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CHINA: MENACE AND MODEL

Hello Everyone ...

Seems like every other news story these days is about China!

Well, this month you'll find a review of an excellent study of China from a fairly recent issue of *The American* magazine. It's called ...

"China: Menace and Model"

Even if you do read a lot of news about China, I'll bet you find new, helpful, and even surprising insights in this review of *The American's* fine article.

Don't forget that this and all past **Leadership Letters** can now be found on our website at www.henseyassociates.com.

Regards,

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CHINA MENACE AND MODEL

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"The American" is a **great** magazine published six times per year. Subscriptions are \$40/year or \$60/two years; call 1-888/295-9007 or email AMNcustserv@cdfsfulfillment.com for subscriptions (you can also visit their website at www.american.com).

The theme for their November/December 2007 issue is ... *China: Menace & Model*.

I've been a "student" of China since Nixon's visit, and find it fascinating in many ways too numerous to mention here. This article is in-depth, interesting, surprising and valuable for Americans, our businesses and our institutions.

It seems to me that China has learned a great deal from several sources ...

- the total failure of communist "economics" most everywhere.
- the chaos of Russia's brief period of "democracy," before Putin.
- the turbulence of many western democracies, even including our own.
- their own recent excesses, such as student demonstrations and environmental destruction.
- their own culture and history, still influential from past centuries, even after Mao et al.

One thread that runs through "**The American's**" articles is the ability of successive Chinese communist leaders to **learn**, adapt, improve and change. This change provides improvement, particularly **economic** improvement for many Chinese citizens.

In my opinion, the drive for those changes is not so much a desire to improve the lives of China's citizens, as it is to hold onto power. In any case, much good comes of it. And ... it's the same drive that motivates many American politicians: holding onto power.

Here are some highlights from this issue that struck me as very important ...

- New graduates clamor for government jobs ahead of private companies because of “get rich quick” opportunities with the on-going asset transitions from the state to the private sector.
- Chinese citizens cannot form parties or groups without official permission, nor can they choose their leaders.
- All media are government owned or controlled or censored, or all three.
- Courts are run by the party and ordinary people must “negotiate their way out of troubles if they can.”
- China ranks among the lowest for political rights and civil liberties at “6” or “7.” Japan is a “1.”
- China’s economic success appeals to developing nations as a model far more attractive than western nations, including the US.
- China is working hard to export that model with respect, financial aid and expertise in the technology and tools of their economic system.
- This model appeals to the “kleptocrat rulers of developing nations” because they gain access to wealth while helping to raise living standards in order to become or remain popular.
- Not surprisingly, studies show that 90% of Chinese multi-millionaires are the children of “high level cadres” (bosses).
- An emphasis on Confucianism is emerging ... as a counter to religion, to fill the gap left by Maoism, and for its requirement of **self-discipline** and its focus on **harmony**.
- The party is responding to shifting popular concerns of their people about living standards, including ...
 - quality as well as quantity
 - corruption of local officials
 - access to health and education
 - the environment: China has 16 of world’s 20 most polluted cities in air quality, and water quality is also a major concern

- The China Model has been closely followed by Vietnam. It's being eagerly sought by Burma, Laos, Cuba, most of Africa, Cambodia, and others.
- Hugo Chavez, mouthy emerging dictator of Venezuela, was recently told by King Carlos to "shut up" at a Hispanic summit in Spain. "His attempts to enmesh China in his high stakes campaign against the US were deflected by courteous formalities ..."
- **Joshua Kurlantzick**, author of *Charm Offensive: How China's Soft Power is Transforming the World*, notes China has a coherent soft power strategy including diplomacy, aid and trade.
- One doesn't have to look far to see that China is being considerably more successful in selling the "China Model" than we are at selling the democratic model.

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