelessly vast, challenging, but never boring. The complexity of Chinese history is ultimately an intellectual blessing.



# Culture



# 是什么击碎了知识分子最后的心理盾牌？ ——管窥“读书无用论”的社会根源

作者：徐超，上海交通大学，机械工程及自动化专业

社会对大学的定位是“精英的摇篮”，可是却为知识分子提供了一个弱肉强食的丛林环境，知识成了知识分子最后的心理盾牌；而新的知识分子在受教育的过程中难免向社会妥协，平庸化的同时也丧失了对知识的热爱，知识变成了他们最大的人生羁绊。知识分子要想走出如此怪圈，必须要寻找人生的意义。

关于“读书有用吗？”的话题似乎成了各大高校BBS的“年经贴”。也难怪，春节期间走亲访友，同学聚会，相互之间难免要暗自比较一番。尤其是名校的学生，当年的“天之骄子”们，看到读完初中、甚至小学没毕业就出去闯荡社会的“哥们儿”一个个都成了小老板，再看看自己毕业后那点微薄的收入、蜗居的生活，难免心理上很不平衡。“读书有用吗”也就成了很多自诩为“知识分子”的年轻人解不开的心结。

其实不光是学生，各种专家学者对于教育体制的质疑和争辩也早已汗牛充栋。笔者不是社会学专家，也不是教育学大师，因此也无意从学术的角度老生常谈。这篇文章只是想从一个即将迈入社会的学生的视角来观察：中国的知识分子到底怎么了？

## 精英摇篮与丛林法则

正如上海交通大学校长张杰所说，交大要全力培养三种人才：政界精英，学术大师，商业巨子。可见社会对于大学的心理预期还是“精英的摇篮”；而从南科大校长朱清时所倡导的“回归大学精神”可以看出，社会的精英阶层对于大学仍然抱有一丝理想主义色彩。

可是，知识分子所处的社会大环境似乎跟这些美好的愿景格格不入。

**学历通胀**：随着1999年的高校扩招和教育产业化的推进，高等教育从“精英教育”变成了“平民教育”，大学生再也算不上什么“天之骄子”，这本身是社会进步的表现。可是与之相应的，中国的产业结

构升级没能跟上高级劳动力市场迅速膨胀的步伐，高新技术和服务业无法为知识分子提供足够的就业岗位，尤其在生科、制药等行业尤为显著。而另一方面，高昂的教育成本（包括时间和金钱成本）使知识分子要求更高的投资回报，包括更高的薪水 and 更高的社会地位。这种供过于求的矛盾使知识分子的“身价大跌”。

**丛林法则**：由于很多体制和文化的原因，读书作为社会阶层晋升管道的阻力越来越大，而社会对于权力和金钱的崇拜使得知识分子的社会地位优越感丧失殆尽。我们的社会中契约精神正在不断沦丧，取而代之的是弱肉强食的丛林法则，而这些与知识分子在学校里接受的道德教

育格格不入。因此知识分子学历越高，在学校中待得时间越久，与社会人士心理年龄的差距就越大，也就越难融入社会。

**金钱的附件：**对于大多数知识分子而言，只要放下那份清高，都不至于饿死。但作为一定程度上的理想主义者，总会有点小资情调，渴望高品质的生活。然而令人绝望的是，在现代的社会里，太多的东西与金钱绑定，比如爱情，家庭等等。对节节攀升的房价不屑一顾还比较容易，可是要忍受一个人的孤单，就不是一般人愿意接受的了。

所有的这些社会因素，使得知识分子在社会中占据的实际位置与心理预期严重不符，这种心理落差使得知识分子的信念坍塌，陷入精神上的巨大恐慌，知识成了他们最后的心理盾牌。

### “投资”心理与畸形教育

我们再来看一下“知识分子是怎样炼成的”。

在这样残酷的社会现实面前，对于很大一部分学生，尤其是出身于农民和工薪阶层的孩子而言，读书渐渐地变成了一种“投资”，而不仅仅是“消费”。对他们而言，读书是让自己乃至整个家庭“过上好日子”的一条途径。而长达十二年的应试教育，造成了很多人格和能力养成上的时间错位。在这种“投资”心理以及畸形初等教育的联合作用下，大学也就被学生自己赋予了更多的含义。

**职业培训所：**“学成文武艺，货与企业家”或许可以概括这层含义。从迈入校门的那一刻起，本科毕业后的出路或许就是学生们最关心的事情。在当今如此严峻的就业形势下，危机意识从大一就开始蔓延。对于很多学生而言，本科期间所做的努力，不管是学积分，还是科研、竞赛经历，主要目标就是提升自己的职场竞争力。毕竟，只有满足了自己最基本的生存问题，人才会去考虑更高层次上“自我实现”的需求。

**EQ补习班：**有人说：“中国的小学生在学中学的东西，中学生在学大学的东西，大学生在学幼儿园的东西。”虽然有点夸张，但绝不过分。深受应试教育毒害的莘莘学子，进入大学后往往过度醉心于校园内的各类学生社团活动。毋庸置疑，组织参与这些活动是提升自己社交能力很好的方式。可是，打个可能不太恰当的比方，很大一部分的学生活动，就像幼儿园玩的“过家家”，不能不玩，可是如果长大了还痴迷于其中，未免就有点不合时宜了，高级一点的“话剧表演”或许更适合“高年级学生”。我们在中学小学没玩过“过家家”，到了大学里来补课，却没有精力也没有能力玩高级版的“话剧表演”了。

**婚恋介绍所：**如果仔细观察学校BBS每天的十大热门话题，必然会发现“鹊桥版”牢牢掌控着其中的两到三席。而身边同学的分分合合也早已不算什么新

闻，学校周边小旅馆所折射出的感情泛滥化也早已不知被专家们声讨了多少次。诚然，青春本来就是恋爱的季节，可是剩男剩女们对现实的无奈，学弟学妹们对“剩”的恐慌，亲朋好友的催促，校园生活的空虚，共同织就了一幅诡谲的校园爱情图谱。当然，可能这些都是对“爱”的意义的追问，无可厚非。

**游戏竞技场：**可能Dota对很多男生的吸引力已经远远超过了美女，遑论学业。一方面，长期的应试教育一直是采取“逼”的模式，而没有培养起学生的自制力和自主学习能力；而到了大学，突然放开了“紧箍咒”，学生们近似于报复性的疯狂补偿自己以前没有得到的满足。如此之大的教育模式的落差，令众多学子迷失在欲望之中。另一方面，游戏开发商各种诱人上瘾的经营模式，如同毒品一般不断地侵蚀着学生原本就脆弱的自制力。玩游戏如同喝酒，“小饮怡情，大饮伤身”。加强基础教育阶段的自制力培养，如同烟草一样对开发商课以重税，建立起游戏经营模式的监管体系，或许是一种解决的途径。

可以想象，从这样的“大学”里走出来的学生，注定是平庸化、脸谱化的。而知识分子自身的贬值，又加剧了社会形势对知识分子的恶化，由此引发恶性循环。然而，更为不幸的是，如此炼成的知识分子，已经失去了对知识的那份热爱。被功利占据的心灵，已经不再认同知识的圣洁。当最后的心理盾牌轰然破碎，知识分子们将会彻底迷失在精神的荒野。

其实，如果他们能彻底放下知识分子的清高，愿意从最底层的工作做起，比如养猪，卖水果，开饭店等等，或许也不至于落得如此落魄。但是尽管对知识已经不再认同，他们对底层工作还是有种本能的排斥和鄙视。这也注定了知识的光环变成了他们最大的人生羁绊。

### 心理自救

知识本是知识分子最后的心理盾牌，可是在物欲横流的年代，似乎成了我们最大的人生羁绊。中国教育最大的悲哀在于，16年甚至更长时间的教育从来没有教会我们思考人生的意义。要想走出迷惘，我们只能心理自救。金钱不是目的，只是个人维持自由的一种手段。想清楚自己需要什么，这才是找回自我的关键。

当然，对于人生终极问题的思考历来是令人苦恼的，而且能否得到最终的答案似乎也依赖于机缘，可是思考总归会有收获。当你感受到困惑的时候，读书的作用便显现出来了。我们可以去问萨特，去问叔本华，去问林语堂，去问周国平。

不管最后你是选择重新拾起知识分子的理想主义，过精神上的富足生活；还是选择彻底抛弃那份清高，无论是从零开始学习社会，还是从最低端的工作开始打拼。这些都不重要，重要的是你明白了自己到底为了什么而活。

Global China Connection is a 501(c)3 nonprofit organization dedicated to international relationships through student-produced events and media that focus on China. Funded by private and corporate donors, GCC leads over 60 international university chapters to meaningfully engage their counterparts in China.

## EDITORS' NOTE

As Associate Director for Publishing, I am pleased to publish our inaugural edition of Global China Review. It is our hope that the following articles will encourage you to think further about the issues facing China at the dawn of this new century from a multidisciplinary perspective. Global China Review is a semiannual publication produced by the members of Global China Connection, reflecting our goal to foster connections, dialogue, and understanding between China and the rest of the world. Global China Review focuses on a wide array of issues such as business, international relations, environment policy and sustainable development, scientific research, education, and culture. While the topics may vary, all articles are written for, and by, university students who share a global perspective and believe that China's global role will continue to expand.

If you have any inquiries about any of the pieces above, or would like to contribute. Please email the editors at:

[klegradi@gmail.com](mailto:klegradi@gmail.com)  
[alexander.banh@gmail.com](mailto:alexander.banh@gmail.com)

Please e-mail your article, essay, or blog entry to [submissions@gccglobal.org](mailto:submissions@gccglobal.org) with the subject heading "Global China Review Submission". We will review and respond to your submission within one week and hope to feature it in the next outgoing issues of Global China Review.

GCC appreciates the time, effort, and thought that is committed into producing and polishing a written piece for Global China Review. We are grateful for both your dedication to the organization and enthusiasm for our mission. For additional information on how to become involved with GCC or regarding GCC's upcoming events, please e-mail [info@gccglobal.org](mailto:info@gccglobal.org).

### **Karina Legradi**

Associate Director of Publishing  
 Editor-in-Chief | Global China Review

### **Alexander Banh**

Associate | Media Division  
 Copy & Layout Editor | Global China Review

