

## Grupo de Trabajo sobre China

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## China ya no da alegrías, sino sustos, a América Latina

Por Rogelio Núñez

Infolatam – 13/08/2015

China ha pasado de ser uno de los principales factores que explicaban el viento de cola económico para América latina durante la década de oro (2003-2013) a convertirse en uno de los factores desencadenantes del actual viento de frente que ahora ralentiza el avance de la región.

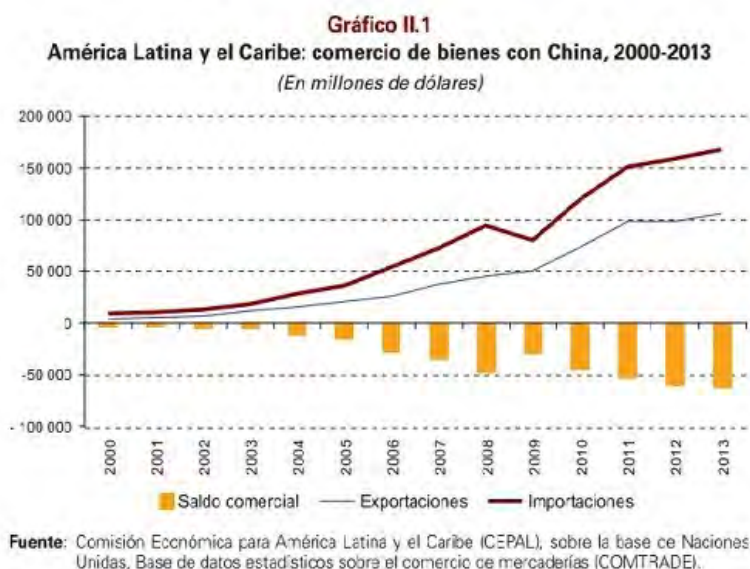
Hasta 2013-14 las alegrías para Latinoamérica procedían de China y de su insaciable hambre de materias primas. Esto se unía a un progresivo desembarco en la región de grandes inversiones, sobre todo en infraestructuras.

La relación comercial se multiplicó por más de 20 en una década: alcanzó en 2013 los 261.000 millones de dólares frente a los 12.000 de 2002. Y además, China se transformaba en el segundo socio comercial de la región por detrás de Estados Unidos.

Ahora, China es, sin embargo, un motivo de inquietud para los países latinoamericanos.

### China, el principal socio comercial

La Comisión Económica para América Latina y el Caribe (CEPAL) señalaba este mismo año que como resultado de las relaciones comerciales entre la región y China durante los últimos 15 años, el país asiático se había convertido en el segundo origen principal de sus importaciones y el tercer principal destino de sus exportaciones.



En estos tres últimos lustros, China se ha transformado en el principal socio comercial de países como Brasil (hierro y soja), Chile (cobre), Uruguay (soja, carne bovina y lana), Perú (cobre, hierro y plomo) o Ecuador (petróleo).

Además, es el segundo socio de Argentina, México, Cuba, Costa Rica y Nicaragua y en 2014, el gigante asiático prestó a la región 22.000 millones de dólares, un 71% más que en 2013.

Asimismo, el Instituto de Gobernanza Económica Global de la Universidad de Boston señala en un informe que China otorgó US\$102.000 millones en préstamos a América Latina entre 2005 y 2013.

Todo fue optimismo en ese periodo.

En 2008, el economista Alfredo Coutiño señalaba que existía “una diversificación del comercio de América Latina con el mundo. En los últimos años, países como Brasil, Argentina, Chile e incluso México han hecho esfuerzos para alejarse un tanto de Estados Unidos y profundizar sus lazos con Europa y Asia... mientras Asia -especialmente China e India- continúe creciendo, eso le permitirá a América Latina contrarrestar una posible desaceleración de EE.UU.”

### Los sustos ahora vienen de China

Ahora de China llegan sustos y motivos de preocupación. Primero fue la constatación de que el gigante asiático había entrado en desaceleración. De crecer al 9% había pasado a hacerlo al 7% con la consiguiente reducción en la demanda de materias primas.

Moody's apuntaba hace unos meses que tras haber crecido alrededor del 9% en los últimos 30 años, “la tasa de expansión de China ha ido, naturalmente cayendo. Esta desaceleración es evidente no solo en las cifras de crecimiento del Producto Interno Bruto (PIB), que más o menos ha disminuido de 14,2% en 2007 a alrededor de 7% en la actualidad, sino también en la disminución gradual de la participación de la inversión en el PIB”.

Después, ha empezado a desvelarse que el país asiático padece una triple burbuja (bursatil, financiera y del ladrillo).

Y ahora, esas tres devaluaciones consecutivas, que sumadas alcanzan el 4,6%, que significan para América latina una reducción de sus exportaciones de materias primas y de sus ingresos vía divisas.

Brasil, inmerso en su propia crisis económica (política e institucional), es un país especialmente afectado por las dificultades chinas.

“Es muy malo para Brasil porque representa un nuevo factor externo preocupante. En el escenario de estrés que estamos viviendo, no podría haber sucedido en un momento menos oportuno...Esto hará más difícil para Brasil promover los ajustes internos que necesita”, ha señalado Carlos Langoni, expresidente del Banco Central de Brasil.

En el caso de Argentina, el economista Luis Palma Cané explica en Puntobiz que “lo que impacta a todo el mundo que es que se abaraten las exportaciones chinas y encarezcan sus importaciones, para un país como Argentina que tiene a China entre sus tres principales socios comerciales, le va a entorpecer las exportaciones y le va a meter presión para mandarle más productos de acá, lo cual va a desbalancear aún más la balanza comercial que teníamos con China y va achicando el superávit comercial que tiene una tendencia decreciente. Eso el va a pasar a todo el mundo, pero a nosotros un poco más porque es uno de nuestros principales socios. Pero nosotros tenemos dos características más, que es que en parte nuestras reservas, que están muy bajas, está el yuan. Tenemos 8500, y por cada punto que se devalúa la moneda yuan nosotros perdemos 85 M de dólares de valor. Y más grave aún es la presión que pone sobre el tipo de cambio, que si estaba atrasado ahora está mas atrasado todavía”.

La devaluación de yuan ha golpeado directamente a Chile en el valor de su moneda, el peso, y en su principal producto de exportación, el cobre.



El peso chileno se depreció un 1,17 % frente al dólar y el cobre a futuro cayó casi un 3% (2,8%), llegando su nivel más bajo en 6 años.

El ministro de Hacienda chileno, Rodrigo Valdés, señaló, en entrevista a Radio Duna, que “por suerte en Chile tenemos un tipo de cambio flotante, en un marco macroeconómico de punta, reconocido hace muchos años. Tenemos una economía bien preparada, y lo que está pasando es parte de los ciclos, no hay que tomarlo como una tormenta. Es ruido, pero parte de los ciclos económicos. Lo de China es parte de un proceso más largo que estamos viendo. La configuración mundial de crecimiento está cambiando. Los mercados emergentes fueron líderes por diez años o más, y los países desarrollados tuvieron años bien malos. Eso significa una reconfiguración de quienes crecen más y menos y también significa que los precios de los activos, incluyendo el tipo de cambio, se mueven”.

Los precios del maíz, trigo y soja han caído estos días en la Bolsa de Chicago tras la devaluación de la moneda china lo cual amenaza con afectar a las exportaciones de naciones como Paraguay. Un país que lleva meses viéndose golpeado por la reducción del precio de su producto estrella, la soja.

Las exportaciones totales de soja paraguaya alcanzaron en julio US\$ 6.987,8 millones, mientras que hace un año atrás rondaban los US\$ 8.400. El economista Anibal Insfrán señala que Paraguay depende de los envíos de soja a “China (que) es uno de los mayores consumidores de materia prima, producto que nosotros y toda la región exportamos, por lo que afectará sin dudas”.

La presencia de China en el comercio de Uruguay es creciente también: en 2007 representaba el 3,6% de las exportaciones en valor y se ubicaba séptimo en el ranking. En 2013 pasó a estar en segundo lugar con 16,4% –solo por debajo de Brasil.

En Perú, cuyo principal socio comercial es China, la preocupación gira en torno a que la devaluación del yuan va a provocar un aumento del precio del dólar, un abaratamiento de las importaciones y un encarecimiento de las exportaciones.

El primer efecto ha provocado una caída del cobre de un 2.6%, a US\$ 5,170.50 por tonelada. El economista Carlos Adrianzen, decano de la facultad de Economía de la UPC, ha explicado que “la trampita de devaluar es que abaratas tus exportaciones para el resto del mundo, los peruanos van a encontrar que los autos chinos son más baratos, pero nuestras exportaciones de cobre y de cualquier producto que vendamos a los chinos, ellos las van a encontrar mucho más caras”.

La devaluación ha vuelto a golpear hacia la baja a los precios del petróleo, algo que afecta a países latinoamericanos como Ecuador, Colombia y Venezuela. El barril de Brent perdió un 2,43 % hasta caer a los 49,18 dólares, mientras que la referencia WTI retrocedió un 4,18 % y se cotizó en 43,08 dólares.

El propio presidente de Colombia, Juan Manuel Santos ha reconocido lo fuerte que está golpeando a la economía nacional la caída de los precios del petróleo.

“¿Quién iba a pensar que hoy el precio del petróleo iba a estar por debajo de 50 dólares? Nadie se imaginaba. Eso nos golpea muy duro, nos ha golpeado muy duro, nos hemos ajustado. Este es un sector que vivió una época de bonanza y ahora está en crisis (...) Las empresas que invierten y que producen petróleo lo primero que hacen ante esa caída de los ingresos es recortar las inversiones, recortar la sísmica y a eso tenemos nosotros que adaptarnos para tratar en la medida de lo posible de mantener la mayor producción posible, por los recursos que eso genera. Y ese es un gran reto”, apuntó Santos.

En cuanto a Venezuela, el régimen chavista se enfrenta a dos problemas: la caída del precio del petróleo y del oro. Venezuela logra en torno al 95% de sus ingresos gracias a las exportaciones de petróleo y posee el 68% de sus reservas internacionales en oro.

Si a los países sudamericanos la devaluación del yuan les afecta por ser China su principal, o uno de sus principales, mercados de exportación, a México le afecta porque el gigante asiático, uno de sus rivales comerciales, gana en competitividad.

“La decisión del gobierno de China de devaluar el yuan, representa un golpe importante para la competencia del sector productivo”, ha dicho la Confederación de Cámaras Industriales que considera que “eso evidentemente puede impactar en el desplazamiento de producto mexicano ante esta competencia”.

Eso ya venía pasando antes de la devaluación del yuan con el acero, por ejemplo. Las importaciones de acero mexicano cayeron a su menor nivel en 2 años, al registrar 160.3 mil toneladas en marzo.

Esto sucedió mientras que las compras estadounidenses hechas a China en marzo, subieron 2.85 por ciento.

#### El mensaje que dejan los problemas chinos

Dos son las enseñanzas que deja los problemas por los que atraviesa la economía de China.

En primer lugar, que es necesario apostar por la diversificación de los mercados de exportación.

Y en segundo lugar, que también hay que apostar por la diversificación de las propias exportaciones y por incrementar el valor añadido de lo que se exporta.

América latina sigue dependiendo de sus exportaciones de materias primas y menos de exportación de productos elaborados o con alto valor añadido. Cuando llegan épocas de



ralentización, decae la demanda de materia prima, como hierro o cobre, mientras que es más elástica la demanda de productos con mayor valor añadido.

Como apuntó Carlos Malamud en Infolatam: “Ya se ven las consecuencias de la ralentización de la economía china sobre los precios de las commodities y sus repercusiones negativas sobre el crecimiento económico regional. Cuando EEUU y la UE eran los principales mercados para las exportaciones latinoamericanas se hablaba de la necesidad de diversificar los riesgos. Sería necesario volver a hacer lo mismo”.

## Los problemas para el crecimiento Asiático

La transición de economías de ingreso medio a economías de ingreso alto resultó tener mayores complicaciones de las esperadas a nivel mundial y, en especial, en Asia. La transición económica exitosa parecería estar ligada a factores políticos faltantes en la región.

### [The problems for Asia's growth](#)

By Peter Drysdale

East Asia Forum – 17/08/2015

There has been a great deal of brouhaha about the risks of a collapse in the Chinese economic growth over the past couple of months because of the dramatic fall in Chinese stock markets. The truth is that movement in the Chinese stock market has never been closely related to China's economic growth rate performance. In periods of strong growth, the stock market was stagnant. As growth fell back, the stock market surged. The stock market seemed to play a game all of its own, though over the long term the growth of equity value must come to reflect the productive capacity of the Chinese economy.

There are a number of reasons why this might have been so. China's stock market is still very underdeveloped. Its absolute size, measured in volume of turnover, has more than doubled over the past year. But it still plays a very small role in the economy. It's about a third of GDP, by one measure, compared with more than 100 per cent in developed economies. Less than 15 per cent of household financial assets are invested in the stock market. That is why rising share prices did little to boost consumption and why falling prices will not do very much to hurt it. The players in the market are small. Institutional investment is underrepresented. Corporations do not yet rely on equity financing for investment. The connection between the stock market and China's economic performance is therefore much weaker than it is in developed economies.

That doesn't mean that there are no problems to worry about in the transition of Chinese economic growth from rates of more than 10 per cent in the course of catching up to middle income countries, to lower rates, currently around 7 per cent, on the way towards higher levels of income. Indeed, there's a whole literature out there that warns that middle income countries like China and a number of other emerging Asian economies, such as Malaysia and Thailand, face a number of major hurdles in the transition from middle to higher incomes, and others, like India and Indonesia, have still to break through to upper middle income. Over the past half century or so, many countries have committed to promoting economic development and catching up to the income and productivity levels achieved in advanced industrial economies. These emerging economies were the great hope for global growth. But the remarkable fact is that only 13 of 101



countries across the world which have made it to middle income status have been able to complete the transition from lower or middle income levels to high income levels since 1960, and catch up to the technological frontier. This is the so-called ‘middle income trap’.

David Dollar points to the strong empirical relationship between the quality of institutions (as measured by the World Governance Indicators’ Rule of Law index) and economic growth. Yet institutional quality does not change very much from year to year or sometimes even from decade to decade, so it is hard to explain why countries have periods of high growth followed by low growth (or vice versa).

The resolution of the puzzle, says Dollar, maybe that institutions which are well-suited to one phase of economic development may be ill-suited to another. One way to resolve the paradox of persistence of institutions and non-persistence of stronger than average growth rates is to focus on the quality of institutions relative to the level of development. ‘It turns out this can help explain why China and Vietnam, for instance, have seen such high growth in recent times: they have relatively low institutional quality in an absolute sense, but they have above-average quality institutions given their stage of development, which might, for instance, help to attract foreign investment to China or Vietnam rather than other Asian countries with similarly low wage levels but weaker institutions’.

Another question which Dollar raises is whether authoritarian institutions are better for economic growth than democratic ones. This could depend on the stage of a country’s development. When we look at the historical experience, in countries that have a per capita income below US\$8,000, authoritarian institutions could see consistent higher growth. But at higher levels of income, democratic countries are likely to see higher growth than authoritarian ones.

This week’s lead essay is from Indermit Gill, of World Bank, and Homi Kharas, of the Brookings Institution, who, in a major World Bank study ten years ago, first coined the term ‘middle income trap’.

Some things haven’t changed, say Gill and Kharas. The importance of trade liberalisation is just as vital to middle income countries. Successful middle income countries are also likely to be those that encourage innovation, in which openness to trade and investment plays a key role. And the quality of financial markets and capital market liberalisation seems especially important to escaping the trap. These are the elements that are necessary to sustain productivity-based growth towards higher income levels.

On reflection, Gill and Kharas reckon they need to add three other issues that may prove decisive in the transition from middle to higher incomes for Asian economies yet to make the cut: problems that derive from demographic drag (getting old before becoming rich); building an open and creative environment that fosters risk-taking and entrepreneurship; and making exter-

nal commitment to openness beyond trade and investment liberalisation. They might have also added dealing with environmental externalities.

Success in all these economic policy strategies is deeply intertwined with the capacity of political leadership, and the political systems in which they exercise it, to deliver. So achieving the 6 to 7 per cent growth that will get the middle income economies of Asia to high income levels in a couple of decades won't exactly be a stroll in the park.

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## **El mecanismo de diálogo asegura la estabilidad de los lazos China-EE.UU.**

(Comentarios de fuente oficial china sobre el Séptimo Encuentro de Diálogo China-EE.UU. Washington, 22-24 de junio 2015)

Las conversaciones bilaterales, sostenidas a alto nivel, emitieron signos de que los dos países no se encaminan a una confrontación, a pesar de que no se resolvieron temas bilaterales. La fuerte relación económica no permite que los países tengan esa confrontación.

### [Dialogue mechanism ensures stability of China-US ties](#)

Xinhua - Washington - 25/06/2015

The convening of the China-US high-level talks as scheduled despite recent turbulence in bilateral ties has sent out a reassuring message to those worried passengers on the China-US plane: their safety belts are securely fastened.

The depth and scope of China-US relations were especially obvious in the past two days, which witnessed intensified interaction and candid negotiations between senior Chinese and US officials at the seventh Strategic and Economic Dialogue (S &ED) and the sixth High-Level Consultation on People-to-People Exchange (CPE).

Three high-level Chinese officials appeared on the same stage with US Vice President Joe Biden, Secretary of State John Kerry and Treasury Secretary Jacob Lew on Tuesday to open this year's S &ED and CPE, in a public gesture to dispel the suspicion that the two sides were heading into confrontation after trading barbs recently over the South China Sea dispute and cyber security.

However, the two-day talks could not solve all outstanding issues. The most tangible outcome might be that the talks helped lower tensions and created a positive atmosphere for the planned first formal state visit to the United States by Chinese President Xi Jinping. US President Barack Obama said Wednesday he looked forward to welcoming him to the White House in September.

Xi's September visit is expected to add efforts to avoid the zero-sum game of major country rivalry.

In addition, the latest new round of talks has once again testified to the effectiveness of the China-US dialogue mechanism in ensuring that bilateral ties stay on track even during setbacks.

The talks were held at a time when China-US ties were strained over China's legal land reclamation on its islands and reefs in the South China Sea, and the unfounded US accusations of China's hacking into its computer systems. Washington even dispatched reconnaissance planes to the region in a dangerous move to challenge China's legal rights.

The chain of events led to pessimistic predictions by some that the China-US relationship has reached a tipping point and was heading towards confrontation. Some US politicians and experts even prodded Washington to "punish" China so as to rein in what they called its ambitions for regional hegemony.

However, despite the headwinds from Washington, the general picture in China-US ties largely remains unchanged: common interests outweigh differences while instances of cooperation outnumber disputes.

Nowadays, with an annual bilateral trade value of 550 billion US dollars, China-US economic ties have never been more interdependent. The exchanges between the two peoples have never been more frequent, with more than 10,000 Chinese and Americans traveling across the Pacific every day.

Simply speaking, the two big countries just cannot afford to head into confrontation due to their increasing convergence of interests. US investment tycoon George Soros warned Washington in a recent article that "the US has little to gain and much to lose by treating its relationship with China as a zero-sum game," while calling for building a strategic, mutually beneficial partnership with China.

Indeed, if the two sides can look far beyond the current disputes and manage them constructively, continue to hold dialogues and cooperate on major issues of mutual concern, then the China-US relationship will surely maintain a momentum of steady and healthy development.

## China y EE.UU. se concentran en el tema del clima en diálogo anual clave

Vice primer ministro chino considera que ambos países deben cooperar en tratar el tema climático en áreas como tecnología del carbón, nuclear, shale gas y energía renovable. Urgió a EE.UU. a reducir el control sobre tecnologías avanzadas de ahorro de energía y reducción de emisiones.

### [China, US focus on climate in key annual dialogue](#)

Xinhua - Washington - 25/06/2015

China and the United States Wednesday held a special meeting on climate change under the framework of the seventh round of the China-US Strategic and Economic Dialogue (S&ED).

It is humanity's common task to combat climate change, Chinese Vice Premier Wang Yang said.

A change in development mode should be the focus, Wang said, adding that people should refrain from the production method of over-consuming resources and the environment, luxurious and wasteful lifestyles and the approach of first polluting the environment and then dealing with the problem later.

The battle against climate change offers opportunities as well as challenges, he said. And business opportunities could be found in industrial emission cuts, construction energy-saving, the development of clean energy and the cleaning-up and protection of the eco-environment.

Wang called for pragmatic cooperation between China and the United States in coal technology, nuclear technology, shale gas and renewable energy.

He urged the US side to relax control over advanced technologies on energy-saving and emission reduction to push for more pragmatic cooperation results.

Chinese State Councilor Yang Jiechi said China and the United States share broad common interests and a huge potential for cooperation in dealing with climate change.

Important achievements have been made in their cooperation in this regard, which has become one of the highlights in their efforts to build a new model of major-country relations, he said.

Yang called on the two sides to expand their common ground as much as possible while adhering to the principles of "common but differentiated responsibilities" to push for a comprehensive and balanced result in the Paris climate talks later this year.

US Secretary of State John Kerry praised the sound cooperation between the United States and China in fighting climate change. He mentioned the joint declaration in Beijing by Chinese President Xi Jinping and US President Barack Obama last year, which has clarified their countries' respective climate targets after 2020.

He believed the United States and China could play a leading role in the international arena and work together to achieve tangible progress in the Paris meeting.

Climate change is a challenge faced by the United States, China and every other country in the world, US Treasury Secretary Jacob Lew said.

He pledged broader and deeper cooperation with China on climate change to ensure a sustained development of their national economies and the world economy.

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## **Presidente chino pide implementación precisa de reforma y objetivos realistas**

Xinhua Español – Beijing – 19/08/2015

El presidente de China, Xi Jinping, instó hoy a los funcionarios de Partido Comunista de China (PCCh) y del gobierno a que intensifiquen los esfuerzos para implementar la reforma y cumplir los objetivos.

Xi hizo el exhorto en la decimoquinta reunión del Grupo Dirigente Central para la Profundización de la Reforma Integral, que se estableció a fines de 2013 para administrar la actual campaña de reforma.

La reforma en muchas áreas ha alcanzado un avance sólido y firme desde principios del año y se han reportado nuevos avances en áreas fundamentales, indicó Xi.

El presidente subrayó que los órganos del PCCh y los gobiernos de todos los niveles deben mostrar una mayor determinación y perseverancia para avanzar en las reformas y hallar soluciones a los nuevos problemas que surjan de ellas.

Xi pidió establecer metas precisas y la implementación concreta de las medidas de reforma.

En el encuentro de hoy, el grupo dirigente adoptó seis planes de reforma que abarcan el poder de la máxima legislatura para corregir los problemas revelados por las auditorías; la mejora de la responsabilidad judicial de tribunales y fiscalías; el desarrollo de universidades de clase mundial; la promoción de la educación obligatoria en las regiones subdesarrolladas, y el manejo de las identificaciones perdidas.

Entre estos planes, un documento para mejorar los informes al Comité Permanente de la Asamblea Popular Nacional, la máxima legislatura china, sobre asuntos descubiertos en las auditorías, pide al comité corregir los registros de auditoría, presupuesto y egresos.

Otro documento demanda independencia para los trabajadores judiciales, subraya la administración y supervisión efectivas, así como jurisdicciones y responsabilidades claras y transparentes de los funcionarios judiciales. Los jueces son responsables de los casos que hayan enfrentado aún después de jubilarse, y quienes emitieron veredictos ilegales serán responsabilidades.

Un documento similar enfocado en los fiscales los hace responsables de las malas decisiones o acciones realizadas durante las investigaciones. El documento pide una supervisión mejorada de los fiscales.

China pretende crear algunas instituciones de educación superior de clase mundial y elevar la calidad general y la competitividad internacional de la educación superior, al mismo tiempo que mejora la educación en las áreas afectadas por la pobreza.

En las escuelas primarias y secundarias débiles se llevarán a cabo inspecciones. Los inspectores se enfocarán en canalizar fondos del gobierno para estas escuelas.

China reducirá la burocracia para que los ciudadanos puedan renovar sus identificaciones en lugares distintos a sus hukou (registro familiar), si su identificación expira o se extravía.

El país debe dar prioridad a las reformas que sean conducentes a un crecimiento económico estable, a reestructurar y mejorar el nivel de vida de la gente, y a reducir los riesgos, así como a las reformas que establezcan reglas y normas para las prácticas futuras, agrega el comunicado.

Los asistentes a la reunión instaron a que se establezcan medidas de reforma drásticas y pragmáticas en las áreas de empresas propiedad del Estado, políticas fiscales y tributarias, finanzas, sistema judicial y construcción de Partido, entre otras.

Además, se harán esfuerzos para que los funcionarios y la gente se percaten de que la reforma es el camino seguro para reforzar todo tipo de tareas realizadas por el Partido y el gobierno.

El primer ministro Li Keqiang, el importante líder Liu Yunshan y el viceprimer ministro Zhang Gaoli también asistieron a la reunión.

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### **Xi, el servidor del Partido Comunista Chino.**

Xi Jinping promovió la lucha contra la corrupción, el cumplimiento de la ley y los derechos de propiedad para la emergente clase media así como mayor equidad social, entre otros temas. Pero también reforzó el control ideológico y la represión a intelectuales críticos algunos de los cuales recibieron fuertes penas judiciales.

#### [Xi, the CCP's servant](#)

Bye Kerry Brown

East Asia Forum - 05/08/2015

After almost three years of Xi Jinping's leadership in China, it is a good time to take stock of what has been achieved.

Xi has been spoken of as the new strong man in Chinese politics, a dominant figure who has accrued an array of party, military and state positions. He sits as chair of four of the eight all-important 'Small Leading Groups', which have the most influence over formulating policy in key strategic areas. Since 2013, through his anti-corruption campaign, his leadership has ensnared powerful figures from former Politburo Standing Committee member Zhou Yongkang to a deputy director of the Ministry of State Security, and figures in provincial government and the state enterprise system.

Ideologically, he personally authored a statement after the Third Plenum in late 2013 that made the market 'necessary' rather than 'preferential' for reform. The themes of his first phase in power have been strengthening rule by law, enforcing higher standards of behaviour in the Chinese Communist Party, and focusing on reassuring China's emerging middle class through stronger property rights and greater social equity.

His leadership has also seen a new purposefulness about managing China's serious environmental issues, the highlight of this being the historic accord signed with the US in November 2014. Xi has been a tireless diplomat, explaining China's role in the world in tours to Latin America, the US, Europe, Australia and within Asia. By establishing the Asian Infrastructure Investment Bank in 2015, he has even managed to steal some of the global economic management space from the dominance of the US.

But there is also a less positive side. A fierce crackdown on intellectuals who criticise the party's style of rule has been ongoing since 2013. Lawyers like Xu Zhiyong, journalists like Gao Yu and feminist activists have all been detained, and in some cases handed draconian sentences. A White Paper on Tibet issued by the Chinese State Council in April 2015 was categorical in its assertion that Tibet's current political status and management could not be changed, despite continuing self-immolations by protestors. Uyghur academic Ilham Tohti was sentenced to life imprisonment in 2014 on charges of 'separatism'. On Hong Kong and Taiwan, Xi's leadership is hard-line. He supports a very highly managed framework for direct elections for a Chief Executive for the former, and demands that political issues need to figure in the current debate with the latter, rather than pushed endlessly into the future.

China is, by the reckoning of its own leaders, in a period of tough transition. Growth is falling below 7 per cent. Healthcare and education are increasingly becoming focuses of government attention. The hunt for fast, diverse, sustainable growth is urgent. Xi Jinping is talked of as a Maoist figure: grabbing all the power to himself. But the political program and strategy since 2012 is better characterised as supporting one overriding objective: continuing stable and unchallenged rule by the Communist Party of China. As long as Xi Jinping is seen as promoting this, his position is secure. The party, not Xi, is the emperor of 21st Century China.

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## Jóvenes chinos se esfuerzan en realizar intercambios culturales

El número de programas de intercambio entre jóvenes chinos y de otros países aumenta, dando a los jóvenes en la diplomacia no gubernamental. Los intercambios son principalmente con países cercanos y se interesan en temas económicos, sociales y culturales.

[Young Chinese devote efforts to cross-culture exchange](#)

By Xiong Zhengyan

Xinhua - 09/01/2005



A record number of exchange programs between young Chinese and foreign youth were unfolded in 2004, marking youngsters' bigger role in non-governmental diplomacy.

"There were more than 100 exchange programs in 2004, involving about 3,000 foreign youngsters visiting China and 1,000 young Chinese going out to countries throughout the world," according to a figure from the Central Committee of Communist Youth League of China (CYLC), one of China's major mass organization of youth.

The Chinese young people's exchange with foreign youngsters is a major way for them to participate in world affairs, said China's youth leader Zhou Qiang, the first secretary of the Central Committee of the CYLC.

In 2004, some youth exchange programs were conducted to celebrate the important anniversaries between China and other nations.

As the year 2004 marked the 55th forging anniversary of China- Russia diplomatic relations, presidents of the two nations set the year as "Friendship Year for Chinese-Russian Youth". The young people from the two countries held 15 celebration activities throughout the year, including knowledge contest on Russia, youth leader forum and exchange of visits.

The Chinese and Russian youth leaders even signed a letter of intent, blueprinting the future cooperative initiatives between the young people.

Chinese youth also pushed their ties with Romanian counterparts on the occasion of marking 55 years of China-Romania diplomatic ties. A Romanian delegation of 58 young people was invited to China, warmly hosted even by Chinese President Hu Jintao.

"China-Romania friendly relations can be traced back to the time when I was a kid," said Yang Huaijing, a Chinese entrepreneur attending China-Romania Youth Festival. "Now it is time for us young people to build and pass on this friendship."

Some youth exchange programs were initiated to discuss the issues of common concerns of both Chinese and foreign youngsters.

In June 2004, nearly 100 young people from 25 member nations of Asia-Europe Conference gathered in China to embark on "a journey of aquatic civilization". By traveling along and conducting researches on "China's mother river"-- the Yangtze River, the longest in China and the third longest in the world, the young people reached consensus on protecting rivers and voiced their shared determination to join environmental protection initiatives.

Chinese youth also discussed with foreign youngsters on HIV/ AIDS control and prevention, starting business, employment, health care and globalization.

“These initiatives broaden the horizons of young people and deepen their mutual understanding,” Jiang Guangping, who is in charge of international affairs with the CYLC. “This has also laid a solid foundation for the long-term trust and amity between China and other countries.”

In year 2004, some youth exchange programs were even turned into long-standing mechanisms. Among them were China-ASEAN Ministerial Meeting on Youth, China-Africa Youth Forum, China-US Youth Leader Dialogue and China-Vietnam Youth Gathering etc.

As a figure from the CYLC revealed, about eighty percent of youth exchange programs in 2004 featured interaction with China’s neighboring countries.

The “Great Wall Program” designed for promoting the ties between Chinese and Japanese young statesmen was resumed in 2004 after three years’ suspension.

“This program is a well-known one among the ongoing non- governmental exchanges between China and Japan,” said Chen Yongchang, vice-president of China-Japan Friendship Association.

Also in 2004, a total of 500 young Chinese, Chinese youth’s largest-ever group visit abroad, set their feet on the soil of the Republic of Korea (ROK). This program will continue in 2005 and 2006 with 500 young Chinese touring ROK annually.

More than 100 Pakistani students also paid a visit to China in fall 2004.

The exchange programs targeting neighboring countries were too many to be exhausted here.

Reviewing China’s youth exchange initiatives in 2004, Zhou called on Chinese young people to “take a more active attitude and play a bigger role in the global youth affairs.”

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## La inmigración china: muriendo por la tierra

La migración del campo a la ciudad está produciendo numerosos conflictos entre migrantes y autoridades y entre habitantes y urbanizadores. Para muchos, las compensaciones por expropiación de tierras no alcanzan para establecerse en las ciudades. Muchos jóvenes tienen que ayudar a padres que perdieron la tierra.

[China migration: Dying for land](#)

By Lucy Hornby

Financial Times - 06/08/2015

Urbanisation is leading to violent clashes between developers and farmers amid a fight for control of the land

To the people, it looked like an invasion. For three years farmers in Fuyou village had been fighting the government-backed developer who turned their land into a giant construction site. Thugs circled after dark, threatening and sometimes beating the residents. Villagers armed with hoes and scythes had taken shifts guarding the entrance to their narrow streets.

Now, truck after truck packed with men in hard hats labelled “police” and carrying long staves, electric prods and riot shields rolled down the highway. Relatives working in a nearby town say they called ahead to warn that the convoy was on its way. The villagers grabbed steel rods from the construction site, and waited.

The two forces clashed on the wide roads between half-finished buildings under the bright southern sun in China’s Yunnan province – more than 2,000km from Beijing. The crowd overturned three silver Chevrolets. Small running battles left men bloodied and beaten on the ground.

Villagers captured eight of the “police”, bound them with packing tape and plastic twine, and held them in the village function hall. On closer inspection, the outsiders had the same weathered peasant faces as the villagers. Their dark blue uniforms turned out to be ill-fitting security guard outfits pulled on over normal clothes. One woman called the real police repeatedly.

Late in the afternoon with tensions high, the villagers dragged four of the hostages out to the road, bound them together with a red cloth banner, and splashed them with petrol, demanding that the other side withdraw. Instead, they surged forward.

When the smoke cleared on October 14 last year, the charred and bloody bodies of the hostages lay still bound on the pavement. At least two villagers and two outsiders were found dead in nearby fields.

“We had no choice but to defend ourselves,” says one villager who asks not to be named for fear of retaliation. “If we hadn’t killed them they would have killed more of ours.”

The battle of Fuyou was remarkable for its savagery, but not for the fact that it happened. Land grabs are the top cause of unrest in the Chinese countryside and in the sprawling villages-turned-slums surrounding every city.

**Urban vs rural**

China's rapid urbanisation has been driven primarily by the pull of higher wages in the city, and the opportunity to escape a life of back-breaking farm work. For three decades, cheap labour from the countryside has driven China's "economic miracle", as the nation's premier, Li Keqiang, acknowledged in an address in March.

The rural population has dropped from 80 per cent of the total in 1980 to less than half now. Its contribution to the economy has shrunk even faster, to 9 per cent of gross domestic product from 30 per cent in 1980 – making the cities even more attractive.

But there is an uglier "push" factor too. One-fifth of China's migrants have had no choice but to hit the road, because their land is gone.

Their numbers are staggering. A 2011 report by the Chinese Academy of Social Sciences found that between 40m and 50m Chinese migrants, from a total of 250m, were landless due to expropriation. Another 3m people would lose their land every year, CASS estimated.

Officially, Beijing welcomes urbanisation. But growing numbers of people lack the rights and access to services of urban citizens because they are classed as "rural" under China's restrictive hukou registration system, and at the same time lack any farmland to fall back on. That could be a recipe for instability, especially as economic growth slows.

Independent calculations are even higher. The landless population has climbed sharply to 120m from 40m just 10 years ago, estimates Hu Xingdou, who researches migrant issues at the Beijing Institute of Technology.

For some Chinese, compensation for lost land is enough to fund a new urban life, or kick-start a small business as the city comes to them. But for millions it is not – setting the stage for desperate battles like the one that convulsed Fuyou.

Almost half of Chinese villages have lost some or all of their land since the late 1990s, according to a 2011 survey by Landesa, an international land rights NGO. In nearly a quarter of those cases, the villagers were not compensated, the survey found. Research by the Chinese Academy of Sciences indicates that "mass incidents" – the official euphemism for protests or riots – are, not surprisingly, more likely to occur if locals believe they are not being fairly compensated for their land.

#### Yunnan China land seizure map

That is the case for about a dozen villages and 20,000 people farming the rich flat land of Jincheng township on the shores of Dianchi Lake, south of Kunming, Yunnan's capital. Thousands of acres have been cleared to make way for the local government's plan to transform the

area into a \$3.6bn “ancient city” tourist attraction with lakeside villas, high-rise apartments and, less scenically, an auto parts wholesale market.

Violent land grabs are common throughout China, but the scale of the seizure near Kunming is unusual.

In 2013, Jincheng saw four violent clashes. Almost exactly a year before the fatal 2014 battle of Fuyou, farmers in nearby Guangji village fended off police who had arrived with tear gas to arrest the land movement leaders. They briefly held 15 police and local officials hostage, until authorities agreed to back off. Forty villagers and 27 police were injured.

### Rise in violence

Across China, the number of violent clashes rose sharply after 2009, as debt-strapped local governments began selling land pledged as collateral to real estate developers. This has put local authorities, and the full weight of the security forces, squarely on the side of the developers.

In 2010, at least 16 land grabs or forced demolitions across China involved the death of at least one person, according to a “blood house map” compiled from state media, compared with only a handful of cases in the rest of the decade. More recently, a villager guarding his fields was burnt alive in Shandong province last year, when demolition crews set fire to his tent.

Farm land in China belongs to the state or the village collective, while the families who have farmed it for centuries legally only hold a 30-year title. Villagers have no say when the government sells the land to a developer, but those who put up a tougher fight can often wrestle a greater share of the revenues. When local governments are in desperate need, however, the face-off can get ugly.

The drive to sell often means that seizures for “development” outpace the natural growth of the city, contributing to the miles of empty ghost towns that surround many Chinese cities.

That appears to be the case along the south-east shores of Dianchi Lake, where prime farmland lies in ruins. Loamy black soil and the deep velvet green of vegetable fields peep out here and there amid a wasteland of rubble and bulldozed soil. Construction sidings trumpet the “China Dream”.

Resistance around Dianchi Lake is so fierce partly because farmers there make an unusually good living growing fresh vegetables that are packaged in local warehouses and shipped across China. Fuyou villagers were offered Rmb90,000 (\$14,516) per mu (15 mu equal one hectare). That is about four times the national average for compensation but less than other nearby villages received, and much less than the national formula based on a multiple of annual crop income.

“It seems like a lot, but around here it only works out to about two years’ income,” says the Fuyou villager . “Some people have nothing else to live on, they would have to leave to find work. Around here people don’t like to migrate. We like to stick close to home.”

In depth

### End of the Migrant Miracle

After an unprecedented flow of labour from the countryside to cities, fuelling three decades of breakneck economic growth, the transformation of China into an urban society is now complete

That’s borne out by the statistics. Poor rural counties in China have seen an outflow in their registered population as working age adults leave to find work. But the population of Jincheng township has stayed flat. Young people find service jobs in nearby towns, while their parents continue to farm nearby.

Land grabs disrupt the transition to urban life by pushing people away faster and further than planned. Young adult migrants must support parents who have lost farming income. If village homes are destroyed, compensation funds can disappear into the cost of a new home.

That calculation is already weighing on the village of Anjiang in Jincheng township only a few miles from Fuyou. About 50 Anjiang villagers were injured in a pitched battle with demolition crews and police in April 2013.

Two years later, the village is surrounded by rubble although nothing new has been built. With nowhere to farm, many of Anjiang’s 3,000 residents have joined the “floating population” of itinerant agricultural labourers, leaving behind old folks and children.

“Before we were poor but the family was together,” an Anjiang shopkeeper says. “Now people are spread to the four winds.”

### Security crackdown

After the battle, paramilitary teams locked down Fuyou for two months. Villagers were detained in turns until they named those responsible for the murders. Nine months later, some families have no idea where their men are.

Even today at a checkpoint at the village entrance, guards monitor everyone who comes and goes. Cell phones are tapped.

“We live in such a remote and tiny place, I can’t believe that something like this would happen here,” says a townswoman in Jincheng who witnessed the Fuyou killings. “I used to believe this society was good, but now every time I hear the term ‘the nation’ I feel afraid.”

Ten months on, Fuyou's rich fields are covered by the gigantic "Pan-Asia Auto Parts Trade and Commerce Hub", a complex of thousands of warehouses that will open in September. It is part of a Kunming government plan to relocate 14 wholesale markets away from the city proper, despite the merchants' opposition to moving two hours from any major population centre.

The project is one of the "top 100" for Yunnan province, according to the website of telecoms manufacturer-turned-property developer China Z-Stone, one of the four backers, and "is blessed to have the confidence" of the local county government.

The Fuyou villagers' protests over compensation delayed the Rmb8bn (\$1.3bn) project for several years, says a Z-Stone sales manager. "But now the problem is solved.

#### Property rights: China's growing army of 'landless' people

Chinese history books teach that armies of landless people contributed to the chaos of the early 20th century, when local warlords battled for control of the country. Opponents of land reform within the ruling Communist party argue that privatising land would allow those armies to form again today, if rural families are left without fields to fall back on.

Yet land grabs and city sprawl have already created a population the size of Spain or even Mexico, depending on estimates, that has no access to land despite being officially classed as "rural" under the country's hukou or household registration system.

Some of the men who roam with this floating population are easily recruited into gangs and demolition crews. Far from home, they are anonymous and disposable, like the four men burnt to death in Fuyou.

Men willing to fight for a fee can be recruited from underpasses and street corners, where people looking for temporary work congregate. In Yunnan, mine bosses run a side business renting out groups of employees to debt collection agencies according to local business people.

The hostages killed by the Fuyou villagers turned out to be workers at a quarry in Jincheng township. All four hailed from Zhenxiang, a much poorer corner of Yunnan province, where pollution from rampant coal mining has led to an epidemic of tuberculosis in schools. One of them was 18 years old.

One of the frightened hostages told the Fuyou villagers that he had been promised Rmb350 (\$56) for the day's work, about three weeks' income back home.

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## Infraestructura china. La inversión va al exterior.

Las empresas chinas que salen a invertir al exterior deben adaptarse a leyes y costumbres diferentes de las de su país. Prefieren los acuerdos de estado a estado que les dan más respaldo, especialmente en países de menor desarrollo. En algunos de éstos los acuerdos de inversión fueron revisados después de cambios de gobierno.

### [Chinese Infrastructure Investment Goes Abroad](#)

And as it does so, Chinese firms will need to adapt to some very different environments.

By Lucio Blanco Pitlo III

The Diplomat - August 06/08/2015

As Chinese companies expand their operations abroad, especially in the construction and infrastructure sector, they will need to learn and adapt to new legal jurisdictions. This includes restrictions on foreign equity participation in certain sectors or on foreign entity operation of public utilities, national security laws, local content policy, as well as local labor and environmental legislation. Familiarity with this legal landscape and ensuring that they are in full compliance will raise the chances that Chinese infrastructure projects abroad will be successful.

For several decades after adopting market-oriented reforms and opening up, China was much better known for absorbing foreign investment, as multinationals moved in to capitalize on the country's low production costs. Over the years, however, China has increased its overseas investment, and now ranks as the world's third largest outbound investor. Indeed, there is much excitement about the country becoming a net capital exporter very soon – by 2017 according to forecasts. One overseas sector that is primed for Chinese attention is construction and infrastructure. However, a surge in Chinese investment in this sector would have serious implications, not only for the Chinese government, its state-owned enterprises, and its privately owned companies, but also for host states, as well as foreign and local companies with which PRC companies may partner in consortia or joint ventures as it enters new markets.

China has been a major driver in the growth of regional and global merger and acquisition (M&A) activity. From energy and natural resources to infrastructure and now technology-intensive sectors, Chinese companies are making great strides in establishing a global footprint and building Brand China. This “Go Out/Go Global” policy is supported by the PRC government, with state-owned enterprises (SOEs) were among the most active players. Of particular interest are Chinese firms involved in transportation infrastructure and construction, as they stand to receive a tremendous boost from recent China-backed initiatives, notably One Belt, One Road and the Asian Infrastructure Investment Bank. Since these initiatives promote, among other



things, regional transportation connectivity, they could help China export its surplus capital as well as the capacity for infrastructure that it has developed over the years.

From the standpoint of commercial law, increased Chinese outward investment means that Chinese companies will have to navigate new legal jurisdictions and regulatory regimes. Investing overseas offers many potential benefits, but it also comes with risks that Chinese companies should be prepared to handle and mitigate. Unfamiliarity with foreign laws and regulations and variances in legal culture and thinking may breed differences between Chinese firms and their foreign counterparts in a joint venture or consortium or between the Chinese entity and the foreign government regulatory body if a Chinese firm is the sole designated contractor or operator of a public works project.

In many projects it undertakes, especially in non-democratic developing and underdeveloped countries, Chinese investments came after the conclusion of state-to-state agreements and thus enjoy considerable sovereign backing and protection from both the investor and host states. In many other jurisdictions, however, the field is leveled and all players compete to win contracts with no special privileges or preferential treatment accorded. Also, companies involved in purely commercial contracts, such as infrastructure projects, are generally not immune from litigation even if they are SOEs. Moreover, such contracts are also not usually considered to be executive agreements that can confer immunity on contracting entities.

The political relations of China with the host state may also have implications for investments made by Chinese companies. In recent years, for example, China suffered setbacks in its infrastructure investments in developing countries such as the Philippines (for instance, the National Broadband Network and Northrail projects), Myanmar (the Myitsone Dam project) and Sri Lanka (Colombo Port City and Hambantota Port projects). As new governments came to power in these countries, contracts signed by earlier administrations with China were placed under review, and some were found to be in violation of domestic laws, and so were subsequently suspended or cancelled. Chinese companies need to take steps to protect themselves from these risks and uncertainties. While one could make the case that reneging on a previous contract is a political question beyond the ken of a company, it would still be prudent for Chinese firms to ensure that they were not caught in violation of local laws, that they did not bribe their way into the contract, and that they did not compromise on agreed project standards or specifications without just cause and the prior consent of the contracting party. This will help give them the high ground should the dispute be referred for commercial arbitration.

The dispute settlement mechanism clause in contractual agreements may provide Chinese companies with a means to resolve disputes. Internationally, most states have already passed their own national arbitration laws, recognizing that arbitration constitutes an affordable, fast and amicable method of resolving business disputes. Some of these national laws also comply or adhere with the United Nations Commission on International Commercial Arbitration

(UNCITRAL) Model Law, which was adopted to promote a harmonization of arbitration laws across different jurisdictions. Knowledge of these legal frameworks and allocating legal resources for same are, thus, important for outgoing Chinese companies.

Contractual agreements between companies are typically confidential in nature and not readily disclosed to third parties. That makes it difficult to survey the choice of law and venue for dispute resolution as reflected in the dispute settlement clause of contracts Chinese companies sign for overseas projects. Often, the details of the contract only come to public attention when the project becomes the subject of host government scrutiny or is investigated for alleged misconduct or violations. This was, for instance, the case for the Northrail Project between Chinese SOE China National Machinery and Equipment Corporation (CNMEG, later renamed Sinomach) and Philippine SOE North Luzon Railways Corporation (Northrail). The project aimed to develop a railway service to link the Philippine capital Manila with nearby provinces to the north (on Luzon Island). The infrastructure project was later suspended and then ultimately cancelled due to alleged corruption and a failure to comply with competitive bidding as required by the government procurement process. In the contract's supplementary agreement, UNCITRAL arbitration rules was the choice of law and the Hong Kong International Arbitration Centre (HKIAC) was the choice of venue. This could signal general acceptance of UNCITRAL rules and recognition of HKIAC as a neutral and able venue for resolving contractual disputes.

As Chinese companies gradually expand their international reach, it has become increasingly imperative for them to invest time and resources into acquiring the knowledge to navigate new foreign jurisdictions. Aside from obtaining cutting-edge technology to improve product quality and enhancing efficiency to win client confidence, equipping themselves with the appropriate legal resources ensures that they can remain in compliance with the rules that prevail in the markets where they operate.

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