

Modern China On-Demand Essay Source Packet  
World History

**Instructions:** This packet includes 5 articles about modern China. You need to read and annotate each article to identify/evaluate:

1. The author's main claims
2. Evidence Used to Support the author's claims (consider categorizing statistical, testimonial, anecdotal, and analogical)
3. Your opinion of the claims made and what you think they reflect about the future of China

When you have finished reading the articles, use the notes pages at the end of the packet to organize your thoughts about modern China and its future.

**Source Bibliography**

*When you are referencing the below sources in your essay, you may refer to them by source number, as listed below.*

1. Campbell, Charlie. "How China Is Using 'Social Credit Scores' to Reward and Punish Its Citizens." *Time*, 2019, [time.com/collection/davos-2019/5502592/china-social-credit-score/](https://time.com/collection/davos-2019/5502592/china-social-credit-score/).
2. Buckey, Chris, and Adam Wu. "Ending Term Limits for China's Xi Is a Big Deal. Here's Why." *The New York Times*, 10 Mar. 2018, [www.nytimes.com/2018/03/10/world/asia/china-xi-jinping-term-limit-explainer.html](https://www.nytimes.com/2018/03/10/world/asia/china-xi-jinping-term-limit-explainer.html).
3. Liu, Dawn. "China Ramps up Tech Education in Bid to Become Artificial Intelligence Leader." *NBCNews.com*, NBCUniversal News Group, 4 Jan. 2020, [www.nbcnews.com/news/world/china-ramps-tech-education-bid-become-artificial-intelligence-leader-n1107806](https://www.nbcnews.com/news/world/china-ramps-tech-education-bid-become-artificial-intelligence-leader-n1107806).
4. "Data Leak Reveals How China 'Brainwashes' Uighurs in Prison Camps." *BBC News*, BBC, 24 Nov. 2019, [www.bbc.com/news/world-asia-china-50511063](https://www.bbc.com/news/world-asia-china-50511063).
5. Amadeo, Kimberly. "It's Good That China's Growth Is Slowing. Really." *The Balance*, The Balance, 18 Dec. 2019, [www.thebalance.com/china-s-economic-growth-cause-pros-cons-future-3305478](https://www.thebalance.com/china-s-economic-growth-cause-pros-cons-future-3305478).

## Source 1

# How China Is Using “Social Credit Scores” to Reward and Punish Its Citizens

By Charlie Campbell / Chengdu

Yi Tingyue has a lot going for her. She won a scholarship to China’s prestigious Sichuan University, where she graduated with a master’s in graphic design. She drives an Audi A4 and owns a penthouse apartment on the outskirts of provincial capital Chengdu. Vacations are spent touring Japan, Thailand and the U.S. Little wonder Yi is an 805.

That’s the score assigned to Yi by Sesame Credit, which is run by Jack Ma’s online-shopping empire Alibaba, placing the 22-year-old near the top of the scheme’s roughly 500 million—strong user base. Sesame determines a credit-score ranking—from 350 to a theoretical 950—dependent on “a thousand variables across five data sets,” according to the firm.

Unlike Western-style credit systems, Sesame takes in a broad range of behaviors both financial and social, all underwritten by an invisible web of Big Data. It’s the most prominent in a rising network of social-credit-score systems in China that are dramatically expanding the concept of creditworthiness—and raising fears internationally about Orwellian overreach by an autocratic regime.

In China, cash has long been king. As recently as 2011, only 1 in 3 Chinese people had a bank account. The nation’s rapid rise from collectivized penury to the world’s No. 2 economy meant it never had the chance to develop Western-style credit histories. That meant people could default on loans, or sell shoddy or counterfeit goods, with few repercussions. Society was dogged by a question: Whom can you trust?

In 2015, the government set about addressing this by allowing eight companies—including Sesame parent Ant Financial—to run trial commercial credit scores. The official guidance called for a nationwide system that would “allow the trustworthy to roam everywhere under heaven, while making it hard for the discredited to take a single step,” to be in place by 2020.

Data, of course, is key. As Sesame had access to the records of Alibaba’s mobile-payment app Alipay, which today boasts over 1 billion users worldwide, the company stole an easy march on its rivals in China. The system functions like a frequent-flyer scheme on steroids—one that transforms all of society into a first-class lounge. High scorers like Yi enjoy a bevy of perks. She can rent cars without a deposit, get better rates of foreign exchange and even skip hospital waiting lines. Rail stations have special waiting rooms for high Sesame scorers. For a time, high scorers could use a designated security queue at Beijing airport.

Yi keeps her score high in part by traditional brand loyalty: using Alipay wherever she goes and investing in the firm's savings fund. But Sesame's scheme doesn't merely encourage good behavior. Yi fears "unsociable" behavior might also impact her score; she says she "wouldn't dream" of parking a shareable bike in an undesignated place, for example.

The fear stems from the fact that as commercial credit systems like Sesame have started taking off in China, around half a dozen local authorities have launched pilot credit systems specifically designed to socially engineer behavior. These, too, ascribe a number to citizens. Good deeds gain points; bad deeds lose them, with perks and hardships attached. If you fall afoul of a pilot system, you cannot get a loan or mortgage, even if your offense is nonfinancial, like quarreling with neighbors. Conversely, nonfinancial "good deeds"—like giving blood—can cause your loan's interest rate to drop.

This overlapping mishmash of commercial and state-run systems has stoked fears that China's autocratic Communist Party is planning by 2020 to implement a single citizen score using opaque algorithms that's largely political. In a speech Oct. 4, U.S. Vice President Mike Pence described it as "an Orwellian system premised on controlling virtually every facet of human life."

In fact, China's social-credit scoring is best understood not as a single system but as an overarching ideology: encompassing punishments and rewards, to improve governance and stamp out disorder and fraud. Commercial schemes mostly handle the perks, state schemes the punishments. Both work in concert to encourage socially responsible behavior.

But they are undeniably intrusive. Government agencies compile and share data on judgments against individuals or companies. Fail to pay a fine or court-ordered compensation, or default on your debts, and you will be put on the "List of Untrustworthy Persons." Blacklisted individuals cannot make "luxury purchases," such as high-speed rail and air tickets or hotel rooms. Five million people have been barred from high-speed trains and 17 million from flights under the scheme, according to the official website. "The ripple effect on every part of your life becomes a multiplier on punishments," says professor Frank Pasquale, a Big Data expert at the University of Maryland.

And some elements are indeed worthy of dystopian fiction. In certain areas of China, call a blacklisted person on the phone and you will hear a siren and recorded message saying: "Warning, this person is on the blacklist. Be careful and urge them to repay their debts." When a blacklisted person crosses certain intersections in Beijing, facial-recognition technology projects their face and ID number on massive electronic billboards. Beijing-based lawyer Li Xiaolin was blacklisted after a court apology he gave was deemed "insincere." Unable to buy tickets, he was stranded 1,200 miles from home.

"It was ridiculous," he says.

Although it sounds draconian, the repercussions of blacklisting "tend to be coercive rather than punitive," China legal scholar Jeremy Daum says. Once you've complied with the court ruling,

you're theoretically scrubbed from the blacklist (although many report that this is easier said than done). Essentially, the system utilizes technology to enforce existing legal prohibitions through shame and hardship rather than by adding a new layer of arbitrary regulation. Despite being blacklisted himself, Li is in favor of the system overall. "It's good for society," he says.

The fear, however, is that it will also be good for a Chinese government eager to quash free speech and root out dissenters. Under the state systems, "spreading rumors" is disproportionately penalized. In one region, neighborhoods have dedicated watchers to record deeds and misdeeds. As the state continues to persecute religious minorities like the Uighurs and silence outspoken academics, the worry is what metrics the social-credit systems may extend to next.

Still, for now people like Yi are happy to relish the newfound order that a social-credit score can bring—as well as enjoy the perks. "At first I worried about all my information being exposed," says Yi, sipping free Starbucks coffee courtesy of Sesame's loyalty points. "But then I thought, I'm just a normal kid, a regular person. What harm could there be?"

## Source 2

### **Ending Term Limits for China's Xi Is a Big Deal. Here's Why.**

By Chris Buckley and Adam Wu

The roughly 3,000 delegates of the National People's Congress, China's legislature, voted almost unanimously on Sunday to end a two-term limit on the presidency, one of the main leadership posts held by Xi Jinping. While the overwhelming approval by the party-controlled congress was not a surprise, the repercussions go beyond just allowing Mr. Xi to stay on longer.

Here's what is at stake, and why ending the term limit matters.

#### **Why is the limit in place now?**

One lesson that China drew from the upheavals of the Cultural Revolution was the danger of concentrating power in one supreme, unassailable leader who ruled for life.

In 1982, when China was recovering from that chaotic era, lawmakers approved a new Constitution that said the president and also the vice president "shall serve no more than two consecutive terms."

It is sometimes said that Deng Xiaoping, who led China after Mao, introduced the term limit to prevent the top leader from again becoming too powerful. But that's not entirely true. Back then the Chinese presidency was not such a powerful post. Deng wielded much of his power informally, without titles or term limits, and through his control of the military.

Even so, the politicians and legal experts who drafted China's 1982 Constitution saw lifelong tenure as a recipe for tyranny, especially in a one-party state.

"If someone stays in office for 15 years, the people won't dare express their opinions to him," said Fang Yi, one of the framers of the Constitution. "The French president begins with one term of seven years, with an option for a second term. But that's different. They have opposition parties who pick their faults every day."

#### **How did it become important?**

The presidential term limit became more important in the 1990s, when Deng prepared to pass power to his successor, Jiang Zemin.

Under Deng in the 1980s, there was turmoil in succession, as two protégés were forced to resign following student demonstrations. Deng tried to ensure the success of his final choice,

Mr. Jiang, by setting him up in China's three most powerful posts: Communist Party general secretary, chairman of the commission in charge of the military and the presidency, which Mr. Jiang took over in 1993.

But Deng also wanted to ensure that Mr. Jiang did not stay on indefinitely. He started a succession cycle by also promoting Mr. Jiang's younger heir-apparent, Hu Jintao.

Under Mr. Jiang and later Mr. Hu, a new norm formed. The top leader had clear authority because he held all three main posts. But he had to hand them to a successor after about a decade.

"The three-in-one leadership system and form — of party general secretary, state president and military commission chairman — is not only necessary but also the most fitting for a great party and a great country like ours," Mr. Jiang said in 2004.

That arrangement allowed two of the most stable transitions of power in China's modern history, from Mr. Jiang to Mr. Hu in 2002, and then Mr. Hu to Mr. Xi six years ago.

### **Is the presidency powerful in China?**

In China, the political job that matters most is the general secretary of the Communist Party. The party controls the military and domestic security forces, and sets the policies that the government carries out. China's presidency lacks the authority of the American and French presidencies.

This difference is reflected in language. In Chinese, China's president is called "zhuxi," which really translates as "chairman." Foreign presidents get a different title, "zongtong." So in effect, Chinese people are referring to Mr. Xi as the "state chairman," though in English his title is officially translated as "state president" to put him on an even footing with other world leaders.

Still, the Chinese presidency is not entirely ceremonial. The president has the power, acting with the legislature, to declare war or a state of emergency. In times of crisis, disagreement between a party leader and president could cause trouble.

The presidency has become increasingly prominent thanks to China's growing global stature. At home, Mr. Xi usually speaks as party leader; abroad, he appears as president, who is the formal head of state. Mr. Xi relishes the prestige of state visits to the White House or Buckingham Palace, which might be awkward if he were not president.

### **Why change the system?**

The official Chinese news media have said that Mr. Xi wants to abandon the term limit so that he can keep his trinity of leadership posts. According to Xinhua News Agency and other party-run news outlets, having a term limit on just the presidency is unreasonable because

neither of Mr. Xi's other two major posts — party leader and military chairman — has a similar limit.

Of course, this argument does not address the other solution to that inconsistency: imposing limits on the party and military posts. His action leaves little doubt that Mr. Xi is clearing the way to remain top leader for a long time to come, and without clear rivals.

If the term limit remained, Mr. Xi would have to step down as president at the end of his next five-year term, in 2023. Any successor could potentially become a rival.

Mr. Xi seems determined to remain “three-in-one” leader because he sees himself on a historic mission to make China into a great power. Achieving that will take more than a decade, Xi has said.

Last year, Mr. Xi showed his intent to stay in power by declining to promote a potential successor into the new Politburo Standing Committee, the party's most powerful body. Mr. Xi and Mr. Hu both served political apprenticeships in the Standing Committee before taking over.

### **Will Xi will be leader for life?**

Mr. Xi has produced plenty of surprises in his first five years in power, not least his decision to abolish the term limit before his second term as president had even started. So predicting Mr. Xi's future steps isn't easy.

Even so, The People's Daily said earlier this month that ending the presidential term limit does not “imply a system of lifelong leadership.” The point seems to be that while Mr. Xi may be around for a while, he won't be another Mao, who remained in power even as he grew ill and incoherent with age.

But Mr. Xi has not specified how many terms he plans on. Perhaps Mr. Xi himself does not have a firm idea yet. Or perhaps he figures he can enhance his power even further by keeping everyone else guessing.

### Source 3

# China ramps up tech education in bid to become artificial intelligence leader

Jan. 4, 2020, 3:14 AM PST

By Dawn Liu

SHANGHAI — A bespectacled eight-year-old has become the poster child for China's campaign to dominate the world of high tech.

From his home in Shanghai, Vita Zhou hosts training videos for other children on how to code for artificial intelligence. He already has almost 80,000 followers on the Chinese streaming website Bilibili, and some of his videos have gained more than 1.3 million views. Vita has even attracted the attention of Apple CEO Tim Cook, who sent him birthday wishes Monday on Weibo, China's equivalent of Twitter.

"What do you think? Isn't it easier to write code once you understand how it works?" Vita says in one video. With the help of his dad, Zhou Ziheng, he demonstrates how to write codes with Apple-developed Swift Playgrounds, an app teaching kids basic coding through interactive games.

Vita's celebrity comes as China steps up efforts to become a world leader in artificial intelligence by 2030. The trend of teaching young people to code has been on the rise in recent years, particularly as the Asian giant fights to close the gap in its workforce in the technology sector, most notably AI talent. In November, China's education ministry updated its curriculum to include books about AI, big data, coding and quantum computing.

A quarter of the 422-page recommended reading list is now about science, math, chemistry, aerospace, medicine and most notably AI.

"Coding's not that easy but also not that difficult — at least not as difficult as you have imagined," Vita, who is familiar with Swift, Scratch and C++ languages, told the AFP news agency.

China has a lot of ground to make up on AI, with the number of top researchers in the field standing at one-fifth of that in the United States in 2017, according to research by the Washington-based Center for Data Innovation.

At the same time, it faces a shortage of 5 million AI professionals, according to a 2017 article from the state-owned newspaper People's Daily.

These disadvantages have not stopped it from setting ambitious targets: The country aims to catch up with the U.S. next year, based on “A Next Generation Artificial Intelligence Development Plan,” a government blueprint.

In order to close in on the talent gap, the country is now speeding up AI education for children, in addition to efforts to increase the talent base from universities. By 2018, there were 96 Chinese universities with AI-related programs, up from just 19 in 2017.

Despite some shortcomings, a trove of Chinese AI companies such as iFlytek, SenseTime, Cloudwalk and DJI, have caught the world’s attention for standing out in sound recognition, facial recognition and drone technologies. China’s big tech companies, such as Baidu, Tencent, Alibaba and Huawei, also have invested heavily in AI research and development.

Some of those companies have taken a hit in China’s trade war with the U.S., with Washington blocking a few Chinese tech firms from acquiring its most advanced technologies. But experts say the roadblocks are only fueling China’s desire to get ahead.

“The increasingly fierce trade and technology competition between China and the U.S. puts pressure on China to improve its innovative capacity,” said Zhang Xusheng, a science, technology, engineering and math professor at Zhejiang University. “And it naturally means we need to bring the students to study high-tech and be more innovative.”

In 2018, the education ministry added AI to the high school curriculum, encouraging around 25 million teenagers to study the technology. The same year, China’s first AI textbook for high school students — which introduces the basics of image recognition, sound recognition, text recognition and deep learning — was put into use in more than 40 pilot schools.

“I would like to read the books to explore the scientific reasoning behind things like AI, aerospace, programming and big data,” Cui Jingjing, 14, a high school student in Fujian, said. “I am also keen to join science competitions.”

“I think China will win the AI race with the U.S.,” Cui said, “We are catching up very fast.”

China is not alone in ramping up AI education. While the private sector has led the response to AI, governments like France, South Korea and the United States also have strategies in place to expand their workforce in the sector with increased investments, although predominantly at the postsecondary level, according to a 2019 UNESCO report.

Many European Union member states are also reviewing their curricula to integrate more lessons about computational thinking in the classroom. Some countries like Austria, Poland and Lithuania have long provided strong computer science education in high schools.

The enthusiasm for AI education goes beyond policy. The market value of the coding industry for children reached around \$57 million in 2018 and is expected to surge to around \$4.3 billion

by 2023, increasing 650 percent in the span of five years, according to a report by iResearch, a Shanghai-based consulting company.

That investment is transforming classrooms. In Shenzhen, China's tech hub, an AI program for students in grades 3 to 8 was being piloted in 2019.

Zheng Weicheng, a primary school math teacher in Fujian province, thinks that teaching AI also has broader benefits by helping children establish scientific concepts and improve their problem-solving ability, which will directly benefit their future development.

"Well-equipped youths lead to a powerful country," Zheng said.

## Source 4

### **Data leak reveals how China 'brainwashes' Uighurs in prison camps**

24 November 2019

Leaked documents detail for the first time China's systematic brainwashing of hundreds of thousands of Muslims in a network of high-security prison camps. The Chinese government has consistently claimed the camps in the far western Xinjiang region offer voluntary education and training.

But official documents, seen by BBC Panorama, show how inmates are locked up, indoctrinated and punished. China's UK ambassador dismissed the documents as fake news.

The leak was made to the International Consortium of Investigative Journalists (ICIJ), which has worked with 17 media partners, including BBC Panorama and The Guardian newspaper in the UK.

The investigation has found new evidence which undermines Beijing's claim that the detention camps, which have been built across Xinjiang in the past three years, are for voluntary re-education purposes to counter extremism.

About a million people - mostly from the Muslim Uighur community - are thought to have been detained without trial.

The leaked Chinese government documents, which the ICIJ have labelled "The China Cables", include a nine-page memo sent out in 2017 by Zhu Hailun, then deputy-secretary of Xinjiang's Communist Party and the region's top security official, to those who run the camps.

The instructions make it clear that the camps should be run as high security prisons, with strict discipline, punishments and no escapes.

The memo includes orders to:

- "Never allow escapes"
- "Increase discipline and punishment of behavioural violations"
- "Promote repentance and confession"
- "Make remedial Mandarin studies the top priority"
- "Encourage students to truly transform"
- "[Ensure] full video surveillance coverage of dormitories and classrooms free of blind spots"

The documents reveal how every aspect of a detainee's life is monitored and controlled: "The students should have a fixed bed position, fixed queue position, fixed classroom seat, and fixed station during skills work, and it is strictly forbidden for this to be changed.

"Implement behavioural norms and discipline requirements for getting up, roll call, washing, going to the toilet, organising and housekeeping, eating, studying, sleeping, closing the door and so forth."

Other documents confirm the extraordinary scale of the detentions. One reveals that 15,000 people from southern Xinjiang were sent to the camps over the course of just one week in 2017.

Sophie Richardson, the China director at Human Rights Watch, said the leaked memo should be used by prosecutors.

"This is an actionable piece of evidence, documenting a gross human rights violation," she said. "I think it's fair to describe everyone being detained as being subject at least to psychological torture, because they literally don't know how long they're going to be there.

The memo details how detainees will only be released when they can demonstrate they have transformed their behaviour, beliefs and language.

"Promote the repentance and confession of the students for them to understand deeply the illegal, criminal and dangerous nature of their past activity," it says.

"For those who harbour vague understandings, negative attitudes or even feelings of resistance... carry out education transformation to ensure that results are achieved."

Ben Emmerson QC, a leading human rights lawyer and an adviser to the World Uighur Congress, said the camps were trying to change people's identity. "It is very difficult to view that as anything other than a mass brainwashing scheme designed and directed at an entire ethnic community. It's a total transformation that is designed specifically to wipe the Muslim Uighurs of Xinjiang as a separate cultural group off the face of the Earth."

## Source 5

# **China's Economic Growth, Its Causes, Pros, Cons, and Future**

## **It's Good That China's Growth Is Slowing. Really.**

By Kimberly Amadeo

Updated December 18, 2019

China's economy has enjoyed 30 years of explosive growth, making it the world's largest. Its success was based on a mixed economy that incorporated limited capitalism within a command economy. The Chinese government's spending has been a significant driver of its growth.

China's economy is measured by its gross domestic product. In 2017, growth was \$23.12 trillion, the largest in the world. That's 6.8% more than in 2016. China's GDP grew at 6.5% year-over-year in the third quarter of 2018.

China's growth rate has slowed since the double-digit rates before 2013. Its economy grew 7.8% in 2013, 7.3% in 2014, 6.9% in 2015, and 6.7% in 2016.

## **Causes**

China fueled its former spectacular growth with massive government spending. The government owns strategically important companies that dominate their industries. It controls the big three energy companies: PetroChina, Sinopec, and CNOOC. They are less profitable than private firms and return only 4.9% on assets compared to 13.2% for private companies. But government ownership allowed China to direct the companies to high-priority projects.

China requires several things of foreign companies who want to sell to the Chinese population. They must open factories to employ Chinese workers. They must share their technology. Chinese companies use this knowledge to make the products themselves.

The People's Bank of China, the nation's central bank, tightly controls the yuan to dollar value. It does this to manage the prices of exports to the United States. It wants them to be a little cheaper than those produced in America. It can achieve this because China's cost of living is lower than the developed world. By managing its exchange rate, China can take advantage of this disparity.

## **Advantages**

China's growth has reduced poverty. Only 3.3% of the population lives below the poverty line, set at 2,300 yuan. China contains about 20% of the world's population. As its people get richer, they will consume more. Companies will try to sell to this market, the largest in the world, and

tailor their products to Chinese tastes. Growth is making China a world economic leader. China is now the world's biggest producer of aluminum and steel.

Chinese tech companies quickly became market leaders. Huawei is the world's top cellular-equipment maker. It is quickly becoming a world leader in developing 5G technology. Lenovo is a world-class maker of personal computers. Xiaomi is one of China's top smartphone brands.

## **Disadvantages**

Government spending created a total debt-to-GDP ratio of 260%. This includes debt held by the government, corporations, and consumers. Since the state owns many corporations, it must be included. The consumer debt may have also created an asset bubble. Urban housing prices have skyrocketed as low-interest rates fueled speculation. High growth levels have come at the cost of consumer safety. The public has protested pollution, food safety, and inflation.

It also created a class of ultra-rich professionals who want more individual liberties. They live in urban areas, since that's where most of the jobs are. In 2017, almost 60% of the population lived in urban areas. In the 1980s, it was just 20%.

Local governments are charged with providing social services but aren't allowed to tax to fund them. As a result, families are forced to save. China doesn't offer benefits to people who've moved from the farms to the cities to work. Interest rates have been low, so families don't receive much return on their savings. As a result, they don't spend much. That keeps domestic demand low and slows growth.

## **Future Growth**

Chinese leaders have taken steps to boost domestic demand from its 1.38 billion people. A strong consumer market allows China to rely less on exports and it is diversifying into a more market-based economy. This means relying less on state-owned and more on privately owned companies to reap the rewards of a competitive environment.

To boost growth, China needs more innovative companies. These only come from entrepreneurship. State-owned companies make up 25% of total industrial output, down from 75% in 1970. But China must do even better.

China's leaders realize they must reform the economy. To that end, President Xi Jinping authorized the "Made in China 2025" plan.

It recommends advances in technology, specifically big data, aircraft engines, and clean cars. China has become a world leader in solar technology. It is cutting back on exports, including steel and coal production.

The worst risk is the ticking time bomb within the nation's financial system. Banks are state-funded and owned. This means the government sets interest rates and approves loans. They pay low-interest rates on deposits so they can lend cheaply to state-owned businesses. As a result, banks have channeled government funds into an unknown number of projects that may not be profitable.

Bank loans are almost 30% of the economy. One-third of these may be the "off-balance sheet" loans that aren't regulated. They are above the lending limits set by the central government. If interest rates rise, if growth slows too fast, if the government cuts back on stimulus, these loans will probably default. In September 2018, loans started defaulting at higher-than-average rates. But that could be because Chinese leaders have started cracking down on companies that took on too much debt.

China's leaders now walk a fine line. They must reform to remove asset bubbles. On the other hand, as growth slows, the standard of living may fall. This could cause another revolution. People have only been willing to turn over personal power to the state in return for rapid increases in personal wealth.

One way to boost wealth is by encouraging investment in China's stock market. That allows companies to rely less on debt, and more on selling stocks, to fund growth. It also helps the tech companies that are listed on the Shenzhen exchanges. China recently installed the Connect program between the mainland exchanges and the Hong Kong stock market.

## **The Bottom Line**

Massive government spending has stoked China's unprecedented growth over the last 30 years. Government control over major companies and the yuan's exchange rate have generated large improvements in the Chinese economy. Its regulations on foreign businesses have helped as well.

But China's present debt-to GDP ratio is one of the highest in the world. Its domestic consumer demand is low. So, the nation relies heavily on exports. These factors are now considerably slowing growth.

China's government is facing the necessity of instituting delicate economic reforms. Such reforms include encouraging investments in China's stock market, aggressively promoting the Made in China 2025 program, and developing innovative companies, among others. They want to prevent the possibility of another people's revolution should a pervasive economic downshift occur.

## Notes on Modern China and Its Future

*Use this page to organize your thoughts around modern China and what you think about its future based on what you read. Try to make connections between ideas and pick the best evidence from each article to demonstrate them.*