

10
THINGS YOU
NEED TO
KNOW ABOUT

China

PART
1 OF 2

What does China's rise mean for the U.S.— and your future?

BY PATRICIA SMITH

ANALYZE
THE
ARTICLE



With a history that stretches back more than 4,000 years, China is one of the world's oldest civilizations. Until the early 20th century, it was ruled by powerful emperors, many of whom kept the country largely cut off from the rest of the world.

In 1949, an authoritarian Communist government took over, but China remained isolated and **plagued** by poverty until it began to transform itself by opening up its economy in the 1980s. Since then, China's increasing economic and military might has left much of the world feeling uneasy about its growing role on the global stage.

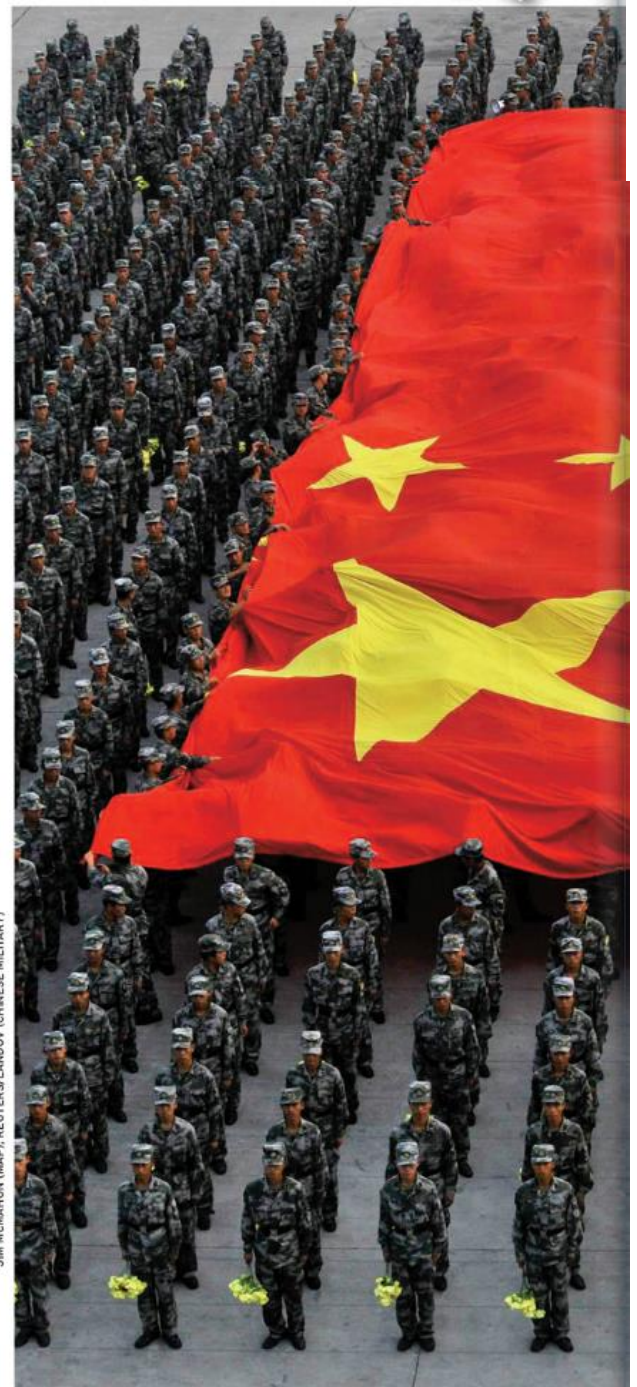
With 1.4 billion people, China has the world's largest population. Its \$10 trillion economy is the world's second biggest, after the U.S. And it's one of only five nations—along with the U.S., Russia, Britain, and France—with veto power in the United Nations Security Council.

"China is unquestionably one of the most influential and powerful countries in the world," says Stapleton Roy, a former U.S. ambassador to China.

That's why it's a critical nation for Americans to understand. Here and in the next issue of *Upfront*, we'll answer 10 questions that help define China and the challenges it poses for the U.S. and the world.

 Watch a video on China & the U.S.

 Click here for our breaking news story on China's economy.



JIM McMAHON (MAP); REUTERS/LANDOV (CHINESE MILITARY)

1. Is China a superpower?

Thirty years ago, China was a poor country. The streets were full of bicycles because almost no one could afford a car. People needed ration coupons to buy cooking oil or clothes.

Today, China's booming cities are clogged with traffic. The country boasts more than 400 billionaires and 9 of the world's 20 tallest buildings.

"I don't think there's any country in world history that's changed as much as China has in the past two decades,"

says Orville Schell, a China expert at the Asia Society in New York.

Despite the country's massive transformation and undeniable strength, most experts agree that China hasn't yet achieved superpower status. Even though it has a huge economy (*see chart, p. 17*), China looks a lot less impressive if you consider its per capita GDP (\$12,900, compared with \$54,800 for the U.S.). That puts it behind struggling countries like Kazakhstan and Iraq. While 300 mil-

lion Chinese have joined the middle class in the last few decades, more than 100 million Chinese still live in poverty.

China is, however, growing much faster than the U.S., and there's an increasing sense that China is nipping at America's heels. Many experts believe its economy will surpass America's by 2020.

"There's no doubt that there's a shift in relative power between China and the U.S.," says Stephanie Kleine-Ahlbrandt, a China expert at the United Nations. "They're much closer than they were even 10 years ago."



Chinese troops in Beijing celebrate Communist rule; China's military, with 2.3 million people, is the largest in the world.



2. Why does everything seem to be made in China?

Look around your room. There's a good chance that most of what's there—from your smartphone to your jeans and sneakers—was made in China. In 2011, Chinese factories churned out more than 320 million personal computers—more than 90 percent of worldwide production that year. They also produced 1.1 billion cellphones (70 percent) and 12.6 billion pairs of shoes (63 percent).

China didn't always dominate the business of making things. Many American companies used to manufacture products right here in the U.S., with everything from sneakers and Barbie dolls to steel once coming from American assembly lines.

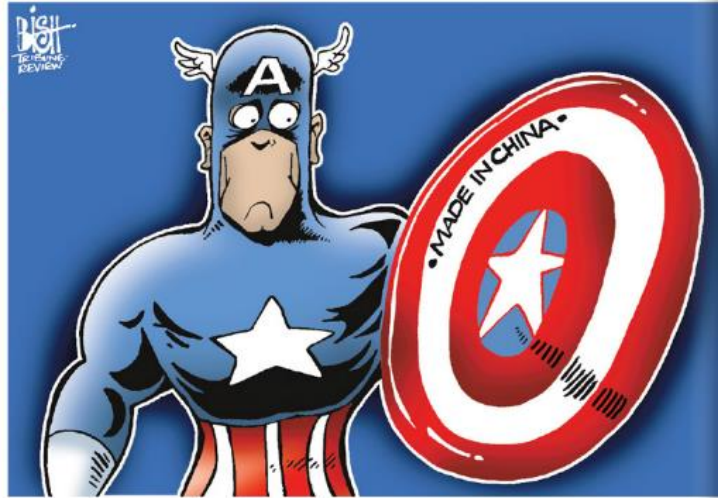
What changed? With a massive rural population, China has had a huge supply of eager workers willing to labor long hours in factories for low pay, because the \$1.36 an hour they earn on average is substantially more than they'd make farming.

"China was able to take advantage of low-cost labor and a hardworking . . . population to essentially become the manufacturing powerhouse of the world," says Ambassador Roy.

Chinese manufacturing began with cheap plastic toys and clothes. Then China started producing basic electronics and then more advanced electronics like iPhones and computers.

70%
Percentage of the world's umbrellas that are made in China.

SOURCE: STATISTIC BRAIN RESEARCH INSTITUTE



But the shift of production to China may be slowing. In some ways, China is a victim of its own success. Rising wages mean it isn't as cheap a place to make things as it once was. So Western companies are increasingly locating their factories in less-developed countries like Bangladesh. And after years of moving manufacturing overseas, some U.S. companies, including Microsoft and Whirlpool, are starting to move some production back home.

In response, President Xi Jinping is pushing for innovation; he wants China to master the most advanced part of the production process—the work of designing new products that everyone wants to buy. Could a Chinese company be the next Apple or Google?

3. Is China still a Communist country?

Officially, China has been a Communist country since 1949, when Mao Zedong's Communist forces won a civil war and founded the People's Republic of China. By the time Mao died in 1976, China's economy was in ruins. His successor, Deng Xiaoping, introduced free-market reforms in 1978 that allowed private business and foreign investment—and led to three decades of explosive growth.

But at the same time, China has remained an authoritarian one-party state with tight control over political power and strict limits on individual rights. In fact, there are about 500,000 political prisoners in China.

That makes today's China a contradiction: "The government is Communist, but the people are capitalist," says Kleine-Ahlbrandt of the U.N.

Most Chinese have applauded the economic reforms: 76 percent say they're better off under a free-market economy, according to a recent Pew poll.

The conventional wisdom has long been that people earning middle-class wages and participating in a free-market economy will demand and eventually get political freedoms. But China's Communist leaders show no sign of loosening their grip.

"From the Western point of view, the system shouldn't work," says Schell, "but so far, it has."



Western companies, like Starbucks, have a growing presence in China.

RANDY BISH/TRIBUNE REVIEW/POLITICAL CARTOONS (CARTOON); DENG FEI/IMAGINECHINA/CORBIS (STARBUCKS)

4. What is the Great Firewall?

It's hard to imagine the online universe without Google, Facebook, YouTube, and Twitter. But those are just a few of the sites that are blocked from China's 650 million Internet users.

Fifteen years ago, at the dawn of the Internet age, then-President Bill Clinton said attempts by China to control the Internet would be "like trying to nail Jell-O to the wall."

Now, it seems that China has managed to nail the Jell-O. China has more Internet users than any other country, and it's home to some of the world's largest Internet companies, such as e-commerce giant Alibaba. But its massive Internet censorship system controls what everyone sees.

How does China's government do it? With more than 100,000 Internet monitors—known collectively as the Great Firewall—who block thousands of websites, including American news sites like *The New*



Police check IDs at an Internet cafe in the city of Zaozhuang in 2013.

46%
Percentage of China's population that uses the Internet, compared with 87 percent in the U.S.

SOURCE: INTERNETLIVESTATS.COM

York Times. They scrub search results of information they don't want people to see, like discussions about democracy, and they monitor social media for signs of opposition. They also pay legions of teens to post pro-government comments online. China's leaders have gone to these lengths to maintain their grip on power.

"China has created a Chinese Internet within the Internet," says Kleine-Ahlbrandt. "There are some people who can get over the wall if they have the tools to do so, but it's getting harder and harder."

5. Should the U.S. fear China's rise?

China's military, with 2.3 million people, is the largest in the world. Its military spending, \$145 billion this year, is second only to America's \$577 billion. And increasingly, China has been flexing its military muscles.

In the past year, China has picked fights with several of its Southeast Asian neighbors, claiming control over vast swaths of the South China Sea and various islands also claimed by the Philippines, Malaysia, and Vietnam. It's even used landfill to create new islands that it claims as its own.

That has left the world wondering how to respond to China's growing might.

"The United States welcomes the continuing rise of a China that is peaceful, prosperous, and stable and that plays a responsible role in the world," President

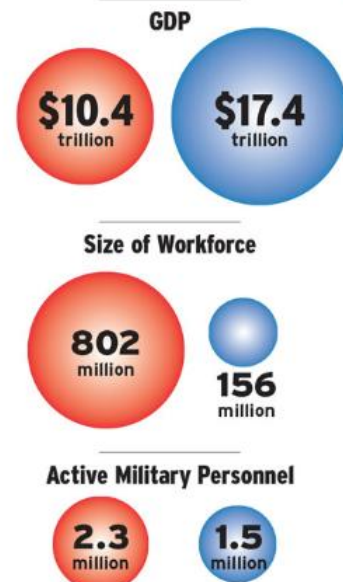
Obama said last year in Beijing.

Even though experts say China's leaders aren't seeking a confrontation with the U.S., its growing regional influence and economic strength are enough to make Americans nervous.

China is currently investing \$250 billion a year in building new universities, and 7 million young people are graduating from Chinese colleges every year, poised to compete with Americans for jobs and opportunities.

There's a lot of disagreement about how the U.S. should respond to China's growing influence, but one thing is certain, says Scott Harold, a political scientist at the RAND Corporation, a Washington, D.C., think tank: "The U.S. cannot afford to ignore China's rise." •

China & the U.S.



SOURCES: THE WORLD FACTBOOK 2015 (C.I.A.); GLOBALFIREPOWER.COM

J. ZHANG/IMAGINECHINA/AP IMAGES

PART 2 In the Sept. 21 issue of *Upfront*, five more things you need to know, including human rights and U.S.-Chinese cooperation

INTERNATIONAL

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**A look at what China's rise means for the U.S.—
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Kids wear masks to protect against a haze of
pollution in Beijing's Tiananmen Square, 2013.





An increasingly powerful player on the world stage, China is a critical country for Americans to understand.

Part 2 of "10 Things You Need to Know About China" looks at more key issues: the environment, population, education, human rights, and the prospects for U.S.-Chinese cooperation.

Part 1 of the article (Upfront, Sept. 7) covered:

1. Is China a superpower?
2. Why does everything seem to be made in China?
3. Is China still a Communist country?
4. What is the Great Firewall?
5. Should the U.S. fear China's rise?

Breaking News

Get the latest on how China's recent economic slowdown is affecting the global economy.

upfrontmagazine.com

6. Is China destroying the planet?

China is facing an environmental crisis. Its cities are often wrapped in a toxic gray smog. To protect their kids' lungs, many parents keep their children from playing outside. People walking the streets often wear face masks. Only 1 percent of the country's 560 million city dwellers breathe air that would be considered safe in the U.S., and air pollution alone causes hundreds of thousands of deaths each year.

These problems are the ugly flip side of China's miraculous economic boom: The many factories and power plants that have driven that growth are responsible for terrible environmental destruction. Most of China's electricity comes from coal, the dirtiest of fossil fuels. As more Chinese enter the middle class and buy cars, emissions continue to soar.

And all that pollution doesn't stay in China. A 2010 study found that almost 30 percent of the air pollution in San Francisco had drifted across the Pacific from China. China is also the world's largest emitter of the greenhouse gases that scientists say are causing climate change. (The U.S. is second.)

The environmental situation in China is "very alarming," says Orville Schell

of the Asia Society in New York. "But here, the Chinese Communist party has some ability and is gaining the will to do something about it."

For starters, the government has put caps on the amount of coal that can be used and has lowered the amount of coal that can be burned in several provinces. It's also been pouring money into renewable energy. China has large wind turbine facilities and it's about to overtake Germany in generating the most solar power in the world. Its export of renewables is also growing, and that's helping to bring the price down globally. In 2014, Chinese companies made a third of the world's wind turbines.

China's also promising tighter enforcement. "We are going to punish, with an iron hand, any violators who destroy ecology or the environment, with no exceptions," President Xi Jinping said last spring.

Overall, there's reason for cautious optimism, says Henry Lee, an expert on China's environment at Harvard University: "They're taking climate very seriously, and they're doing a lot. But they're so big and have so many people that the task is enormous."

29%
Percentage of global greenhouse gas emissions contributed by China in 2013. The amount was twice that released by the U.S.
SOURCE: THE NEW YORK TIMES



 Watch a video about human rights abuses in China.



LOU LINWEI/ALAMY (TIANANMEN SQUARE); JIM McNAHON (MAP)

7. Is China's population too big or too small?

In the late 1970s, China's leaders saw a problem: The population was growing so quickly that it was strangling the country. For China to pull itself out of poverty, its leaders had to control population growth. Their solution was an extremely restrictive policy, adopted in 1980, limiting families to one child each.

Thanks to the one-child policy, China's population has leveled off at about 1.4 billion people, still the highest in the world. Reducing the number of births has enabled China to feed its people, improve access to education and healthcare, and pull millions into the middle class.

But this success came at a high cost: Some violators of the policy faced huge fines or forced sterilizations. Sometimes, authorities withheld identity papers (similar to birth certificates) for second

children, making it hard for them to go to school or see a doctor.

The policy has also created some major demographic problems, including a huge gender imbalance: Because boys are traditionally favored over girls, many couples aborted female fetuses so they could try again for a boy. After several decades of this, there are some 30 million "extra" men who will not be able to find wives.

And small families mean there are fewer young people overall: In 2012, China's working-age population began declining. At the same time, the number of people over 60 has kept growing. This could stunt the country's economic growth, since

there won't be enough workers to replace those retiring and keep the economy humming. At the same time, there will be more old people to take care of.

"The aging of China's population represents a crisis," says Feng Wang of the Brookings Institution, in Washington, D.C.

In response to these challenges, the Chinese government relaxed the one-child policy in 2013, making it easier to have a second child without punishment. But so far, the birth rate hasn't risen much.



8. Why do Chinese students study so hard?



An epidemic of nearsightedness is sweeping China. In Shanghai, for example, 86 percent of high school students wear glasses. (About a third of American teens need glasses.)

Why? Researchers say Chinese students study so much that it's ruining their eyes: A typical 10-year-old stays up until midnight every night doing homework. The pressure to succeed in school—and the workload—increases as students get older.

The ultimate symbol of China's academic pressure cooker is the *gaokao*, the national college-entrance exam.



A student's score on this single nine-hour test is the only thing that matters for admission to Chinese universities. And for students from poor families, college is a ticket to the middle class—and out of a life working in fields or factories. So students spend years cramming for the test.

"The Chinese greatly value education and put enormous pressure on their children to work hard and do well," says Schell of the Asia Society.

In fact, Shanghai students routinely outperform the rest of the world on international math and science tests.

So why should that matter to you? Even though China's youth population has declined, there are still 100 million Chinese between the ages of 15 and 19—about four times as many as in the U.S.—and they're the first generation to come of age as China becomes a global power.

In a globalized economy, these Chinese college graduates—7 million a year—are going to be competing with young Americans for jobs and opportunities.

9. How bad is China's human rights record?

Human Rights Watch puts it bluntly in its 2015 report: Since Xi Jinping became president in 2013, China has “unleashed an extraordinary assault on basic human rights and their defenders with a **ferocity** unseen in recent years.”

In other words, things are getting worse, not better.

Amnesty International estimates that 500,000 people are being held in China without charge or trial. There's been an increase in government harassment, surveillance, and house arrest of those who defend human rights, like lawyers and activists. The press, long subject to government censorship, faces even more restrictions. China also executes more people than any other country in the world. Though the statistics are considered a state secret, China is believed to execute several thousand people a year.

In July, the government passed a sweeping new national security law that gives the military and the police additional powers to maintain security everywhere from schools to cyberspace.

But experts say this crackdown can't



267

Minimum number of Chinese lawyers and activists who have disappeared or been detained by authorities in a crackdown that began in July.

SOURCE: HUMAN RIGHTS IN CHINA

be sustained in the long term.

“For China to be a real global superpower, it needs to have legitimacy at home,” says Sharon Hom of Human Rights in China, a New York-based group. “It cannot have legitimacy at home because a cracked-down, restricted society is not the same as an independent, **flourishing** society.”

10. Can't China and the U.S. just get along?

The U.S. and China are tightly bound together: Their annual trade adds up to \$600 billion. There are 275,000 Chinese studying in the U.S. and 25,000 American students in China. China is the largest holder of U.S. government debt, and no country buys more American agricultural products.

But politically, the two nations often clash. When the U.S. wanted to charge North Korean leader Kim Jong Un with human rights abuses at the International Criminal Court, China opposed it. When the U.S. wanted to impose sanctions on the Syrian government in an effort to halt Syria's civil war, China vetoed them in the United Nations Security Council.

But experts say that on most of the world's big issues, China and the U.S. need to work together better.

“On any given global issue, without China, we're not going to be able to solve it,” says Stephanie Kleine-Ahlbrandt, a China expert at the United Nations.

There's still a great deal of wariness in the relationship, and China's recent aggression in southeast Asia and its massive spending on its military (*see part 1 of this article in the September 7 issue*) have only made Washington more nervous. But U.S. leaders recognize the need for cooperation, whether to fight terrorism, prevent a global pandemic, tackle climate change, or deal with a nuclear-armed North Korea.

“There is no divorce option here,” says Scott Harold, a political scientist with the RAND Corporation, a Washington, D.C., think tank. “China and the U.S. are always going to have to interact.” •



President Obama and President Xi Jinping in Beijing in 2014