

东亚研究所通讯

INSIDE PAGES

...

China's 12th Five-Year Programme: Correct Targets but Questionable Measures

China to Restructure and Upgrade Trade and FDI in the Next Five Years

Higher Education Reform (2010 to 2020) in China

China's Ambitious Plan to Develop Low Carbon Industries

China to Reach Two Demographic Benchmarks During the New Plan Period

The CCP's, KMT's and DPP's Three Principles of the People: Implications for Cross-Strait Relations

The Civil-Military Relations in China: Does the Party Still Control the Gun?

China's 12th Five-Year Programme: Correct Targets but Questionable Measures

With the crucial mechanisms basically unchanged in the 12th FYP, it is a wonder if people's livelihood could be improved as quickly as planned.

YANG MU

On 14 March 2011 the National People's Congress approved the 12th Five-Year Programme (FYP) for China's economic and social development from 2011 to 2015. Compared to previous FYPs, this FYP registered a marked deviation in the target of development. Unlike past FYPs in which the absolute priority was economic growth, there is now more emphasis on ensuring and improving people's livelihood.

Although there was a call to raise people's living standards in the 11th FYP, it was promoted under the concept of "Building a Harmonious Socialist Society". In the current plan, the call to improve people's livelihood has been given greater prominence. An interesting sign is the lowering of the target of annual GDP growth to seven percent from eight percent, a previous minimum growth rate needed to generate employment and maintain social stability. Economically, the one percentage point difference is negligible. What is crucial is the message for the people, especially the powerful Chinese officials who are the most important element in the implementation of the FYP: the shift from the target of GDP growth to the improvement of people's livelihood.

There is also an urgency to reduce income disparity as evidenced in one of the 38 revisions in 12th FYP made during the National People's Congress: from reducing the income gap step by step to reducing the income gap as soon as possible.

Among the raft of measures to address people's livelihood are increasing employment, improving workers' income, tackling poverty, increasing social security benefits, extending basic medical insurance coverage, promoting balanced population growth, and providing more affordable housing for low income families.

What is unchanged is the traditional ways of economic planning. First, the central government set up detailed targets (including 12 binding targets and 12 guiding targets) to push local governments to change the targets of development, such as creating an extra 45 million urban jobs; raising per capita disposable income by an annual average of over seven percent; providing affordable housing to around 20% of the urban households; and raising the proportion to over 70% of expenses for medical treatment paid out of the medical insurance fund.

Second is the high priority on investment. After the stimulus package of four trillion *yuan* (end-2009 to 2011), another 10 over trillion *yuan* have been earmarked for developing seven strategic industries: four trillion *yuan* for infrastructure building in agriculture and irrigation; four trillion *yuan* in high-speed train system, and a few trillion *yuan* for government housing.

Third is the continued importance of state-owned enterprises (SOEs) and government-linked companies (GLCs). As in the past few years, most of the investment and bank loans will go to the SOEs or GLCs, which will continue to play important

continued on page 14

National Party's Congress Endorses 12th Five-Year Programme

The month of March is important in China's political calendar as its Parliament or the National People's Congress (NPC) convenes to deliberate national issues. The latest NPC session that lasted from 5 to 14 March 2011 is of added significance as it endorsed China's 12th Five-Year Programme (FYP), a blueprint to guide the country's socio-economic development from 2011 to 2015.

The main theme of the 12th FYP is balanced growth. Premier Wen Jiabao has set a seven percent annual GDP growth target over the next five years, lower than the targets of previous years. Yet, this growth target is important not so much for its exact value than for the key message underlying it—a shift in focus from speed to quality of growth.

In line with this message, the 12th FYP stresses the importance of economic restructuring and rebalancing. This requires a shift in China's existing growth pattern from a heavy reliance on exports to boosting domestic demand. Balanced growth also involves non-economic considerations such as resource conservation and environmental protection. The 12th FYP has outlined several measures to use resources more efficiently and produce less greenhouse gas emissions. Another dimension of balanced growth is the focus on improving people's livelihood. After decades of high growth, problems such as uneven wealth distribution, a lack of affordable housing, and insufficient medical and social security coverage are becoming more

pronounced. By outlining measures in the 12th FYP to address these grievances, the Chinese leadership wants more inclusive development to enhance social and political stability.

While the 12th FYP is impressive in terms of its scope and high-sounding words, the challenging part lies in its delivery. This will require coming to grips with issues of governance, vested interests and endemic corruption that could affect the outcome of the FYP. Further political liberalisation may also be necessary to strengthen transparency and accountability. At the end of the day, it may be prudent for the Chinese leadership to focus on making more concrete progress in selected areas of the FYP than to try to do too many things all at once.

Given China's preoccupation with its domestic agenda, it will seek to maintain a favourable external environment. It can therefore be expected to reiterate the themes of peace, development and cooperation in its foreign relations. Simultaneously, it will also prefer other countries to be more sensitive to handling issues that China considers to be its core interests. ■



Prof Zheng Yongnian
EAI Director

EDITORIAL COMMITTEE

Prof Zheng Yongnian
eaizyn@nus.edu.sg

Dr Bo Zhiyue
eaibz@nus.edu.sg

Ms Jessica Loon
eailmh@nus.edu.sg

EAI Bulletin is published twice yearly by the East Asian Institute (EAI), an autonomous research organisation set up in April 1997 under a statute of the National University of Singapore. EAI succeeds the former Institute of East Asian Political Economy (IEAPE).

All rights to the materials in this newsletter belong to EAI. The views expressed in this newsletter are those of the authors and do not necessarily reflect the views of EAI. The Institute welcomes contributions and comments from readers.

Please address all correspondence to: **Mr James Tan**, East Asian Institute, 469A Tower Block #06-01, Bukit Timah Road, National University of Singapore, Tel: (65) 6779 1037 • Fax: (65) 6779 3409 • Email: eaitanj@nus.edu.sg.

<http://www.nus.edu.sg/NUSinfo/EAI/>

China to Restructure and Upgrade Trade and FDI in the Next Five Years

The shift of trade-related manufacturing activities to China's inland and western regions away from coastal regions is part of China's long-term strategy for sustainable and balanced regional development. This opens up the economy of the inland regions and steers the coastal areas towards a technology- and knowledge-based economy.

SARAH Y TONG

The outline of China's 12th Five-Year Programme (FYP) for national economic and social development (2011-2015), which was approved in March 2011, highlighted seven key objectives. Among the seven, only one, which "continues the deepening of reform and opening up", has a short mention of matters related to trade and foreign investment. It states that the country will "continue to expand the breadth and depth of economic opening to pursue mutual benefit and a win-win pattern of economic relations".

To a large extent, this is intentional. For the 12th FYP, the overriding guiding principle is to accelerate the transformation of its development approach, namely from one that is overly dependent on investment and exports towards one that is more reliant on domestic consumption. This suggests that for trade and foreign investment, the central issues are structural adjustment and quality improvement, rather than simple quantitative expansion.

Such is suitable for consideration on both domestic and external fronts. Domestically, China aims to pursue a more balanced regional development. First, more emphasis will be placed on facilitating growth and industrialisation in inland regions. Economic opening will be broadened from mainly coastal-based to a nationwide effort. More specifically, China's western regions are encouraged to expand their trade with bordering economies in central, south and Southeast Asia.

The anticipated outcome is a gradual reallocation of trade and trade-related manufacturing activities from coastal regions towards central and western regions. Such a shift of economic gravity from eastern to inland regions is both necessary and desirable for China's sustainable development in the long run. Moreover, as such relocation initially concerns mostly low-skill products, it also serves to promote technological upgrading in coastal regions in both production and trade, which is consistent with China's objective of developing a technology- and knowledge-based economy.

Externally, as the growth prospect of the world economy remains uncertain, demand for China's exports, especially those from the industrial countries, will likely be weak for the coming years. This is especially the case since many developing and industrial countries are working to revive their manufacturing sectors. As China is already the world's largest exporter, it is hard to imagine that it can continue to expand its exports at a rate of over 15% a year. Moreover, the rapid expansion of China's exports in the past has been largely dependent on low wage, cheap land and excessive exploitation of other resources. As resources such as land and water become increasingly scarce, it is necessary to discourage such expansion by adjusting relative prices, especially in coastal

regions, to promote the production and exports of high-tech and high value-added products.

Policies regarding trade and foreign investment constitute an important part of China's overall development strategy. The outline spelt out four main trade- and foreign investment-related policy aspects that aim to achieve both mutual benefits and deeper economic opening. Generally, it indicates a shift from a focus on export and attracting foreign direct investment (FDI) inflow to paying equal attention to import and export, and to FDI inflow and outflow.

The first aspect is to broaden China's coastal-based economic opening towards its inland regions that would include (1) deepening the economic opening up of coastal areas; (2) expanding the opening up of central cities and city clusters in central China; and (3) accelerating the opening up of bordering cities and regions in the western provinces. These help to facilitate opening up while encouraging coordination and cooperation among various Chinese regions.

The second aspect is to improve the trade structure, including mainly moving from quantity expansion to quality improvement, and making a shift from its dependence on cost advantages to greater dependence on overall competitiveness of products. To achieve such shifts, development of new competitive products will be nurtured. Imports that help improve China's industrial and trade structure will be encouraged. Service trade has also been highlighted to help improve trade structure.

The third aspect stresses the importance of both inward and outgoing investment. On one hand, more emphasis is placed to improve the quality of inward FDI. On the other, the outline suggests accelerating the implementation of the "go-out" strategy, which encourages domestic enterprises to invest abroad.

The fourth aspect pushes for more active involvement in global governance and regional cooperation. This includes an expansion of exchange and cooperation with industrial countries to increase mutual trust and deepen good-neighbourly friendship and pragmatic cooperation, as well as to safeguard regional peace and stability, and promote development and prosperity.

Overall, the outline signals that trade and foreign investment command a lower priority in China's policy arena for the next five years. This is very much consistent with China's overall objective to achieve a more balanced development between external and internal sectors and between coastal and inland regions, thus a welcome shift. ■

Sarah Y Tong is Senior Research Fellow at EAI

Higher Education Reform (2010 to 2020) in China

As the Chinese government outlines its plan for higher education reform to address problems including academic quality and equity issues, the tight control of the government on universities, however, remain the largest hurdle to developing Chinese universities into world-class educational institutions.

ZHAO LITAO

China's higher education reforms since the 1990s have set the stage for reform in the coming decade. China moved from elite higher education to mass higher education in the early 2000s with the gross tertiary enrolment rate exceeding the benchmark of 15%. The rapid expansion was fuelled by bank loans and tuition fees, and to a lesser extent government budgetary expenditure. The wider access, however, did not make China's higher education reform a success story. Instead, many see it as the most disappointing reform or even a failed reform. The call for continued reform prompted the Chinese government to search for ways to improve its higher education, which culminated in an outline for education reform and development (2010-2020) announced in July 2010.

DEBATING THE HIGHER EDUCATION REFORM

The growing spending on higher education—from student families and government revenues—makes accountability a salient issue in China. Higher education falls below public expectation for numerous reasons: students pay much higher tuition fees than before only to find less decent jobs or no jobs at all; universities receive huge amount of money without producing world-class scholars; more money leads to more corruptions; access to higher education becomes increasingly unequal in favour of urban students, and so on.

Two types of criticism stand out, with one centring on the quality of higher education, and the other on the equity issue. For the quality issue, some blame professors as not qualified and underperformed, while some point to students for not committing themselves to learning. Yet many agree that the problem is deeper and more systemic, beyond professors and students. It is more of a problem between the government and the university than a problem within the university.

An ill-defined term—*xingzhenghua*—has emerged to dominate the discussion on China's higher education reform. The term means different things to different audience. Put it simply, it describes an unequal relationship between the government and the university that results in the government micromanaging the university, and makes university (willingly or unwillingly) operate like a government appendage. Such a system encourages cultivation of political connections rather than commitment to scholarship.

Equity is another issue that has attracted tremendous public attention. China uses a quota system to allocate university places in a given university to each province. This system favours municipalities and provinces with more universities.

The problem is that students are constrained by the *hukou* system, so they cannot move freely to take advantage of the biased quota system. The quota system in combination with the *hukou* system has resulted in large regional disparities in access to higher education. In 2009, the chance for a Beijing student to enrol in Peking University is 50 times higher than an Anhui student.

There are of course many other issues being discussed and debated in China. If there is a consensus, it is the recognition that China's higher education should perform much better. Beyond this, there is no agreement at all. Public as well as expert views on the priority of higher education reform and the best way forward are deeply divided, which in part explains why higher education reform is so difficult.

PLAN FOR 2010-2020

Building on the momentum since the late 1990s, China's higher education enrolment will continue to expand in the next decade, but at a more modest pace. Total enrolment is projected to increase from nearly 30 million in 2009 to 35 million in 2020, with gross enrolment rate registering a projected increase from 25% to 40%.

While the outline is specific on development targets, it is more ambiguous on the institutional reform. For higher education, it identifies three areas of reform in response to the high yet varied demands: the reform of the examination and enrolment system, the construction of a modern education system, and the expansion of international exchange and cooperation.

The outline proposes to gradually shift to a tiered examination system. For four-year regular higher education institutions, entrance examination will be organised uniformly across the nation to replace the current dual system where 16 provinces have their own entrance examination while the rest use national entrance examination. For higher vocational education, entrance examination will be organised at the provincial level.

The enrolment system will also be reformed to explore ways to detach enrolment from entrance examinations. The purpose is to have a diversified system for diversified talents. There will be five pathways to higher education, with the majority to be admitted on the basis of a unified national entrance examination score and others through other channels, such as university autonomous enrolment through examinations organised by allied universities themselves.

To improve the quality of higher education, the outline proposes to build "a modern university system with Chinese

... many see it (higher education reform) as the most disappointing reform...

continued on page 14

China's Ambitious Plan to Develop Low Carbon Industries

China is taking up the environmental responsibility of implementing policies and targets to encourage the use of renewable energy and develop its energy-saving and environmental protection industries.

CHEN GANG

The National Development and Reform Commission (NDRC), China's top economic planner, has completed drafting the first development plan for the energy-saving and environmental protection industries. China's ambitious plan to boost the environment industry as a strategic pillar industry could serve the dual goal of cleaning up and finding new growth points for its economy in the aftermath of the global financial crisis.

The NDRC's plan categorises the energy-saving and environmental protection industries into three sectors: the energy-saving industry, environmental protection industry and resource recycling industry. According to the plan, the output of the environmental protection industry is to grow 15% annually to 900 billion *yuan* (US\$138 billion), and the energy-saving and environmental protection industries are to account for seven to eight percent of China's GDP by 2015.

The total output of China's energy-saving and environmental protection industries reached 1.7 trillion *yuan* in 2009, accounting for about five percent of China's GDP. Of the total, the environmental protection industry took up 26%, the energy-saving industry 14% and the resources recycling industry 60%.

China has drawn up ambitious plans to increase the proportion of renewable energy (including large hydropower) in the primary energy consumption from 7.5% in 2005 to 15% in 2020, substituting fossil energy by 400 million tons of coal equivalent and cutting carbon dioxide discharge by one billion tons and sulphur dioxide discharge by more than seven million tons. Excluding hydropower, these renewable energy targets were further broken down by the NDRC as 30 million kW from wind, 30 million kW from biomass and 1.8 million kW from solar photovoltaic (PV).

Amidst increasing concerns about climate change and energy security, China, now the world's largest carbon emitter, has made the energy-saving segment an independent industry parallel to the traditional environmental protection industry that mainly focusses on water treatment, solid waste disposal, air pollution control and environment monitoring. China, as a latecomer to modernisation, is swiftly emerging as the world's clean energy powerhouse with strong national policies aimed at creating job opportunities in the green industry and incentivising the use of new renewable energy.

Energy policies have been dominating the country's development strategy for a long time and China today has formulated one of the world's most ambitious policies and targets to improve energy efficiency and boost clean energy development. When such renewable energy policies were formulated, policymakers might have placed emphasis on economic factors such as energy supply and jobs rather than

the environment; in practice, however, these options have been functioning as efficient means to slow down the country's greenhouse gas growth and gain competitive positions in the clean energy sector.

China had institutionalised efforts to develop clean energy capacity through the passing of the groundbreaking Renewable Energy Law in 2005. The Renewable Energy Law, together with its amendments, which describes the development of renewable energy as "the preferential area for energy development", has introduced new schemes like "cost-sharing", "feed-in tariff", "mandatory grid-connection" and "renewable portfolio target" systems that have been successful in advancing renewables in some European nations and US states.

Detailed institutional incentives and disincentives have been designed to promote renewable energy development in China. At the national level, the central government has given research and development (R&D) subsidies totalling four billion *yuan* (US\$600 million) for the development and industrialisation of core renewable energy equipment including key components for wind turbines and advanced silicon technologies for solar PV, with another two billion *yuan* allocated for R&D of biofuels. Rural households in western China have also been subsidised for years for using off-grid solar PV systems and small-scale wind energy. Besides fiscal subsidies, the government has adopted a set of preferential pricing schemes to encourage renewable power generation.

China is turning the global concern for climate change and environmental pollution into a rare opportunity and external pressure to upgrade and optimise its economic and industrial structure, an effort that faces strong resistances and is progressing slowly. With focus still on economic growth and employment, the government, through tapping business potentials in the green industry, is trying to make environmental protection effort an accelerator instead of a brake to the sizzling economy. Having claimed the mantle of world factory, China is trying to secure its position as one of the world's major manufacturing bases for *ad hoc* green products, and thus absorb excess labour from other overcapacity industries.

China has already become the world's largest manufacturer of wind turbines and solar panels. Although China still has a long way to go before it can lead the world in the green technology marketplace, promising signs have shown that in such a state-centric country, strong supportive policies as well as substantial economic incentives and disincentives could play a decisive role in transforming China into a green giant that not only produces environmental products and services for itself, but also exports green equipment and technology. ■

Chen Gang is Research Fellow at EAI

China to Reach Two Demographic Benchmarks During the New Plan Period

China's working population will peak when its proportion in total population approaches 72% and the proportion of urban population surpasses 50%. These two developments will have profound implications for China's economic and social development.

YAN HAO

On 1 November 2010, China started to conduct its sixth national census, after the last census taken 10 years ago in 2000. The preliminary results are scheduled to be released in mid-2011.

Demographic figures are understandably essential for all development plans. Unlike economic growth that often fluctuates during a plan period, the growth of population is quite slow and less volatile, and mostly predictable. A rough picture of China's population development during the 12th Five-Year Programme (FYP) period could be attained by utilising existing demographic statistics and projection methods, before the latest census data are available.

According to the National Taskforce for Population Development Strategy, China's total population will grow from 1.343 billion in 2010 to 1.383 billion in 2015 under the medium fertility variant. Therefore, the Chinese government has set 1.39 billion as the population growth ceiling for the 12th FYP.

Population dynamics refer to not only population growth, but also changes in population structure and distribution. Projections of different sources show that China will reach two significant demographic benchmarks in its history during the 12th FYP period. On population structure, China's working population (aged 15 to 64) will peak when its proportion in total population approaches 72%, while on population distribution, the proportion of urban population will surpass 50%. What is worthy of note is when the benchmarks are crossed. In the former case, the working population will shrink gradually, whereas in the latter case, the urban population will keep expanding and at an accelerated rate. No doubt, these two forthcoming developments will have profound implications for China's economic and social development.

China's working population has been growing continuously over the last three decades. It has coincided roughly with the economic take-off of the Chinese economy since the late 1970s. One of the driving factors behind the so-called "China miracle" is believed to be the seemingly unlimited supply of cheap labour, primarily migrant workers from the rural areas. It is estimated that 26.8% of China's gross domestic product (GDP) growth during this period is attributable to its "demographic dividend", or economic gains from the rise in working population and the decline in dependency rates. Obviously, the perspective of a shrinking working population implies a falling supply of cheap labour, as the Lewis turning point theory argues that developing countries' industrial wages begin to rise quickly at the point when the supply of surplus labour from the countryside tapers off. Labour shortage has been widely reported since 2008, particularly in coastal

regions. In Guangdong, for example, the provincial labour bureau estimates that as many as one million jobs may be left unfilled in the post-Chinese New Year recruitment season of 2011. A marked increase in wages has also been observed. A migrant worker's monthly pay doubled from 600 *yuan* in 2001 to 1,200 *yuan* in 2008 on average.

At this stage, all discussions on the vanishing "demographic dividend" are meaningful only in a theoretical sense, as China is such a large country that labour supply will not dry up imminently. The current labour shortage is hence a structural problem. That said, measures still have to be taken to tackle labour shortage once it occurs, such as to increase wages, improve working conditions and protect workers' rights and interests. During the 12th FYP period, the minimum wage should increase continuously in a gradual way, as required by the CPC Central Committee's proposal for the 12th FYP. For example, Shanghai has announced a 10% increase to its present minimum wage of 1,120 *yuan* per month from April 2011, following Guangdong's decision to introduce its new minimum monthly wage of 1,300 *yuan* from March 2011. Other options to ease labour shortage in the long run include management optimisation, technological upgrading or business relocation. In this sense, the Lewis turning point can have certain positive effects. Falling labour supply and rising wages can work jointly to hasten the transformation of China's current growth pattern, one of the major tasks of the 12th FYP. To minimise possible shocks to the economy and the society, the government should be ready to provide guidance and assistance to businesses that cannot survive under the new circumstances.

Urban population growth is another important demographic highlighted in the new plan. Urbanisation usually goes hand in hand with industrialisation and modernisation. However, China's urbanisation rate has been quite low, even among many developing countries. China's pace of urbanisation has picked up only after the 1980s, thanks to two contributing factors of the reform era: fast urban expansion and massive rural-urban migration. Survey data show that the proportion of urban population increases by over one percent annually in recent years. After crossing the threshold of 50%, according to projections, urban population in China will keep growing for another 15 to 20 years before its proportion reaches 70%, the current average of industrialised countries.

Urbanisation is considered both a demographic as well as an economic phenomenon. The "China miracle" benefits from the growing urban population for its role as a not only labour pool but also consumer market. In the CPC Central Committee's proposal, urbanisation is identified as one of the

continued on page 12

The CCP's, KMT's and DPP's Three Principles of the People: Implications for Cross-Strait Relations

Delineating the ideological conflicts, the possible commonality and the possible areas of reconciliation and cooperation of the CCP, KMT and DPP.

QI DONGTAO

Sun Yat-sen's "Three Principles of the People", namely, the political philosophy of nationalism, democracy and welfarism/socialism, is the Kuomintang's (KMT) cornerstone for building a free, democratic and prosperous China. In a sense, this "Three Principles of the People" is also the fundamental ideology of the Chinese Communist Party (CCP) of mainland China and the Democratic Progressive Party (DPP) of Taiwan, the two other major parties which play a critical role in affairs across the strait. Under this general framework of the "Three Principles of the People", it is possible to delineate the major ideological conflicts, the possible commonality and the possible areas of reconciliation and cooperation of the three major parties. The conclusions drawn may have important implications for a more stable, peaceful and integrative cross-strait relation to exist.

As shown from the table, the main ideological conflict among the three parties lies in nationalism and democracy. For instance, while both the CCP and the KMT share a common political stand which favours future unification of mainland China and Taiwan, the DPP embraces Taiwanese nationalism and an independent Taiwan. In terms of regime legitimacy, while both the KMT and the DPP see the western style liberal democracy as the only legitimate regime in Taiwan, the CCP firmly believes that its one-party regime is the best choice for the mainland Chinese. This explains why the KMT will stand on the side of the CCP in the fight against the DPP's pro-independence policy at certain times, and join the DPP's criticism of the CCP's one-party regime at other times.

As a way to mitigate this conflict, the CCP has offered the "one country, two systems" to the KMT and the DPP, citing Hong Kong as a possible model. However, neither the KMT nor the DPP has accepted this proposal as the notion did not sit well with the Taiwanese people. In a liberal democracy regime, no serious party would want to risk experimenting

with an extremely unpopular policy. In the meantime, the CCP and the KMT have become extremely cautious in their efforts to contain Taiwanese nationalism as it reflects a strong public sentiment that can show its punitive power through national elections. The three parties have come to realise that winning the hearts of the Taiwanese people is one of the most important preconditions for any substantial improvement in cross-strait relations.

Therefore, an important factor affecting cross-strait relations is public opinion. The CCP has adopted both hard and soft strategies to influence Taiwanese public opinion. The 2005 Anti-Secession Law and the missiles on China's east coast were a demonstration of the Chinese government's strong determination to deter Taiwan's independence. On the softer side, the Chinese government has promoted economic and social exchanges between mainland China and Taiwan to build mutual understanding and win Taiwanese people's heart through enhanced economic benefits. Against this backdrop, the Chinese government hopes that the Economic Cooperation Framework Agreement (ECFA) can shape public opinion in Taiwan towards creating a more favourable environment for future cross-strait negotiations.

As ECFA has just taken effect, it is too early to conclude if it could successfully serve the Chinese government's goal. The DPP has been attacking the ECFA issue for its bias towards large businesses, the upper classes and northern Taiwanese residents, arguing that in contrast the small and medium-sized enterprises, middle and lower classes, and middle and southern Taiwanese residents are likely to benefit much lesser or even be victimised by ECFA. Because the DPP, as a centre-left party with strong social democratic ideology, has significantly improved Taiwan's social welfare system during its eight years of administration in 2000-2008, the Party has enjoyed high credibility for protecting the disadvantaged groups, such as

THE CCP'S, KMT'S AND DPP'S THREE PRINCIPLES OF THE PEOPLE			
Three Principles of the People (<i>Sanmin zhuyi</i>)	CCP	KMT	DPP
Nationalism (<i>Minzu zhuyi</i>)	Chinese nationalism	Chinese nationalism	Taiwanese nationalism
Democracy (<i>Minzhu zhuyi</i>)	Socialist/one-party democracy (with Chinese characteristics)	Liberal democracy	Liberal democracy
Welfarism/socialism (<i>Minsheng zhuyi</i>)	Socialist welfare state (with Chinese characteristics)	Conservative welfare state	Social democratic welfare state

continued on page 14

Recent Staff Publications

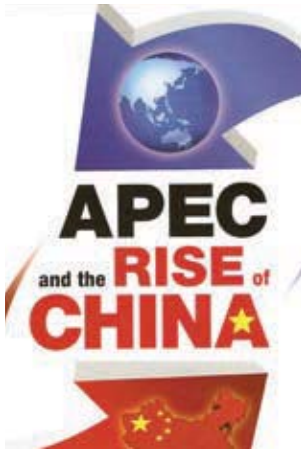
Books

APEC and the Rise of China

Editors: Lok Sang Ho and John Wong

Publisher: World Scientific Publishing

Year of Publication: 2011



Intra-regional trade has been rising rapidly, especially after China's accession to the WTO in 2001. China's economy has already surpassed Japan's in 2010 to become the world's second largest economy. It is clearly producing a huge impact on the world economy, and particularly on ASEAN countries. How is China's rapid growth shaping the course of economic integration and cooperation in the region? This book is based on papers presented

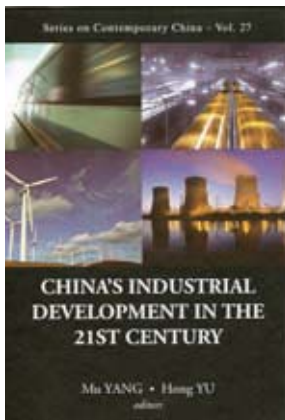
by scholars with expertise in the Asia Pacific region at a conference on "APEC at 20 and the Rise of China" organised by the APEC Centre of Lingnan University from 26 to 27 February 2010, and includes additional invited papers.

China's Industrial Development in the 21st Century

Editors: Yang Mu and Yu Hong

Publisher: World Scientific Publishing

Year of Publication: 2011



In response to the global economic crisis in the short run and to cope with the existing structural problems of production in the long run, the Chinese central government has successively released new development outlines for 10 key industries since 2008. In this book, the authors used key sectors including automobile, steel, shipbuilding, high-speed railway and new energy to analyse the development of China's industries, along with

their challenges and future prospects. The effectiveness of state-oriented policies in rejuvenating these industries is evaluated. The authors assess the contribution of these policies to industrial development and identify and analyse existing and potential challenges to the sustainable development of China's industries.

China's Unfinished Reform

Author: Zheng Yongnian

Publisher: Zhejiang Publishing United Group

Year of Publication: 2011



Since the mid-90s, a GDP-centred approach to development has been adopted in China. Under this mode of development, China achieved unprecedented rates of economic growth, at equally huge social, political, moral and environmental costs. This book discusses the many structural issues and explores the many "relations" in China's current reform process, including relations between party and state, growth and institution

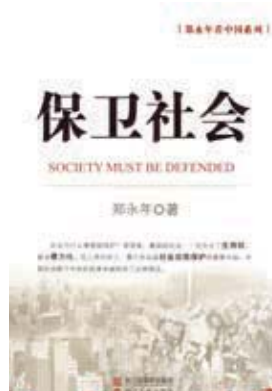
change, central authority and local government, etc. Through in-depth analysis of these key structural issues, the book offers a wide range of thoughts and observations about China's current development and its future reform directions. These 60-odd papers published in *Lianhe Zaobao* examine the underlying reasons and institutional logic for the dilemma facing reform today and the possible ways to correct it.

Society Must be Defended

Author: Zheng Yongnian

Publisher: Zhejiang Publishing United Group

Year of Publication: 2010



China through the Eyes of Zheng Yongnian is a five-volume series collection of commentaries by Zheng Yongnian on China's politics, economy, society and international relations written between 2002 and 2010. *Society Must be Defended* is the first volume of the series. Zheng brought forward in a vivid policy-oriented discussion all the major social issues confronting China today, including social inequality, social protest, education reform,

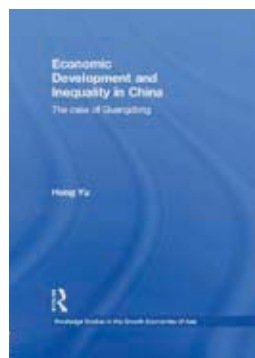
housing bubbles, middle class and moral crisis. Through informed analyses, he argues that the developmental strategy centring on economic growth has led to severe disequilibrium between social and economic development, which, if uncorrected, will make the society increasingly ungovernable, and worse still, lead to major social and political turbulences.

***Economic Development and Inequality in China:
The Case of Guangdong***

Author: Yu Hong

Publisher: Routledge

Year of Publication: 2010



That all regions have equally benefited from China's remarkable development over the last three decades is criticised in this book. The author analyses the issue of regional inequality during the post-1978 period using the case of Guangdong, one of the key industrial centres and economic powerhouses in China. Guangdong offers an ideal focus upon which Western theories of economic geography and

regional disparity are analysed. Based on field research, analysis of geographic characteristics and regression models, the author illustrates how Guangdong's impressive development record has been marred by its rising regional disparity.

As Book Chapters

"China's Management of Natural Disasters: Organizations and Norms," In Jae Ho Chung (ed.), *China's Crisis Management (China Policy Series)*. London: Routledge, 2011.

By Chen Gang

"China's Design of Global Governance: The Role of Africa". In Jing Men and Benjamin Barton (eds.), *The EU and China in Africa: Partners or Competitors?* Burlington, VT: Ashgate, 2011, pp. 23-39.

By Bo Zhiyue

"China's Energy Relations with Africa". In Carrie Liu Currier and Manochehr Dorraj (eds.), *China's Energy Relations with the Developing Nations*. New York: Continuum International Publishing Group, 2011.

By Zhao Hong

"China's Myanmar Policy: Challenges and Adjustments". In Chou Kuoping (ed.), *China's Policies Towards its Borderlinks and their International Implications*. Singapore: World Scientific Publishing, 2010.

By Zhao Hong

"Taiwan's Economy in the Financial Crisis and its Outlook". In Zheng Yongnian and Sarah Y Tong (eds.), *China and the Global Economic Crisis*. Singapore: World Scientific Publishing, 2010.

By Zhao Hong

"A Two-Ocean Mediterranean". In Geoff Wade and Li Tana (eds.), *Anthony Reid and the Study of the Southeast Asian Past*. Singapore: Institute of Southeast Asian Studies, 2011, pp. 69-84

By Wang Gungwu

"China's Recycled Water/Water Treatment Industry in the Age of Water Crisis". In Yang Mu and Yu Hong (eds.), *China's Industrial Development in the 21st Century*. Singapore: World Scientific Publishing, 2011.

By Weng Cuifen (with Yang Mu)

"Peasant and Democracy: Key Aspects of Village Autonomy that have been Understudied". In Zheng Yongnian, *The China Model: Experiences and Dilemmas*. Hangzhou: Zhejiang Publishing United Group, 2010, pp. 204-220.

By Yang Lijun (with Zheng Yongnian)

In Journals

"China's Search for a Multilateral World: Dilemmas and Desires", *The International Spectator*, vol. 45, no. 4, 2010, pp. 13-25.

By Chen Gang (with Li Mingjiang)

"The Expansion of Outward FDI: A Comparative Study of China and India", *China: an International Journal*, vol. 9 no. 1, March 2011, pp. 1-25.

By Zhao Hong

"Chinese Working Class and Trade Unions in the Post-Mao Era: Progress and Predicament", *Journal of China Studies*, vol 1 no 2, October 2010, pp. 413-433.

By Qi Dongtao

"An Intellectual Biographical Account of the Mid-Ming Neo-Confucian Cai Qing [1453-1508]", *Xin Ya luncong*, vol. 11, 2010, pp. 142-150.

By Courtney Fu Rong

"From the June Fourth to the April Youth, From Protest to Protection: Changing Chinese Nationalism in the Last 20 Years", *KEIO SEC Journal, University of Keio, Special feature articles: Invited Papers*, vol. 1 no. 10, 2010.

By Yang Lijun

"Three Waves of Nationalism in Contemporary China: Sources, Themes, Presentations and Consequences", *International Journal of China Studies, Special Issue: China in Transition-Social Change in the Age of Reform*, vol. 1 no. 2, October 2010.

By Yang Lijun

Book Reviews

"Ideas in Conflict: From May Fourth Movement to Contemporary China", by Wang Gungwu and Zheng Yongnian, *Asian Politics and Policies*, vol 2 issue 4, October/December 2010, pp. 697-699.

By Courtney Fu Rong

"The Rise of China and India: A New Drama", by Lam Peng Er and Lim Tai Wei, *Pacific Affairs*, vol. 84 no.1, March 2011.

By Zhao Hong

FORTHCOMING

"Failed Nationalist Administration but Rising Taiwanese Nationalism: Divergent Popular Support for the DPP and the Taiwan Independence Movement in Taiwan, 2000-2008", *Journal of Contemporary China*

By Qi Dongtao

"Critical Review of Conceptual Definitions of Chinese Corruption: A Formal-Legal Perspective", *Journal of Contemporary China*, vol. 20, no. 70, June 2011.

By Weng Cuifen (with Kilkon Ko)

"Structural Changes of Chinese Corruption", *The China Quarterly*.

By Weng Cuifen (with Kilkon Ko)

The Civil-Military Relations in China: Does the Party Still Control the Gun?

The CCP is still calling the shots despite giving the PLA some privilege to voice its views. An analytical look at the recent incidents debunks the Western argument that there is a decisive shift in civil-military relations in China.

RYAN CLARKE

One of the critical issues for China is whether the Party has lost its grip over the gun, the People's Liberation Army (PLA). The handful of sharp analysts who are discussing this critically important yet neglected topic are mostly American strategists and their views tend to enjoy disproportionate representation in what is a smaller marketplace of ideas.

A common strand in the majority of arguments put forward by these analysts is that there are increasing signs of a decisive shift in civil-military relations in China with the PLA gaining the upper hand in some aspects of foreign policymaking. While not to suggest that this is not a crucial area to be monitored, the recent empirical examples put forward are quite weak, unreliable and certainly cannot be a base upon which policies of other major powers, such as the US, can be developed.

One of the most cited examples of this supposed shift is China's decision to suspend military-to-military contacts following Washington's US\$6.4 billion arms sale to Taiwan in January 2010. Though the PLA had likely played a role in the decision, it was the Foreign Ministry which announced it and engaged in all related public diplomacy.

Further, strong opposition to Taiwanese independence is hardly unique to the PLA and is a strong political force that operates within all centres of power (a key source of the Chinese Communist Party (CCP) legitimacy is territorially bound, post-colonial nationalism) in China as well as the civilian population.

Put simply, this is a top-down as well as a bottom-up process that was initially a CCP initiative that the Party no longer enjoys a monopoly over.

This assessment also largely factors out United States President Obama's statement during his China visit in November 2009 of respecting China's "core interests", of which Taiwan is the most central. This disconnect in thinking over how the Taiwan question related to Obama's statement combined with the intensifying trade and currency disputes played an equal role, if not a greater role, than the PLA.

The PLA's more muted response to the visit of the Dalai Lama to the White House in February 2010 cast further doubt

on the claim that a substantial shift in civil-military relations in China is underway.

The most recent example, which is used to support this claim, is the timing of the test flight of the J-20 stealth fighter in January 2011 during a visit by US Defence Secretary Robert Gates. However, indisputable empirical evidence is again sparse.

As many experts on China's military-industrial complex (including some Americans willing to break with the prevailing groupthink) have also stated, this test flight was one of many within a much longer process that must be successfully completed (hardly a foregone conclusion) before the J-20 can actually go into operation. The decision was more likely taken by an engineer in Chengdu than a PLA General in Beijing.

The PLA enjoys a more prominent position in the foreign policymaking process than its counterparts in most democratic nations.

However, this has been a reality in China since the PLA intervention in Tiananmen Square in 1989. This makes some analysts uncomfortable but China has not engaged in an act of war towards its neighbours despite multiple diplomatic crises with the US (and the perception of rising Chinese nationalism among the populace) starting with the Taiwan Strait Crisis in 1996 and the accidental American bombing

of the Chinese embassy in Belgrade in 1999.

In every crisis period (including those discussed here), the PLA has had a strong voice but its views have run largely parallel with those of the CCP, and without exception, when it is time to cease rhetoric and to make a policy decision, China always elects to maintain stable relations with the US.

As many of the CCP's domestic challenges are inexorably linked to its foreign policy choices, the CCP will continue to provide the PLA with space to voice its opinions without allowing it to act independently or engage in actions that would undermine China's broader national interests and threaten the CCP's legitimacy. All reliable evidence suggests that the Party still controls the gun. ■

Ryan Clarke was Visiting Research Fellow at EAI. He is now working in the private sector.

In every crisis period, the PLA has had a strong voice but its views have run largely parallel with those of the CCP, and without exception, when it is time to cease rhetoric and to make a policy decision, China always elects to maintain stable relations with the US.

EAI Conferences and Forums

EAI INTERNATIONAL CONFERENCE

Japan's Strategic Challenges: China's Rise, the US Hegemonic Decline and Asian Security



From left: Prof Eiichi Katahara, Dr Haruko Satoh, Prof Zheng Yongnian and Dr Ryan Clarke.

EAI Director Professor Zheng Yongnian, in his opening address at the EAI-Australian Research Council Asia Pacific Futures Research Network International Conference on Japan's strategic challenges, recognised that East Asia—having fared better than the United States and the European Union (EU) in the aftermath of the global financial crisis—has reached a new milestone. China's ascent to the world's second-largest

economy in 2010, displacing Japan, and the perceived military emergence of China have created an impact on Japan's regional sphere of influence with other Asian nations. That leads to questions of whether Japan will adopt a new power configuration and forge better ties with China—its most important trading partner—for mutual benefits and to ride on the Chinese expanding market, or whether it will be seen to take a tougher diplomatic security stance against China.

Japan also faces the dilemma of the discerned “relative decline” of the US, a fact exacerbated by predictions from economists that China's gross domestic product (GDP) would overtake the US in less than a decade. However, in reality, the US will still remain a considerable power. In fact, the US is becoming more assertive in Asia towards China, as evident by the US policies in South China Sea and Diaoyu/Senkaku islands. Challenges abound as Japan copes with the new global and regional politico-security environment and deliberates over the best strategic position to take to maximise its global and regional influence.

The conference also covered non-traditional security issues and roles of Japan that include anti-piracy, energy, climate change, peacebuilding, the G8 and G20, etc, which pose further challenges to Japan to rethink its global role if it cannot secure cooperation from China. ■

EAI DISTINGUISHED PUBLIC LECTURE

Assessing China's Global Image and Soft Power

by Professor David Shambaugh

Professor David Shambaugh, professor of political science and international affairs and director of the China Policy Programme at the George Washington University, discussed the findings of his research in China on different dimensions of China's global cultural footprint and soft power.

Soft power appeal lies in China's 5,000 years of history, civilisation and traditions as the Chinese government spent massive effort to package and present its legacies, such as heritage sites and technological inventions. China's Ministry of Culture also plays a key role. In four years alone, the Ministry of Culture had covered its cultural footprint in over 40 countries, holding more than 120 specialised travelling exhibitions and performances annually.

Chinese literature and writers have become better known abroad as literary works of authors like Ha Jin, Gao Xingjian, and others, are translated into different languages. Prominent Chinese authors like Gao Xingjian, the only Chinese who won the Nobel Prize in Literature, and Han Han, nominated as 100 most influential people in 2010 by the Time Magazine, are indications that China is entering the domain of global popular culture.

Auctions of Chinese arts at leading auction houses like Sotheby's and Christie's worldwide is another manifestation of China's soft power. Also, Chinese films and film directors of international fame, like Zhang Yimou and Chen Kaige, have potential to spread China's soft power. Higher education is another important component of soft power. China has



Prof David Shambaugh (left) and Dr Lam Peng Er, senior research fellow at EAI.

also created 282 Confucius Institutes and 272 Confucius Classrooms worldwide, operating in similar models as the Alliance Française and Goethe Institute to promote Chinese language and culture.

In sports, China has flexed its muscles at the 2008 Olympic Games, polishing off with the highest number of gold medals and trouncing the US and Russia in the medal tally to become a world-class sports power. The number of Chinese brands that are ranked internationally in 2010 is zero, and the number of Chinese companies in the Fortune 500 ranking is a mere 22.

Professor Shambaugh indicated that China's soft power is growing but remains “very soft” and limited in winning influence. No matter how well resourced the State Council Information Office is, it is China's economic dominance, military power and its foreign policies in the South China Sea disputes that would pose a handicap to the spread of China's soft power and inflict its image negatively around the world. ■

RAFFLES INSTITUTION AND EAST ASIAN INSTITUTE JOINT SEMINAR

China's Rise: Is it Sustainable?



Some of the speakers at the RI-EAI Joint Seminar: (from left) Dr Chen Gang, Prof Zheng Yongnian and Dr Zhao Litao.

Nearly 300 students from junior colleges islandwide attended the joint seminar organised by Raffles Institution and the East Asian Institute titled "China's Rise: Is it Sustainable?". The seminar featured speakers from the Institute including East Asian Institute Director Professor Zheng Yongnian, Senior Research Fellow Dr Sarah Tong, Senior Research Fellow Dr Zhao Litao, and Research Fellow Dr Chen Gang.

Professor Zheng touched on democratisation and political transformation in China as the main theme for his opening remarks. To Prof Zheng, democracy is becoming inevitable in China—it is democratising but very slowly. The current social infrastructure has laid the foundation for China's democratisation. By the next regime, the CPP would be competent enough to employ social and political forces to a degree to push for political changes. However, for now, one should not have high expectation of China's democracy.

On the economic front, Dr Sarah Tong examines the question of whether China's economic rise is sustainable. Among the many domestic challenges are the declining return of its investment and infrastructural investment, labour shortages especially that of rural migrant workers, environment and resource constraints, and inflation. As the world's largest exporter since 2009, China faces external challenges that include market vulnerability to external shocks, limitation to trade expansion and competition with other economies, resulting in possible stalled regional integration. China's economy will thus remain robust, but growth is likely to slow down. Addressing domestic challenges would be a primary priority for the government.



On the social front, Dr Zhao Litao described the first 30 years in China's history from 1949 to 1979 as the period when politics were in command, the second lapse of 30 years the period when economics was in command, and the threshold of the third 30 years as the period when China makes a shift in emphasis from economic development to social development.

The coming decade would see a more balanced economic and social development, as major initiatives to build a harmonious society are likely to be implemented. There will however be problems as long as social development is used as a means to promote economic growth, not necessarily to maximise social benefits and social well-being of the Chinese, especially the rural migrant workers.

On the environment, Dr Chen Gang believes that China recognises opportunities amidst its energy challenges as it develops renewable energy and taps existing renewable power capacity. China becomes the largest investor in clean energy, surpassing the US in 2010. It is also the world's largest manufacturer of wind turbines and solar panels, the largest producer of wind power in 2010, and the fourth largest producer in biomass power.

China's post-Copenhagen stance is clear: It will continue to support the Kyoto Protocol and oppose compulsory emissions cutting target. China will focus on initiating regional and bilateral cooperation and negotiation of treaties, and maximise opportunities by transforming energy issues into business opportunities. ■

continued from page 6

China to Reach Two Demographic Benchmarks During the New Plan Period

important mechanisms to boost consumer demand. To achieve the government's strategic goal of developing China into one of the largest domestic markets in the world, urbanisation will have to be promoted vigorously and steadily during the 12th FYP period. Priority will be given to the development of townships, small and medium-sized cities as well as city belts supported by large cities through job creation and infrastructure improvement. For the conversion of rural migrants into urban residents, the current *hukou* system is widely considered a major obstacle, because of its connection to a person's social welfare entitlement in cities. During the 12th FYP period, it is still unlikely that the *hukou* status will be completely delinked from the welfare benefits, but city governments have launched, in recent years, various pilot programmes to relax the *hukou* restrictions. These programmes can be roughly grouped into four categories: urban *hukou* granted to rural residents registered in city suburbs; urban *hukou* granted to migrants with job and home ownership; work permit with full or partial urban *hukou* status and registered migrant workers with partial urban *hukou* status. It is hoped that in the foreseeable future, the *hukou* system will resume its original role of providing a unit of measurement for statistical purposes only. ■

Yan Hao is Visiting Senior Research Fellow at EAI

Scholarly Circle Loses Dr Shi Tianjian (1951-2010)

A remarkable political scientist in his own right

WANG ZHENGXU

As one of the very small first cohort of post-reform Chinese students studying social sciences in the United States, Shi Tianjian's life was marked by a large number of extraordinary achievements. He was one of the first Chinese scholars who were supported by the US Fulbright Fellowship, and the first post-reform mainland Chinese scholar to have achieved tenure in a top 10 US political science department. His graduate school life in New York City was full of legendary stories, including being mugged in the New York streets and winning the best service award of the New York Taxi of the year.

Yet the New York period was only a small part of his colourful life. His pre-college years as a sent-down educated youth in China's countryside, where he served as a truck driver, and a barefoot doctor who delivered more than a hundred babies, his college life in Peking University, and his years as an enthusiastic, highly loveable and unfailingly humorous member of the scholarly community, are etched in many colleagues' vivid memory.

As a scholar of comparative politics and China studies, his first book titled, *Political Participation in Beijing*, set out to address a major deficiency in the field: the lack of understanding in how citizens in China interact with the various layers and sections of the Chinese government. A rigorously conceptualised, ably executed and meticulously presented study, it became a seminal work of political behaviours in China. It has since been widely assigned in classes in both American and Chinese universities, and became a standard bearer of fieldwork-based social science research on China.

In parallel to his work in Beijing, his research on institutional changes regarding rural China's governance also generated highly esteemed products, including a 1999 piece in the academic journal, *World Politics*. He also turned research on rural China's elections into policy suggestions and helped achieve improvements to China's Organic Law of Village Election and Self-Governance. Throughout his life, he served as an advisor to the Chinese Ministry of Civil Affairs on building institutions of rural governance.

Most of Shi's research was based on a series of surveys and on political behaviours, political values and political culture. His papers covered a wide range of topics such as political trust, democratic values, voting behaviours, left-and-right ideologies and value changes. They were accepted in academic journals such as the *Daedalus*, *World Politics*, *Journal of Politics*, *Comparative Politics*, *China Quarterly*, *Asian Survey*, and *Journal of Contemporary China*. Professor Wang Gungwu characterised him as "an inspiration to the new generation of political scientists who are embarked on a great enterprise to chart afresh China's political future in a scientific and objective framework".

After more than a decade of empirical work, Shi had

gradually developed a conceptual framework for the comparative study of political culture. He aimed to differentiate Eastern (Confucian) political culture from Western political culture, and viewing it from four dimensions: how interest should be defined, how the relationship with authority should be interpreted, how conflict should be handled, and how justice should be delineated. This conceptual framework is rigorously tested using two waves of Asian Barometer Survey data and a book is to be published by Cambridge University Press in 2011.

Throughout his professional life, he combined academic research with actions aiming at social and political progresses. Besides serving as an advisor for policy agencies and academic centres, he was the Beijing representative of the Carnegie Council for International Peace for two years. And his professorship at Tsinghua University was an important role that he took on in recent years to help the distinguished university build up its political science department to international standards. According to political scientist Andrew Nathan of Columbia University, that Shi was entrusted with this task is testimony to the trust that was placed on him by scholarly circles in both China and the US. It also illustrates his pride in and hope for China, and his belief in the peaceful meeting of East and West on the basis of social-scientific scholarship.

Yet, Shi's most enduring contribution to the field will be the research infrastructure he helped build for studying Chinese politics with survey data. From very early 1988, he started to run large-sample representative surveys in China. During 1990 and 1991, in collaboration with Taiwanese and American colleagues, a survey with a national sample of more than 2,000 respondents was completed, followed by a 1993 one of more than 3,000 respondents. The 1993 survey also became part of a comparative survey project that first included the mainland China, Hong Kong and Taiwan. Thereafter, he was a key member of the East Asian Barometer that started from seven East Asian societies in 2002, and evolved into a true Asian Barometer that had covered 13 societies by 2007. He personally oversaw its China portion, which had evolved to a sample size of more than 5,000.

All these datasets were made available to the public a short while after they were collected, and a large number of scholars have benefited greatly from analysing them. They also helped establish survey as a mainstream research method of Chinese politics. In the second half of 2010, the third wave of the Asian Barometer was being carefully planned when he was suddenly hospitalised in November. The disease proved so merciless that one of the most beloved members of the Chinese studies community was taken away in a very short period of time. He died in New York on the Christmas Day of 2010. Shi Tianjian, as the Chinese characters in his name suggested, was a true gentleman, and will be forever missed. ■

continued from page 1

China's 12th Five-Year Programme: Correct Targets but Questionable Measures

roles not only in traditional strategic industries such as energy and telecoms, but also in competitive industries such as coal mining, steel, food and properties, which were supposedly left to private enterprises and the market in the economic reform period.

In sum, though the 12th FYP has set new targets, they are to be implemented using old ways. The governments, SOEs and investors play more important roles and are favoured in resources allocation and income distribution over the private sector, market and consumers. With the crucial mechanisms basically unchanged, it is a wonder if people's livelihood could be improved as quickly as what the new FYP has been targeted to achieve. ■

Yang Mu is Senior Research Scholar at EAI

continued from page 4

Higher Education Reform (2010 to 2020) in China

characteristics". Universities will enjoy seven types of autonomy with regards to teaching, research and some other areas of internal governance. However, there will be no breakthrough to the governance system that holds the university president responsible under the Party committee leadership. More importantly, the outline makes no serious attempts at adjusting the government-university relationship, which many see as the biggest hurdle for developing true scholarship and making world-class universities.

On the front of international exchange and cooperation, China will attract more world-class scholars to China, import quality textbooks, and increase the number of foreign teachers in university faculty; on the other hand, high-quality Chinese educational institutions will be encouraged to run branches overseas and efforts will be made to support the teaching of Chinese as a foreign language in other countries.

LOOKING TO THE NEXT DECADE

Looking to the next decade, China is in a good position to deal with some of the largest complaints about its higher education. With new enrolment projected to expand at a modest pace, China's sustained economic growth—not necessarily at double digits as in the past, yet still rapid by international standards—can help ease the problem of educated unemployment, which has become a salient issue since 2003 and a big concern for social instability during the 2008-2009 global financial crisis.

China is also in a good position to increase spending on higher education, which in turn provides conditions for building an academic profession that attracts talents, rewards productivity and permits stability. In this regard, China is in

a much better situation than many other countries where universities are forced to "reform" in ways that make the academic profession less attractive, stable and productive.

With the government-university relationship likely to remain largely intact, it is less clear how changes to be introduced in the 12th plan period (2011-2015) or in the next decade will improve the quality of higher education commensurate with the increased spending. Will a Chinese model of a modern university system emerge in the next decade? By simply looking at the plan for education reform and development (2010-2020), one surely has more scepticism than confidence. ■

Zhao Litao is Senior Research Fellow at EAI

continued from page 7

The CCP's, KMT's and DPP's Three Principles of the People: Implications for Cross-Strait Relations

the elderly, lower-educated, southern Taiwanese residents, farmers and workers. The disadvantaged groups have demonstrated their consistent support for the DPP's argument against ECFA, which significantly contributed to the DPP's consecutive victories in a series of local elections after its 2008 presidential election defeat.

The DPP has also capitalised on the differences in the interpretation of the last principle of the people—the principle of welfarism/socialism. Unlike the principles of nationalism and democracy, the principle of welfarism/socialism has not been a salient issue in cross-strait relations until after the DPP's defeat in 2008. The Party has gradually integrated its progressive stance on social policy with Taiwanese nationalism, arguing that Taiwan is incompatible with mainland China not only politically, but also socially. The two regions are on different trajectories, with the island going towards a social democratic welfare state, and the mainland going the other way of a state with rampant social inequality and social injustice. The DPP also harped on the KMT's many commonalities with the CCP in terms of social policy – both of which are overly pro-development, pro-capital and pro-globalisation and at the expense of the economically disadvantaged and the environment.

This new emphasis on the principle of welfarism/socialism has become the new battle field for the three parties, generating new dynamics to domestic politics and cross-strait relations. On the part of the Chinese government, it has made serious efforts to improve people's livelihood and social welfare, and high-level Chinese officials have been deployed to southern Taiwan to look into the needs of the farmers and small business owners. If these efforts are to continue on a long-term basis, the Chinese government will be in a better position to win the Taiwanese people over, thus contributing to a more sustainable and peaceful cross-strait relation. ■

Qi Dongtao is Research Fellow at EAI

中国知识阶层应增强对知识的信仰

谢宝富

中

国素有“万般皆下品，惟有读书高”的传统，社会各界对读书都十分重视，即便是唯利是图的商贾也常有“贾而好儒（重视孩子教育）”之特色；但中国同样也有“学而优则仕”的传统，芸芸众生对读书的重视，多非源自对知识的信仰，而是源自书中自有的黄金屋、千石粟及颜如玉。

“未知生，焉知死”，中国人向来很现实、很势利，以至于人到中年后多会深感受人与人之间很难再有真诚的友谊，而只有很现实的利益。如果有一种设备能把某些学人的话放到火炉边烘干，那么剩下的怕也只有“名利”二字。

因为对知识缺乏信仰，社会各界复给官位以太多“敬仰”，所以大凡学问做得稍好一些的学者，都要被考虑“提拔”，若不被提拔，则会成为边缘人；而大多数学者对“被提拔”也“心有戚戚焉”，甚至还以此为人生目标，套用潮语来说，即是“奋斗为乌纱”！尽管在其内心深处，未尝不知一旦踏上朝九晚五的仕途不归路，缙绅书斋、潜心学研将是奢望，荒废学业在所难免！可是，相对于现实的风光，区区损失，何足挂齿！更何况当官以后，还可利用手中资源大做项目、奖励类的时新学问，且在中国现行学术评价机制下，做该类学问还更易把名声搞大，是所谓“官大学问大”也！翻一翻中国各大高校校长、院长的履历，哪位不是挂着长长的课题及奖励的金色项链？

对知识缺乏信仰势必携来对学术的不够忠诚与把门不严。中国向来是人情社会，在没有细腻到位的监管并辅以必要的严刑峻法的情况下，任何一双手都抵挡不住中国情面的缺口。一个人当了十几年的科长没升副处或者当了十几年的副教授未升教授，见到其同学、老乡就自感脸挂不住。过于功利、过于以成王败寇的标准论人生高低，使整个社会失意者缺乏应有的包容心，使国人普遍背上了沉重的名利“十字架”：人人都在奔前程，人人都

在爬坡，活得实在太累、太累；使一些失意者在衣食无忧、原本完全可以成为快乐的“小人物”的情况下，背上了无法承受的面子重负，迫使其不得不有条件要上，没有条件、创造条件、突破原则也要上，由是而有那么多原本不该发生的官场腐败、学术造假，酿成了那么多不该发生的人生悲叹。

学术需要守门人，需要六亲不认的守门人。严格意义上说，一篇论文学术价值的高低并不取决于发表它的期刊是否核心；一个人学术水平的高低并不取决于他负责科研课题或获得的奖励是否为国家级，而取决于真正处于本领域最前沿的学者本着学术良知的认真评价和严格把关。可是，情面与对知识缺乏信仰的结合，使今日中国学术守门人越来越受人情、关系、利益等非学术因素的影响而把关不严。

这样一来，中国科研队伍便成了一支没有“守门员”的学术足球队。因为没有“守门员”，所以只好严格规定只有从什么角度、什么距离射进的“球”才算进球，否则一律不算。这些角度与距离便是上世纪九十年代末以来中国大学及科研院所不断“创新”出来的一道又一道死“杠杠”：不是核心期刊上发表的文章不算成果；没有什么级别以上的课题不给评职称；没有获得什么级别的奖不能晋升何种岗位，乃至最近各大学正在跟风地的“没有出国多长时间不得评教授、副教授”等，使研究者很多时候都无法为学术而努力，而只能为一道道“杠杠”而拼命。为了这些“杠杠”，他们不能不想设法弄顶乌纱帽（因为乌纱帽意味着资源与机会的控制），不得不变得八面玲珑，不能不放低身段，到处搞关系，混个人脸熟。如此下来，大学及科研院所就越来越是长袖善舞者的舞台，书卷气凋零，势必难免！

谢宝富是新加坡国立大学东亚研究所访问学者

Some Highlights at EAI



Above Left: Prof Thomas J Christensen, Professor of Politics and International Affairs and Director, Princeton-Harvard China and the World Program, Princeton University, gave an EAI public lecture on "Why We Need an Assertive China". Above Right: Prof Lin Shuanglin (left), Professor and Director, China Center for Public Finance, Peking University, Noddle Distinguished Professor of the University of Nebraska Omaha, USA, talked about China's new rounds of tax reform at the Goh Keng Swee Lecture on Modern China. On the right is EAI Director, Prof Zheng Yongnian.



At the international workshop on "Chinese Modernity and Urban Transformation in China" jointly organised by EAI and the Architectural Association Asia.



EAI scholars (above and bottom right) in meetings with Chinese delegates.



INTERNATIONAL CONFERENCE

INDUSTRIAL POLICY AND DEVELOPMENT IN CHINA

- **China's National and Regional Industrial Policy**
- **Development of China's Key Industries**
- **Development of China's Emerging Strategic Industries**
- **China's Regional Industrial Development**
- **The State Sector, Foreign Investment and Competition**
- **East Asia Integration and China's Industrialisation**

Organised by
East Asian Institute, Singapore

29 TO 30 JULY 2011

York Hotel, Singapore,
Carlton Hall, Level 2

FOR CONFERENCE DETAILS, CONTACT

JAMES TAN

TEL: (65) 6779 1037

EMAIL: EAITANJ@NUS.EDU.SG