



China in a Nutshell

Dr. Jim Goodnow
University of North Texas



Why China Matters to the USA

- Most important rival for global political hegemony
- Most important global trading and investment partner
- Earth's largest cities (Shanghai and Beijing) and urban area (Pearl River Delta)



Chinese Superlatives

- World's most populous country (India a close second) – 1 in 5 of Earth's inhabitants is Chinese. Four times the population of the USA.
- World's largest economy (GDP measured by purchasing power parity) – grew from insignificance in 40 years but on average 1/4 the per capita income of Americans
- World's largest international trader (recently surpassing the USA) – again accomplished in 40 years
- Chinese invented printing with moveable type (before Gutenberg), paper, gunpowder, the compass
- The world's longest lasting period of imperial dynasties/kingdoms – eight major and 21 minor (nearly 580 kings or emperors – only one of whom was female)

Chinese Geography – Earth's 4th Largest Land Area

- East to West "stair steps"
- 92% Han majority in most developed east
- 8% minorities (56 official) around less developed "necklace"
- Three major rivers;
 - Yellow (Huang He)
 - Yangtze
 - Pearl



Fundamental Thesis

- The nearly 4000 year history of the ebbs and flows of dynasties plus its current Communist regime is a mirror for understanding behaviors and policies in 21st century China

Prehistory

- Humans probably arrived in China 500,000 years ago. Like the rest of the world, they were probably hunter gatherers who eventually settled in small agricultural communities along the Yellow River valley in the north as well as along the coastal plains north of today's Shanghai
- Apart from a few pots, archeologists have found very little evidence of the Xia Dynasty that may have ruled prior to 1800 BCE (at the time of Egypt's Middle Kingdom). The Xia developed sophisticated irrigation systems to stem some of the ravaging floods.

Shang Dynasty 1800-1100 BCE

- Concurrent with the New Kingdom in Egypt and the Hebrew Exodus
- Unified a significant portion of today's northern China by military force (including many slaves)
- Enhanced by bronze objects that improved agricultural and military pursuits
- The major archeological remains are magnificent bronze ceremonial objects (many of which are beautifully displayed in the Shanghai Museum.)

Shang dings
(ceremonial pots)



Shang pitchers



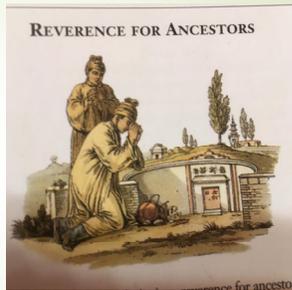
Zhou Dynasty 1100~360 BCE

- Overlaps with Assyria, Babylon, and Persian dominance in the Middle East
- Major legacy is the codification of Chinese cultural behaviors and philosophies

Foundations of Chinese Culture

- Nature can be beautiful but cannot be controlled. Hence, the concept of fate. Prosperity depends on luck. Architectural feng shui relates to interpretation by fortune tellers.
- Chinese concept of heaven a blend of polytheism (many gods headed by the Jade Emperor) and hazy greyness (similar to the Jewish concept of Sheol rather than the Christian and Islamic concept of an everlasting paradise filled with light and bliss.)
- The extended family including its ancestors is the foundation and center of society. Great respect for elders.
- Harmony in small closed societies exists because each member knows and plays his or her appointed role. Correction takes the form of lessening one's reputation or status (losing face or mianzi) rather than bodily punishment. Reciprocity is very important. The family and the small agrarian community in which it lives creates social barriers to outsiders. This leads to the concept of guanxi or connections.

Reverence for the Ancestors



Confucianism
Kong Fu Tze (or
Master Kong)

- Teachings later amplified by Mencius



Fundamental Confucian Precepts as Found in The Analects and I Ching

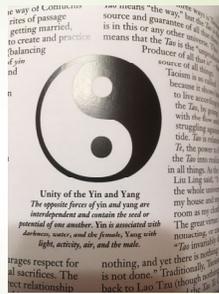
- Ethical relationships based on tradition
- Jen – compassion based on genuine love
- Li – transcendent ritual and etiquette-based social behavior
- Qualities: humaneness, tolerance, harmony, wisdom, sincerity filial piety, uncritical of others
- Individuals should be “noble” by conforming (neither overly ambitious nor lazy) – doctrine of the mean.

Forms of Filial Piety

- Benevolent sovereign and loyal subject
- Loving parent and obedient children
- Good and fair husbands and understanding wives
- Gentle elder sibling and respectful younger siblings
- Considerate older friends and reverential younger friends

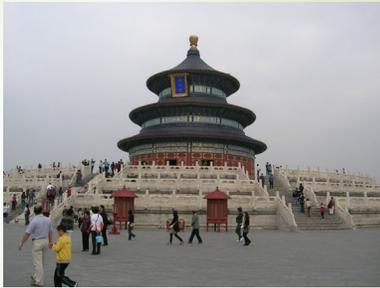
Yin and Yang

- Daoism and Confucianism are personality opposites. The former appeals to unbridled emotions while the latter appeals to the rules-constrained intellect.



The Mandate of Heaven

- Rulers continue to be powerful under the mandate of heaven if they are benevolent
- They lose power under the mandate of heaven if they are cruel, self-serving and/or corrupt



Spring and Autumn Period 800-500 BCE

- Overlaps with middle of the Zhou Dynasty
- A period of relatively peaceful disunity

Warring States 500-~222 BCE

- Overlaps with the decline and fall of the Zhou Dynasty
- Contemporary with the height of Greek culture in the West
- A period of civil war between rival local fiefdoms

The First Emperor Qin Dynasty 221-206 BCE

- Military leader who conquered most of northern and central China followed by his less skillful son
- Started building the earthen Great Wall
- Archeological legacy is his tomb (Terra Cotta warriors)

Qin Shi Huangdi
221-210 BCE



Terra Cotta Warriors (Xian)



The World's Largest Bronze Artifact



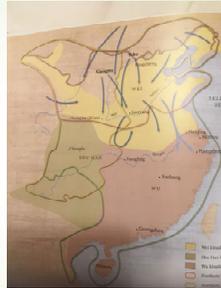
Han Dynasty 206 BCE-220 AD

- Overlaps with Roman Republic and Empire
- Early Han 206 BCE -9 AD (First Golden Age)
- Xin emperor 9-25 AD (overlapping Jesus's formative years)
- Late Han 25-220 AD (overlapping early Christianity)

Legacies of the Han Dynasty

- Confucian ethics and rituals institutionalized
- Competitive examinations for court civil servants and scholars (shi)
- Iron supplants bronze weapons and agricultural implements
- International trade with neighbors, Southeast Asia, Indian subcontinent, Europe (Silk Road)

Three Kingdoms 221-481 AD Overlaps with Byzantine Period



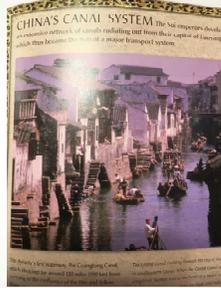
Buddhism Arrives in China Around 300 AD

- Premise: Overcome suffering and endless reincarnation by getting rid of attachments
- Appealed to many Chinese who felt downtrodden by Confucian formalism and related hierarchies.



Sui Dynasty 501-618 AD

- Improves the Grand Canal



Tang Dynasty 618-907 AD Brings China's "Renaissance"



China's Only Female Emperor Wu Zetian

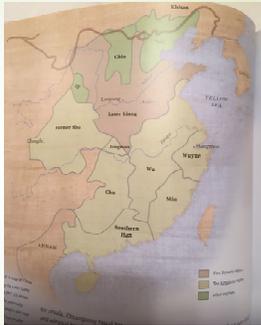
- Concubine to the Tang Emperor kills her own child and blames Empress
- Empress is killed; Wu becomes Empress at age 30; assumes more power the next year after the Emperor suffers a stroke
- Crown prince is poisoned and other rivals killed at Wu's request
- Her son becomes Emperor but she has him abdicate
- She becomes "Emperor" in 690 AD at age 64
- Deposed in 705 AD following exposure of two love affairs
- Dies in disgrace in 706 at age 80

End of Part 1 of the course

- Any questions or comments?

Five Dynasties and Ten Kingdoms 907-960 AD

- Throughout most of the Tang period, Islam had spread throughout the Middle East and beyond (reaching the western edges of China)
- This was a five plus decade era of regionalism between two great dynasties (the Tang and the Song)



Western and Southern Song Dynasties 960-1276 AD

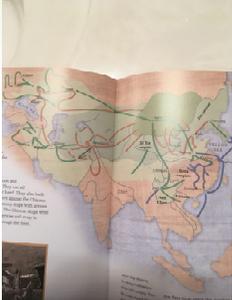
- Crusades and cathedral building in Europe and the Middle East
- Also Viking and Norman conquests in Britain as well as Magna Carta
- Jin Dynasty overlapped from 1115-1234 AD (invaded from the north)
- A period of civility and less warfare and the growing importance of the civil service and communications (with the invention of moveable type and nationwide paper currency)
- Growing importance of the Silk Road

Yuan (Mongol) Dynasty 1276-1368 AD

- Rule by descendants of Genghis Khan
- Coincides with extended visit by Marco Polo

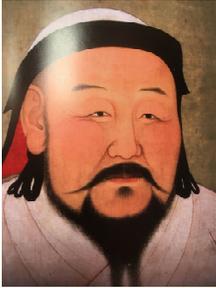
Mongol Invasions in Eurasia

- Overpowered the Song Dynasty



Kublai Khan 1264-1276

- Ruled over about half to two-thirds of the Eurasian landmass



Marco Polo's Visit



Ming Dynasty 1368-1644

- Overlaps Europe's Renaissance and Age of Discovery
- Major legacies include rebuilding the Great Wall, building Beijing's Forbidden City as well as artistic creations – especially porcelain

Legacies of the Ming Dynasty



Qing (Manchurian) Dynasty 1644-1911

- Overlaps most of American history prior to World War I
- Manchurians blended with Chinese culture
- Outside influences led to decline starting in the middle of the 19th century
- Portuguese Jesuit missionaries
- Treaty with Russia
- Taiping Rebellion (pro Christian)
- Opium War with the British who wanted cheap tea
- Anti foreign Boxer Rebellion
- Japanese invasion of Manchuria

Dowager Empress Cixi and her excesses



Last Emperor Puyi



Republic under Sun Yat Sen

- Started in 1911 and ended with Sun's death in 1925
- Followed by a period of war lord conflicts eventually won by Chiang Kai Shek and the Nationalists (Kuomintang)
- Nationalists exiled to Taiwan after Communist takeover in 1949



Mao Tze Tung 1949-1976

- Developed Marxist/Leninist regime
- Lack of administrative experience led to eventual failures of the Great Leap Forward in the 1950s and the Cultural Revolution of 1966-76
- Support for proxy wars in Korea and Indochina

China's Governance

- Constitution of 1954 replaced in 1982 and most recently revised in 2018
- President is also head of the party and commander in chief
- Premier is head of government
- 3000 member People's Congress elects 24 member Politburo
- Real power rests in nine member Standing Committee
 - Deliberations of both Politburo and Standing Committee are mostly secret
 - Regulations by provincial and township authorities are mostly transparent

The PRC was called Red China. But China has always been “red.”

- The color red symbolizes happiness, prosperity, good luck and longevity

Mao’s Chosen Successor: President Hua Guofeng (1976-78)

- Gang of Four – including Mao’s widow were imprisoned
- Effective national leadership power went to the vice premier Deng Xiaoping by 1978

Deng Xiaoping – de facto Chinese leader 1978-1989

- “To be rich is glorious”
- Encouraged mix of socialist government and free enterprise economy (Socialism with a Chinese face or market socialism)
- Inspired China’s amazing four decades of national and individual economic advancement

Shenzhen Special Economic Zone

- Perhaps Deng's best success story
- Seaside area just north of Hong Kong's New Territories, close to Guangzhou (Canton) – China's major trading city
- Eliminated most PRC restrictive investment laws
- Population grew from 30,000 in 1980 to at least 12 million today or about 20 million when you add part-time residents – 12th largest city in the world and about 33% more population than in Hong Kong (but lower per capita living standard)
- Filled pent up need for low cost manufacturing to support historic trade of Hong Kong and Canton; today, the high tech capital of China

Skylines: Beijing, Shenzhen, Shanghai



Technocratic leaders after Deng and before Xi

- Two presidents and heads of the Communist Party (Jiang and Hu) were trained as engineers and had been successful regional administrators
- Major projects included the rebuilding of cities (such as Shanghai's Pudong) and new cities (such as Shenzhen) as well as infrastructure (such as the Three Gorges Dam)

One child policy began in 1979 but has been recently relaxed

- “Little emperors”
- Traditional education emphasizes excellence in rote learning for exams rather than critical thinking and creative pursuits
- Twelve males for every ten females (up to 30 million males without mates)

Xi Jinping

- Born in 1953 (first post World War II leader)
- Exiled with his family to a cave in Shaanxi province during Cultural Revolution; learned agricultural skills
- Joined the Communist Party in his late teens for self protection
- Chemical engineering graduate of Tsinghua University
- Several regional administrative posts prior to becoming head of the Communist Party in Shanghai
- Served as China's Vice President until he became President in 2013
- Became President for life in 2018

Li Keqiang

- Current Premier of the PRC
- Born in 1955
- LLB in Law and PhD in Economics from Beijing University
- Prize winning economist
- Free market advocate

Vision of President Xi Jinping

- Continue modernization but include support for state-owned sector
- Enlarge border protection (in space and in the South China Sea – including artificial islands)
- Recognize importance of the two prongs of China's economy – exporting and developing the domestic retail market (soon to be largest in the world)
- Support Belt and Road Initiative (infrastructure development throughout the Eastern Hemisphere) in the spirit of the historic Silk Road
- Listen to internal political concerns about international relations (e.g. North Korea, trade war with the USA)
- Advocate globalization and less internal corruption

One Belt, One Road Initiative

- Pakistan rail corridor especially important for importing petroleum

NERICS China Mapping
One Belt, One Road: With the Silk Road initiative, China Aims to Build a Global Infrastructure Network
Projects completed and planned: December 2015

Trade with the USA

U.S. and China trade standoff: What's at stake

U.S. imported record \$539 billion in goods from China in 2018, in billions

Computers & electronics	\$186.5
Electrical equipment	\$49.9
Miscellaneous manufacturing	\$44
Machinery	\$38.7
Clothing	\$29.8
Fabricated metal	\$28.5
Furniture	\$25.8
Transportation equipment	\$21.7
Chemicals	\$21.4
Plastic & rubber products	\$20.2
Leather and similar goods	\$20

U.S. exported \$120.3 billion in goods to China in 2018, in billions

Transportation equipment	\$27.8
Computers & electronics	\$17.9
Chemicals	\$16.2
Machinery	\$11.1
Oil & gas	\$7.1
Farm crops	\$5.9
Miscellaneous manufacturing	\$3.7
Waste & scrap	\$3.5
Electrical equipment	\$3.4

Source: U.S. Census

Trade with and public Investment in the USA

- What will be the outcome of the Trade War?
- To what extent are subsidiaries and joint ventures of US companies responsible for China's exports to the US?

U.S. Trade Deficit With China

The U.S. trade deficit with China was \$419 billion in 2018.

Total U.S. imports from China: **\$540 billion**

Total U.S. exports to China: **\$120 billion**

Largest U.S. Imports

- \$77 billion in computers
- \$70 billion in cell phones
- \$54 billion in apparel and footwear

Largest U.S. Exports

- \$16 billion in commercial aircraft
- \$12 billion in soybeans
- \$10 billion in autos

China owns **28%** of U.S. public debt to foreign countries.

the balance

Technology disputes and issues

- Stealing technology secrets (and piracy)
- Chinese students bring back latest technologies from universities in other countries (but other nations are learning from Chinese innovators)
- Requiring joint ventures rather than wholly owned foreign direct investments
- Breakthroughs in 5G and artificial intelligence technologies
- Facial recognition and consumer purchasing preference monitoring software can control behavior of Chinese citizens (and can limit activities of dissidents and minorities)
- Cyber interference with politics in other countries as well as cyber innovations in space remain largely secret

Significant air and water pollution

- Dependence on fossil fuels for more than 70 percent of energy
- Heavy investment in anti pollution technology
 - World's number one producer of wind turbines and solar panels.

Return to Confucian values?

- Importance of family (and company small group) harmony and the minimization of individualism; recognition of roles and relationships
- Is President Xi behaving under a quasi mandate from heaven?

Is China a Threat or a Collaborator?

- Undemocratic system still has human rights abuses (e.g. detention of Uighurs) but has had no external application of military force since a minor skirmish with Vietnam in 1988. Sun Tzu's Art of War (6th century BCE) suggested that military force should be used only when there is no other alternative. Role of man-made Islands in South China Sea?
- High tech espionage and currency manipulation (no freely floating exchange rate) threaten US economic interests
- Industrial policy (China 2025) includes subsidies for electric cars, next generation information technology and telecommunications, artificial intelligence and advanced robotics. Should the US do something similar (as was proposed by Senator Marco Rubio)?
- Should the USA more fully collaborate with the Chinese? (UNT is cooperating with Chinese in distance education technology.) Should US firms (Boeing, Caterpillar, Bechtel etc.) be encouraged to participate in Belt and Road Initiative projects?

Questions or Comments?
