

The China Model and Its Implications

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CNN Commentator Zakaria:

“The rest of Asia have almost all embraced the Western political model, why not China?”

Zhang Weiwei:

“China’s performance is **better** than other Asian countries **combined** over the past 3 decades. Let the two models compete.”



China's Rise (1978-2017)

- Annual GDP growth rate: 9 %
- Annual trade growth rate: 15%
- Total GDP: US\$ 13.1 trillion (2017)
- Total GDP (ppp): US\$ 17.6 trillion (2014)
- Total trade volume: US\$ 4.43 trillion (2017)
- Poverty reduction: 783 million (2017)
- Middle class: 400 million (2017)
- Foreign ex. reserves: US\$ 3.13 trillion (2017)
- Outbound tourists: 130 million visits(2017)
- On the right track? 90% yes (Ipsos 2016)

4 Industrial Revolutions in 4 Decades

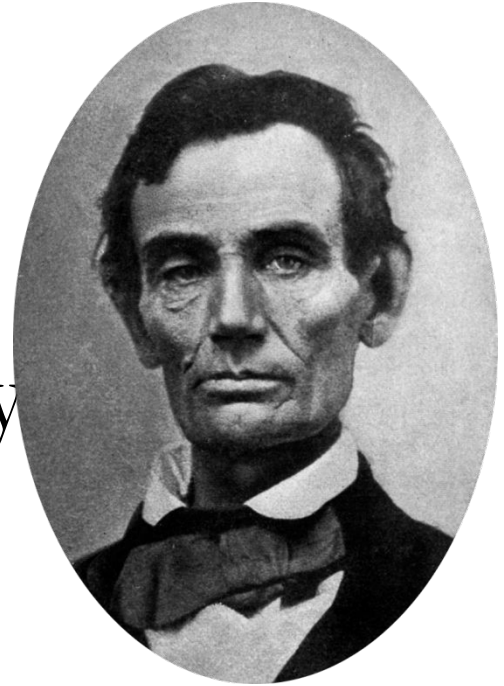
- **The First revolution: 1978 – 1995**
 - Textiles etc. (township industries)
 - Coastal Development Strategy (1988)
- **The Second revolution: 1992 – 2010**
 - - Power and other industries
 - - WTO (2001)
- **The Third revolution: 1994 –**
 - - Telecommunications etc. (2G,3G,4G)
- **The Fourth revolution: on-going**
 - - big data, AI, quantum communications etc.

DEBATE WITH FUKUYAMA IN 2011

The Arab Spring? America's Political Reform? End of History?



A government of the people, by
the people, for the people...



For the people

A comparison between US-CHINA's Net Household Assets at medium level

\$126,000

In 2007
USA

\$93,000

In 2009
USA

\$77,300

In 2010
USA

\$66,300

In 2010
CHINA

Resource: Survey of US's Consumer Finance 2012, by FED, the USA, and Investigation on China's Family Financial Report 2012, by Southwestern University of Finance and Economics, CHINA

↑
CHINA's Urban Households

Double Eleven: China vs US

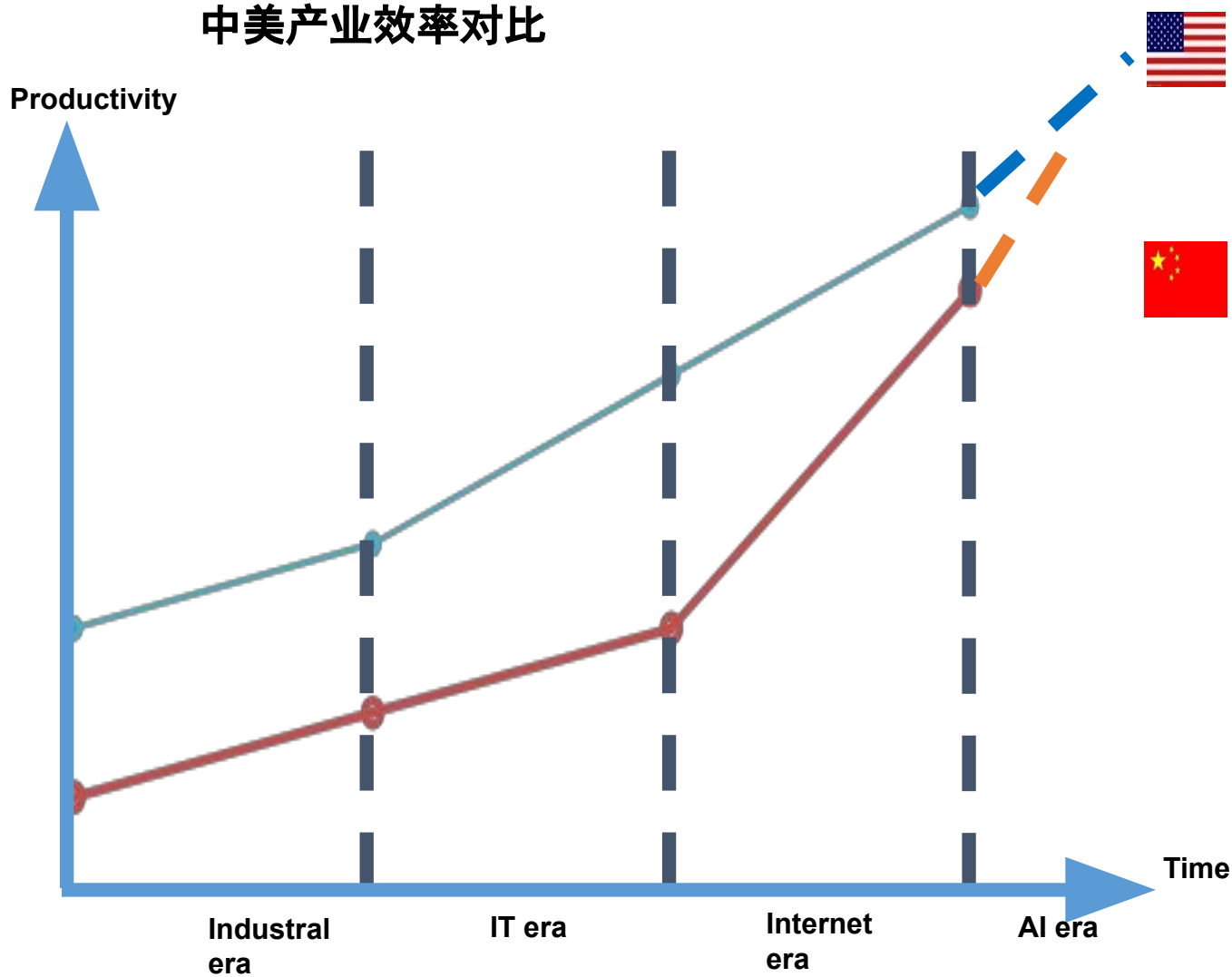
- **China: Double Eleven: 45 billion US\$**
- Ali: 30.8 billion US\$ (10 billion US\$ in one hour)
- JD: 23 billion US\$ (1-11 Nov.)

- **US Comparison: 18.6 billion US\$**
- Black Friday: 8 billion US\$
- Cyber Monday: 6.6 billion US\$
- Amazon Prime Day: 4 billion US\$

Source: Yale Jackson Institute for Global Affairs

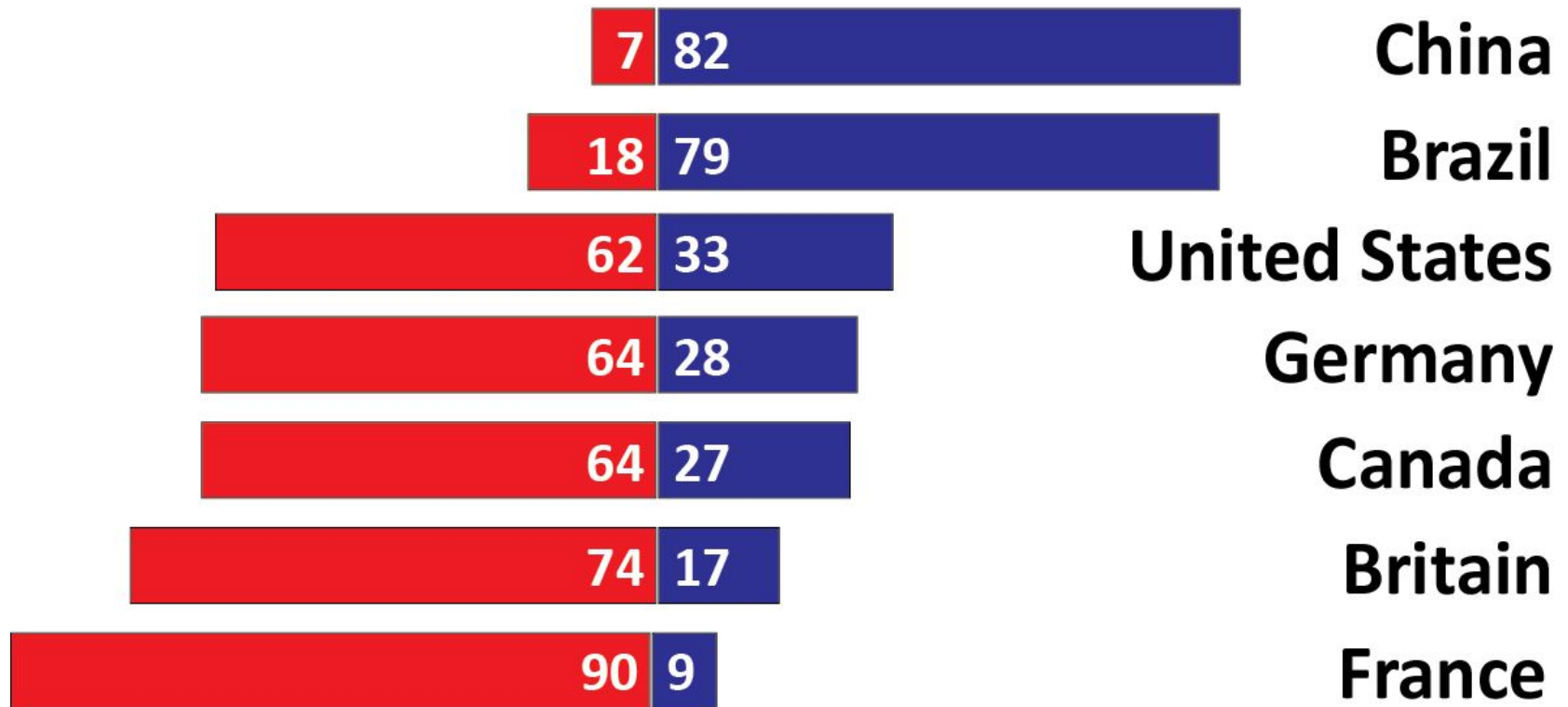
China's catching up

中美产业效率对比



“When children in your country grow up, do you think they will be better off or worse off financially than their parents?”

Worse Off Better Off



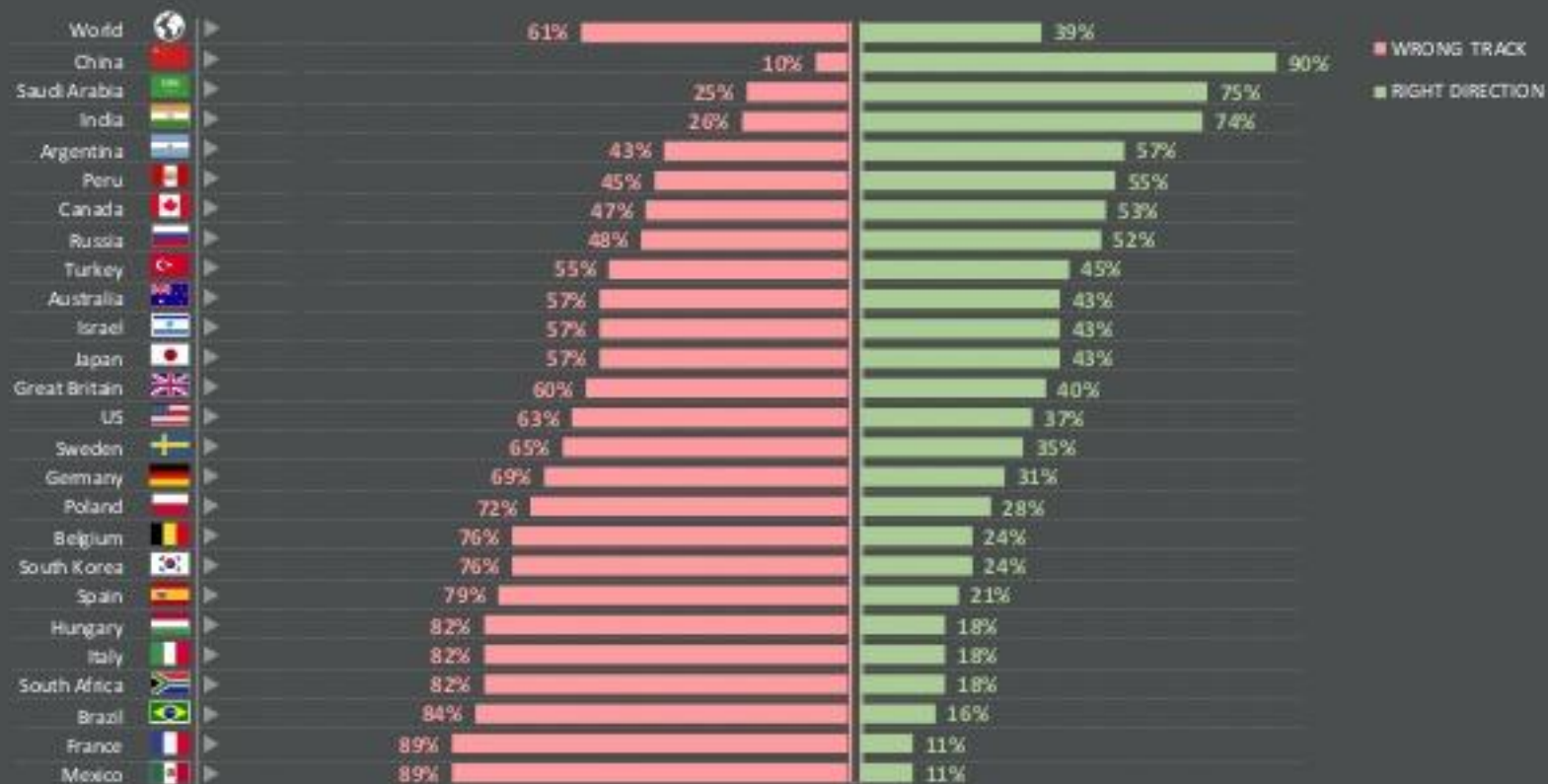
Source: Pew Global Attitudes Survey, Spring 2013

Is your country on right track?

Ipsos Public Affairs

COUNTRY COMPARISON

RIGHT DIRECTION/WRONG TRACK

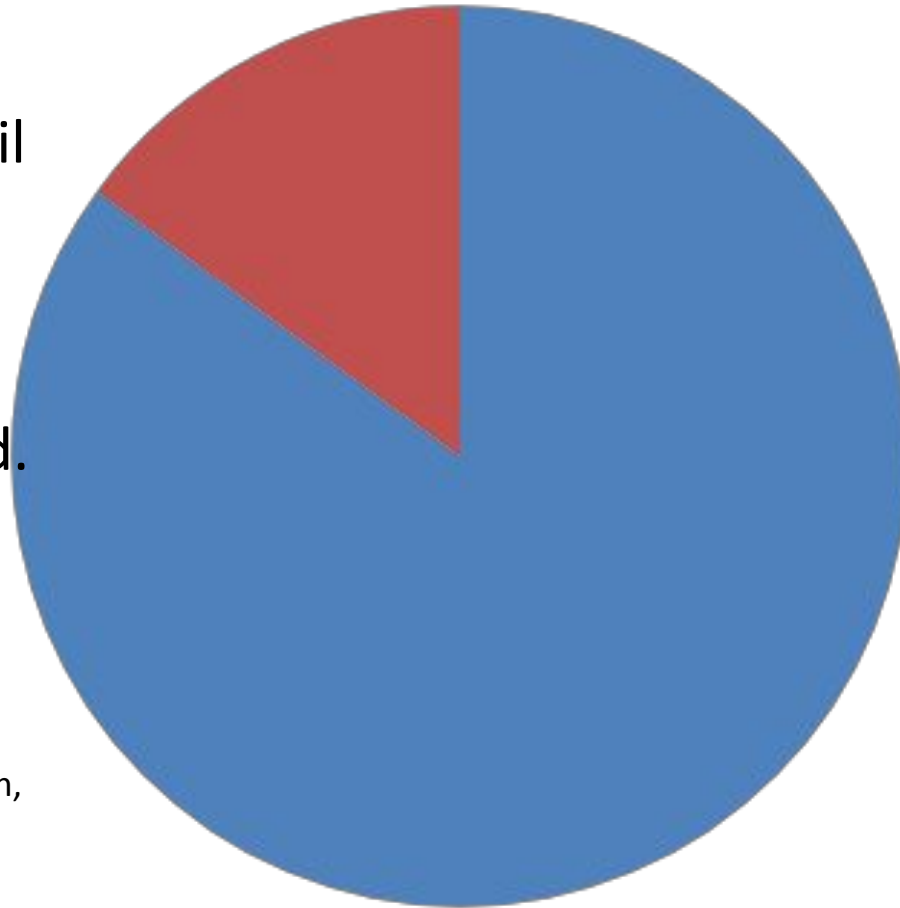


Base: Representative sample of 18,064 adults aged 16-64 in 25 participating countries, September 23rd - October 7th 2016

Source: Global Advisor

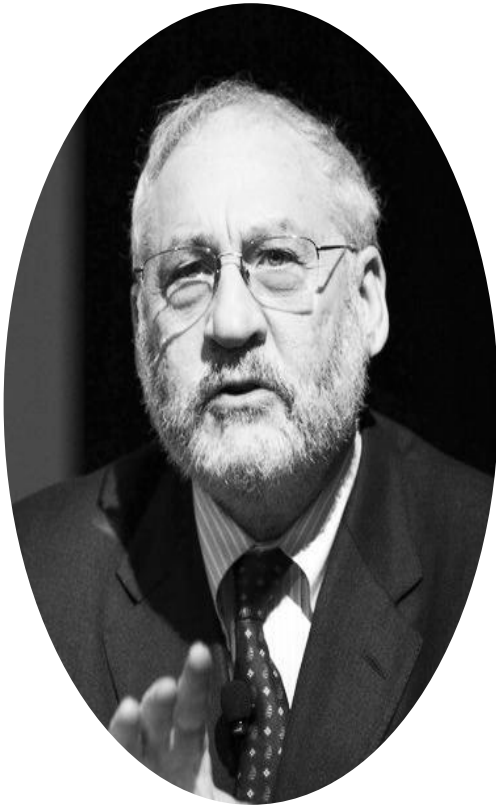
Of the People

95% of
Chinese civil
servants
come from
ordinary
background.



From speech by
Minister Yin Weimin,
9 Jan. 2013

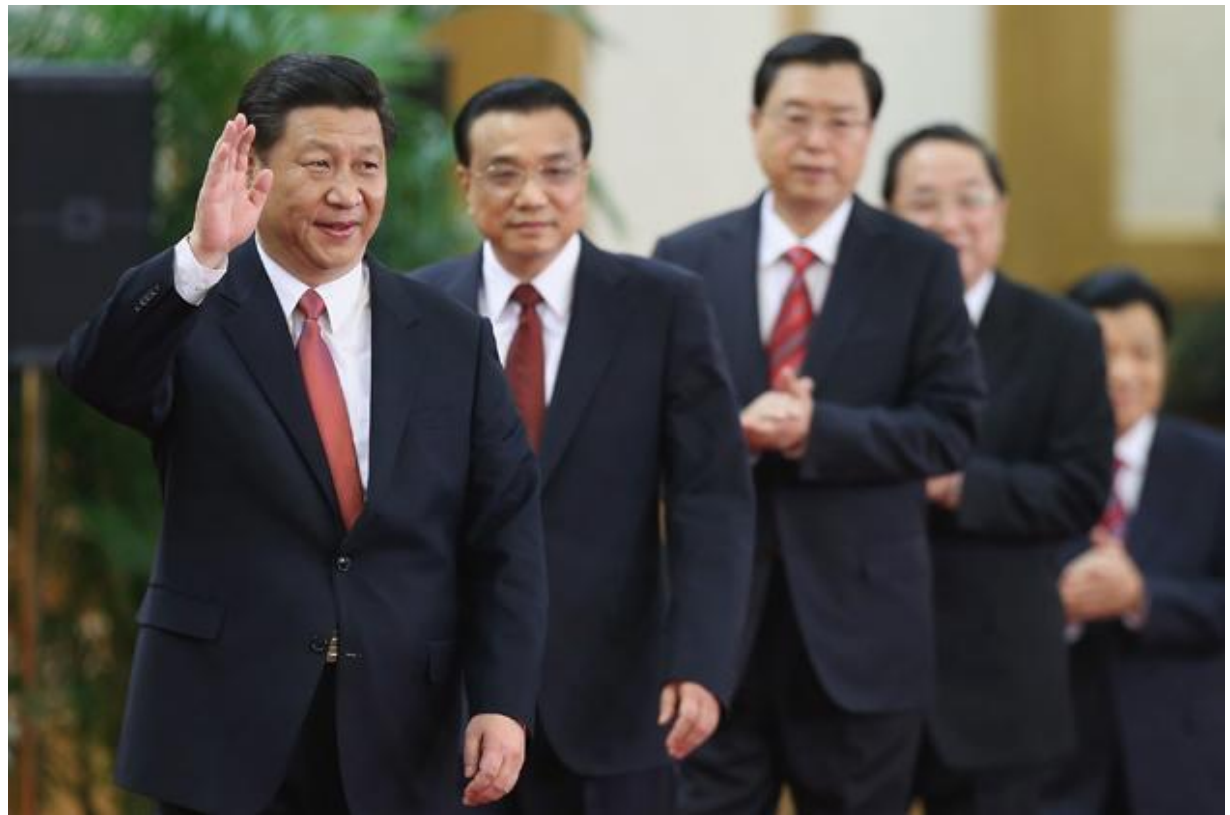
- ...is now of the 1%, by the 1%, for the 1%



By the people ?

- If multiparty and universal suffrage mean government by people, why “elect and regret” all the time?
- Forms produce substance or substance produces forms.
- China explores substance first.
- A paradigm shift: good governance vs bad governance, not democracy vs autocracy

China's democratic experiments (1): Meritocracy: Selection+Election



China's democratic experiments (2):
Decision-making: neo-democratic centralism



The making of Five-Year Plans

The Chinese State and the Party

China is a civilizational state, and the Communist Party of China is a continuation of China's long tradition of a unified Confucian ruling entity.

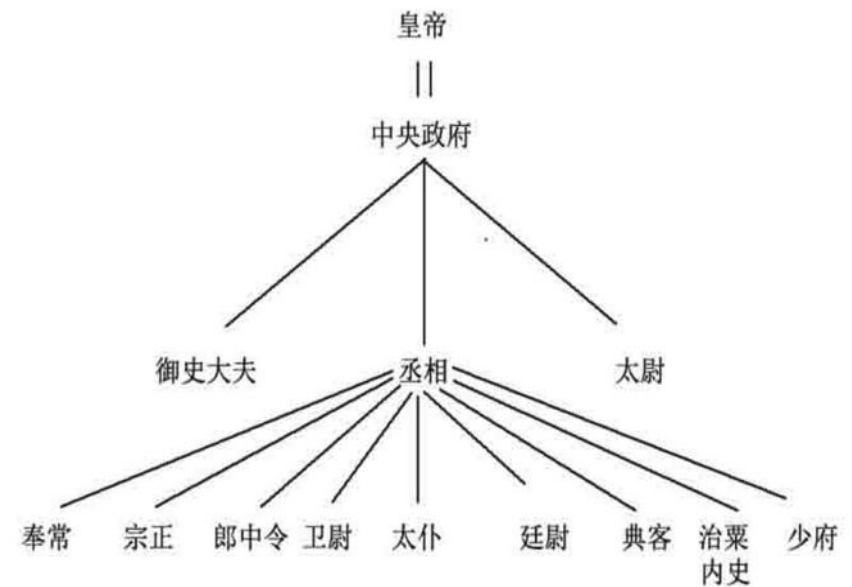




“One Party” : a grand coalition



秦朝中央行政机构关系图：

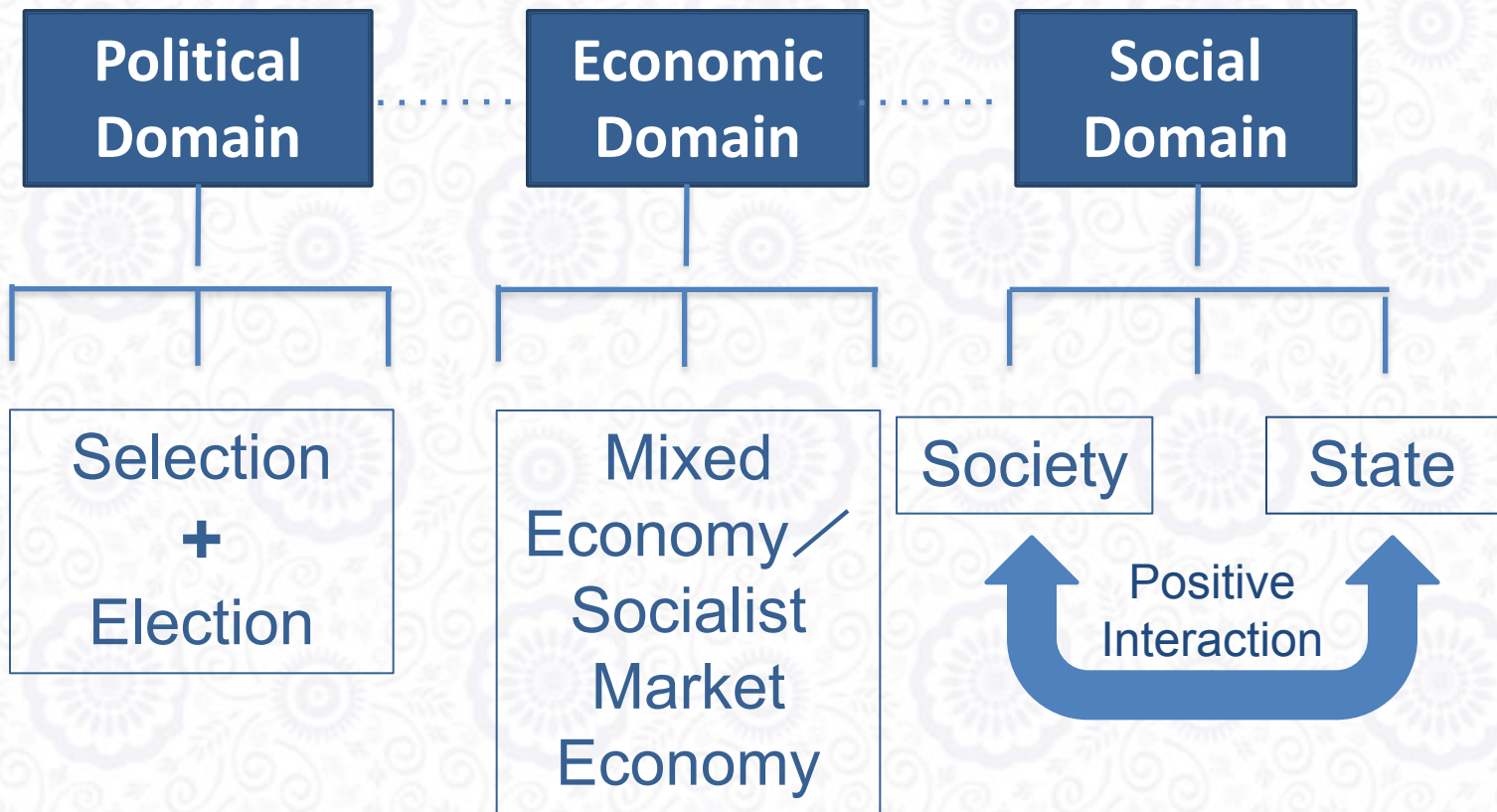


The First Unification in 221 BC

Unified Confucian Ruling Entity



The China Model in Brief



Legitimacy: *Minyi* vs. *Minxin* (民意 vs. 民心)



Mencius (372-289 BC)



Public opinions
vs.
Hearts and minds
of the people

Legitimacy: People's livelihood First



Priority of values: East Asia vs. USA

(D. Hutchcock's survey, 1994)

East Asia

USA

- | | | |
|------|-------------------|--------------------|
| • 1. | Social order | Freedom of Speech |
| • 2. | Harmony | Individual rights |
| • 3. | Accountability | Individual freedom |
| • 4. | Open to new ideas | Public debate |

Reflections on Western democracy

Three genetic flaws?

- Rational human being assumption.
- Absolute rights.
- Procedures all that important.

Three institutional weaknesses:

- Democracy or money-talkracy?
- Weak governance (e.g. Fukuyama: Vetocracy)
- Indebted economy

Chinese Socialism: Success and its future

1. the world's largest economy now or soon
(one UK every three years)
2. a middle class twice the US population in a decade.
(one France every three years)
3. medical insurance and pension for all.
4. the largest number of outbound tourists.
5. the world leader in alternative energies.
6. global impact: vertical to horizontal order.

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Is the China model an alternative to the Western model?

My answer is both yes and no.

Why No?

- **China has no messianic tradition, and it does not seek to impose its model on others**
- **China has high degree of political independence that few other countries can match**
- **China has a long history of strong and neutral state**

Why Yes?

- **The essence of the China model: a country should endeavor to find its own ways and means for development and prosperity in light of its own national conditions.**
- **Many of China's ideas and practices may inspire other countries.**
- **The China model may usher in a paradigm shift:**
From “democracy vs. autocracy”
to “good governance vs. bad governance”.

If Hamid Karzai had a choice...



The President of Afghanistan would have chosen differently.

“If we had a choice to begin again in Afghanistan, we would certainly opt for the Chinese Model of development. It is quick, decisive, and result-oriented, and it brings net results to all, so that’s a great model.”

THANKS! 谢谢 !

