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Understanding Contemporary China:

FIFTH EDITION

edited by
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Introduction

Robert E. Gamer

In Najia Xiaoguan, a trendy restaurant behind LG Twin Towers Central Business District, Beijing, October 2016

With a bachelor's degree in engineering from Tsinghua University and a recent master's from the University of Southern California, he has just quit his safe civil service job to start a digital website that can help young urbanites cope with depression and burnout. For the time being, he and his friends are using his flat as their workplace while they seek venture capital. Demand should be great because pressures to acquire the job, the flat, the car, and all the trimmings can be bewildering. Chinese are often embarrassed about seeking psychiatric counseling. Now, they will be able to counsel themselves in private. I ask him why he's doing this. He says it's his "inner calling." Does he have a tiger mother? He guesses so. "Are you rebelling?" A pause . . . "Yes, I guess I am." I ask him whether his group's counseling could help people reduce the stress caused by the tearing down of their old neighborhoods and their moving to high-rise flats kilometers away or settling into even older and dingier housing. This neighborhood was about to experience more of that. A tent around the corner had been the site of days and nights of lively bargaining over compensation prices. With some properties valued at millions of yuan, some will emerge rich (or, more likely, richer) millionaires while others will be forced to live far afield. "Oh," he said. "No." "That's about a harmonious society . . . government's job. . . . I've never really thought about it. We're looking at people's INSIDES."

LG Twin Towers behind an old neighborhood soon to be partly demolished for more financial district high-rise offices and condos.

In the introduction to an earlier edition of this book, I described a 2002 encounter at the Simatai section of the Great Wall with a young woman selling souvenir booklets who could see Beijing from where she stood, but she had never actually been to the city. To her it was almost a mirage. And she had visited the township capital, about ten miles away, a modern town with tall buildings and a new park and shopping strip, only twice in her life—on her wedding day and one afternoon to window-shop with her son.

At that time, the Central Business District—now the heart of Beijing's business, finance, and communications—was occupied by old neighborhoods and factories. Its workers and residents then largely commuted by bicycle or crowded urban busses; going on the old road to Simatai would have been a rare adventure. And the young man I just met was starting primary school.

In 2002, change had hit China's peasants and urban workers, but they were trapped in a time warp. Only ten years before, in 1992, Deng Xiaoping gave a speech in which he said, "It doesn't matter whether the cat is black or white, so long as it can catch mice." That was the signal that economic reforms that had before been limited to special zones along China's coast would be allowed throughout China. Immediately, coastal cities were building soaring modern buildings, office and industrial complexes, apartments and condominiums, highways, and shopping centers filled with a vast array of goods. Businesses were freed to fire many workers and offer fewer benefits such as housing, health care, and pensions. For this young woman, it meant that the school in her village had closed, and she had to pay tuition

and bus fares for her son to attend grade school in another town. Meanwhile, her village's agricultural production had declined, and she had to eke out an income selling these guidebooks.

Between 2001 and the Beijing Olympics in 2008, the Central Business District of Beijing was transformed. Factories were closed and torn down along with housing. Residents were moved to high-rise housing miles away. Skyscrapers (including the nation's tallest) designed by leading world architects occupied the space along with expressways, subways, parks, shopping malls, and pedestrian grids.

The statistics are spectacular. Between 1988 and 2014, China built or improved over 2.7 million miles (4.35 million kilometers) of roads. During the same period, China built 72,000 miles (112,000 kilometers) of toll expressways, connecting towns and cities throughout China. In 1990, China had 1 million cars; by 2015, it had 155 million and was producing 24 million new cars a year in its factories (vs. 17 million in the United States), adding to both mobility and pollution. There are now more than 135 million motorcycles and 200 million electric bicycles and scooters. Hundreds of millions of peasants once isolated in the back country have gained access to modern urban commerce through the road improvement program. All this construction creates jobs and consumers with money to spend.

And there is more. Over 1.28 billion Chinese now have a cell phone (not to mention 375 million conventional telephones). More than half are online with the Internet (with over 15 million Chinese websites). Over 700 million of them tweet, blog, and chat on WeChat. Sina Weibo has over 500 million registered users and Tencent QQ over 800 million active accounts.

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Motorcycle trucks delivering parcels ordered online.

China's eBay equivalent, Alibaba, with its Taobao website and Alipay (the Chinese version of PayPal), is the world's largest retailer. It sells over a billion products and accounts for over half of retail parcels in China sold on Taobao Mall by thousands of resourceful young entrepreneurs with start-up online companies available even to rural villagers.

In 2016 the International Monetary Fund (IMF) estimated China's gross domestic product (GDP) calculated in purchasing power parity (PPP) (i.e., what the money will actually buy at home) at US$21.3 trillion, ranking it number one. The European Union (EU) is second at US$19.8 trillion, and the United States is third at US$18.6 trillion.

China's real GDP, in actual current dollars, is two-thirds the size of the United States' GDP. China's real growth in GDP (10.5 percent vs. 1.7 percent in the United States between 2000 and 2009; 6.7 percent vs. 2.5 percent in 2016), has been much greater than that of the United States. Though China's growth is slowing, its real GDP is likely to surpass that of the United States between 2020 and 2030.

China has more than four times the population of the United States, so its economic output is less than a seventh of the United States on a per capita basis, ranking it only seventy-second in the world in 2015. Even in 2030, its per capita GDP will still be a fourth to a fifth as large as that of the United States. But its middle class is steadily growing, and life continues to improve for the poor peasant communities, rural migrants to cities, and urban dwellers of all types. That includes the young man described at the beginning of this chapter; his generation has experienced only rapid economic growth and peaceful social change. His biggest concern is keeping up with that change. Those who are older remember much darker days of war, the Cultural Revolution, rape, starvation, and other real privation.

For some, the new social and economic change begins like a lightning strike. In the fourth edition of this book, I described a bus ride my wife and I took one morning in March 2011 from the traditional village of Zhaoxing to the modern town of Congjiang in Guizhou, one of the poorest provinces of China, located in China's southwest region (see Map 2.2). The bus was filled with rural dwellers. It stopped frequently at the entrance to small villages along the way so peasants could get on and off, toting plastic bags filled with farm produce or goods they had purchased. The bus, like the others frequenting these roads, was clean, modern, and comfortable once the extra passengers jammed into the center aisle had disembarked. Stretches of the road were only mud while other portions were graveled or blacktopped. It took us two hours to traverse the 60 miles (100 kilometers).

A decade earlier, according to backpackers' blogs, this road was almost entirely deeply rutted mud. Instead of its current graded roadbed, it followed a circuitous path through the contours of the land, along the edge of rivers and over the many hills. Buses had to limp through the muck in wet

weather. Peasants in adjoining villages could walk to nearby villages to sell their animals and produce and buy small household goods at weekly outdoor markets. But going farther to a town on a bus was hard to accomplish. Like the young woman at the Great Wall, they were isolated from the modern world. Many of China's 1 million villages did not yet have even a graveled or blacktopped road adjoining them.

The road on the next leg of our trip, between Congjiang and the county of Rongjiang, was largely graveled or blacktopped. But all the way from Zhaoxing, we had been watching on the horizon something much more dramatic: a six-lane toll expressway rising above the valleys on tall concrete pillars. Suddenly, we rounded a corner and there it was. Our driver inched and bumped his way over an embankment onto three of those lanes, stepped on the accelerator and soared above the countryside to the next town. By that summer, the whole trip would take place on the new road.

The arrival of these expressways gives easy access to vehicles carrying all manner of materials and equipment needed for manufacturing and major building projects as well as consumer goods. Since 2008, Rongjiang, Kaili, and Guiyang have all built long rows of high-rise condominiums, largely sitting vacant and unsold at the time of our trip. Urbanites live in buildings with modern plumbing, and nearby shops have large selections of food, clothing, household goods, vehicles, and mechanized farm equipment. They displace buildings built in traditional styles and traditional clothing, habits, and customs.

As Chapters 8 and 10 discuss, China has fifty-five ethnic minorities, and many of them live in Guizhou. Millions of Chinese now go on tours, and ethnic minority villages are popular destinations. Zhaoxing, the largest village of the Dong minority, is famous as a colorful example of a minority village that looked and acted much as it had for centuries. Now, the new roads and two new airports nearby make it possible for tour buses to easily reach Zhaoxing and hundreds of other such towns and cities. (Over 440 airports have paved runways, and most cities have new terminals.) There will be the infrastructure and incentives to build new hotels, shops, and other facilities that boost the economy and sanitation and other services, but hasten the decline of traditional culture and family and community life. Many Chinese, while proud of these accomplishments, nonetheless ask: Is all this happening too fast?

Many other programs are raising that same question. China has opened 75,000 miles (120,000 kilometers) of railway line. By 2017 high-speed bullet trains going 120 to 220 miles per hour (195–360 kilometers per hour), which went into service in 2007, were operating on 12,500 miles (20,000 kilometers) of track, radically shrinking travel time for middle-class travelers. The government planned to quadruple that length by 2020, but the crash of two bullet trains in 2011, which killed 40 and injured more than

200, brought the attention of bloggers to concerns over safety, low ridership, high energy consumption, and low profitability. These concerns have slowed down expansion of the network (15,000 more kilometers by 2025), but there have been no more crashes. Japan has had bullet trains since 1964, without a single death from a moving train, and the Chinese bloggers want more attention to safety for China's new bullet trains and other spectacular showcase construction projects such as the 26.7 mile (43 kilometer) Jiaozhou Bay Bridge, the world's longest cross-sea bridge, built in only four years over miles of water that freezes heavily in winter.

Engineering projects transform entire valleys and islands from swamp or desert into metropolises. All this helps China achieve the dubious distinction of being among the world's greatest purveyors of air and water pollution, with one-thirtieth the world average of water resources per person. The United States is the world's largest consumer of petroleum, using over 19.4 million barrels a day in 2016. China is the world's second-largest consumer, using over 8.2 million barrels a day.

So today China has the world's fastest-growing economy, a fifth of the world's population, and escalating trade and travel through its borders. It has a highly motivated populace spreading to all corners of the world, a modernized army, and competitive Olympic teams. It is a major market for Coke, Pepsi, Boeing, Avon, Cisco, Ford and General Motors, Sprint, Black and Veatch, Warner Brothers, and a host of other Western companies. Its goods line the racks in US stores. All this has created a steadily growing prosperous middle class in China that wears the same clothes and cosmetics, drives the same cars, and buys the same furniture, household goods,

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These bullet trains began operating in 2007.

and electronics as middle-class Americans, Brits, and Germans. Popular talk radio shows discuss sex and relationships and depression and burnout. Young people wear the latest fashions, eat fast-food, and avidly follow worldwide popular culture.

China is ubiquitous—its clothes, electronics, food, people, and even air (its dust storms can indeed reach the western United States) are ever present in all places. Check the labels next time you go shopping. And this presence has another unique element: China still regards the more than 65 million Chinese living overseas as part of China. According to Rupert Hoogewerf's 2016 Hurun Global Rich List, there are 754 Chinese billionaires in the world. Mainland China has 594; Hong Kong, Taiwan, and Macao have 94; and there are 66 others in the world, mainly in Southeast Asia. (This compares with 535 billionaires in the United States.) Although many of those overseas Chinese have become loyal citizens of other countries, they are often tied to China's 1.37 billion inhabitants by custom, family, and tradition.

The richest of those families in Hong Kong (now part of China), Taiwan, Southeast Asia, Australia, and North America control large amounts of investment capital; much of that money is invested directly or indirectly in China and in the Pacific Rim, including the coast of North America. This investment constitutes a major bond linking China to the Americas, the Middle East, Africa, and Southeast Asia. Some 23 million of the 65 million overseas Chinese live in Taiwan. China still claims Taiwan as part of its own territory while many in Taiwan want to declare independence. China's prosperity has depended on the investment of overseas Chinese; their prosperity (including Taiwan's), in turn, depends on China's prosperity. Such interdependency explains a lot about how the communist nation of China can be as immersed in free markets as it is; those markets are embedded in the social structure of this widely dispersed Chinese community. The dispersed community shares some attitudes and habits—promoting hard work and amazing economic achievements—passed from generation to generation for thousands of years. But today's technology and popular culture, and the private comforts they create, present colossal challenges to this shared work ethic. Will this ethic endure the "inner calling" of my young urbanite's generation? And how will they address the growing gap between the rich and poor?

We will introduce all that in the rest of this chapter. But first, I should say a bit about something that can be confusing without a brief explanation: Chinese words.

China has no alphabet. Its written language, which is thousands of years old, consists of single characters that represent entire words. Often these began as a simple stick drawing of a man, the sun, or another object that gradually became more complex and stylized over time. People had to memorize the individual characters for thousands of words. Only the educated scholar-officials and families of merchants in cities were in positions

to devote the time it took to memorize these characters and learn to create them with careful brushstrokes. After the communists came to power, they created about 2,200 simplified characters that could be taught to schoolchildren and used in newspapers, so as to spread literacy.

When Westerners arrived in China during the nineteenth century, they needed to transliterate the sounds of Chinese words into their Roman alphabet (i.e., Romanize them). Two English sinologists, Sir Thomas Wade and Hubert A. Giles, devised a system (Wade-Giles) to do that. For geographical names, some other Romanizations fell into common usage. During the 1930s a new system, *pinyin,* came into being. In 1958 this system was adopted by the People's Republic of China (PRC) for its official publications, and in 1979 Xinhua (China News Agency) began using *pinyin* for all dispatches. The *New York Times* and many other newspapers and scholarly publications now use *pinyin;* we use it throughout this book, except for a few words still commonly transliterated in other spellings (e.g., Yangtze, Sun Yat-sen, Kuomintang) and when referring to people and movements in Taiwan, where Wade-Giles (or often careless variations on it) remains in vogue. You will encounter it in some (generally older) books. Table 1.1 compares the *pinyin* names of some provinces and cities with transliteration common on older maps and the names of dynasties and some other words in *pinyin* and Wade-Giles. It includes many of the Chinese words used in this book.

It is common for Chinese words to have only one or two syllables; when there are two, they are given equal emphasis in pronunciation. Words with similar sounds (and identical transliterations) may be differentiated by inflection of the voice—up, down, down-up, or flat—as each syllable is pronounced; each would have a different character in written Chinese script. When looking at names, Chinese give their family name first and then their personal name; Mao Zedong's family name was Mao, and his personal name was Zedong.

On another practical note, you will notice a bibliography at the end of each chapter; and within each chapter, parentheses call attention to books and articles where you can learn more about topics being discussed.

Creative Tensions

A rubber band's ability to stretch helps it hold things together; its elasticity actually lets it wrap tightly around objects. China has many traditions that combine those traits, pulling apart while unifying. The chapters in *Understanding Contemporary China* highlight many tensions between

- Confucianism and both petty and modern capitalism
- Confucianism, Christianity, and communism

Table 1.1 Romanization of Chinese Terms

Pinyin	Former Transliteration	Pronunciation
Provinces		
Fujian	Fukien	foo jian
Gansu	Kansu	ahn soo
Guangdong	Kwangtung	gwong doong
Guizhou	Kweichow	gway joe
Hainan	Hainan	hi! nanh
Hebei	Hopeh	heh bay
Hubei	Hupeh	hoo bay
Jilin	Kirin	gee lin
Shaanxi	Shensi	shahn shee
Shanxi	Shansi	shahn shee
Sichuan	Szechwan	sih chwahn
Xinjiang	Sinkiang	sheen jyang
Zhejiang	Chekiang	juh jyang
Cities		
Beijing	Peking	bay jing
Chengdu	Chengtu	cheng doo
Chongqing	Chungking	chawng ching
Hangzhou	Hangchow	hahng joe
Nanjing	Nanking	nahn jing
Qingdao	Tsingtao	ching daow
Tianjin	Tientsin	tien jin
Xi'an	Sian	shee ahn

Pinyin	Former Transliteration	Pronunciation
Dynasties		
Han	Han	hahn
Qidan	Ch'i-tan	Chee don
Qin	Ch'in	chin
Qing	Ch'ing	ching
Song	Sung	soohng
Tang	T'ang	tahng
Xia	Hsia	shyah
Names		
Deng Xiaoping	Teng Hsiao-p'ing	dung sheeaow ping
Jiang Zemin	Chiang Tse-min	jyang dze min
Mao Zedong	Mao Tse-Tung	maow dze doong
Xi Jinping	Hsi Chin-p'ing	shee jean ping
Zheng He	Cheng Ho	jeng huh
Zhang Xueliang	Chang Hsüeh-liang	jang shuey lyahng
Zhou Enlai	Chou En-lai	joe un lie
Zhuang-zi	Chuang-Tzu	jwong dz
Other terms		
baojia	pao-chia	bow djja
danwei	tanwei	Don weigh
Dao	Tao	dow
guanxi	kuan-hsi	gwahn shee
Guomindang	Kuomintang	gwaw min dahng
Tiananmen	T'ienanmen	tien ahn men
Xinhua	Hsin-hua	sheen hwa
Zhong guo	Chung-kuo	djohng gwaw

- Popular culture and formal traditions
- Regions and the capital city
- Cities and the rural hinterland
- The heartland and its global outreach

Put another way, China's political system, economic system, social system, religions, popular culture, and geographic regions all have both a symbiotic and adversarial relationship with one another. The same is true of China's relationship with the economic systems, religions, and ideologies of the Western world. But rather than phrase this so formally, let's sit back and approach it all through the narrative that follows.

China is slightly larger than the United States, but has more than four times the number of people. Its rivers cross high dry plateaus to connect the world's highest mountains with enormous floodplains. Its eastern provinces are among the world's most populous, its western provinces among the world's least inhabited. China first became a unified nation 200 years before the birth of Christ, with the north conquering the south; that unity has waxed and waned ever since. At the time of Christ, China was abandoning feudal states and starting to adopt both petty capitalist trade among family-run enterprises (often associated with the south) and a Confucian ethic (coming from the north). Since that ethic emphasizes family loyalty and hard work on the one hand and interfering government bureaucracy and unquestioned loyalty to northern-based leaders on the other, it both benefits and interferes with capitalism. Daoism (deriving from folk culture) and Buddhism (from India) helped individuals cultivate their inner personal lives while conforming to the rigid social conventions associated with Confucianism and family enterprises. So did popular forms of entertainment, which at the same time provided inspiration for China's highly refined art and literature.

China developed some of the world's earliest large cities, which sent Chinese to ports and oases in distant parts of Asia to establish a lively trade. In 1400, nine of the world's twenty-five largest cities were in China, and its output of manufactured goods was the world's highest. In 1700, it continued to produce a third of the world's manufacturing output.

By the late eighteenth century, these cities were in contact with the emerging capitalism and the Industrial Revolution of Western Europe, which increasingly competed with China's petty capitalist enterprises. These foreigners also brought with them Christianity and Western ideas about human freedom and progress, which competed for favor with China's established religious traditions. As large factories and cities began to widen the divide between city and countryside and among social classes, communist ideology began to compete with Christianity and capitalism for favor among workers, urban intellectuals, and peasants. Like many previous

movements, those ideologies developed some Confucian traits as they adapted to China, especially those associated with strong rule emanating from the north. Today, as China strengthens its ties with international capitalism and capitalist nations, weakens its actual and ideological ties to international communism, and experiences rapid social change, traditions of both Confucianism and popular culture help fill its spiritual void. And overseas Chinese help fill its investment coffers.

The yuan is China's currency. The 1, 5, 10, 20, 50, and 100 yuan bills all feature a bust of Chairman Mao, quietly presiding over all business transactions.

Thus, China blends many traits and traditions, which seem to both pull people apart and bring them together. People are expected to give their highest loyalty to their families and to friends with whom they have special *guanxi* (relationships); yet the same traditions simultaneously bid them to follow the directives of the nation's top leaders. For thousands of years, China has both encouraged and strictly controlled small manufacturers and traders, who worked closely with local officials. China's regions have held closely to their own traditions while sharing in a common Chinese culture. That culture viewed itself as civilized and the outside world as barbarian, yet continuously absorbed civilization from the barbarians. Today, China has dazzlingly modern cities short distances from peasants tilling fields with animal and hand labor to supply those cities with food; both may be watching the same television shows and talking on their cell phones. Families driving Toyotas visit their horseback-riding cousins who live in yurts lit by solar panels.

These diverse traits and traditions have come to support one another. Their distinctions and competition create tensions, but do not hold back progress. That has not always been so. Between the 1839 arrival of the Christian West in the first Opium War and the introduction of communism after World War II, and during the cataclysms of the Great Leap Forward and the Great Proletarian Cultural Revolution, many millions lost their lives in conflict among contending social forces.

But China has learned to use conflict as a means of adapting to change. It has a disciplined social core, weakened but still strong despite television, the Internet, cell phones, consumerism, tourism, crime, and other assaults of modern culture. Its families have shown an ability to control their size, save, work hard, engage in creative entrepreneurship, and divide labor between the sexes. China's civilization has focused on an attachment to the land that has survived amid many centuries of urbanization. People who have migrated to China's cities are welcome to return to their home regions, keeping alive rural social bonds and safety nets even as people move out to the ends of the earth. When the Central Pacific Railway found its European immigrant laborers fleeing the arduous task of building a transcontinental

railway across the United States in the 1860s, it turned to Chinese laborers who arrived already organized into disciplined work units under their own foremen.

For millennia, China has used this labor and considerable scientific skills to channel its vast amounts of water, mine rich seams of coal, build tunnels, enclose its cities and borders with walls and towers, and manufacture a variety of goods prized for their excellence around the planet. Even when divided by ideology or temporary political division or separated by vast distances after migration, families and clans deriving from the same villages have habits of cooperation to further such enterprises by sharing capital, labor, markets, and special connections. They hold together tightly even while stretching to take on global challenges.

As a result, China can contribute to global capitalism without being absorbed by it. These traits that help make it a great producer also make it a great consumer; its enormous population produces ever-increasing amounts of goods not only for world markets, but also for itself. Extensive use of low-skilled labor holds down the cost of manufacturing while providing millions of people with income to buy these new goods. Unlike many third world countries, China has developed huge budget surpluses stemming from a favorable balance of trade.

Yet China's form of capitalism holds back many of the processes (e.g., impartial civil and criminal law, bureaucratic independence, investigative reporting) required for modern capitalism to thrive. If it wishes to sustain its current rates of growth, it must find new ways to adapt to global capitalism by increasing the technical skills of its workforce, raising wages to expand domestic consumption, increasing efficiency, reducing corruption, enforcing business contracts, and cooperating with other nations on efforts to reduce worldwide economic and political instability. Global capitalism, in turn, must adjust to the needs of China's dynamic sector of the world economy, recognizing some of its unique obligations at home and in the region.

New Challenges

China has great challenges ahead. Like many third world countries, China's traditions offer little support for democracy. With its focus on obeying family and community leaders, China has suppressed individual expression. It has never allowed independent interest groups to form. Although it has long had laws, it has no tradition of rule of law. Competing political parties clash with Chinese traditions of harmony and unquestioning obedience to authority. This clash lets all elements of Chinese society support movements rejecting foreign influences even as they adapt to world technology, trade, and popular culture; yet this balancing act is becoming harder to maintain.

China's development has resulted in major problems. Deforestation, removal of ground cover and wetlands, water and air pollution, and giant engineering projects pose serious threats to China's food and water supplies, health, and standard of living. Despite the one-child policy (now a two-child policy), a growing population increasingly moving to cities is a growing strain on resources. The growing economy widens the gap between rich and poor individuals and regions (even with the new programs to extend greater prosperity to the countryside) and brings new opportunities for corruption; capital that should go into development ends up in personal bank accounts, which often results in shoddy construction. And many new blocks of flats and toll roads built to stimulate the economy remain empty and underused, leaving the banking system loaded with unrepaid loans. There are not enough jobs for college graduates, not enough young workers to run the farms, not enough services for migrants from the farms to the cities, and declining supplies of water as water tables drop and glaciers melt. This inefficiency, fast economic growth, and reduction in central planning have caused severe inflation and severe deflation, overbuilding, unemployment, declines in social services, dangerous products and deadly accidents, and social discontent.

These problems are amplified by an unpredictable legal system that leaves business contracts and individual liberties unprotected and makes both foreign investors and educated Chinese uneasy. In addition, China has put inadequate resources into educating a workforce with skills to run all the new enterprises; it is rapidly working to rectify that deficiency, but it has a long way to go. Hong Kong and Taiwan, both critical to China's economic future, are especially sensitive to these concerns. Military threats to Taiwan or offshore islands and crackdowns on dissidents and ethnic minorities periodically threaten to upset the peace. These problems challenge China as it strives to retain its fast-paced economic growth.

Its leaders are sensitive to all these problems and have devised an array of programs—minimum wage, living allowances, health and unemployment insurance, pensions, tax relief and school subsidies for poor farmers, environmental projects and regulations, and many more—to address them. Their desire to do so derives from the long tradition of the Mandate of Heaven, explained in Chapter 4. They recognize that their legitimacy and grip on power depend on continuing economic growth that prevents poverty and social disorder from increasing. But they are also hesitant to make moves that affect their own personal fortunes and do not hesitate to use the public security apparatus to crack down on some of the same phenomena (e.g., blogging, election campaigning, formation of interest groups, educational reform, and judicial independence) that are needed to make such programs a success. Will they spend the large amount of money and political capital needed to make those programs work? Can they work without democratic reforms? What is the potential for such reforms to occur?

Young people who marched in the 1989 demonstrations and elders who once fought for a workers' revolution are now advanced in years and preoccupied with making money, and helping (or being helped by) their grandchildren. Many younger Chinese also revel in newfound freedoms to express themselves in music, dress, sexuality, and other nonpolitical ways. Growing numbers of them are buying new condominiums, and all those cars and iPhones. Meanwhile, the security of guaranteed jobs, housing, and social services provided by work units during the Maoist years fades away. By 2008, increasing numbers of people could not find full-time work and could not afford to rent or buy housing, much less a car. They were using their computers and cell phones to blog complaints about their situation, official corruption, government cover-ups, and much more. And it was becoming more difficult for the government to stop them from spreading this "harmful information."

The governments under Hu Jintao and Xi Jinping tightened control of unwanted material on the Internet. At the same time they created new subsidies for health care, seniors, and migrant workers; ended taxation on farmers; maintained employment by redoubling the construction of infrastructure to keep people working; and encouraged investment in the new stock markets to increase domestic consumption. To boost morale and stem the outward flow of capital, Xi initiated proceedings to jail high officials who were pocketing public money. But those popular moves have proven unsustainable over time. In 2016 China's stock markets suffered big losses in value, impacting the savings of many of these new small investors, and real estate declined in value. Old state industries, allied with local and regional party secretaries and financed by state banks, still dominated most sectors (e.g., steel, road and railroad construction, energy, and real estate) of the economy. Under this free socialist market, neither the government nor the market has the power to find the right balance between supply and demand.

Both citizens and leaders are profoundly torn by whether to follow traditional Chinese ways or, rather, trends from the outside world. They want to solve the many problems accompanying the rapid change without destroying the fabric that has held China together as a great nation over millennia. Meanwhile the more fortunate of them are studying and traveling abroad and lining up at Pizza Hut, Taco Bell, KFC, and McDonald's.

China has become a modern urbanized society. Its agricultural land is giving way to expressways, suburbs and new cities, industrial and amusement parks, parking lots, train stations, airports, car dealerships, and shopping malls. Every morning in cities throughout China, their millions of new Chinese-made Buicks, BMWs, Nissans, Mercedes, Porsches, Hondas, Hyundais, VWs, Jeeps, Fords, Chevies, and native brands like Chery, Geely, Brilliance Auto, and BYD fill the ring roads (Beijing has six) and expressways as fast as they can be built.

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Morning urban traffic.

Young rural youth are attracted to the bright lights of the cities, leaving shortages of labor on the farms. They, like their urban counterparts, have no memories of the Cultural Revolution or the crackdown on Tiananmen Square. Like their digitalized counterparts in Western Europe and North America, these young people are glued to their smartphones, are liberated by their cars and motorcycles, are blogging with virtual friends, and are increasingly oblivious to pressures from their extended families or ideological debates about "historical nihilism" or "creating a harmonious society." In their quest to keep up with the latest fashions in clothing, music, hair styles, going to clubs and restaurants in their leisure time they may be loosening some of the "filial piety" bonds that, as Chapters 4 and 5 explain, have made China productive. And while they may be learning little about democracy, their inner callings may make them harder to control. Could that be so? Will they seek to solve social problems and fulfill their social obligations? As their numbers grow, will they fill the new high-rise apartments, villas, and condos under constant construction? And will they continue to support the Communist Party's control of government?

The slowing economy is cutting down on new jobs available to the over 7 million university graduates each year. The best jobs—in the civil service and state-run industries—go to those from wealthy families with good connections. Many graduates take low-paying jobs not actually requiring a degree. About a fourth remain underemployed as they backpack around China or abroad, try to start a dot-com company, enjoy art or music or religious experience in laid-back digs, or look for a better-paying job. Some of them are frustrated and want to move abroad, or support new left

Maoist reform at home, or just hang out with their friends, real and virtual. Yet they may need to borrow from mom and dad or take small part-time jobs to pay for that car and flat and two or four wheels or bus fares to get around and/or get a spouse.

And they want other countries to respect their country's sovereignty and their accomplishments. They are nationalistic. The over 3,000 channels of TV are government controlled. Many Chinese-produced shows feature heroic deeds in support of the Communist Party and the nation. One of the greatest challenges in this regard is sorting out the relationship between China and Taiwan. A growing number of younger, and many older, people in Taiwan would like it to declare full independence from China and go its own way; in contrast, most young and old citizens of China are fiercely nationalistic and believe Taiwan must be a part of China. With President Donald Trump in the background as economic problems persist, there is danger that this nationalism will President Xi Jinping into military confrontation. We discuss that possibility in the last chapter. Will China find creative, or destructive, ways to deal with these tensions?

Meanwhile, the government has already built a vibrant infrastructure of roads, tunnels, bridges, railroads, from freight to bullet power stations, airports, harbors, and schools poised to help quickly absorb into the modern economy the inland rural populace left behind until this point. Combined with the already booming spending of the coastal middle class and the incentives to increase domestic spending caused by a worldwide backlash against globalism, those billion people offer China the world's strongest reservoir of growth potential. This gives it an impressive reser-

Robert E. Gamer

The Beijing headquarters of China's CCTV near LG Towers.

voir of resources to deliberately charge ahead while other countries turn inward.

During the past decade, too, China's central government has become increasingly attentive to a threat that has been made worse by its rapid degradation of the environment: water shortages. China's productivity over the centuries has depended on its prolific supply of water from the Himalayas and other high ranges nearby. In recent years, the western part of China has experienced declining rainfall. Its 46,298 glaciers (in 2006) are melting at two to four times the rate they were forty years ago. They feed the headwaters of the Yellow, Yangtze, West, Brahmaputra, Mekong, Ganges, Salween, Irrawaddy, and Indus Rivers. If this rate of melt continues, by many estimates they will all be gone by the end of the twenty-first century or much earlier. In addition, most of the revival of agricultural production in the north of China depends on irrigation supplied by groundwater. Water tables there decline at a rate, in many places, of 4 feet a year. Without these water sources, large portions of China could turn to desert. Is this a real possibility? And are China's new environmental and water management policies—including the 2016 signing agreement between General Secretary Xi and President Barack Obama, which triggered the implementation of the Paris Climate Agreement—appropriate and sufficient to supply China with the water it needs?

We explore all this in the pages ahead.