

FREEMAN REPORT

FEBRUARY 2008

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Quote Of The Month

“We are ready to resume the human rights dialogue... We are willing to have exchanges and interactions with the U.S. and other countries on human rights on a basis of mutual respect, equality and noninterference in each others’ internal affairs.” ~ Chinese Foreign Minister, **Yang Jiechi**, speaking at a news conference in Beijing with U.S. Secretary of State Condoleezza Rice. China suspended the human rights dialogue with the U.S. in 2004 after the Bush administration sponsored an unsuccessful resolution at the U.N. Human Rights Commission attacking China’s human rights record. China’s recent decision to resume exchanges appeared to be aimed at countering criticism in the run up to the 2008 Olympics in August.
Source: *New York Times*, February 27, 2008

Trivia Question

How many text messages were sent in China during the week-long Spring Festival holiday? (cont pg 3)

FEATURE ESSAY

A GNAWING COLD

BY CHARLES W. FREEMAN III

The Year of the Rat scurried in on the back of four weeks of extreme winter weather in parts of China between January and February 2008. Severe snowstorms, hitting central and eastern provinces where ice and snow are rarities, created China’s worst natural disaster in 50 years. The winter storms scrambled the largest human migration in the world during China’s spring festival, when millions of Chinese migrant workers rush home for their only visit of the year. The damage to lives and property are still being tallied, but over 300,000 homes were destroyed and 90 million hectares of crops were destroyed – \$22 billion in direct economic losses. At least 80 people were killed.

The snowstorms were accompanied by massive power shortages and transportation blockages. Heavy snowfalls blocked railway tracks and destroyed overhead power lines. The winter weather sharply increased demand for coal and caused power blackouts due to fuel shortage. In the worst hit area in central Hunan province, Chenzhou city’s 4 million residents suffered more than 10 days without electricity and water.

From Beijing’s perspective, the timing could hardly have been worse. Coming at the height of the holiday travel season for China’s most politically vulnerable population, the storms stranded millions of travelers at airports and train stations. International media coverage of public frustration at the breakdown of infrastructure was extensive. The snowstorms brought into sharp focus the widening gap between rich and poor, urban and rural China, and the difficulties confronting China’s “floating population.” Given Beijing’s policy efforts over the past several years to “harmonize” social imbalances and thereby reduce the number of riots or “mass incidents,” the snowstorms seemed to raise the political stakes a scant six weeks before the opening of the National People’s Congress.

Yet for a couple of weeks the snowstorms went on with relatively little reaction from Beijing. After the outbreak of SARS and recent product safety scandals, (cont pg 2)

In The News

BEIJING The Central Party School released a blueprint report on political reform. Entitled *“Storming the Fortress: A Research Report on China’s Political System Reform after the 17th Party Congress,”* the 366-page report details political liberalization over three phases of reform in the next twelve years, including restricting the Party’s power and expanding citizen rights, with an aim to build a “mature democracy and rule of law” in the long run. Compared to China’s past efforts of political reform, the new report suggests that some elite advisers now see a need for a more concrete plan of action. At the same time, the authors still recognize that the Party must retain overall economic control.

BEIJING The first session of the 17th National People’s Congress (NPC) is scheduled to start on March 5 for two weeks. The upcoming NPC will elect top state and government leaders. The session will discuss a State Council proposal on institutional reform which will involve the streamlining of China’s current 28 ministries to create a “super ministry” system. According to media reports, the central restructuring plan faces substantial oppositions as some officials have strongly acted to protect their broad-ranging interests.

Beijing has taken some steps to strengthen its emergency response system. However, the Chinese government this time was admittedly “not prepared” for the unexpected extreme winter weather, according to head of China Meteorological Administration (CMA). Not until the final weeks of the crisis did the state-controlled Chinese media report on or do more than play down the reports about the disaster. Not until late in the process did Beijing recognize an “emergency” situation.

When the emergency was recognized, of course, the joint got jumping. Premier Wen Jiabao made several hasty visits to the hardest-hit areas (Hunan, Guangdong, Guizhou and Jiangxi) to appeal for calm and ease public frustration, including a highly public visit to the Guangzhou Railway Station to offer humble apologies to the migrant workers who had been waylaid there. Vice Premier Wu Yi also led an inspection tour of Jiangxi, where she urged local officials and workers to maximize relief efforts. Wen and Wu’s trips were politically charged and well publicized as part of Beijing’s crush of sudden responsiveness. At a minimum, their visits seemed to acknowledge the severity of the disaster and express Beijing’s commitment to doing everything it could.

When all was said and done, the central government mobilized 300,000 soldiers, 325,000 armed police, and 1.85 million paramilitary to participate in disaster relief efforts. More than 65,000 medical staff were sent to affected areas. The mobilization of millions of troops and officials spoke volumes about Beijing’s recognition of the extent of the potential political problem as much as the actual humanitarian problem.

In that regard, the comparison – not lost on policymakers in Beijing – between the public reaction to hurricane Katrina in the United States and the snowstorms in China is particularly striking. In both cases the underlying structures – the levies in the case of New Orleans, the power and transportation infrastructure in the case of China – were inadequate to withstand the respective natural disasters. Katrina became a political problem for the White House because of its alleged mismanagement of the relief effort. In the case of the snowstorms, once it recognized the emergency the Chinese leadership immediately treated the snowstorms as a political problem that required more than disaster relief.

In some ways, Katrina shocked the United States and its government by demonstrating the existence of a political underclass. Beijing did not need the snowstorms to let it know it has a “have-not” problem, and it moved quickly to quell the political effect of the storms.

Despite the effort, and even forearmed with its Katrina knowledge, Beijing’s efforts at emergency management hardly fared well. There were major delays to troop deployment. Relief workers were ill equipped or given inappropriate tools. It took almost three weeks for the State Council to set up a national command center to coordinate relief efforts. Coordination between center and local authorities suffered from a range of challenges, predictable and otherwise.

China clearly lacks an emergency management system to respond to extreme weather conditions like this. Still, and although putting institutionalized systems in place will be the key to managing future events, the appearances and messages of Wen and Wu were effective at preventing frustrations from boiling over into political unrest during the immediate crisis. Eventually, most holiday-goers did make their way home, and the weather began to subside.

As with Katrina, however, the economic impact may drag on long after the crisis subsides. While the full impact on the economy of power and transportation mayhem, disruption to industrial production, crop damage and fatal accidents is not yet clear, many analysts are forecasting higher food and energy prices for the spring. That could mean a longer-term political impact as well. Beijing was already concerned about the impact of inflation on social stability: this past autumn had already seen their share of rioting over vegetable oil, pork and egg prices, after all.

At the National People’s Congress meetings in March, the Chinese government will undoubtedly announce that the relief effort was a decisive success. There are reasons for self-congratulation. Beijing was decisive in mobilizing when it eventually recognized the extent of the crisis. Yet, as with Katrina, the lessons of the disaster are many for leaders wise enough to grasp them. A real test of Beijing’s mettle will be whether it addresses those lessons. If not, the snows of the Rat may gnaw at Beijing for years to come.

Charles W. Freeman III holds the Freeman Chair in China Studies at CSIS.

Publications

“Trade with China: The E.U. Speaks with an American Accent,” *Atlantic Outlook*, vol. 2, no. 1, CSIS Europe Program newsletter, January 29, 2008

By **Charles Freeman**, Freeman Chair in China Studies, CSIS

The article discusses Europe’s changing attitudes toward trade with China. The author suggests that the dramatic shift in Europe’s favorable perceptions of China since the beginning of 2008 has made European trade policies toward China increasingly resemble those of the United States.

[Click here for a PDF version of the report.]

“Critical Questions: China’s Economy and the Subprime Crisis,” CSIS, January 29, 2008

By **Charles Freeman**, Freeman Chair in China Studies, CSIS

In this series, Charles Freeman addresses the possible impacts of the U.S. subprime crisis and potential U.S. recession on China.

[Click here for a PDF version of the report.]

“Assessing China’s Response to the Challenge of Environmental Health,” *China Environment Series 9*, China Environment Forum, Woodrow Wilson International Center for Scholars, 2007

By **Xiaoqing Lu**, Research Associate, Freeman Chair in China Studies, CSIS, and **Bates Gill**, Director, Stockholm International Peace Research Institute

In this article, the authors examine the health impact of environmental pollution in China, with a focus on southern China. The paper spells out barriers to an effective government response, including the lack of inter-agency coordination and public participation. The authors argue that a comprehensive, inter-agency and collaborative strategy is required to stop China’s environmental health crisis from getting worse.

[Click here for a PDF version of the report.]

Foresight: 2008, Exclusive Analysis Limited, London: 2007

By **Melissa Murphy** (Contributing Author), Research Associate, Freeman Chair in China Studies, CSIS

London-based Exclusive Analysis Limited has published *Foresight: 2008*, which assesses the global risk landscape and plots key risks and opportunities by region.

Conference & Event

February 21 *Democracy in Taiwan: The Implications of the 2008 Taiwan Elections for Taiwan, China and the United States*

This event is the second round of the new series of joint public seminars hosted by CSIS, the Brookings Institution, and Georgetown University. The seminar introduced the key issues and dramatic context of the Taiwan election season – what is at stake in the elections and the implications for Taiwan’s political scene, cross-Strait relations, and U.S. interests.

TRIVIA ANSWER

17 billion text messages were sent during the 2008 Spring Festival holiday in China. This was a 13 percent increase from 15 billion messages in 2005. With China’s mobile phone subscribers amounting to 539 million people, an online survey revealed that almost 80 percent of respondents favored sending New Year’s greetings via text messages.

Source: “Message-Mad Chinese Say ‘Hpy Nu Yr,’” *China Daily*, February 15, 2008.

PUBLICATIONS FROM THE FREEMAN CHAIR 2007/2008*

* Please visit our website to access archived publications dating back to 2002.

2008

February

Foresight: 2008, Exclusive Analysis Limited, London: 2007

By **Melissa Murphy** (Contributing Author), Research Associate, Freeman Chair in China Studies, CSIS

"Assessing China's Response to the Challenge of Environmental Health," *China Environment Series 9*, China Environment Forum, Woodrow Wilson International Center for Scholars, 2007

By **Xiaoqing Lu**, Research Associate, Freeman Chair in China Studies, CSIS, and **Bates Gill**, Director, Stockholm International Peace Research Institute

January

"Trade with China: The E.U. Speaks with an American Accent," *Atlantic Outlook*, vol. 2, no. 1, CSIS, January 29, 2008

By **Charles Freeman**, Freeman Chair in China Studies, CSIS

"Critical Questions: China's Economy and the Subprime Crisis," CSIS, January 29, 2008

By **Charles Freeman**, Freeman Chair in China Studies, CSIS

"Decoding Chinese Politics: Intellectual Debates and Why They Matter," CSIS, January 2008

By **Melissa Murphy**, Freeman Chair in China Studies, CSIS

2007

November

"China: An Olympic Hangover?," *Global Forecast: The Top Security Challenges of 2008*, CSIS, November 2007

By **Charles Freeman**, Freeman Chair in China Studies, CSIS

"China's Civil Society Organizations: What Future in the Health Sector?," CSIS, November 2007

By **Bates Gill**, Director, Stockholm International Peace Research Institute, **J. Stephen Morrison**, Director, Africa Program, CSIS, and **Xiaoqing Lu**, Research Associate, Freeman Chair in China Studies, CSIS

The China Report 2008

Melissa Murphy (contributing author), Exclusive Analysis Limited, London: 2007

October

"China's Response to HIV/AIDS and U.S.-China Collaboration," CSIS, October 2007

By **Xiaoqing Lu**, Research Associate, Freeman Chair in China Studies, CSIS, and **Bates Gill**, Director, Stockholm International Peace Research Institute

September

"Assessing China's Growing Influence in Africa," *China Security*, vol. 3, no. 3, Summer 2007

By **Bates Gill**, Freeman Chair in China Studies, CSIS, **Chin-Hao Huang**, Research Assistant, Freeman Chair in China Studies, CSIS, and **J. Stephen Morrison**, Director of the Africa Program, CSIS

August

"The Mist Lifts over China's Sky-high Railway," *Asia Times*, August 29, 2007

By **Eve Cary**, Research Assistant, Freeman Chair in China Studies, CSIS

July

"Demography of HIV/AIDS in China," CSIS, July 2007

By **Bates Gill**, Freeman Chair in China Studies, CSIS, **Yanzhong Huang**, Director of the Center for Global Health Studies, and **Xiaoqing Lu**, Research Associate, Freeman Chair in China Studies, CSIS

"China's Activism Faces Persistent Challenges," *Comparative Connections*, CSIS Pacific Forum, vol. 9, no. 2, July 2007

By **Robert Sutter**, Visiting Professor of the School of Foreign Service at Georgetown University, and **Chin-Hao Huang**, Research Assistant, Freeman Chair in China Studies, CSIS

FREEMAN FACTS:

Production and Use of Coal in China

1. Coal generates over 80% of China's electricity. In 2007, China burnt about 2.3 billion tons of coal.
2. China became a net importer of coal in 2007, and is expected to import an estimated 15 million tons more than it exports in 2008.
3. More than 40% of China's rail capacity is devoted to transporting coal.
4. 3,786 people were killed in mining accidents in China in 2007, a rate of over 300 deaths per month.
5. China claims that it has closed 11,155 dangerous mines since 2006.

Sources: Associated Press, International Herald Tribune, State Administration of Coal Mine Safety, Xinhua

The *Freeman Report* is an electronic newsletter produced monthly by the Freeman Chair in China Studies at the Center for Strategic and International Studies (CSIS), a private, tax exempt institution focusing on international public policy issues. Its research is nonpartisan and nonproprietary. CSIS does not take specific policy positions; accordingly, all views, positions, and conclusions expressed in this publication should be understood to be those of the author(s).

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Jim Loi, Visiting Fellow

Savina Rupani, Program Coordinator and Special Assistant to the Freeman Chair

Xiaoqing Lu, Research Associate

Melissa Murphy, Research Associate

Eve Cary, Project Coordinator/Research Assistant

See-Won Byun, Pakto Wong & Xiao Zhang, Research Interns

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The *Freeman Chair in China Studies* was established at the Center for Strategic and International Studies in 1994 to advance the study of China and to promote understanding between the United States and the countries of the Asia Pacific region. The Freeman Family—Luther Freeman as a clergyman, Mansfield Freeman as a scholar-business leader, and Houghton Freeman as a corporate executive in a global enterprise—have established a tradition of contributing to international understanding through practical experience in East Asia and China.

The United States has a long-standing relationship with China and the countries of East Asia, which play increasingly important roles in future international economics, politics, culture, and security. In the diplomatic, public policy, business, and government fields, the peoples of both China and the United States will benefit from greater mutual appreciation and understanding through broadly based international exchange.

The Freeman Chair's active policy-oriented agenda is dedicated to delivering informed public policy debates, expert briefings, and strategic policy recommendations on Greater China and East Asia to the diplomatic, policymaking, business, and government arenas.

Current Research Projects

- China's domestic challenges and their consequences for U.S.-China relations and U.S. strategic interests
- The emergence of Chinese civil society and nongovernmental organizations
- China's HIV/AIDS crisis and its implications for U.S.-China relations
- Examining the economic, trade, and financial tensions in U.S.-China relations
- China's relations with key regions—including Central Asia, Europe, and Africa—and their implications for the United States
- China's military modernization and its impact on regional security
- U.S-China-Taiwan relations

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