

China in the 21st Century

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There have been several 'new' Chinas in the last 100 years. The Republican China, created after the fall of the Qing court in 1911. The People's Republic of China, set up in 1949, with the famous declaration by Mao Zedong in Tiananmen Square that at last the Chinese people had 'stood up'. The new China which was aimed for during the Great Leap Forward in the late 1950s, when it was the declared intent of the Chinese state to overtake the UK in steel production within three years. And the new China, freed of bureaucracy and the pernicious 'Four Olds', agitated for by idealistic Red Guards during what is now labelled, in the official histories at least, as the 'Ten years of turbulence', the Great Cultural Revolution from 1966 to 1976.

The current 'new China' has its roots, typically, in a meeting of the Tenth Congress in 1978, when, as Beijing-based journalist and businessman James Kyngé argued in his recent book, 'China; The Rise of a Hungry Power', the idea of liberating the production forces of the peasants by allowing them to sell surplus harvest stocks back to the State for a profit started, almost by accident, the torrential force of economic power that is coursing to this day. Deng Xiaoping, who was to reign as China's paramount leader from 1978 to his death in 1997, was right to trust his instincts in allowing the people to deliver economically what the purely State-run economy

The fruits of double-digit economic growth



had never achieved. The legacy of the 10th Party Congress, in 2006, is easy to see. China is now the world's fourth largest economy, the second largest attractor of Foreign Direct Investment, the holder of the largest foreign currency reserves (a massive 863 billion USD), boasting a double-digit growth rate for much of the last 30 years. Its government has lifted more people from absolute poverty than any other in history.

In 2006, a China hidden behind a bamboo curtain that existed for much of the time from 1949 to 1978 is impossible to imagine. In the UK alone, we saw 84 thousand Chinese students come to our universities last year to study, 125 thousand Chinese tourists visit our shores, and at current count, over 40 Chinese companies list on the Alternative Investment Market (AIM). Chinese companies bought brand names in the UK like Rover Cars. They sponsored football teams like Everton. They signed billion-dollar deals with companies like British Telecom to supply them with equipment. In the space of under a decade, China has gone from being an esoteric minority interest to a place that people in the mainstream of business, culture and academia in the UK need to know about. With India, China has set out its stake to be one of the major global powers of the 21st century.

The China that we engage with in the 21st century poses some unique paradoxes and challenges. It is a highly liberal economy, much easier to operate in, as a recent US study made clear, than places like Japan or even other European countries, but still guided by the Communist Party, an organisation with 70 million members. It is a country where the so-called private sector, only active in the last two decades, generates, according to an OECD report, about half of the annual growth rate, but where the State-owned sector is still powerful, prominent, and in some areas vibrant. It is a country that celebrates the antiquity of its civilisation, but where cities like Shanghai, Beijing and Guangzhou are literally being rebuilt overnight, and where the landscape looks, at times, almost futuristic.

Standing on the world famous Bund in Shanghai, looking across to the newly built Pudong area captures some of these extremes. The Bund, built in Shanghai's last great period of energy and

internationalisation, contains some of the finest architectural statements inspired by Western models that can be found in Asia – architecture that was the product of a city deeply cosmopolitan in its outlook. In 2006, with one's back to this, one can look across to the mighty skyscrapers on the other side of the water – mostly built in the last decade, one of them containing the world's highest hotel, the other a massive advertising board at night with colourful pictures played across it – and all of this about to be joined by the world's tallest building, currently under construction.

Similarly energetic building is going on throughout most of the country, even reaching deep into the Western hinterland, far more sparsely populated and less developed than the coastal areas, but now penetrated by road, rail and air links. The provision of a rail link through to Lhasa in Tibet was the final connecting piece in this jigsaw puzzle. China, a place where journeys between provinces sometimes took days, and where the phone system was famous for the amount of time and effort it took even to place a city-to-city domestic call, is now as easy to move around as most of Europe, populated by over 300 million mobile phone users, and upwards of 100 million internet subscribers. It is a place deeply penetrated by advertising and commercial culture, where David Beckham is more famous than Tony Blair, and the latest movie releases on DVD are available contraband within hours of their release in the USA. This China is the source of many of the hi-tech products that we buy, and supplies Wal-Mart with something like 90 per cent of its overseas sourced goods. It is a country with an emerging middle class that has enough purchasing power to scoop up a consignment of top-end Bentley cars when they were put on sale in Beijing within an hour of the salesroom door opening.

Now that the Chinese government has addressed, so successfully, the issue of how to develop the economy of their country, however, they also have to set aside time to look at the problems that have come in the way of this success. Pan Yue, Head of the State Environment Commission, has argued persuasively that balancing the costs of China's development on its environment, and how much this will take to clear up, means in fact that the last quarter of a century could be looked at as not development at all, but a backward step. China has 16 of the world's 20 most polluted cities. It can use only 10 per cent of its water resources. Its northern areas suffer from critical deforestation, a problem addressed by the campaign to plant a billion trees around Beijing. Addressing the issue of how to protect, and repair, the environment will be one of the greatest issues

facing China in the years ahead.

The other will be how to handle the expectation, from the rest of the world, that now China has such enormous economic clout, it will also become much more active in international politics, and carve out a specific role for itself. China has officially declared that it aims to be part of a multi-polar world, a world free of the balancing act of the old bipolar super-power system, maintained throughout much of the 1940s to 1980s. China is committed to respecting 'internal issues' in other countries, and standing for non-interference. It is also keen to promote its image as a non-aggressor, a country without a history of territorial ambition, and acquisition. But the hunger for new energy sources in China (especially in the Middle East and Africa) has brought China into an area where it has started to articulate a vision of what it means to be a major political player in the 21st century. No longer advocating third world leadership and revolutionary rebellion, as it did in the Maoist period, China is now practising the same kind of diplomacy as other leading members of the UN, becoming a fixed observer of the G8, and a key player through its permanent membership of the Security Council. The expectation is that China will now start to articulate values and ambitions that will take it beyond mere self interest.

In the 21st century, whatever path China takes, the competing imperatives of globalisation, and economic interconnectedness will mean that China will be a set part of the landscape of all our lives. What happens in China will matter here in the UK more than it ever did before – and how we engage with China, and think about and make ourselves knowledgeable about China, will matter. China has come closer to us than any other time before – and will be a major impact on our lives. **F**

Balancing the environment and economic development



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