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The Heir Apparent Clears the First Hurdle

Vice President Xi Jinping moderated the tone of the Games and redefined the sports event with rationality and calmness

BO ZHIYUE

For Xi Jinping, No. 6 standing member of the Politburo and vice president of the People's Republic of China, a successful Beijing 2008 Olympics Games is paramount not only for the image of China in the world but also for his political career as the heir apparent. After having been entrusted with the task of managing China's coming-out grand party, Xi has displayed fine qualities as the next leader of an emerging major power in the world.

XI JINPING IN CHARGE OF THE OLYMPIC GAMES

As a result of a semi-competitive straw poll conducted for the candidates of a new Politburo, Xi became the frontrunner of the fifth generation leadership in China at the 17th National Congress of the Chinese Communist Party in October 2007. In addition to his position as No. 6 in the Politburo Standing Committee and the only Politburo standing member in the Secretariat, he was subsequently elected vice president of the People's Republic of China in March 2008, further consolidating his position as the heir apparent to President Hu Jintao. Although he has accumulated extensive local management experience in a number of provincial units such as Fujian, Zhejiang and Shanghai, Xi is untested in handling state affairs at the national level.

In the reshuffle of central leadership portfolios after the 17th Party Congress, Xi was apparently entrusted with the task of managing the Beijing 2008 Olympic Games on behalf of the Politburo Standing Committee. The Olympic Games will not only be a grand coming-out party for China but also provide Xi with an opportunity to earn credits as a worthy heir apparent.

FROM "THE BEST OLYMPICS" TO A "SAFE OLYMPICS"

China leaders were initially exuberant about the opportunity to showcase China's great achievements in sports as well as socio-economic development in the past three decades as it is China's first as an Olympics host. With "One World One Dream" as its official slogan and "Green Olympics, Scientific Olympics, and Humanity Olympics" as its official goals, the Chinese leadership aspired to win recognition from other countries as one of major emerging powers to host the best Olympics ever in history. During his tour of Olympic facilities on 15 February 2008, Xi exhorted the organisers to make the Beijing Olympic Games a grand party for facilitating mutual understanding and friendly cooperation between the Chinese people and peoples of other countries of the world.

However, the "one world" does not seem to share "one dream" with China. In the aftermath of Tibet riots in March 2008, Beijing found itself in a public relations quagmire. Human rights groups, Tibetan independence forces, and Western politicians condemned China's human rights abuses, and the torch relays of the Beijing Olympic Games were sabotaged in a number of Western cities. Some Western leaders (in particular French President Nicholas Sarkozy) even premised their attendance of

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Olympics Over. What Is Next?

The Beijing Olympics has had its finest display of sportsmanship. It is time for feedback and retrospection in the aftermath. The questions on the minds of China watchers are: What will fall into place politically, socially and economically after the Olympics? Will the changes introduced to China for the Olympics be sustainable?

Politically, who will gain from a successful Olympics? Some argue that Xi Jinping will stand to gain from the positive image of the Olympic Games for the world audience. The heir apparent has been honed by the many needs of the games and the diversity of priorities, participants and global challenges (such as the riots and protests). Other China watchers prefer to look at the face of the new leadership collectively instead of focusing on individual personalities. To maintain momentum, China watchers looking at collective leadership may look at their policies and administrative reforms, for example, the continuation of the formation of super-ministries.

Scholarly assessment of the "Olympic effect" might be mixed. Some may argue that the Beijing Olympics has given a boost to China's social and economic development, that increased economic growth and freedom eventually leads to political freedom. In this line of thought, though it might take years for China to build an electoral democracy or direct election for all government officials, the Olympics definitely helps China move towards that direction. Others argue that, in fact, there exists no economic theory which proves the causality between economic growth and the Olympics, or any other mega-sports events. Rigorous empirical researches in the economic literature have failed to find any evidence to support the hypothesis: mega-sports events could be a positive shock before, and a negative one after, the games to economies of host countries. The "Olympic effect" is likely to be ambivalent. In the case of the media for example, it is unrealistic to expect the Olympic Games to herald the dawn of a new age of media liberalisation in China and it is also inaccurate to say that the Games did not have an impact on China.

Those pragmatically minded may instead wonder what will happen to the post-Olympics stock market. Some evaluations tend towards the negatives. In their view, it is almost certain the Shanghai Composite will continue its bearish performance well after the Olympics. Not only will

the psychological effect of the games subside, the outlook of the global financial environment will continue to be gloomy. The market remained hampered by the rippling effects of the sub-prime crisis with more write-downs reported in major financial institutions and the prospect of more bank failures in the United States and Europe. In other words, the external environment matter as much as the Olympics' psychological effect.

Others may look at the intangibles instead. There are about 100,000 volunteers for the 2008 Beijing Games, compared to 47,000 for the 2000 Sydney Games and 60,000 for the 2004 Athens Games. If that number is not particularly large, a total of 1,125,799 people have applied to be volunteers for the Beijing Olympic Games; 908,334 of these applicants also requested to serve the Paralympic Games. Both the number of volunteers and applicants set a record in Olympic history. Is such large-scale volunteerism sustainable?

Aside from internal impact, the Olympics Games are likely to make an impact on external relations as well. Japan is likely to get full mileage from this. Prime Minister Fukuda committed himself to attend the opening of the Beijing Olympics as a gesture of friendship to the Chinese leadership and people at a time when certain European political leaders were contemplating to skip the official ceremony of the Olympics in the aftermath of Beijing's crackdown in Tibet.

One little-noticed aspect of the Olympics is probably the use of technology with its vast potential for demonstrative power. Technology reaches far beyond mere material advancement. Chinese Olympics infrastructure such as the rail, enhanced traffic system, the use of supercomputers and broadcasting technologies will become a showcase for the world, especially for the developing countries aspiring towards modernisation, first-world lifestyle and infrastructure development. Such a showcase will need further improvement in tackling environmental issues, gradual relaxation of controls and respect for ethnic minorities. It is not a perfect showcase but it is indeed a good start. ■



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Now that the Games are over, what will Beijing Look to?

The 2008 Olympic Games has been regarded by Beijing as a showcase of its rapidly growing economic strength and rising international status, as well as an indicator of the communist regime's legitimacy.

CHEN GANG

As an event of paramount importance to socialist China, the 2008 Olympic Games with related spending of around US\$35 billion has been regarded by Beijing as a showcase of its rapidly growing economic strength and rising international status, as well as an indicator of the communist regime's legitimacy. The Chinese government has made an all-out effort to safeguard domestic social stability and secure a favourable international environment for the Games, which dominated Chinese leadership's political agenda in the first eight months of 2008. The end of the Games will thus become a clear watershed for the leadership's priority concern and policy focuses. Before the Games, the Chinese leaders were very cautious, paying more attention to maintaining stability and postponing any risky reform measure that may cause social instability in the short term. After the Games, top leaders' attention will turn to other important issues, with more aggressive actions expected in certain areas.

ADMINISTRATIVE REFORM TO CONTINUE

In March 2008, during the annual session of the National People's Congress, China's parliament, the central government announced the "super-ministries" reform, which aimed to merge ministries and commissions with similar functions and overlapping powers into large-sized ministries. The scheme only reduced the number of ministries from 28 to 27, so many observers and scholars showed their scepticism about the real effectiveness of this reform in streamlining the bureaucracy and improving the governance quality in the short run.

The long-term impact of this administrative reform, however, should not be underestimated. In the first half of the year, the government's attention was diverted from the Olympics by the Sichuan earthquake and Tibetan riot, while after the Olympics, the government will speed up reform of the bureaucratic system to cut astronomical administrative spending, optimise decision-making mechanism and enhance coordination among different ministries and departments. China has just established the National Energy Bureau to unify its divided energy management regime and better cope with the urgent problem of energy security. The bureau will possibly be renamed as the Ministry of Energy, with omnipotent power over affairs relating to China's energy production and consumption. The newly established State Bureau of Civil Servants shows the government's decisiveness in overhauling its human resource management model and

related welfare system. The "cadre" status in the future will probably be replaced by the new identity of "civil servants" to refer only to employees in government departments and excluding tens of millions of staff members working for state-run non-profit institutions (*guoyou shiye danwei*) such as universities, hospitals and newspapers. The central government, through establishing the Ministry of Human Resources and Social Security early this year, strives to encourage free flow of human resources between public and private sectors and reduce the financial burden of sustaining numerous non-profit institutions across the country.

OTHER FOCUSES

With the Olympics at stake, China's top leaders have been extremely nervous about the effects of inflation, a potential source of social instability. After the Games, the Chinese government will continue to monitor the price hike, but such anxieties may decrease and the leadership may consider the levy of environmental tax and an increase in resource tax to fight the serious pollution and resource waste in the country. The government will be less reluctant to raise oil prices and more willing to cut petroleum subsidies after the Games.

On 12 May 2008, southwestern China's Sichuan Province was jolted by an 8.0-degree earthquake, which caused huge casualties and severely damaged residential and commercial buildings, and the province's infrastructure. The disaster-hit population accounted for about 3.5% of China's total 1.3 billion people. To help people recover from this most devastating disaster in 30 years, the Chinese government has mapped out an ambitious reconstruction plan with a budget of one trillion yuan to rebuild residential houses. Experts have estimated that it will take at least two to three years to complete

the reconstruction of those disaster-hit areas. Resettlement of survivors and the compensation issue are still difficult tasks for the government; so in the next few years, Sichuan will definitely draw more attention from the central government than most other provinces. After the Olympics, the central government is expected to aid Sichuan with more capital, material and human resources and more favorable policies to accelerate the reconstruction process there.

TIBET AND TAIWAN

More than one month of uproar over the Tibet riot in March has made Beijing reopen dialogue with the exiled spiritual leader Dalai Lama, a reconciliatory move aimed at restoring

With the Olympics at stake, China's top leaders have been extremely nervous about the effects of inflation...

a state of normalcy ahead of the Beijing Olympics and easing Han-Tibetan tensions. Tibetan activists have been trying to seize the Olympics as a rare opportunity to attract international attention and gain public sympathy, staging protests along the 85,000-mile torch route from Greece to China. After the Games, the Chinese government's basic stance on the Tibet issue is unlikely to change, but top leaders may consider some policy adjustments to appease local Tibetans and gain more international support. Beijing will offer Tibet more favorable policies and fund assistance, but its hardline stance towards Dalai Lama is likely to remain. With no intention of making any breakthrough in the talks with Dalai Lama, top Chinese leaders will put more focus on the economic development and social welfare in Tibet, and become less sensitive towards international criticism especially from the western world.

China leaders may turn their attention to Taiwan after the Olympics, as this year is a positive turning point for cross-strait relations. Ties between mainland China and Taiwan improved after Ma Ying-jeou won Taiwan's presidential election in March, with regular direct flights across the Strait launched in July for the first time in nearly six decades. The two sides will waste no time in furthering their economic and trade linkages, personnel exchanges, tourism and use of renminbi in Taiwan. Recognising this as a rare opportunity to integrate Taiwan with the mainland, China leaders are likely to work out a formal "peace accord" with Taiwan to legally end hostilities across the Taiwan Strait. ■

Dr Chen Gang is Research Fellow at EAI.

Former Prime Minister Fukuda and the Beijing Olympics

What are the implications of Fukuda Yasuo's agreement to attend the Beijing Olympics opening ceremony for Sino-Japanese relations?

LAM PENG ER

Former Prime Minister Fukuda committed himself to attend the opening of the Beijing Olympics as a gesture of friendship to the Chinese leadership and people at a time when certain European political leaders were contemplating to skip the official ceremony of the Olympics in the aftermath of Beijing's crackdown in Tibet. Despite the Japanese media's criticism of Beijing's heavy-handed approach in Tibet, Fukuda was resolved to watch the Olympics because he values good ties with China for the sake of peace and stability in East Asia, and also the legacy of his father Fukuda Takeo who, as Prime Minister, forged the 1978 Peace and Friendship Treaty with Beijing.

Indeed, Sino-Japanese relations have never been so good after former Prime Minister Koizumi Junichiro's insistence to visit Yasukuni Shrine (a symbol of Japanese militarism to the Chinese and Koreans) every year when he was in office. Both Fukuda and President Hu Jintao exchanged official visits earlier this year and stressed on their countries' common heritage. Remarkably, a seemingly intractable dispute in the East China Sea over territorial boundaries, and oil and gas deposits was pragmatically, flexibly and amicably addressed when both sides agreed to proceed with joint development and sharing of energy resources extracted. Japan's earnest efforts to help after a catastrophic earthquake struck Sichuan province were very much appreciated by the Chinese state and society.

While Fukuda was supportive of the Beijing Olympics, Japanese tourists appear to be lukewarm to the sporting event at the time of writing. Apparently, "sales have been adversely affected by bad news — such as when frozen gyoza dumplings (imported from China) caused food poisoning, the Tibet problem and Sichuan quake" (Mainichi Shimbun, 21 July 2008). The Japan Olympic Committee agreed to sell 70,000

tickets to eight travel agencies but sales were rather slow. However, there were other reasons for sluggish ticket sales: tours for baseball games or gymnastics (in which Japanese athletes have a better chance of winning medals) sold well but not for less popular events; tours (including airfares) were also not cheap in the wake of rising oil prices.

The 2008 Beijing Olympics will perform the role of a big coming-of-age party for China just like the 1964 Tokyo Olympics and the 1988 Seoul Olympics did for Japan and South Korea respectively. While China will bask in the international limelight during the Beijing Olympics, many Japanese will be watching the behaviour of the Chinese during the games: will the Chinese spectators sportingly and graciously cheer the Japanese athletes or uncouthly jeer them like the sorry episode of the 2005 Asia Cup football tournament in China? Will the Chinese behave arrogantly when they win a large haul of gold medals? Whether Beijing's declared intent of "peaceful rise" or "peaceful development" is believable or not to the Japanese will also hinge, in part, on Chinese good behaviour during the Beijing Olympics.

Hopefully, the Beijing Olympics will be long remembered as a fine sporting event in which mutual respect and person-to-person friendships are forged between Chinese and Japanese athletes even in the crucible of competition, a positive image of China among the Japanese enhanced, and good ties between Former Prime Minister Fukuda and President Hu further cemented rather than as an ugly spectacle of jingoism and nationalism in the quest for medals and glory. ■

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How will the Olympics Change China?

The Olympics definitely helps China move towards the direction of building an electoral democracy

LI HE

Hosting the Olympics is like a dream come true for the Chinese people. It is well-known that sport is a social activity with cultural, political and economic ramifications that extend well beyond the immediate field of play. This is especially true in the current era of globalisation.

Beijing was awarded the honour of hosting the 29th Olympiad in 2001. It is widely believed that China has a historic opportunity to show the world that it is a worthy host of the 2008 Olympics. However, the question was raised as to what extent the Olympics could bring changes to China's government and its economy. Severe environmental consequence of rapid industrialization in recent decades was another major concern with the International Olympic Committee (IOC) which awarded Beijing with the Olympics. As the Olympic approaches, China found itself under intense international scrutiny for everything from turbulence in Tibet, human rights and product safety to the exchange rate of its currency, and its policy in Sudan. Despite challenges, doubts and concerns, the choice of Beijing to host the 2008 Games proves to be a catalyst for positive changes.

Since the award, China has made significant strides in integrating China with the global economy. While there is considerable concern about rising economic inequality, most Chinese embrace the free market. China's role in the global market is evolving from being the top manufacturing hub and exporter to becoming a powerful global buyer.

In fact, an increasing number of the Chinese people believe that globalisation will create more jobs and opportunities in the long run. *The 2008 Pew Global Attitudes Survey in China* finds that 86 percent of the Chinese are satisfied with their country's overall direction and their national economy, showing a more contented lot from earlier in the decade. With China being one of the largest benefactors of globalisation, its door will remain open to the outside world well beyond the Olympics.

In the meantime, Beijing has taken giant steps to host a "Green Olympics." The city has spent more than \$15 billion on anti-pollution measures such as constructing natural gas pipelines, relocating factories, and expanding its subway network. The anti-smoking movement is also getting a boost. Since May 1, the city has banned smoking in public places. Beijing has also made remarkable improvement in air quality through vehicle emission controls.

Moreover, China has endeavoured to carry forward the Olympic spirit in China and showcase a harmonious China to the world. The Hu-Wen administration has advanced the "harmonious society" policy agenda, which is designed to address rural-urban income disparities, develop the state welfare net and boost spending on health and education. This programme appears to have made some impact on reducing income inequality. Beijing has paid special attention to the

interests of ethnic minorities to build a harmonious society.

Hundreds of millions of Chinese have been lifted out of poverty. Indeed, Chinese economic growth must be acknowledged as one of history's great achievements in poverty reduction. In addition, new laws were passed over the past few years to promote social justice and harmony. For instance, the Labour Contract Law, which took effect in early 2008, requires a written contract for each employee and grants open-ended contracts to workers with 10 years of service. It also required employers to contribute to employees' social security accounts and set wage standards for probation and overtime.

The 2008 Beijing Olympics not only offer the Chinese people an opportunity for interacting with the international community, but also contribute to global peace, stability, and prosperity. The Beijing leadership has been trying not to follow the path that some Western powers took in their initial period of industrialisation. To achieve that goal, Beijing has advocated peaceful development, practised a pragmatic foreign policy, and pronounced a more conciliatory policy toward Taipei. Of course, to the Chinese government and the Chinese people, development can never be realised without peaceful surroundings.

No host country of the Olympics has ever been the same after the Games. With the rising economy and emerging middle class, the driving force for political reform is growing in tandem.

As Tony Kinsella of *the Irish Times* observes, four important factors are showing that China is moving closer to a democratic profile: transparency, rule of law, media independence, and rise of civil society. According to official figures, there are 354,000 registered non-government organisations. Thousands of NGOs are not registered and, collectively, the groups are playing an ever-growing role.

Public support for democracy is high in China. Public opinion surveys show that more than 90% of Chinese citizens believe that having a democracy is good. More and more people are growing up with the belief that political rights and freedom supersede economic well-being or other materialist goals. The Chinese people are much freer to voice their opinions and criticise their government than ever before.

In short, it is apparent that the Beijing Olympics have given a boost to China's social and economic development. It is widely believed that increased economic growth and freedom eventually leads to political freedom. Though it might take years for China to build an electoral democracy or to have a direct election of government officials, the Olympics definitely helps China move towards that direction. ■

Dr Li He is a Visiting Senior Research Fellow at EAI.

Public
support for
democracy
is high in
China

Recent Staff Publications

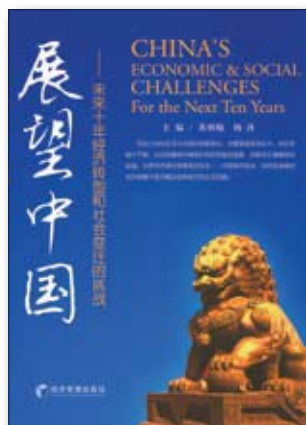
Books

China's Economic and Social Challenges for the Next Ten Years

Editors: John Wong and Yang Mu

Publisher: Economy & Management Publishing House

Year of Publication: 2008



China's high economic growth has sustained for nearly three decades since the launch of reform in 1978. However, a turning point is emerging: the labour supply is changing from the infinite to the limited; the yearly increase of the wage level is stepping up; more and more labour intensive factories in Pearl and Yangtze River Deltas are going to be closed down, while the income inequality and the burden of

social security and environment protection rise continuously, so on. In this book 12 Chinese scholars analyse and discuss some possible solutions such as the further reform of the government system, a more balanced economic development, a new principle to coordinate the interest relations between the different social groups, and others.

China's Science and Technology Sector and the Forces of Globalisation

Editors: Elspeth Thomson and Jon Sigurdson

Publisher: World Scientific Publishing

Year of Publication: 2008



China's booming economy has drawn both admiration and fear from the rest of the world. With its ability to churn out high-quality goods at low prices, China has become known as the "factory of the world". To better understand China's development and modernisation since the 1978 reforms, it is necessary to analyse its policies on importing technologies and developing indigenous ones. The articles in this volume paint a comprehensive

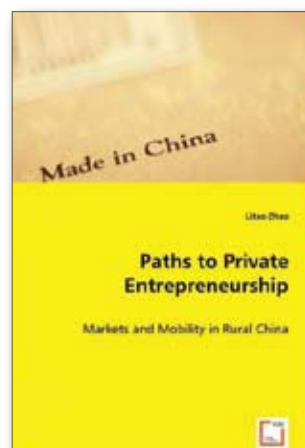
picture of the attempts by the Chinese government to adopt and foster science and technology, the successes of the policies and the continuing challenges.

Paths to Private Entrepreneurship: Markets and Mobility in Rural China

Author: Zhao Litao

Publisher: VDM Verlag (Germany)

Year of Publication: 2008



The transition from plan to market first began in rural China three decades ago. Sociologists since then have sought to analyse the impact of such a shift on the pattern of social stratification and mobility.

This book uses rural China as a case to show a distinct pattern of inequality and mobility, characterised by low barriers of entry into private entrepreneurship, shared resource access between cadre entrepreneurs

and non-cadre entrepreneurs, and the emergence of a dual elite structure, with the majority of local cadres holding onto cadre posts and the majority of entrepreneurs coming from non-cadre background. It emphasises the massive entry of small enterprises into the private sector as a distinct form of market transition, to be distinguished from transitions driven by the large-scale privatisation of state enterprises.

System and Process In International Politics (Chinese translation of System and Process in International Politics (2005 edition) by Morton A. Kaplan).

Translator: Bo Zhiyue

Publisher: Shiji Chuban Jituan Shanghai Renim Chubanshe

Year of Publication: 2008



System and Process in International Politics by Morton A. Kaplan was originally published in 1957. It has been a classic on systems of international politics. Professor Kaplan was the first to introduce the concept of systems to the field of international relations and to conceive the six international systems. The Chinese translation is based on the 2005 edition of the book.

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By Bo Zhiyue

No Medals for the Shanghai Stock Market

Host countries of past Olympics experienced a push on their stock markets, but not for Beijing. Shanghai Composite index's performance in the past ten months had been abysmal.

YANG MU & LIM TIN SENG

Over the years, history has repeatedly shown the Olympics as often offering a sentiment push to stock markets of the host nations. Taking the last two games for example, both the Australian Securities Exchange and the Athens Stock Exchange experienced an average rally of about 20 percent in the year before the run up to the games.

However, the Beijing games did not reveal a similar pattern. In fact, the performance of the Shanghai Composite index in the past ten months is nothing short of abysmal. After hitting its historical peak of more than 6,100 points in October 2007, the benchmark had since lost over 50 percent of its value closing below 2,900 points at the end of July 2008 denting investors' confidence. In fact, during the same period, the price-earning (P/E) ratio of Shanghai-listed stocks tumbled from over 50 to around 20.

Fleeing investors attributed the disappointing display of the Shanghai Composite to the vortex of international financial uncertainties first triggered by the sub-prime crisis in the United States before the effects were amplified by high global crude prices, rising inflation and the slowing world economy. Indeed, since October 2007, major indices across the world, including Dow Jones, FTSE, Nikkei, Hang Seng and the Straits Times Index, gave way to market jitters after having lost about 20 to 30 percent of their value. Indices of rising economies, in particular Vietnam and India, have incurred even larger losses of more than 50 percent.

Against this backdrop, it is almost certain the Shanghai Composite will continue its bearish performance well after the Olympics. Not only will the psychological effect of the games subside, outlook of the global financial environment will continue to be gloomy. The market remained hampered by the rippling effects of the sub-prime crisis with more write-downs reported in major financial institutions and the prospect of more bank failures in the United States and Europe. Although global crude prices have dropped to over US\$120 per barrel from around US\$140 per barrel in July 2008 amid slowing demand, it is still considered high by any standard and will most likely further stoke inflation. Besides, rising tension in Iran and the deteriorating security in Nigeria's oil fields may contribute to a short-term hike of crude prices in the second half of 2008.

Domestically, the slowing down of the red-hot Chinese economy is also unravelling investors' nerves. Due to a drop of its export demand amid a slowdown in major consumer

markets, the Chinese economy grew 10.1 percent in the second quarter of 2008, down from 10.6 percent in the first quarter. The World Bank forecasts the Chinese economy to grow at a rate of about 9.8 percent by the end of 2008, ending five years of double-digit growth.

In addition, investors are deterred from re-entering the market due to tight money supply. Since the beginning of 2008, the Chinese central bank has increased its minimum reserve ratio five times to a whopping 17.5 percent in an attempt to curb rising inflation. Although consumer price inflation declined from 7.5 percent in May to 7.1 percent in June, it is still at its highest in a decade. Furthermore, the government's decision to raise energy prices by 18 percent in June 2008 may offset any reduction brought about by lower food prices or even aggravate factory gate inflation which hit 8.8 percent in June, up from 8.1 percent in May.

As a result, it is likely that the central bank will continue to keep money supply tight after the Olympics. This will push the balance of payments of banks and private enterprises into deficit, further reinforcing the pessimism in the stock market. Evidently, the growth in pre-tax profits of listed companies in China in the first quarter of 2008 was only 17 percent. This is a significant drop from 50 percent during the same period in 2007. As production cost continues to rise due to rising energy and commodity prices, it is likely that the overall earnings of construction, financial and transportation-related industries will experience a slump in the second half of the year.

Constraints in the money supply will also affect the demand of Chinese shares especially after the central government announced its plan to increase the volume of free-float shares with the lifting of the ban on the sales of non-tradable shares. Capital in the Chinese stock market has been growing since 2006 following the frequency of large-scale initial public offerings (IPOs) of state-enterprises such as the China National Petroleum Corporation (CNPC). In fact the total number of IPOs offered in 2007 was 224, a 172 percent increase from the previous year of 74.

Despite international financial uncertainties, this trend is still continuing. In the first half of 2008, the Shanghai index has already seen an offering of 58 IPOs in its A-share market absorbing nearly 90 billion yuan of funds. By the end of 2009 when the ban on the trading of non-tradable shares is completely lifted, the total market value of the tradable shares would be increased by about 10 trillion yuan or more than

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The Chinese Economy Continues to Cool

Is there a causality between economic growth and the Olympics, or any other mega-sports events? Rigorous empirical researches in economic literature have failed to find any evidence to support the hypothesis.

XING YUQING

The long awaited 2008 Beijing Olympics, the biggest international party in modern Chinese history, got off to a good start, prompting some pundits to wonder what may happen to Chinese economy after the games are over. The "Olympic Economy" has been a fashionable term in China ever since Beijing was granted the right to host the games. From the point of view of some Olympic observers who are always fascinated with the linkage between mega-sport events and economic growth, Chinese economy may slow down substantially after the Olympics, simply because there will be no more massive investment in sports facilities in Beijing.

In actuality, there exists no economic theory which proves the causality between economic growth and the Olympics, or any other mega-sports events. Rigorous empirical researches in the economic literature have failed to find any evidence to support the hypothesis that mega-sports events could be a positive shock before and a negative one after the games to economies of host countries.

To understand the impact of the Olympics on the Chinese economy in the post-Olympics period, examining historical facts of countries which hosted the Olympics already may be helpful. Table 1 lists the 11 countries which have hosted Olympics since 1964 and their GDP growth rates in the year

of hosting the games and three consecutive years after. The results are very interesting. Eight out of 11 countries' economies, about 73%, had slower growth in the year right after the games; in nine out of 11 countries, the average GDP growth rate over the three years of the post-Olympics period was lower than the GDP growth rate of the year when the Olympics was held.

The limited sample suggested that there exists a negative correlation between the games and economic growth in the post-Olympics period. Does that conclude that the Olympics would generally reduce the growth of the economy in the post-Olympics period? The answer is No. First, correlations do not necessarily imply causality. The correlation implied by the sample may be spurious. Second, there are many factors affecting economic growth. Without controlling the impact of these major factors which have been identified in conventional economic theory, it is too casual to derive the conclusion. Finally, no country attempts to host the most expensive mega-sport event when its economy is in recession. In other words, it is highly likely that, when a country hosts the Olympics, its economy is on the growth cycle.

According to the most recent macro-economic data, the Chinese economy has showed signs of cooling off. In the first half of 2008, China's GDP grew 10.4%, 1.8

percentage point lower than last year; exports increased 21.9%, about 5.7 percentage point lower; industrial value-added rose 16.7%, 2.2 percentage point lower; and the trade surplus shrank to \$99 billion, \$13.2 billion lower than last year's.

On the other hand, inflation has been rising and the consumer price index (CPI) reached 7.1%, much higher than the target announced by the People's Bank of China (PBC) at the beginning of 2008. Even more alarming is that the producer price index (PPI) has picked up and in June of 2008 surged to 8.8%. Despite PBC's lifting of interest rates six times in 2007 and raising

ECONOMIC GROWTH OF OLYMPICS HOST COUNTRIES IN THE POST-OLYMPIC PERIOD

The Olympics Hosts	The Year(t)	GDP Growth Rate of the Olympics Host			
		t	t+1	t+2	t+3
Japan (Tokyo)	1964	11.7	5.8	10.6	11.1
Mexico (Mexico City)	1968	9.4	3.4	6.5	3.8
Germany (Munich)	1972	4.7	4.8	1.2	-1.2
Canada (Montreal)	1976	5.5	3.2	3.2	3.9
Russia (Moscow)	1980	3.1	3.1	3.0	3.1
USA (Los Angeles)	1984	4.1	3.5	1.9	-0.2
South Korea (Seoul)	1988	10.3	6.2	8.7	8.7
Spain (Barcelona)	1992	0.9	-1.3	2.3	4.1
USA (Atlanta)	1996	3.7	4.5	4.2	4.5
Australia (Sydney)	2000	3.4	2.1	4.1	3.0
Greece (Athens)	2004	4.6	3.8	4.2	4.0

Source: IMF and UN

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Volunteerism: Beijing Olympics and Beyond

The Beijing Olympics has been highly successful in mobilising volunteers. Will this volunteerism boosted by the Beijing Olympics last past the Games?

ZHAO LITAO

The Beijing Olympics is more than a sporting event. It involves mobilisation of people and resources in a scale that is rarely seen in China in the reform era. The ways in which the Beijing government mobilises people and resources are not entirely new. The mobilisation is carefully managed for the state and by the state, without much involvement of independent social groups. In this light, the issue is whether volunteerism boosted by the Beijing Olympics will last longer than the Games.

LARGE-SCALE SOCIAL MOBILISATION

It is clear that the Beijing Organising Committee for the Olympic Games (BOCOG) is highly successful in mobilising volunteers. There are about 100,000 volunteers for the 2008 Beijing Games, compared to 47,000 for the 2000 Sydney Games and 60,000 for the 2004 Athens Games. If that number is not particularly large, a total of 1,125,799 people have applied to be volunteers for the Beijing Olympic Games, 908,334 of whom have also requested to serve the Paralympic Games. Both the number of volunteers and applicants has set a record in Olympic history.

Apart from the 100,000 "Games volunteers" who provide direct services for the Olympic and Paralympic games, an additional 400,000 "city volunteers" have been recruited to provide information, emergency and translation services throughout Beijing. On top of that, another one million "social volunteers" are to be posted around the city to provide miscellaneous services and help maintain public order.

Both volunteers and BOCOG have taken much trouble and effort to ensure a perfect game for Beijing. With such a high ratio of applicants to volunteers, volunteers are picked from an Olympics-application exam. The test does not stop there. Successful applicants will then have to work even harder to memorise seating maps, road directions, bus schedules, emergency aid and so on to become qualified volunteers. The most strenuous preparation undertaken so far has to be the cheerleaders and ceremony hosts. 400 young girls chosen as cheerleaders who have to go through five weeks of intensive training, and another 400 ceremony hosts who are required to stand in five- to six-inch heels with jaws tucked in while balancing a 16-page book on their head and keeping a sheet of paper between their knees, for at least an hour.

Matching their efforts is BOCOG, which spent more than two years recruiting and training volunteers, including putting potential volunteers through tryouts at sports competitions and other public activities and watching how they navigate stadiums and interact with people.

VOLUNTEERISM THE CHINESE WAY

Volunteerism of this kind is closely linked to state mobilisation. It is actively promoted for the state and rigorously

managed by the state. Such mobilisation efforts come under the portfolio of several existing government institutions: the Communist Youth League (CYL) in the case of Games volunteers and the urban Residents' Committee in the case of social volunteers. The Chief of BOCOG Volunteer Department, Liu Jian, is also Secretary of the Beijing Municipal Committee of CYL. Independent groups such as NGOs, always weak and constrained in China, have very little role to play in mobilising volunteers and providing services to the Games.

Institutions without the motivating factor are hapless in driving volunteerism. Participation in the Beijing Games, in any form and any manner, has been promoted by the BOCOG as a national pride. Participants see the Beijing Games as the dream of the century coming true and feel honored to be part of it. This sets it apart from typical volunteer operations that are more focused on the poor, the needy, and the disadvantaged.

FUTURE OF VOLUNTEERISM IN CHINA

Will volunteerism boosted by the Beijing Games last longer than the Games, as hoped by the Chinese government and the United Nations when they signed a three-year project in July 2007 entitled "Strengthen Volunteerism for Development in China through the Beijing 2008 Olympic Games"? To a large extent this depends on the kind of volunteerism. The Chinese government still has tremendous ability to mobilise the society in the name of national pride. Unless it mismanages China's quest for great power status, there is no reason why the kind of mobilisation and volunteerism displayed during the Beijing Olympic Games will not return in the future.

On the other hand, the development of volunteer operations for the needy and the poor depends on how the Chinese government views volunteers: as a useful supplement or partner, or as a threat to its governance. At this moment the Beijing Olympic Games offers no clue in this regard.

One should not underestimate the transformative effect of the Beijing Games, however. Some volunteers, particularly young students, have found the experience as an Olympic volunteer enriching, thus prompting further participation. A volunteer was quoted by a foreign reporter as saying "it feels good to help people and hear them say, 'Thank you.'" Perhaps the most valuable legacy of the 2008 Beijing Olympic Games is this recognition that volunteer work is inherently rewarding, at least for some volunteers who feel good to help people and want to do more after the Games. ■

Dr Zhao Litao is Research Fellow at EAI

More Liberal Media after the Olympics?

Will the Beijing Olympic Games nudge China in the direction of greater media liberalisation?

LYE LIANG FOOK

There is a view that a successful Olympic Games will nudge China in the direction of greater media liberalisation. The rationale is that as China becomes more plugged in with the rest of the world, it will be more willing to abide by internationally accepted norms of behavior. Yet, there is also a contrary view that the Games, instead of changing China's behaviour in a positive direction, have led China to impose tighter controls on the media and clamp down on its critics. To get a better sense of where China is likely to head, it is necessary to bear in mind some of the progress made so far, the factors that help to sustain the process of media liberalisation and the instruments of control over media.

SOME BRIGHT SPARKS

When Beijing made the bid to host the Olympic Games in 2001, the Secretary General of the Beijing Olympic Bid Committee Wang Wei gave the assurance that the "world media will enjoy full freedom to report on all aspects of China if the Olympic Games are held in Beijing". To meet this commitment, Beijing has introduced several measures to improve the operating environment for foreign journalists. Since January 2007, foreign journalists can travel freely in China once they have obtained the consent of the relevant individual or organisation for an interview without the need to apply for permission through the local foreign affairs office.

Another measure is the introduction of the news briefing and spokesman system in 2004 and its improvement over the years. The government wants to provide timely and accurate information of public interest. More designated press spokesmen have been appointed at the three main levels of the State Council Information Office, various departments of the State Council and provincial governments. In 2006, this was further expanded when six Party organisations (the Central Commission for Discipline Inspection, the United Front Work Department, the International Department, the Taiwan Work Office, the Literature Research Center and the History Research Center) appointed their respective spokesmen.

Most notably, Beijing received international kudos when it granted foreign and local media a relatively free rein to report on the May 2008 Sichuan earthquake at least in the initial stages. State media organisations such as the *Xinhua News Agency*, *China Central Television* and *People's Daily* led the way by reporting round the clock on disaster relief efforts. The State Council Information Office also held regular press conferences to provide updates.

Even the normally secretive Ministry of Defence took the occasion of one of the press conferences to introduce its newly appointed press spokesman who gave an account of the role of the People's Liberation Army and the People's Armed Police Force in earthquake relief. Such rare display of

The Chinese leaders and media authorities are aware that the socio-economic transformation taking place in the country will lead to greater demands for a more liberal media.

openness was welcomed by foreign governments and interest groups. It helped salvage China's public image battered by its earlier mishandling of the unrest in the Tibetan areas in March 2008.

FACTORS FOR GREATER LIBERALISATION

While the Olympics may offer China a platform to showcase its modern and progressive image, one should not over-state its impact on China's media liberalisation. There are other longer term socio-economic factors at play which augur well for media liberalisation in the future.

For one, the three decades of reform and opening up has transformed the society. There is a differentiation of social classes more aware of their rights as citizens. While benefitting from the reforms, they are also more seriously affected by externalities such as widening regional and income gaps, rampant corruption and environmental degradation. As a result, they have more reason and are more willing to speak up.

The Chinese people are also better informed of what is happening inside and outside China. More Chinese are travelling overseas for work, study and leisure. Last year, 41 million Chinese travelled overseas, up 18.6 per cent from 2006. The growing access to information technology has also enabled the Chinese to keep abreast with latest developments.

By end 2007, China's Internet users reportedly reached 210 million, surpassing the US to occupy the top spot. Mobile phone users hit 601 million at the end of June 2008, an increase of 1.4 per cent since end May 2008. Chinese consumers have emerged as leading users of mobile communications, instant messaging and Internet services. They not only have access to various sources of news but can exchange information instantaneously.

INSTRUMENTS OF CONTROL

The instruments of control over the media are very much alive in China today. The foremost institution of media control is the Party's Publicity Department (previously known as the Propaganda Department) which has final say over what can or cannot be published and how a particular event ought to be portrayed in the media. It has an institutional network of publicity bureaus that extends to the local levels. At each level, the relevant party publicity bodies oversee the various media players.

On the government side, there is a parallel institutional network of media authorities that includes the General Administration of Press and Publication, the State Administration of Radio, Film and Television and the Ministry of Industry and Information Technology and their lower level bodies. Although they have their respective areas of jurisdiction, they take the cue from the Party's Publicity Department when necessary.

Although the regulatory environment for foreign journalists have improved since the early 2007, there are subtle ways for the media authorities to impose control. Internal directives continue to be issued regularly to instruct the media players on what topics can or cannot be carried or how they should be carried. There are even regular meetings between the relevant media authorities and the media players to keep the latter informed of the latest party thinking and guidelines.

A lot of emphasis is placed by the media authorities on self-discipline by the media players themselves. If a media player is deemed by the media authorities to have crossed "the line", various punishment could be meted out such as a simple warning, dismissal or imprisonment of the journalist or editor concerned, restructuring of the relevant media organisation or even forced closure. For the new media such as the Internet, there are even Internet police and sophisticated software to block sites or filter information deemed offensive or sensitive. Internet service providers have also reportedly been "cajoled" into collaborating with the media authorities for continued access to China's lucrative domestic market.

In its latest report, *The Olympics Countdown: Broken Promises*, released in July 2008, *Amnesty International* stated

that Beijing has failed to live up to its promises of improving its human rights situation made seven years ago. The report cites four main areas of abuses, namely, the continuing use of the death penalty; abusive forms of administrative detention; arbitrary detention, imprisonment, ill-treatment and harassment of human rights defenders, including journalists and lawyers; and, the censorship of the Internet. It also asserts that foreign journalists and their Chinese staff face intimidation or obstruction while conducting interviews in the country.

A NEW AGE OF MEDIA LIBERALISATION?

It is unrealistic to expect the Olympic Games to herald the dawn of a new age of media liberalisation in China. It is also not accurate to say that the Games did not have an impact on China. In the run-up to the Games, there were indeed positive changes made to the environment for foreign journalists in the country. Going forward, the pace and even direction of media liberalisation will continue to be dictated by the top in line with prevailing circumstances and needs. This will be a slow, sometimes fitful process. The Chinese leaders and media authorities are aware that the socio-economic transformation taking place in the country will lead to greater demands for a more liberal media. The challenge is to meet these demands to stay relevant in a fast changing environment. ■

Mr Lye Liang Fook is Senior Research Officer at EAI.

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The Heir Apparent Clears the First Hurdle

the opening ceremony of the Beijing Olympics on dialogues between the Chinese government and the Dalai Lama, exiled Tibetan spiritual leader.

In light of these changes, Xi made a substantial adjustment to the goals of the Beijing Olympics. In addition to "Green Olympics, Scientific Olympics, and Humanity Olympics," he introduced a new goal of "Safe Olympics." In his keynote speech at a gathering to review preparations for the Beijing Olympic Games and Paralympic Games on 9 July 2008, 30 days before the Olympics opens, Xi emphasised the importance of a "Safe Olympics." "A safe Olympics," he remarked, "is the most important mark of a successful Beijing Olympics."

AN OPEN OLYMPIC GAMES

Xi also adapted to embrace the diversity of opinions and value systems in the world. A major gathering of athletes, coaches, and tourists from different cultural backgrounds, the Olympics is bound to have frictions. Not everybody in the world necessarily cherishes what the Chinese people take great pride in, and the Chinese people will have to learn to be more tolerant and understanding. An open China needs to not only open her physical space but also open her heart.

During his visit to Qatar (the fourth stop of his first trip abroad as vice president of the People's Republic of China), Xi remarked to Hong Kong reporters that China should not be disturbed by internal riots and external problems. "We don't care whether (someone) likes that Beijing is hosting Olympics. There are all kinds of people in this vast world that is what makes the world very lively," he reportedly commented. According to him, the Chinese people should treat these noises calmly and concentrate on doing their own job well.

CHINA'S RISE AS A MATURE RESPONSIBLE STAKEHOLDER IN THE WORLD

China is being integrated into a globalised world. In economic terms, China was officially inaugurated into the world system upon her entry into the World Trade Organisation in 2001. China will become an integral part of the world community in humanity terms as a result of the Beijing Olympic Games. A successful Olympic Games in Beijing will help China's rise as a mature responsible stakeholder in the world of nations. It will also provide good credentials for the next leader of this emerging power. ■

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Beijing Olympics as the World's First "Technolympics"?

The finances pumped into the games can encourage innovation in the long run through demonstrative effects of technological convenience and innovative/creative ideas.

LIM TAI WEI

Technology has come a long way from its early introduction to the Olympics event. In 1960, crews of major US broadcaster CBS had to fly tapes of the Rome Games back to New York for mass broadcasting and only a few hours from each day's events could be watched. Fast forward to the Beijing Olympics, another technological milestone is created: US broadcaster NBC Universal's Beijing programming dwarfs the 1996 Atlanta Games' record of 171 broadcast hours with 3,600 hours of programming beamed and streamed on the Beijing Games when it ends on 24 August 2008. NBC Universal is also utilising an unprecedented tracking system to record what is watched and when.

"Technolympics" is not restricted only to foreign technological innovations and utilisation. The Chinese themselves also showcased their technologies. In total, 1.3 billion yuan (US\$157 million) of public funds and 1.8 billion yuan (US\$217 million) from companies were channelled to 449 science and technology projects preparing for the Olympics, part of which was used to hire 400-odd senior scientists and engineers for these projects. The projects can be classified into hard (e.g. railway, security systems) and soft infrastructure (IT and digital broadcasting technologies).

Hard Infrastructure - rail. The Beijing Olympics showpiece project is a 28 km railway between Dongzhimen and Beijing Capital International Airport using Bombardier's proven Advanced Rapid Transit technology, which is already in use on the Vancouver Sky Train (the longest driverless system in the world) and New York's 13km air train. This high-tech project was constructed by China's Changchun Railway Vehicles (CRV) in partnership with Bombardier Transportation. The train system can ferry up to 4500 passengers per hour at peak times and operational for 15 hours every day. The system will continue to expand up till 2010 as Beijing is planning to invest 60% of its budget on a 270km (168 miles) system. Besides rail, a "smart transportation" system, the Beijing Intelligent Transport Systems (ITS) Project (worth 560 million yuan or US\$68 million), will also be a legacy of the Games for Beijing. The system includes a signal-light control system with fuzzy logic that takes into account traffic conditions on the road. The long term goal of this system is to eventually end Beijing's paralysing traffic jams.

Supercomputers. Even weather is not left up to chance. To ensure accurate weather information, the Beijing Meteorological Bureau (BMB) purchased the IBM System p575 supercomputer

specialising in weather forecasting and air quality control to scan 44,000 square kilometres of land area to dispatch hourly weather forecasts for each single square kilometre. This system, running at 9.8 teraflops, is 10 times faster than its predecessor at BMB and is likely to benefit Beijing even after the Olympics to cope with the regular yellow sand storms. Complementing the supercomputer, Beijing launched a small satellite with a resolution of four metres and costing 190 million yuan (US\$23 million) to track environment and traffic conditions 600 kilometres above the Earth. The satellite will also outlive the games as it is designed to be operational for five years.

Other technologies likely to have long term impact on the environment lasting after the games include the use of green technologies in construction to promote environmentalism. For example, the bricks used for construction have water absorbing capability and are energy-saving. The use of hydrogen and electrical cars promote the goal of zero emission. For weather modification throughout the games, Beijing placed 30 aircraft, 4110 rocket launchers and 6781 anti-aircraft guns on standby to shoot various chemicals, including silver iodide, salts and dry ice, into clouds to spawn larger raindrops.

Even supercomputers cannot overcome the randomness of weather or traffic conditions, so an individualised solution has been adopted. Foreign guests, major sponsors and Olympic organisers are provided with a modified PDA technology EventTrack to allow organisers to track their movements or call cabs, especially amidst an estimated 20-million strong crowd. For foreign language speakers, EventTrack is also available in Japanese or French.

Broadcasting. The Beijing Olympics is the first Games with high definition signals beamed to over four billion spectators around the world. The broadcasting nerve centre of the Beijing Olympics is a 62,000-square metre Main Press Centre (MPC), the largest in Olympic history. Of the 971 workstations, 680 are equipped with electrical and network interface features while an additional 206 workstations are made available to photographers; the MPC press work room is also the largest in Olympic history with facilities like information terminals, Games-time live broadcasting, competition results, and print and distribution service stations.

All these technologies and their utilisation/implementation are made possible only through an extensive command centre. The systems architecture for Beijing 2008 was assembled by Atos Origin in the form of a PC factory, data centre, integration

The Beijing Olympics is the first Games with high definition signals beamed to over four billion spectators around the world. The broadcasting nerve centre of the Beijing Olympics is a 62,000-square metre Main Press Centre, the largest in Olympic history.

lab and technology operation centre with an IT manpower strength of around 3,500 people (including 2,500 volunteers) manning 10,000 PCs, 1,000 servers, a games information system and an information diffusion system across seven cities.

The volunteers have to go through rigorous police background checks, and to make sure technologies run smoothly, Beijing tested and rehearsed a run-through of 500 possible worst-case scenarios, including virus infections and cut cables. To ward off the threat of terrorism, a face-recognition system is in place for verification of participants and support staff. If verification fails, electronic warning will be transmitted to the games' headquarters immediately.

The long-term implication of such technological implementation is its availability beyond the duration of the Games. The enhanced public infrastructure may signify a significant upgrading of lifestyle amenities for Beijing residents. The finances pumped into the games can encourage innovation in the long run through demonstrative effects of technological convenience and innovative/creative ideas. Another impact of the Technolympics is that the Games' contractors, the private sector, the research institutes and the universities have gotten a lot closer due to intense collaboration and mobilisation for the games. ■

Dr Lim Tai Wei is Research Fellow at EAI

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The Chinese Economy Continues to Cool

the reserve ratio to 17.5%, the broad money M2 in the first half of 2008 still grew 17.4%, 0.4 percentage higher than last year's. Hence, inflation has emerged as a major challenge to the sustainability of China's economic growth. To keep the possible inflationary spiral under control, it is expected that the contractionary monetary policy will continue to dominate the theme of China's macroeconomic policy in the post-Olympics period. Further interest rate hikes are possible should CPI move higher in the second half of 2008.

Exports have been serving as one of the critical growth engines of the Chinese economy in the last three decades. The lower export growth in the first half of 2008 is the result of the reform on China's exchange rate regime and the adjustments on the export promotion policy. Since the PBC unpegged the Yuan from the US dollar in the November of 2005, Chinese Yuan has appreciated 20% against the dollar. To reduce trade frictions with others countries, mainly the US, many tax rebates for exports have been either eliminated or reduced substantially. The growth of the Chinese exporting firms which cannot cope with the changing economic environment will be constrained. Considering the sluggish US economy, the number one market for Chinese exports, the export growth may decrease further, at least in the short-run.

In addition, given the rising prices of oil and raw materials in the international market, it is difficult for the Chinese government to continuously suppress the domestic prices of gasoline, coal and electricity. The distorted energy prices have stimulated the demand for oil and are the cause of the low energy efficiency of the Chinese economy. The recent 17% increase in China's domestic gasoline price implies a step towards the liberalisation of energy prices, which will inevitably cause a trade off between growth in the short run and sustainability in the long run.

Therefore, in the post-Olympic period, the Chinese economy will continue to cool down. But, it has nothing to do with the Games. It is also imperative to mention that, the slow down represents the adjustment of the Chinese economy to an equilibrium of long-term sustainable growth path, rather

than a beginning of an economic recession or stagnation, as 10.4% is still among the highest growth rates in the last three decades. ■

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No Medals for the Shanghai Stock Market

50 percent of total share value in China's A-share market. However, if money supply continues to be tight and outlook of the international financial environment remains sluggish, the huge increase in tradable shares is unlikely to stir investors' interests.

The gloomy outlook of the Shanghai Composite, however, failed to alarm long-term investors like Jim Rogers. Speaking at an investor conference in Nanning in June 2008, the American investor who started buying Chinese shares in 1999 perceived the Chinese stock index as a "growth story" and its overall movement as a correction. In fact, he said he was happy with the sharp drop in the market as it will remove over-valued shares. Rogers claimed he have not sold any of his holdings and will be investing in China's stock market "for the rest of the century".

The holdings of these long-term investors could be the key to preventing the Shanghai Composite from sliding even further as the international financial scene looks set to enter the post-Olympics period on a bleaker mood. In fact, their presence may have halted the decline of the index in the past two months when it had been fluctuating between the range of 2,600 and 2,900. Otherwise, the market may have already bottomed out and these investors are waiting for an improvement in the trading environment to acquire more shares. ■

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北京奥运与中国模式

赖洪毅

北京奥运会是个世界体育的盛会，更是中国人的盛会。中国可向世界各国展示改革开放三十年后的巨大变化。在外界看来，中国发展模式有哪些成功之处呢？中国经济飞速发展是中国模式最突出的地方。中国在如下方面成绩显著，成为世界发展中大国中经济现代化的佼佼者。

1. 中国政府花大力气普及基础教育，改善基础设施，建设现代化城市，让中国的经济增长有扎实基础和充分的投入要素。
2. 中国在减少贫穷人口方面，成绩显著。中国的贫穷人口，从改革初（1981年）的65%，大幅减少到2001年的18%左右。其下降幅度（约47%），是世界少见的。
3. 改革三十年间中国经济增长速度，远远超过了世界的平均速度。1978到2004年间，中国国内生产总值增长了11.3倍，而世界生产总值仅增长1.3倍。中国的国内生产总值在世界的排位，1978年仅居第10位，2008年可能会跃居第三位。
4. 中国在推动经济开放、吸引外资、扩大出口、招商引资方面，成绩显著。
5. 中国政府维持了国内经济的相对稳定和政治稳定。中国采取渐进式改革战略，摸着石头过河，保持对宏观经济的调控能力，反对震荡疗法。

这说明邓小平推动的经济改革与开放，大大改善了中国人民的生活水平，也极快地提升了中国的经济实力。不少第三世界国家、特别是非洲国家的精英认为，中国经济发展的模式，很值得借鉴。

但是，近几年来中国模式的一些问题，也越来越受外界的关注。

1. 中国发展中的环境代价问题。西方的一些主流媒体如《纽约时报》强调主办奥运的北京空气质量还未达到好的状态。
2. 中国社会与民族不满的处理问题。2008年3月藏人骚乱，6月贵州瓮安的近万名民众参与骚乱，反映了中国经济快速增长并没有遏制少数民族和社会的不满。
3. 中国政治高度控制问题。中国民主化进程缓慢，必要的民主监督机制缺失，官员从而肆意违规，侵害民众利益，浪费公共资源，无视民众不满。

一些高调批评地方政府、或政治不同见解的人经常受监控和制裁。这次北京奥运会，由于对签证颁发、进入北京的人口、机场与地铁和奥运场地实施严厉检查措施，不少人包括外国人未能到中国或北京观看奥运，北京许多酒店的入住率不高。西方对这种不惜一切代价来保证奥运不出政治和治安事件的做法，颇有微词。

可以预料，北京奥运之后，外界对中国发展模式的关注，会越来越多。中国发展取得的巨大成绩和付出的明显代价，会更加明显地显露出来。外界对中国模式的赞扬、批评以及讨论，会更多和更激烈。

作者是英国诺丁汉大学当代中国学学院讲师、东亚研究所的高级访问研究员。

Some Highlights at EAI



EAI conducted a one-day Ministry of National Development workshop for staff of MND on 17 June 2008 at the NUS Bukit Timah campus.



Scholars and participants from East Asia met to discuss issues and challenges facing East Asia with the rise of China. The workshop was jointly organised by EAI and Konrad Adenauer Stiftung from 11 to 12 August 2008 at NUS, Bukit Timah Campus. EAI Director, Prof Zheng Yongnian (inset), gave the welcome remarks.



The first of a series of Mahatma Gandhi-Daisaku Ikeda Peace Research Conference organised jointly by East Asian Institute, Lam Kin-chung Morning Sun Charity Fund and Dr Ho Hau Wong kicked off with the theme "The Rise of China and India: Towards a Harmonious Region?" on 21 August 2008

International Conference

CHINA'S THREE DECADES OF REFORM AND DEVELOPMENT IN GLOBAL PERSPECTIVE

- China's Reform in Perspective
- China's Reform in East Asian Context (I) & (II)
- Lessons from the Eastern Bloc
- China and the Developed World
- Looking to the Future

7 - 8 November 2008
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