



INTERNATIONAL

# The Rise of China

China may soon overtake the United States as the world's largest economy. What does that mean for the U.S.—and for you?

BY MICHAEL WINES IN BEIJING

**Yin Ruohua, 17, in Beijing.** His 14-hour school day is typical of the 100 million Chinese teens who will be competing with their American counterparts in the years ahead.

**Y**in Ruohua, a high school senior in Beijing, dreams of going to Peking University, one of the most prestigious in China. To do that, he needs to ace the national exam that will determine what college he goes to.

Little wonder that Yin's days are focused on academics. His 14-hour school day begins with a half-hour study session before classes start at 8 a.m. When classes are over at 4, he studies Chinese, math, physics, chemistry, biology, and English. Then he usually goes to his school's evening study hall, from 6:40 until 9:40 p.m.

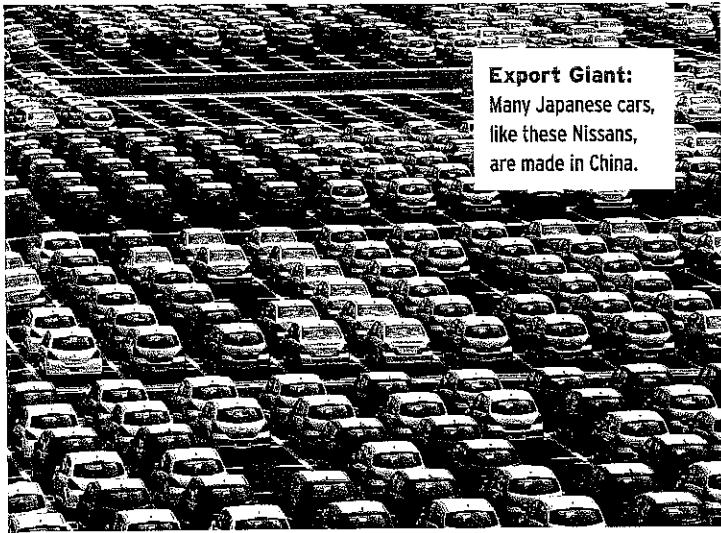
"As a freshman, I used to play basketball in the afternoon," says Yin, 17. "But then I saw my classmates spend their time studying, and now I usually study then, because I don't want to fall behind."

The 100 million Chinese ages 15 to 19—about four times as many as in the U.S.—are the first generation to come of age as China assumes its new role as a global power. As adults, they will live in a nation that's expected to overtake the United States as the world's largest economy in the next 20 to 40 years.

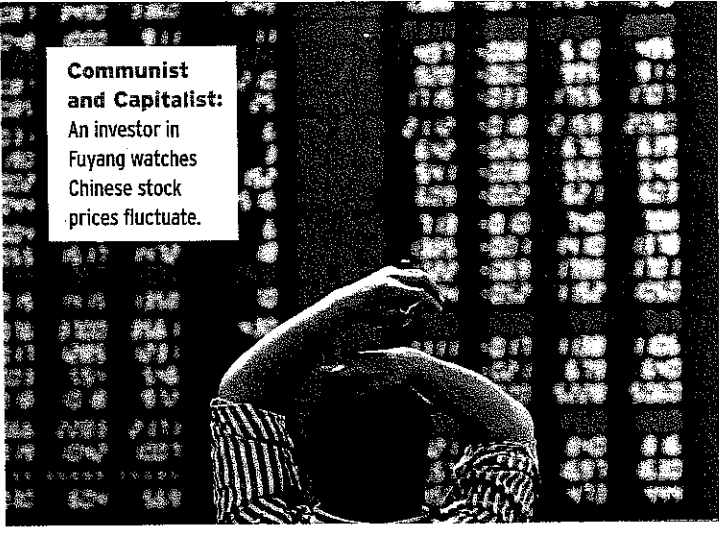
Yin's generation symbolizes the challenge that China presents to the U.S. While China's economic growth has pulled millions of Chinese out of poverty, it's also put China in direct competition with the U.S. on many fronts—economic, political, and military.

China has already had an enormous impact on the American economy, particularly on manufacturing jobs. But Yin and his classmates, who are much better educated than their parents' generation, will want the kinds of high-tech and engineering jobs that have so far stayed largely in the U.S.

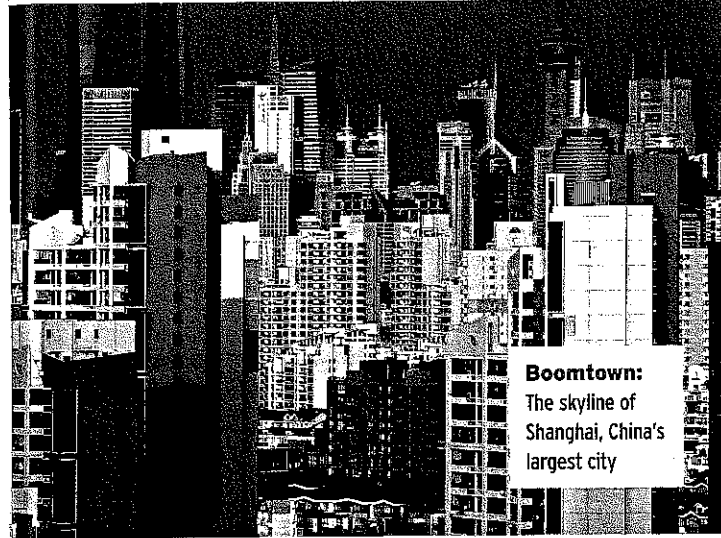
As China becomes more powerful economically, it's demanding a larger



**Export Giant:**  
Many Japanese cars, like these Nissans, are made in China.



**Communist and Capitalist:**  
An investor in Fuyang watches Chinese stock prices fluctuate.



**Boomtown:**  
The skyline of Shanghai, China's largest city



**Does China's military buildup threaten the U.S.?**

role on the world stage. That means any issues the U.S. wants to deal with—from the global economic slump to nuclear proliferation and climate change—will be impossible unless Washington and Beijing can work together.

“The relationship between the U.S. and China is perhaps *the* most important relationship in the world today between two countries,” says Orville Schell of the Asia Society in New York. “But right now we’re in a period of uncertainty about whether we’re friends, partners, competitors, adversaries, or potential enemies.”

**Free Market Reforms**

Modern China was born a little more than 60 years ago, when Mao Zedong’s Communist forces won a civil war and founded the People’s Republic of China in 1949. Over the next three decades, the country endured great turmoil as Mao’s

Communist economic and social policies played out.

By the time Mao died in 1976, China’s economy was in ruins. In 1978, his successor, Deng Xiaoping, introduced free-market reforms that opened up the economy and led to three decades of explosive growth, while keeping political control in

the hands of the Communist Party.

With China’s economy generating new wealth, many Chinese longed for greater freedoms as well. But in 1989, when tens of thousands of students gathered in Tiananmen Square in Beijing to demand political reforms, the government sent in army troops who killed hundreds and injured and

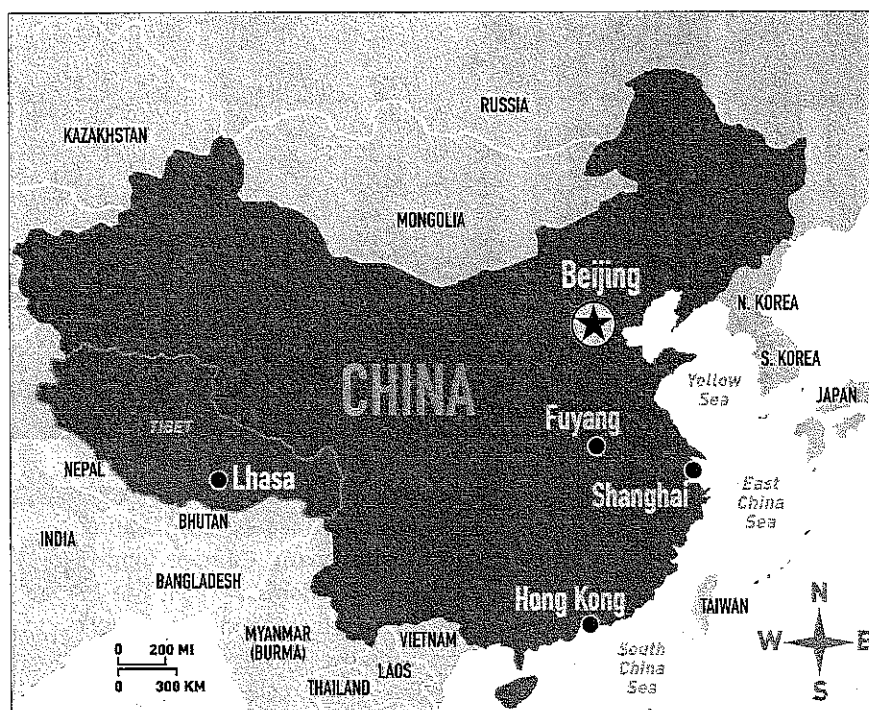
**Side by Side**

	China	U.S.
<b>Population</b>	1.3 billion	313 million
<b>Labor Force</b>	780 million	155 million
<b>Per capita GDP</b>	\$7,400	\$47,400
<b>GDP Growth 2000-2010</b>	210%	153%
<b>Internet Users</b>	389 million	245 million

SOURCE: WORLD FACTBOOK 2011 (C.I.A.), WORLD FACTBOOK 2001 (C.I.A.)

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PHOTO BY CHIEN-MIN CHANG/GETTY IMAGES FOR SCHOLASTIC  
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imprisoned thousands more. In the last two decades, the government has kept a tight lid on dissent.

But economically, today's China is a global powerhouse. Last year, it overtook Japan to become the world's second-biggest economy after the United States.

Signs of its growing strength are everywhere. Beijing and Shanghai are forests of gleaming skyscrapers. This year, the number of Chinese millionaires is expected to reach 585,000—twice as many as in 2008, though a long way from the more than 8 million in the U.S.

Since 1999, the average income of a city-dweller has more than tripled, to about \$3,200 a year.

That's still far less than what the average American earns, but despite the global recession, China's economy grew more than 10 percent last year. And with its huge workforce—China has four times America's population—China's total economic output is expected to surpass that of the U.S. in 20 to 40 years.

China's spectacular economic progress has not come without costs. The country's environment has suffered

enormously as factories pop up everywhere and 2,000 new cars hit Beijing roads each day. Pollution in Chinese cities is among the world's worst, with air so contaminated that children are often warned not to play outside.

The working conditions for many Chinese are also a concern. Millions of people have left the countryside to crowd into cities for factory jobs making the shirts and sneakers and cellphones that the rest of the world buys. Many of them work 12 hours a day, 7 days a week, earning as little as \$150 a month.

### Walmart & China

China's massive supply of cheap labor has made it difficult, if not impossible, for U.S. factories to compete. This has cost many American jobs: About 80 percent of the goods sold at Walmart are made in China. Entire industries, like toy manufacturing, for example, have moved to China because labor and other costs are so much lower.

While Americans have benefited from lower prices on Chinese-made goods, the economic relationship with China has become a huge issue in the U.S., especially with so many Americans out of work and a presidential election approaching.

U.S.-Chinese tensions have surfaced in other areas as well. China has been building up its military and projecting its strength across Asia and the Pacific regions that have traditionally been strongholds of U.S. power.

Washington is also concerned with China's suppression of human rights and basic political freedoms. In a recent interview with *The Atlantic* magazine, Secretary of State Hillary Clinton called China's human rights record "deplorable."

And while China has more Internet users than any other nation, tens of thousands of government censors monitor chat rooms and block websites critical of the government—the so-called "great firewall."

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Chinese government over trying to operate there. And Facebook would love access to 1.3 billion "friends" in China; the question is what kind of restrictions the government will impose in return for letting Facebook in.

All broadcasting is still state-controlled. People who criticize the government can face persecution, beatings, the loss of their jobs, and imprisonment.

The situation has gotten worse in the last year, starting last October when a Chinese dissident named Liu Xiaobo was awarded the Nobel Peace Prize. Since then, authorities have detained, imprisoned, or harassed hundreds of lawyers, bloggers, writers, and anyone else deemed a threat to the state's security.

The pace of detentions and harassment picked up in the spring, after a series of pro-democracy uprisings across the Middle East. (*See Voices*, p. 29.) The "Arab Spring" made Chinese officials fear a similar popular movement in China.

But many Chinese appear to accept the trade-off of limited freedom in an authoritarian, one-party state in exchange for economic growth. *New York Times* columnist Nicholas Kristof says that compared with authoritarian regimes in other countries that repress their people *and* fail to address poverty, China has done very well for its people.

"My hunch is that if the Communist Party did hold free elections, it would win by a landslide—especially in rural areas," Kristof says.

### Police Listen In

Xiao\* (*SHE-ow*), a 17-year-old from Beijing, has a different perspective on the situation than most. His father, a lawyer, has defended people the government considers enemies. The police listen in on his father's phone calls and sometimes won't let him leave his apartment. Once, while trying to meet with a foreign journalist, his father was detained and spent the night in jail.

"I know a lot more about this society than my classmates," says Xiao, who is a high school junior. "What I'm being

taught in class is not always true."

In his history class, the lessons strictly follow the Communist Party's version of events.

"We learn a lot about how the United States is a terrible country that has done bad things," Xiao says. "All this anti-American stuff is forced down our throats. And even though I don't believe it, I have to give those answers in order to graduate."

As a break from studying, Xiao watches Japanese anime cartoons and hopes to one day translate them into Chinese.

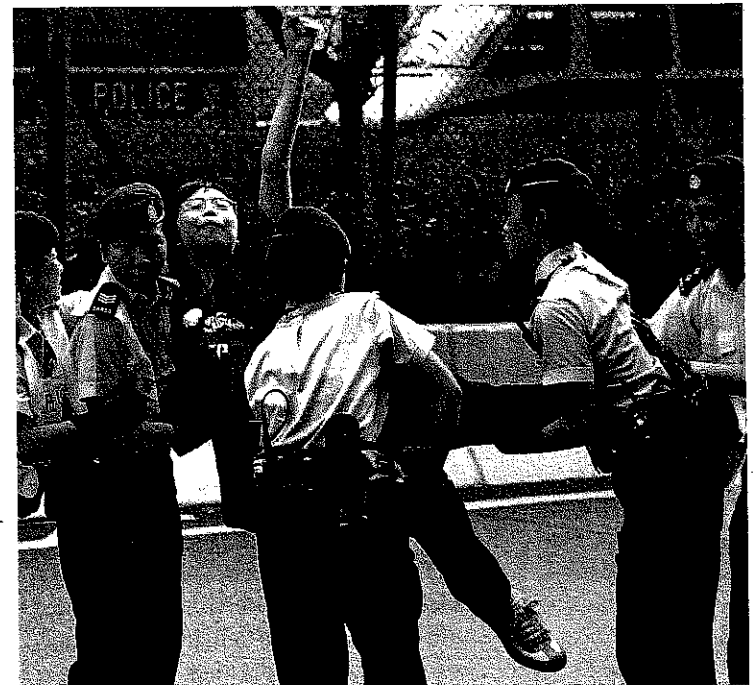
### 1989

A pro-democracy demonstrator confronts tanks during the Tiananmen Square protests. Hundreds were killed when the government sent in the army.



### 2011

Police arrest a pro-democracy demonstrator in Hong Kong; the recent crackdown has increased tensions between China and the U.S.



He says he relates to the weird characters because he feels like he doesn't fit in either, especially at school where he has to wear the same uniform and have the same opinions as everyone else.

"In China, you're not supposed to think for yourself," Xiao says. "The government controls so much of what we do and who we are. But at least I know the truth." ●

*With reporting by Nicholas Kristof of The New York Times, Dan Levin in Beijing, and Patricia Smith.*

\*To protect his family, Xiao's real name has not been used.

# Asia's Missing Girls

A traditional preference for boys, combined with technology that allows pregnant women to know the sex of their babies, has led to a huge gender imbalance in China and India

BY PATRICIA SMITH

**Y**ang Xiaowei, a 35-year-old chicken farmer from a village in eastern China, has three children: two older daughters and a long-awaited baby boy.

Having a son is so important, Yang explains, that he and his wife were willing to risk the large fine that could result from violating the government's one-child policy.

"If you don't have a son, people will condescend to you," he says. "It's always been this way. If you have a son, your family will be given a certain social status. You can ask 10 people in the village, and they'll all tell you the same thing."

This kind of thinking is at the heart of a massive demographic problem facing China. Until recently, there wasn't much that anyone could do about having sons or daughters. But in the 1980s, ultrasound scanners—which were intended for checking the health of developing fetuses but also can show their sex—became widely available across Asia.

Suddenly it became easy for women to find out if they were going to have a boy or a girl. And in countries like China

*With reporting by Jim Yardley and Ross Douthat of The New York Times; and by Jonathan Kaiman.*

## WHERE ARE THE GIRLS?

Countries with the highest number of boys born for every 100 girls. (The natural ratio is 105 boys for every 100 girls.)

1. CHINA	119
2. AZERBAIJAN	117
3. ARMENIA	114
4. INDIA	111
5. GEORGIA	111
6. SOLOMON ISLANDS	109
7. TAIWAN	108
8. MACEDONIA	108
9. SERBIA	108
10. SOUTH KOREA	107

UNITED STATES 105

SOURCE: CARL HAUB, POPULATION REFERENCE BUREAU. NUMBERS ARE MOST RECENT AVAILABLE FOR EACH COUNTRY.

and India, women began deciding not to have their baby if it was going to be a girl. The result is a serious gender imbalance in both countries.

China now has the world's highest gender disparity among newborns: 119 boys are born for every 100 girls. That's well above the natural ratio of 105 boys for every 100 girls (which is also the ratio

in the United States). In some parts of China and India, the imbalance is close to three boys for every two girls. Across Asia, the gender imbalance translates into millions of "missing" girls.

Within a decade, that will mean millions of young men unable to find wives. And experts fear that could lead to an increase in the trafficking of women and an overall spike in crime.

"It's a humongous problem," says Valerie Hudson, a professor at Brigham Young University in Provo, Utah, and author of a book on the topic. "Without a balanced sex ratio in a society, you're courting disaster."

### Beyond Asia

Worldwide, demographers say, the number of missing girls has risen more than 160 million. The problem is most severe in China, India, and the Caucasus region, which includes Azerbaijan, Armenia, and Georgia (chart). But sex ratios are also out of balance in other places, including parts of Europe and Asian-American communities in the United States.

"We've seen sex selection spread from South and East Asia to new countries, that's alarming," says Mara Hvistendahl, author of *Unnatural Selection: Choosing*

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**A supermarket in Shanghai: In China, 119 boys are born to every 100 girls.**



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*Boys Over Girls, and the Consequences of a World Full of Men.*

"The preference for sons is very widespread," she adds.

In China, the problem is partially a result of the country's tough one-child policy. It was introduced in 1979 as an attempt to stem the growth of China's population, which is now 1.3 billion. But limiting couples to one child, which has helped to slow population growth, has had unintended consequences: In addition to the gender imbalance, it's contributed to a surge in the number of girls given up for adoption. (See *Voices in the Jan. 2, 2012, issue of Upfront.*)

Underlying the gender imbalance are centuries-old Asian attitudes about women. Until well into the 20th century many Asian women weren't allowed to work outside their homes, go to school, or decide who they would marry. While

**Women in China and India are being kidnapped and sold to men desperate for wives.**

sons were cherished, girls were often neglected, poorly cared for when they got sick, and sometimes abandoned. (Some of these same attitudes are at work in the non-Asian countries with gender imbalances.)

**The Need for a Son**

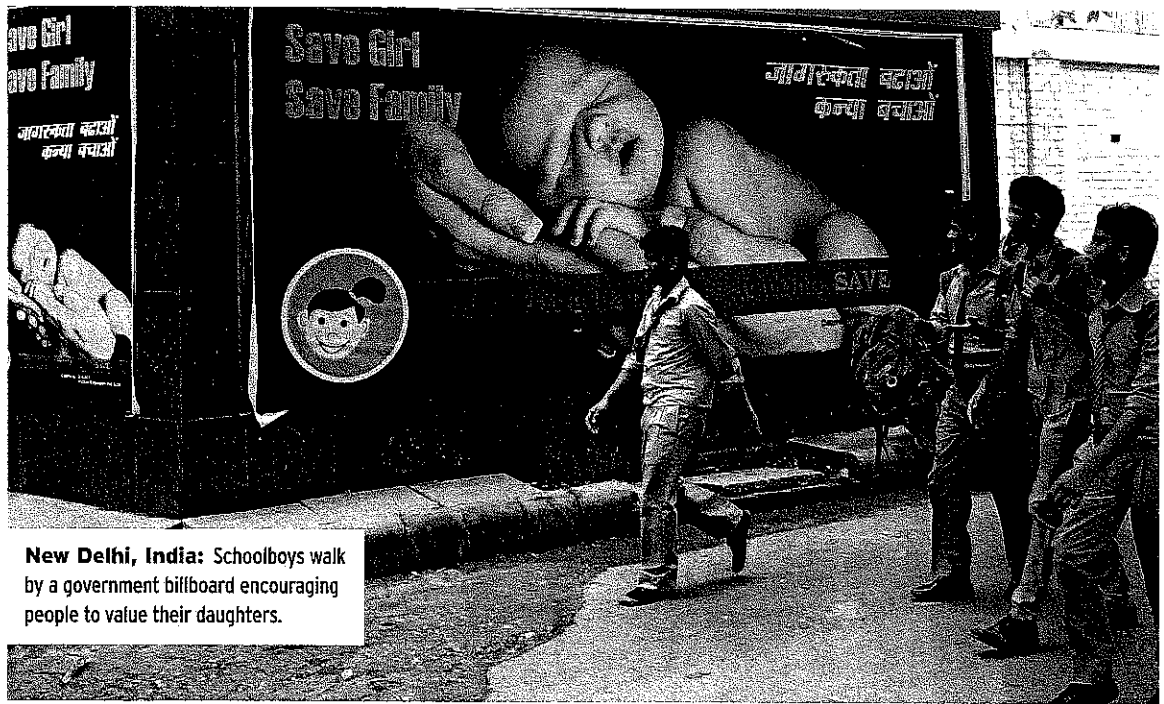
Asian women have made great strides in the last half-century. In China, for example, men and women are now equal

under the law, arranged marriage been banned, and women are good jobs.

So why, especially in rural do many Asians still favor bo largely about economics—part economics rooted in cultural tr. about women.

"Mostly, Chinese worry that don't have a son, no one will t. of them when they are too old t. says Wu Shaoming, director of en's studies institute in Chengdu. The Chinese government does vide welfare or free medical peasants. What's more, Wu common for a woman in the cou to move to her husband's vill. marriage, providing no suppo own family.

That's how Yang, the chicke sees it: "If you only have a daug



**New Delhi, India:** Schoolboys walk by a government billboard encouraging people to value their daughters.

she gets older and gets married, she'll become somebody else's," he explains. "And then when you get old, you'll have nobody to take care of you. So every family needs to have a little boy."

These same attitudes are common in India, which is also struggling with a huge gender imbalance.

In a traditional Indian family, a son is expected to live with his parents, earn an income, inherit property, care for his parents in their old age, and—if they're Hindu—light their funeral pyre. When a daughter marries, the bride's family pays the groom's family a dowry—a gift of money and presents—and she moves in with her husband's family, often leaving her parents with nothing or even in debt from her dowry.

India's gender imbalance is actually getting worse as the country's booming economy pulls millions out of poverty and into a growing middle class that can afford ultrasound tests.

Indian census data confirm that the problem has accelerated since 2001. The 2011 census found 7.1 million fewer girls than boys under the age of 6, compared with a gap of roughly 6 million girls a decade earlier.

For countries like India and China,

this is a demographics problem with very real consequences.

"By the 2020s, 15 percent of men in China and 15 percent of men in northwest India won't have a female counterpart," says Hvistendahl. "There will be decades where a large chunk of men won't be able to marry."

And that could lead to an increase in instability in both places. Women in China and India are already being kidnapped and sold to men desperate for spouses. Crime rates could also spike, since single men are responsible for most crime.

### South Korea's Response

The governments of China and India have both banned the use of ultrasound to determine gender. But the laws are hard to enforce.

One country that has had success tackling this problem is South Korea. The ratio is currently 107 boys born for every 100 girls, still above normal, but way down from a peak of more than 116 boys born for every 100 girls in 1990.

The most important factor in changing attitudes toward girls was a radical shift in South Korea's economy that opened the doors to women in the workforce

as never before. This has dismantled long-held traditions, which so devalued daughters that mothers would often apologize for giving birth to a girl.

The government also played a small role. Starting in the 1970s, South Korean officials launched campaigns to change people's attitudes. A typical slogan was, "One daughter raised well is worth 10 sons!"

The Chinese government is also addressing the problem. In the southern village of Hoayang, there are signs forbidding the use of ultrasound machines to determine a baby's sex. Fines for violations can be as high as \$315—a vast sum for a farmer in rural China. A slogan painted by the government on the side of a building reads, "Having a boy and having a girl are the same."

But it takes more than slogans to change long-held attitudes. The traditions that underlie the preference for sons go way back. A generation ago, Yang's parents had 10 daughters before he was finally born.

"There's a saying in Chinese: 'Raise a son to safeguard your old age,' " Yang says. "From thousands of years ago to the present, this hasn't changed at all." ●