

# How healthy is China?

**China Institute China Debate**  
**SOAS, University of London**

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This 2nd Annual SOAS China Institute China Debate titled "How healthy is China?" was held at SOAS, University of London on 29 June 2015.

Food security, energy supply, environmental sustainability and rising inequality - these intertwined issues play a crucial role in the ongoing health, or otherwise, of any nation. In China, the world's most populous country, and one that has experienced the most complex and dynamic economic growth of the last two millennia, such issues are played out on a massive scale against a complex cultural and historical background, with national and global effect.

The SOAS China Institute houses the largest community of China scholars in Europe, with over 50 academics, and is host to the oldest professorship of Chinese in the UK. It harnesses this deep expertise to create a space where dialogue is always welcomed, where global business, NGO and government leaders, media and world-class scholars from across the world rub shoulders, argue, share knowledge and build understanding.

At our second annual China Debate, senior-level experts from different sectors will explore the question 'How healthy is China?' and offer their personal and professional insights into China's economic, political, cultural and environmental health.

## Panelists

The panel followed a Question Time format, and audience members were asked to come with thought-provoking questions for our panellists:

- Sir Christopher Hum KCMG - Gonville and Caius College Cambridge, British Ambassador to China 2002-2005 : Moderator
- Ms Isabel Hilton OBE - CEO and Editor of chinadialogue
- Ms Beverly LW Sunn - Founder & President, Asia Pacific Properties Mobility Limited
- Professor Andrew G. Walder - Stanford University

Category : Education

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## Transcript

This transcript is the product of a machine process and may contain errors.

0:18 .....you  
0:27 .....stainless guests esteemed colleagues yes  
0:32 .....to welcome to the China Tibet  
0:36 .....my name's Michelle hooks and I'm the  
0:39 .....director of the psaos Chinese the way  
0:44 .....I've been homie over torture workshop  
0:47 .....client adapt to different weight or  
0:52 .....shoulder the National officially Andrew  
0:54 .....Poje to invent a party she'll books  
0:56 .....confirming sit out for my ship salmiya  
1:00 .....what I wanted under India South China  
1:08 .....Institute represents Europe's largest

1:10 .....community of China scholars yes we do  
1:14 .....speak Chinese we teach and study child  
1:18 .....across a wider range of disciplines and  
1:20 .....in greater complexity than any other  
1:23 .....institution were also very focused so a  
1:28 .....stallion Street also harbors an explicit  
1:30 .....intention to promote dialogue about  
1:32 .....China between those who work in academia  
1:35 .....in business in government and NGOs and  
1:40 .....in the media and your China debate  
1:44 .....epitomizes this year's debate will  
1:48 .....devote itself to dialogue about the  
1:51 .....social economic environmental and  
1:54 .....cultural health education it's my  
1:58 .....distinct pleasure to introduce you to  
2:02 .....the moderator  
2:04 .....debate Sir Christopher Hum. Sir  
2:08 .....Christopher has an extremely  
2:09 .....distinguished career British diplomatic  
2:11 .....service culminating holding the coast of  
2:14 .....commodities ambassador to time he also  
2:17 .....recently served this master of God wanna  
2:20 .....keys college at the University is  
2:23 .....mischief observer an analyst in Chinese  
2:25 .....affairs and I'm delighted to say is  
2:28 .....currently registered as fast as a  
2:30 .....student now hand over Sir Christopher  
2:33 .....will introduce the other panelists  
2:35 .....formats tonight's event please join me  
2:46 .....usual attention we're leaving a shorter  
2:49 .....line i will switch back to english to  
2:53 .....say thank you very much for that so  
2:54 .....introduction it is correct right now a  
2:58 .....graduate student in service it wasn't  
3:00 .....here I would be revising for next week's  
3:02 .....exam on Southeast Asian art but then he  
3:07 .....was straight into the introduction of  
3:10 .....very distinguished set on my left I have  
3:16 .....a very soon even is one of the first  
3:19 .....American female entrepreneurs to  
3:22 .....establish a real estate and relocation  
3:25 .....firm in East Asia first Hong Kong and  
3:29 .....then she expanded into China in 1995  
3:33 .....she's based in Hong Kong but travels all  
3:38 .....time in mainland China secondly we have  
3:43 .....professor Andrew Walter he has a chair  
3:48 .....School of Humanities and Sciences at  
3:50 .....Stanford is a member of the department  
3:53 .....of sociology and also husband Institute  
3:57 .....of International Studies his previously  
4:00 .....told her to Columbia Harvard and Hong  
4:03 .....Kong  
4:04 .....do science and technology he's written  
4:07 .....extensively on China at his latest book  
4:10 .....which has come out this year is China

4:13 .....under Mao a revolution derailed and then  
4:19 .....garland on my far left we have is about  
4:22 .....hilton she's based in london a writer  
4:25 .....broadcaster she has reported from around  
4:29 .....the globe she is the founder and editor  
4:32 .....of china dialogue which many of you know  
4:35 .....has a bilingual what would you call it  
4:39 .....web-based magazine dealing with  
4:42 .....environmental issues very affluent she  
4:46 .....has room for BBC radio television and  
4:49 .....for a number of the press written media  
4:53 .....as well now if i can just explain how  
4:58 .....the evening is going to run first I need  
5:02 .....to ask each of the panelists to give a  
5:05 .....short presentation on our topic how  
5:07 .....healthy is China as you heard they come  
5:11 .....from different places in the world of  
5:13 .....backgrounds that's of course is the  
5:16 .....point of bringing them to bear on this  
5:19 .....subject which could be interpreted in a  
5:21 .....lot of different ways  
5:22 .....political economic social environment  
5:26 .....they'll then be a short period of  
5:28 .....discussion between the panelists I  
5:30 .....invited comments on points raised by  
5:34 .....fellows in there additional  
5:36 .....presentations I then put final part of  
5:40 .....the session that will read some  
5:42 .....questions to be answered members of the  
5:46 .....audience might not sure whether the  
5:48 .....world are we at present have been  
5:50 .....invited to put in questions in advance  
5:53 .....we have chosen some excellent questions  
5:55 .....I've invited you audience members who  
5:57 .....are here to pose that question and they  
6:00 .....will be answered by so let us begin and  
6:05 .....I will talk to Beverly to make the first  
6:07 .....presentation thank you all for the other  
6:11 .....thing here it was in nineteen eighty-two  
6:14 .....years after dating shelf hang took the  
6:17 .....monumental serve to open chata stores  
6:19 .....who West that I just stepped into China  
6:22 .....crowds of blue uniforms would walk up to  
6:26 .....industry to stare at me because I more  
6:29 .....colorful up and said look like I had  
6:31 .....come from  
6:33 .....today of course everything looks as  
6:35 .....though they've walked out of that each  
6:36 .....album or boat magazine and I came from  
6:40 .....85 by founded in relocation real estate  
6:42 .....company in Hong Kong who continued my  
6:44 .....travels to china and in the early  
6:47 .....nineties i establish a presence there in  
6:49 .....shahi then grew to break Jane Lynch  
6:52 .....guangzhou with project in over 20 cities

6:56 .....across china when my first employee off  
7:00 .....to me what my vision was in China I told  
7:04 .....them that it was simply to provide  
7:06 .....services with integrity to Western  
7:09 .....multinationals into when they work with  
7:12 .....Chinese companies who would want the  
7:14 .....same type of value-added services and  
7:18 .....here we are today I think we would all  
7:21 .....agree that China has enormous potential  
7:24 .....to continue to modernize yet is facing  
7:26 .....major challenges in considering the  
7:29 .....health of China their main possible  
7:31 .....metrics by which to measure your horses  
7:33 .....China's health economic growth education  
7:38 .....food safety environmental concerns  
7:41 .....political freedoms corruption the list  
7:44 .....goes on these forces are complex highly  
7:47 .....interdependent  
7:49 .....difficult to aggregate to come up with  
7:51 .....an overall assessment my opinion and  
7:54 .....rather than discuss these specific  
7:56 .....metrics overlap with mice view though it  
7:59 .....has qualified views of economics and  
8:03 .....politics I'd like to take a different  
8:05 .....approach instead having been in greater  
8:09 .....china for over 30 years i will give a  
8:11 .....humanistic perspective of the health of  
8:13 .....china after all china is comprised of  
8:18 .....each of its 1.4 billion individuals  
8:24 .....understanding how healthy chinese  
8:26 .....individuals are is another way to  
8:29 .....understand how filthy chinese as a  
8:31 .....country especially in such a highly  
8:34 .....productive society so how do you assess  
8:38 .....how healthy are China's people one way  
8:41 .....of capturing the overall thing that  
8:44 .....these many economic and social forces  
8:46 .....have a Chinese people is to look at what  
8:49 .....is important to the people of China what  
8:53 .....do people care about what needs are they  
8:56 .....trying to satisfy a good framework to  
8:59 .....analyze this question is one your wife  
9:01 .....can be familiar with Maslow's hierarchy  
9:03 .....of needs it describes the priority of a  
9:08 .....person's needs the foundation is the  
9:11 .....basis human need food water Bevacqua 1  
9:17 .....thess attain one can afford to move up a  
9:19 .....level and focus on safety  
9:22 .....javad shelter environment employment  
9:26 .....financial security health then comes the  
9:30 .....long relationships family friends the  
9:34 .....fourth is esteem gaining the respect of  
9:37 .....others material goods social stature and  
9:40 .....once all of these are achieved one can  
9:43 .....focus on self top actualization a higher

9:47 .....purpose be that religion community  
9:50 .....service for improving Society Maslow's  
9:53 .....hierarchy as a way to assess the health  
9:55 .....of a person in the grander sense of word  
9:59 .....similarly the health of the country can  
10:02 .....be inward like turning what is most  
10:04 .....important to it and its people survival  
10:07 .....a higher purpose with something in  
10:10 .....between or similar  
10:12 .....the Chinese higher it differs somewhat  
10:14 .....from Laszlo's China's strong collective  
10:19 .....culture and values with ninety percent  
10:21 .....ninety-two percent of the people need  
10:24 .....Han Chinese one ethnicity one culture  
10:29 .....our based on deep relationships you all  
10:33 .....know that what she is one medal to be  
10:37 .....Chinese culture and it is the family in  
10:42 .....China relationships are not the third  
10:44 .....level with a parent but are part of  
10:46 .....survival one of the basis of human  
10:49 .....beings that is the basis not through so  
10:53 .....for today's discussion the Chinese  
10:55 .....pyramid has four levels not five so  
10:59 .....where is China on this modified pyramid  
11:01 .....of what is most important to people the  
11:03 .....dramatic shift from an agrarian society  
11:06 .....to the China today is more than simply  
11:08 .....the massive wealth creation that has  
11:11 .....occurred people have moved quickly be on  
11:14 .....the bottom tiers of hierarchy survival  
11:17 .....would say be directed to esteem and this  
11:20 .....has been mostly obviously manifested and  
11:24 .....materialism as the simplest way to gain  
11:26 .....self esteem and social status the rise  
11:28 .....of the Chinese consumer and focus on  
11:32 .....ludford brands and displays of wealth  
11:34 .....no it's only natural and part of the  
11:38 .....illusion these material displays  
11:43 .....represent the first time people have  
11:46 .....moved above the bottom tiers of the  
11:48 .....hierarchy and generations but a growing  
11:52 .....number of China's youth and leaders are  
11:54 .....already moving past the desire for  
11:56 .....worldly goods and our focus on broader  
11:59 .....societal hood a better environment a  
12:02 .....support system for the underprivileged  
12:04 .....the agent their parents the eradication  
12:08 .....of corruption people are increasingly  
12:11 .....spending their money on enriching their  
12:13 .....lives not my purchase a plus for goods  
12:15 .....but by exploring their own country and  
12:18 .....the world a hundred million Chinese  
12:21 .....tourists travel globally in 2014 why to  
12:26 .....experience and understand the cultures  
12:28 .....their art their music their architecture

12:31 .....how they do business how the society  
12:34 .....functions foods that they enjoy and and  
12:38 .....as they do they bring that intangible  
12:41 .....souvenirs both solemnly and at the conch  
12:46 .....little batteries their travel shape  
12:51 .....their perception of the world and that  
12:53 .....is what is important to them my business  
12:56 .....is in corporate workforce mobility and  
12:59 .....we have been increasingly working with  
13:01 .....Chinese multinationals who are sending  
13:03 .....people across the ball these beyond  
13:05 .....executives are excited more often than  
13:09 .....not it's not because they see the  
13:11 .....International assignment is a means to  
13:13 .....their career and income but they're  
13:16 .....excited about the exposure and about  
13:19 .....bringing home best practices to further  
13:21 .....not only their career but their  
13:23 .....companies but also their country their  
13:27 .....focus on how they're learning can  
13:28 .....benefit China's future this is their  
13:32 .....self actualization their way of  
13:34 .....improving Society and they are already  
13:37 .....in the upper tier of this pyramid I'm  
13:40 .....not saying that everyone in China's yet  
13:42 .....at the top of Maslow's hierarchy there  
13:44 .....is a way to phone but overall the people  
13:48 .....of China have very much moving into the  
13:50 .....top two reps esteem and higher purpose  
13:54 .....that is help  
13:57 .....but just as with a medical assessment  
14:00 .....the absolute death threats are only part  
14:02 .....of the story no one if your patient is  
14:05 .....improving or on the decline completely  
14:08 .....changes your prognosis so let's look at  
14:10 .....the trend the trends i mentioned earlier  
14:13 .....global truck focus on improving Society  
14:16 .....these are all continuing to grow I  
14:18 .....mentioned 100 million Chinese tours in  
14:21 .....2014 this year only predicted to be at  
14:25 .....140 million I increasingly see this in  
14:29 .....my daily life and in my work every word  
14:32 .....I turn and I meet young people and these  
14:35 .....are people who are 35 years in power my  
14:38 .....work and who are excited about the  
14:41 .....future that are also recently focused on  
14:44 .....integrity on learning and contributing  
14:46 .....to their society fundamentally what  
14:49 .....inspires me about China is the  
14:51 .....tremendous sense of openness and  
14:54 .....interest in the world optimism and dry  
14:56 .....that I see in the every generation you  
14:59 .....see this red mist in social media Weibo  
15:02 .....Reverend QQ and others social media is  
15:06 .....exploding and has enabled Chinese youth

15:09 .....to congregate and express what is  
15:11 .....important to them what they value and  
15:14 .....it's not the discussion board about the  
15:16 .....latest car the trendiest fashions for  
15:19 .....the latest celebrity news it's about the  
15:23 .....environment food safety high standards  
15:26 .....of Education and improving the social  
15:29 .....good it's about integrity and doing the  
15:31 .....right thing for their family for their  
15:33 .....friends for their country it's about  
15:35 .....their supply of purpose they are  
15:38 .....increasing  
15:38 .....we at the top of this pyramid because  
15:40 .....they can afford to be there in  
15:43 .....conclusion and rapid pace a population  
15:46 .....of nearly 1.4 billion on his women from  
15:49 .....the devastation of the Cultural  
15:51 .....Revolution to being the second largest  
15:53 .....economy and soon to be worse it has done  
15:58 .....so through a tremendous vision  
16:00 .....orchestration and leadership of the  
16:02 .....government and drive of its people rules  
16:05 .....laws directives can all be there but  
16:09 .....unless you have a billion individual  
16:12 .....human spirits pro-actively embracing  
16:15 .....change making sacrifices seizing  
16:19 .....opportunities collectively in other  
16:21 .....words without shared values of what  
16:24 .....people feel is important this daunting  
16:27 .....growth could not have occurred China's  
16:31 .....people are keenly focused on Chinese  
16:33 .....challenges precisely because they can  
16:35 .....afford to care about grab for  
16:37 .....sustainable issues beyond their own  
16:38 .....survival or they're in the medical  
16:41 .....social status in other words because the  
16:44 .....country is a healthy advantage  
16:46 .....has been in decades and perhaps a  
16:48 .....history they are collectively assembly  
16:51 .....and as well as higher needs and are  
16:53 .....transformed the country into responsible  
16:55 .....global contributor so if you ask me how  
17:00 .....healthy is China I believe that although  
17:03 .....China still faced with many challenges  
17:05 .....it is arguably healthy and constantly  
17:09 .....focused on becoming healthier and  
17:11 .....whatever people may be in mount those  
17:14 .....hierarchy as individuals they are said  
17:28 .....every thank you very much I think  
17:30 .....there's some very holistic point said  
17:33 .....that we may come back to know if he was  
17:37 .....3 so 2 okay I checked the world bank  
17:42 .....website this morning and last year it  
17:45 .....appears that China pulled even with the  
17:47 .....United States as the world's largest

17:49 .....economy which is quite a milestone both  
17:52 .....economies are roughly 16 trillion  
17:55 .....dollars per year purchasing power parity  
17:58 .....turns China's economy has grown 16 times  
18:02 .....sighs since 1980 like to reflect on this  
18:07 .....landmark and what beats America's Amin  
18:10 .....and what it says about how far China is  
18:13 .....common but the  
18:15 .....I'd like to start by calling up a very  
18:18 .....wise Chinese economist was quoted about  
18:22 .....this number last year as it appeared  
18:24 .....that China was about ready to become the  
18:27 .....world's largest economy these are the  
18:29 .....foreigners take every number about China  
18:32 .....and multiply it by 1.3 billion said in  
18:36 .....China and take every number and we  
18:38 .....divide it by 1.3 good and in that spirit  
18:41 .....I'd like to talk about what this plan  
18:44 .....work means for how far China has gone  
18:46 .....when the future problems that it may  
18:50 .....face china's gdp per capita in saying  
18:54 .....purchasing power parity terms is 11,000  
18:57 .....both eleven thousand eight hundred  
18:58 .....dollars last year that's 10 times the  
19:02 .....number as a level measure of the level  
19:04 .....of development such as the size of the  
19:05 .....economy that's 10 \* sup 10 times the  
19:08 .....size of the economy in 1990 it's double  
19:11 .....indian china  
19:14 .....you begin the reform and opening process  
19:17 .....in 1980 and roughly the same however  
19:21 .....this this ranks China 63rd out of some  
19:24 .....130 countries world it's at the bottom  
19:28 .....of the middle income Nestle of the world  
19:32 .....economies you start to enter the upper  
19:35 .....in commercial element around thirty  
19:36 .....thousand dollars per year there are 17  
19:41 .....countries that are of 40,000  
19:46 .....income so in terms of level of  
19:50 .....development to miss this surprisingly  
19:52 .....when I look through the website a couple  
19:54 .....of days ago what countries does China  
19:57 .....right with now in terms of its level  
19:59 .....developed these countries would include  
20:02 .....South Africa Serbia Peru Jordan the  
20:07 .....Dominican Republic and Colombian the  
20:10 .....level of development of countries in the  
20:13 .....middle income bracket like Mexico in  
20:16 .....Brazil are still fifty percent higher in  
20:18 .....terms of per capita income than China  
20:22 .....now we all know everybody has been  
20:25 .....noticing that China's growth is slow  
20:27 .....it's been ten percent a year roughly for  
20:29 .....several decades it slowed to about seven  
20:32 .....percent or less now real Bank



20:36 .....projections and many economist project  
20:38 .....that within 10 years will be done to  
20:40 .....four percent maybe  
20:42 .....so the question is will China be hitting  
20:47 .....a plateau with a level off and will it  
20:50 .....be caught in what is often talked about  
20:52 .....the middle income trap trying to which  
20:56 .....will be at about the level of Mexico  
20:59 .....Brazil or will China China's rise  
21:02 .....continue and goal on the path of  
21:05 .....countries like South Korea which was the  
21:07 .....last country to move into the upper  
21:09 .....income potential or even earlier Japan  
21:12 .....and of course China's meters have the  
21:15 .....aspiration and Chinese people have the  
21:16 .....aspiration to continue moving on this  
21:19 .....over attract and not be traveling this  
21:21 .....building Covenant I'd like to argue that  
21:24 .....that right now the prospects look  
21:28 .....somewhat worried if you look very  
21:29 .....closely at some of the social figures of  
21:33 .....about inequality about wages size of  
21:38 .....their force and I'd like to just briefly  
21:39 .....discuss five things that are challenges  
21:44 .....first of all wages in china  
21:47 .....manufacturing in particular are rising  
21:49 .....rapidly the labor force is shrinking at  
21:52 .....the same time you have growth slowing  
21:55 .....secondly you have a rapidly aging  
21:57 .....population in a country that's still at  
22:00 .....a relatively low level of economic  
22:02 .....development third China has very high  
22:06 .....levels of income  
22:08 .....and it's levels of income inequality  
22:10 .....unusual for countries outside of Latin  
22:13 .....America and some Zaire Africa fourthly  
22:17 .....there are problems in the educational  
22:20 .....system especially basic level education  
22:21 .....in rural China which will affect the  
22:25 .....labor force in the future its ability to  
22:27 .....move up into higher value chain of  
22:30 .....production and finally china has a  
22:33 .....rather pronounced version of crony  
22:35 .....capitalism which decades ago was modeled  
22:39 .....after it was inspired by the Japanese  
22:42 .....corporate economy which as we all know  
22:44 .....has really hit the wall over the last 15  
22:48 .....years for reasons I'll talk about  
22:49 .....briefly now one of the prospects for  
22:53 .....China moving ahead since nineteen sixty  
22:56 .....only twelve countries have moved from  
22:57 .....the middle income to high income status  
23:00 .....others all the others have stagnated at  
23:03 .....the middle-income all the countries that  
23:06 .....have made it out of the middle income

23:08 .....trap have had moderate levels of income  
23:10 .....inequality so the Gini index which  
23:12 .....everyone talks about China's was up in  
23:16 .....the low 30s 132  
23:19 .....teen 80s the higher this number the more  
23:22 .....unequal in economy is now all of the  
23:25 .....countries that made it out of the  
23:28 .....building contract had had genie indices  
23:34 .....below point for all of the failed cases  
23:38 .....were above 0 point for between point for  
23:41 .....and 145 China's current income  
23:45 .....inequality measure is point 53 which is  
23:48 .....really very high much higher than all of  
23:50 .....these countries that have failed  
23:52 .....actually to move on education China's  
23:56 .....population broader population not the  
23:59 .....students who know the best universities  
24:00 .....that we tend to see all the time we're  
24:03 .....very very talented and very well  
24:04 .....educated but the average level of  
24:07 .....education of the overall labor force is  
24:11 .....low and it is not likely soon China's  
24:18 .....Ministry of Education planes that fifty  
24:21 .....percent of labor force has some high  
24:23 .....school education ministry of education  
24:26 .....figures are based on governments at each  
24:29 .....level that report to the upper levels  
24:31 .....many students they have in school for  
24:32 .....which they get subsidies in the budget  
24:35 .....census takers who go to households can  
24:38 .....ask families how many people in the home  
24:41 .....have at least some high school education  
24:43 .....the numbers not fifteen percent is 24  
24:47 .....China's Ministry of Education their  
24:50 .....fingers say that the high school  
24:52 .....eighty-three percent of high school age  
24:55 .....population are in high school presently  
25:00 .....but the census data said fifty three  
25:02 .....percent these figures are lower than  
25:05 .....those countries that have become stuck  
25:07 .....at the middle income level lower  
25:09 .....considerably lower than countries like  
25:11 .....Brazil Mexico enter now I said earlier  
25:16 .....why will this while these numbers not  
25:18 .....improve well it's fairly simple public  
25:21 .....education in China is not free in fact  
25:25 .....it's fairly expensive especially in  
25:27 .....rural areas it turns out that was quite  
25:30 .....surprised to find this that China's  
25:32 .....rural high school education tuition and  
25:36 .....fees are the highest in the world five  
25:38 .....times higher than the next most  
25:40 .....expensive country which is Indonesian  
25:44 .....now what this means for China's economy  
25:47 .....is the following one reason for poor

25:51 .....high school enrollments is the high  
25:53 .....demand for labor and the high wages that  
25:55 .....I mentioned earlier my presentation  
25:57 .....wages and manufacturing jobs are really  
25:59 .....quite high  
26:00 .....faster than the rate of the gamma growth  
26:03 .....in China there's an estimated one point  
26:05 .....three times for each worker in the  
26:08 .....manufacturing settle this is why wages  
26:11 .....have risen faster than the growth of the  
26:12 .....economy and I thought for many years  
26:16 .....that this would never be a problem for  
26:17 .....Chum because that being simply that the  
26:19 .....processing coastal regions and move into  
26:23 .....the interior to Sichuan down soon I  
26:26 .....places turns out however I've learned  
26:29 .....that the labor market nationwide is a  
26:34 .....single labor market wages of the same  
26:36 .....throughout the country in the interior  
26:37 .....and the coast and the workers who are  
26:40 .....willing to work that moved migrated to  
26:42 .....the coastal areas are ready for very  
26:45 .....long period of time so this means that  
26:48 .....you have you also have an aging  
26:51 .....population means that this labor force  
26:53 .....is shrinking in this trend will continue  
26:55 .....about roughly 2 million workers leave  
26:59 .....the labor force every year in China over  
27:02 .....the past 34 years in this number will  
27:04 .....accelerate as the population ages more  
27:08 .....quickly in the next decade or two this  
27:12 .....obviously will threaten the model the  
27:15 .....economic model that was so successful in  
27:18 .....last 10 years this export-led growth I  
27:22 .....will affect foreign exchange reserves  
27:26 .....trade surpluses foreign firms untold  
27:30 .....already are starting to  
27:32 .....their operations outside of China to  
27:34 .....other regions told that Samsung has been  
27:37 .....moving its operations to Vietnam this  
27:39 .....very large operations to be an AMA over  
27:41 .....the last five years I don't claim being  
27:44 .....from the University in Silicon Valley I  
27:45 .....don't claim any special knowledge but  
27:48 .....I'm tall that Apple is looking to  
27:50 .....relocate its operations to another  
27:52 .....country and opera is there seriously  
27:55 .....considering Indonesia in other words the  
27:57 .....exit of these these export oriented  
28:00 .....manufacturing firms has already begun is  
28:02 .....to accelerate and this is by China's  
28:05 .....leadership most observers are saying  
28:07 .....that China has moved to a different  
28:09 .....change gears and different models of  
28:12 .....economic development now I'll briefly

28:14 .....mention obviously the budgetary  
28:16 .....implications of fiscal implications of a  
28:18 .....rapidly aging population which leads to  
28:22 .....a smaller ratio of people who are  
28:24 .....employed people who are retired this is  
28:27 .....happening at the same time the program  
28:28 .....is already slowing and because of the  
28:31 .....one-child policy that was enforced so  
28:34 .....rigorously for decades China's  
28:37 .....population is aging very quickly and it  
28:40 .....will be a country metal at the lower  
28:42 .....level of middle-income  
28:44 .....with an aging population it will be  
28:46 .....actually older than the United States  
28:49 .....ovulation within 10 years finally is the  
28:54 .....big question I think probably the  
28:55 .....fundamental systemic questions all these  
28:57 .....things that we've been talking about our  
29:00 .....women available by policy tomography is  
29:04 .....baked in the size of the labor force  
29:05 .....these are not things that any government  
29:07 .....can really easily respond to in the  
29:10 .....short run but the big question really is  
29:13 .....about what I've called this what's  
29:15 .....called the Beijing model or it's really  
29:18 .....a form of crony capitalism approximately  
29:21 .....thirty percent of corporate assets are  
29:23 .....still in the state sector many of these  
29:26 .....are large national champions they look  
29:30 .....very large very impressive especially in  
29:32 .....the world rankings of lard lard the  
29:35 .....world's largest corporations and forms  
29:37 .....of Fortune magazine's many of these  
29:39 .....however are actually former planning  
29:41 .....former industrial bureaus  
29:45 .....command economy days have been  
29:47 .....structured and reorganized and merged  
29:49 .....now these firms don't really operate in  
29:52 .....the same way as firms and other more  
29:56 .....market-oriented economies they have a  
29:59 .....monopoly or oligopoly position in the  
30:01 .....domestic market they are protected  
30:05 .....mostly from foreign competition from  
30:08 .....their being given bank financing from  
30:11 .....state banks at preferential rates and  
30:14 .....when they can't pay these loans tend to  
30:16 .....be rolled over and ultimately when  
30:18 .....they're not repaid the state banking  
30:20 .....system has to be recapitalised there are  
30:23 .....very high rates currently of corporate  
30:25 .....debt due to the investment-led stimulus  
30:29 .....package was really trying to come  
30:33 .....avoided economic downturn after 2008  
30:38 .....these firms are in many ways too big to  
30:40 .....fail there's a lot of national prestige

30:42 .....vested in them but they're going to have  
30:45 .....to be restructured or partially  
30:47 .....privatized or be forced to face  
30:51 .....market-based competition and of course  
30:53 .....this is something that China's leaders  
30:54 .....know and it's in the economic reform  
30:57 .....plan that they  
30:59 .....published last year now this is an  
31:03 .....economy i said earlier it was inspired  
31:05 .....by the the japanese model of the 1970s  
31:08 .....and 1980s and i remember how everyone  
31:11 .....was worried that Japan was going to take  
31:13 .....over the world back in the 1980s but  
31:16 .....eventually the protectionism the crony  
31:19 .....capitalism led to stagnation in Japan  
31:22 .....and we all never worried I think China's  
31:24 .....leaders are aware of this and they're  
31:26 .....very illegal ways to avoid this kind of  
31:29 .....thing so very quickly I think my time is  
31:32 .....up but i'd like to say very quickly a  
31:35 .....postscript on corruption in the  
31:38 .....anti-corruption campaign you can  
31:40 .....tolerate a great deal of corruption with  
31:42 .....ten percent and new growth the current  
31:45 .....campaign against about corruption is  
31:46 .....highly popular in china it's long  
31:49 .....delayed and i think we all agree that  
31:52 .....it's something that's badly needed but  
31:55 .....the problem of reason why eruption is a  
31:59 .....problem the problem at Xi Jinping of  
32:01 .....other leaders see as one of the greatest  
32:04 .....threats to the future of the of the  
32:06 .....party in china stability is baked into  
32:09 .....the organization of the political system  
32:10 .....which deeply penetrates the organization  
32:13 .....of the corporate economy and it's very  
32:15 .....difficult as a private entrepreneur and  
32:17 .....all to do well without these good  
32:19 .....relationships with the local government  
32:22 .....and government officials so in other  
32:24 .....words to that the task awesome it's easy  
32:27 .....to understand what needs to be done this  
32:29 .....is a politically difficult task to  
32:31 .....restructure a large economy that large  
32:35 .....corporate economy and what really  
32:38 .....will stay the government's hand is that  
32:40 .....any changes that you begin to introduce  
32:42 .....will threaten to lower in the short-run  
32:44 .....growth rates even more and this is a  
32:47 .....party that really a season high growth  
32:51 .....rates as a central disability so in many  
32:54 .....ways they're a bit abstract dealing with  
32:57 .....it so I think  
33:08 .....thank you very much thank you very much  
33:13 .....mr. burned thanks to Michelle into so

33:16 .....ask this kind invitation I think it's a  
33:19 .....very interesting moment to be talking  
33:22 .....about the health of China we've been on  
33:24 .....a whole rather positive about China for  
33:26 .....30 years very impressed with tiny  
33:29 .....miracle rate rose the kind of economic  
33:32 .....and figures that Henry was quoting but I  
33:35 .....think the best at the moment when we  
33:37 .....reached a point when world futures of  
33:39 .....that love with China. China is now such a  
33:41 .....weight the world that what about China  
33:44 .....inescapably effects I hear more and more  
33:49 .....anxieties the state of China here  
33:52 .....anxieties in Washington and hurt  
33:55 .....feelings in Washington we used to hear  
33:57 .....in vogue feelings in China there were a  
33:59 .....lot of that humans in the United States  
34:00 .....at the moment and about China's recent  
34:03 .....here in the great anxieties about about  
34:10 .....the strategic anxieties about China's  
34:13 .....rise and what sort of  
34:15 .....proved to be international world not not  
34:19 .....helped by the South and East China Sea  
34:22 .....and behaviors which I think have been  
34:26 .....thought to be disappointing but also the  
34:29 .....fear of the internal pressures created  
34:31 .....by the sort of nationalism of grievance  
34:33 .....which has been cultivated since 1989 as  
34:37 .....as the major national narrative a  
34:40 .....dangerous choice and it's a self-created  
34:43 .....trap if you like from China's leadership  
34:45 .....and the seesaw nature of China's foreign  
34:49 .....policy remains confusing to many your  
34:54 .....service and justice we're getting used  
34:57 .....to the idea that the Chinese economy  
34:59 .....would power long and be the motor of  
35:02 .....global growth as wasted economies  
35:04 .....spluttered after the great financial  
35:07 .....crisis the Chinese economy is slowing  
35:09 .....it's aiming at seven percent most  
35:11 .....observers think it's around 4.15 at  
35:14 .....present and for many of the reasons  
35:16 .....again that Andrew mentioned it's not  
35:17 .....likely to pick up very powerfully in my  
35:21 .....view just at the moment when China's  
35:24 .....trying to access it to to execute this  
35:26 .....this very important strategic shift from  
35:28 .....the old model T the low added value hi  
35:32 .....investment export-led high blue tomorrow  
35:36 .....the two moving up the value chain and  
35:38 .....all those things and relying more on on  
35:41 .....domestic consumption that's the exports  
35:44 .....and domestic consumption is growing but  
35:47 .....again for reasons of demography it's  
35:49 .....hard to see that being as powerful

35:51 .....motors that needs to be invested is  
35:53 .....ensuring substantially and debt is a  
35:56 .....very heavy burden domestic consumption  
36:00 .....if you look at an aging population and  
36:02 .....you look at the the one-child policy and  
36:04 .....the impacts of that where you have a  
36:06 .....younger generation might be expected to  
36:09 .....to spend more a being responsible for  
36:12 .....aging parents and grandparents they're  
36:15 .....not going to have as much spare cash in  
36:18 .....the larger population outside of  
36:20 .....relatively privileged circles I think  
36:25 .....that the moment that China has reached  
36:27 .....is this strategic economic and pivot if  
36:31 .....you like China has set itself some  
36:33 .....really excellent objec- the 12th  
36:36 .....five-year plan if you're looking at the  
36:38 .....health of China fine with China's GP and  
36:41 .....I saw this patient arrived I looking at  
36:43 .....somebody who is getting on a bit and  
36:45 .....hadn't really lived very well in the  
36:48 .....last  
36:48 .....a few years have really missed me to the  
36:51 .....doctor's advice so if you look at the  
36:53 .....systems that support health in the  
36:57 .....ecological sense or mental sense never  
36:59 .....the health of its population and the  
37:01 .....health of the economy I would say it's  
37:04 .....looking pretty ropey rather like someone  
37:07 .....who in their late 50s decides to go to  
37:09 .....the gym they should have gone there 20  
37:12 .....years earlier China is now trying to  
37:14 .....execute a very creditable shift to a  
37:17 .....more sustainable model to be on the 12th  
37:20 .....planet and we'll continue the 13th plan  
37:22 .....the problem is that justice again do not  
37:26 .....labor this poor patient not refer to  
37:28 .....death but but if you give up smoking in  
37:30 .....your 60s it's not nearly as good as  
37:32 .....giving up in your 30s on although you'll  
37:35 .....feel better you still have a lot of  
37:37 .....damage and China is in that condition  
37:39 .....now China is trying to move to a more  
37:42 .....sustainable economy after 30 years of  
37:47 .....taking the view that Brandon grooves  
37:49 .....were counted that you'll get rich and  
37:52 .....then we'll clean up and now China in  
37:56 .....addition to all the other challenges it  
37:58 .....faces is facing the very very heavy  
38:00 .....consequences of a very wasteful  
38:05 .....ng model now every industrial economy  
38:09 .....did this the brick started the united  
38:12 .....states did germany did it we all  
38:14 .....polluted first with the idea that we  
38:17 .....would clean up later the problem china

38:19 .....has is that it started off with much  
38:22 .....much less headroom than anybody else  
38:24 .....accusing china has ruffled same surface  
38:26 .....areas the United States bolonia fraction  
38:28 .....of the usable land and five times the  
38:31 .....population if you look at any measure  
38:33 .....any index of environmental every we like  
38:37 .....China starts off gravely disadvantage  
38:40 .....that's bad luck but that is the reality  
38:42 .....so China starts off for instance with a  
38:46 .....very very low allocation of fresh water  
38:49 .....we don't think of China Saudi Arabia but  
38:52 .....North China it has about the same  
38:55 .....allocation fresh water and this this  
39:00 .....poor allocation is exacerbated by uneven  
39:03 .....distributions that you love sometimes  
39:05 .....too much water under the  
39:07 .....and not nearly enough north of the axle  
39:09 .....and if you add on to that the fact that  
39:14 .....the rest of China's surface water and a  
39:17 .....great deal of its underground water has  
39:20 .....been heavily polluted through very poor  
39:23 .....governance through you know the  
39:25 .....get-rich-quick approach of they both  
39:27 .....chemical industry amongst others through  
39:30 .....the fact that all the twenty percent of  
39:32 .....the fresh water is taken up by by coal  
39:35 .....by the mining and processing and general  
39:39 .....use of coal and by the fact that North  
39:43 .....China has been drawing down its reserves  
39:46 .....in compensating for for its lack of  
39:52 .....water by over drawing water from rivers  
39:54 .....by over drawing from underground  
39:57 .....aquifers the water table under bridge in  
39:59 .....for instance has brought by some 80  
40:02 .....meters and all over the North China  
40:03 .....Plain you see indentations of exhausted  
40:07 .....aquifers and 17,000  
40:10 .....disappear completely Chinese geography  
40:14 .....survey in the last 20 years you can see  
40:19 .....that that at least in terms of a patient  
40:22 .....who exposed to live a long time  
40:24 .....something quite drastic has to happen  
40:27 .....and there is a huge economic risk built  
40:30 .....into this North China has forty percent  
40:33 .....of the of the Chinese economy the assets  
40:37 .....at risk in agriculture or about three  
40:40 .....trillion a year is more than 40 trillion  
40:43 .....in terms of industrial economy of China  
40:46 .....and none of this confunkshun water  
40:50 .....powering China water and energy are  
40:53 .....intimately connected decisions every  
40:55 .....energy decision is also important  
40:57 .....decision and that is the Chinese running  
41:01 .....out of room to make energy decisions



41:05 .....freely now China has that there is a  
41:09 .....sort of definition of foolish behavior  
41:13 .....which is to keep addressing the same  
41:16 .....problem with the same solution and  
41:17 .....hoping the world next time China's  
41:20 .....approach to its water problem has been  
41:23 .....substantially an engineering one time  
41:26 .....it's booked more dams entry  
41:29 .....tree it continues to blow down 6  
41:31 .....currently building downs in one of the  
41:33 .....world's most active earthquake zones on  
41:35 .....transfer agreements what is probably and  
41:39 .....through all this engineering some of  
41:41 .....them quite heroic engineering the water  
41:44 .....situation in China has got steadily  
41:46 .....worse so engineering is not lead to  
41:49 .....fixing the most recent case of Miss  
41:51 .....applied engineering is the south-north  
41:53 .....auto transfer project a multi-million  
41:56 .....dollar project to move really inadequate  
42:00 .....amounts of rather dirty water fit a high  
42:02 .....energy costs from sunshine and North  
42:04 .....China it's not going to fix north  
42:06 .....china's water problem and upon a cost  
42:08 .....per meter basis it would be cheaper to  
42:11 .....disseminate so curiosity an appropriate  
42:15 .....decisions continue to be made and i  
42:17 .....think one of the reasons that they  
42:18 .....continue to be made is that although we  
42:21 .....have so we do see a tremendous awareness  
42:24 .....at this point when we started trying to  
42:26 .....dial up to now nine years ago  
42:29 .....environmental problems really we're at  
42:31 .....the margin of public discussion there  
42:34 .....was the beginning of civil society  
42:37 .....and so very talented and active  
42:40 .....individuals but in general terms the  
42:43 .....priority is still very rapid GDP growth  
42:47 .....today environmental concerns are a  
42:50 .....matter of regime survival we know about  
42:53 .....evolution because cause the regime to  
42:56 .....take quite serious metals water  
43:00 .....pollution the water scarcity or also  
43:03 .....existential threats of Chinese economy  
43:06 .....we don't hear so much about soil  
43:08 .....pollution but that's an equally severe  
43:11 .....and extremely intractable problem which  
43:14 .....is currently a state secret the extent  
43:16 .....of it assisting secret is more  
43:18 .....intractable because it's very expensive  
43:20 .....and difficult to fix so cleaning up soil  
43:23 .....and then remediating him so that it is  
43:25 .....of some use is very very difficult now  
43:29 .....all these issues have come together and  
43:33 .....certainly the government has responded

43:35 .....to 1200  
43:37 .....it's a beautiful sustainability it will  
43:40 .....take a long time with to turn the  
43:42 .....economy around and be one of the bills  
43:44 .....for past behavior will have to be met in  
43:48 .....some form and what are these bills well  
43:51 .....they are the cost of remediation you  
43:53 .....know the cost of treating the water both  
43:55 .....of them discharging delta-neutral they  
43:58 .....are the costs of of making an energy  
44:00 .....transition which allows you to clean up  
44:02 .....the air and they are the health impacts  
44:05 .....on the Chinese population which are  
44:08 .....equally severe and air pollution is not  
44:11 .....just a billion unpleasantly causes lung  
44:14 .....cancer and China's lung cancer rates  
44:16 .....have gone our illness as fast as the  
44:19 .....economy if you look at the growth we  
44:22 .....don't hear quite so much about other  
44:23 .....forms of counsel counsel villages entire  
44:26 .....communities struck by the the effects of  
44:30 .....chinese industrial revolution but they  
44:33 .....are also severe and those girls will  
44:35 .....have to be met so there is a toxic  
44:38 .....legacy of the race to industrialize and  
44:41 .....although it is fixable it is it is a  
44:44 .....burn on the present  
44:47 .....generations just to cheer you up  
44:49 .....completely there's been climate change  
44:52 .....China is very vulnerable to the impacts  
44:55 .....of climate change because most of its  
44:57 .....development its advanced development is  
44:59 .....on low-lying coastal cities so sea level  
45:03 .....rise monsoon variability nothing places  
45:06 .....and they never there are extremely  
45:10 .....serious I can see you getting anxious so  
45:16 .....the news the good news is and that  
45:19 .....client accepting a kind of course in  
45:21 .....China China for many reasons is I think  
45:25 .....going to surprise a lot of people when  
45:27 .....its pilot palace is published and and  
45:30 .....comparison why do I say because China is  
45:34 .....at the same time as suffering all these  
45:35 .....problems the biggest producer of solar  
45:37 .....panels wind technology it has a very  
45:41 .....large installed capacity for renewable  
45:45 .....energies and it has a promise to peep  
45:48 .....its emissions by 2030 probably couldn't  
45:51 .....do it by 2022 might do it by 2025 and  
45:54 .....emissions will then that begins  
45:57 .....this is a very positive contribution of  
45:59 .....China is going to make nobody is doing  
46:03 .....enough but so I think the Copenhagen  
46:07 .....situation or which times  
46:09 .....break down the drawers is not likely to

46:12 .....be to be repeated in Paris so  
46:25 .....well thank you very much I think we've  
46:27 .....had three very of rich contributing so  
46:31 .....there are many different lines of  
46:33 .....discussion which eat out what I'd like  
46:35 .....to suggest since we're going to have to  
46:37 .....compress out of the bird is that I try  
46:41 .....to extract out of those presentations  
46:44 .....really just two questions I'd like to  
46:47 .....put those out and that will give all  
46:49 .....three of you an opportunity briefly  
46:52 .....means to accommodate anything and  
46:54 .....grinning like out of what your fellow  
46:57 .....panelists have said one of them is I was  
47:01 .....very struck by what Beverly had to say  
47:03 .....about censored openness and and  
47:06 .....curiosity which he encounters on the  
47:08 .....part of young people the question in my  
47:12 .....mind is is that sense of openness and  
47:15 .....curiosity shared by the party shared by  
47:20 .....the government facilitated by the  
47:23 .....government in the way which is really  
47:25 .....going to make China other  
47:29 .....his awesome away and the other question  
47:33 .....is on onto question of reform but there  
47:36 .....is no paper has as I'm from said some  
47:39 .....very ambitious plans some very  
47:42 .....impressive looking plans that the third  
47:44 .....cleaner and java laid out anything very  
47:49 .....interesting settled without proposed  
47:52 .....means but is there a will to put those  
47:57 .....proposals into effect of the vested  
48:00 .....interests going to be through come all  
48:04 .....those reforms really effectively going  
48:06 .....to be carried out to the way which will  
48:08 .....make Chinese economic health as lusty  
48:12 .....that unique so who like to comment on  
48:16 .....other of the news that second  
48:24 .....yeah it was just on the question of  
48:27 .....whether whether the curiosity in the  
48:30 .....open mindedness of the young is shared  
48:32 .....by both government I think that I may be  
48:35 .....five six years ago who said yes today I  
48:40 .....I would certainly say I think that we've  
48:43 .....seen increasingly concerns expressed  
48:47 .....that the most senior levels of  
48:49 .....government above about Western ideas and  
48:52 .....how dangerous questing ideas not which I  
48:55 .....described as dangerous to China actually  
48:57 .....they're dangerous perhaps or seen as  
48:59 .....dangerous to regime survival we see an  
49:02 .....increasingly heavy hand and center ship  
49:04 .....and increasingly having hadn't given  
49:06 .....free flow of information we see an  
49:09 .....increasing arrest on all sorts of

49:13 .....charges of people who are thinking  
49:15 .....people who are who have set up think  
49:18 .....tanks and people who are putting forward  
49:20 .....ideas about future governance in all  
49:24 .....sorts of ways so I think that that is  
49:27 .....electrically trend I I would like to  
49:31 .....propose that obviously in China is a  
49:34 .....very very large country what seemingly  
49:38 .....maybe censorship which there is and  
49:41 .....there has been I think a  
49:46 .....not even rewriting text and limiting  
49:52 .....information that turns through the  
49:55 .....country by the same token china is  
50:00 .....allowing people to leave it allows  
50:05 .....thoughtful process the concern is at  
50:11 .....what speed so I think there's a little  
50:14 .....conflict there and respecto of not and  
50:18 .....cutting back reverting entrenching I  
50:22 .....would like to think that they're looking  
50:25 .....to slow down the process with innovation  
50:28 .....and technology and all the strengths and  
50:33 .....the ills of thing for hit grades there  
50:35 .....is great concern that it goes to rapidly  
50:38 .....let me give you an example in fact what  
50:42 .....if I my colleagues was on a flight from  
50:45 .....Shanghai to Guam terms that I callate as  
50:48 .....it turns out there was a rumor in  
50:50 .....Guangzhou that we're I don't know if  
50:56 .....you're aware of it and syndrome because  
50:57 .....of the minority group China looks in  
51:00 .....what  
51:02 .....equal-opportunity physician to to take  
51:07 .....the league of people to different parts  
51:09 .....of the country so that they might  
51:10 .....participate to the economic growth of  
51:15 .....the country and a rumor was spread that  
51:19 .....six weigert had attacked a young woman  
51:24 .....in Guangzhou and that led to cell phones  
51:28 .....all the way back to Lucci that led to  
51:31 .....riots were 200 people were killed the  
51:36 .....unfortunate thing about this was that  
51:38 .....this was only a war so those are real  
51:42 .....concerns in terms of growth to quickly  
51:45 .....communication too quickly and it's  
51:47 .....coming and China will invest in it but  
51:51 .....their needs perhaps to be a certain  
51:56 .....temporary in terms of speed all the  
52:00 .....squirrels  
52:05 .....I was listening to myself talk I thought  
52:08 .....this is  
52:09 .....the pessimistic pessimistic talk I'd  
52:13 .....like to actually pick up on something  
52:15 .....that Beverly said about the openness and  
52:17 .....curiosity I've also been struck by that  
52:20 .....I when I analyzed the issues facing

52:26 .....China intend to go heavy on the problems  
52:31 .....make very clear what the huge challenges  
52:34 .....are but this is especially true when I'm  
52:37 .....in the United States sitting my desk and  
52:39 .....then I go to China and of course that  
52:42 .....meet many Chinese people also the  
52:43 .....university but I meet people I mean  
52:45 .....basic level officials in China I mean  
52:48 .....academics when I go to bed and talk to  
52:53 .....county level officials I get the sense  
52:57 .....of I mean very intelligent hard-working  
53:00 .....honest people I don't actually see the  
53:03 .....corruption that people talk about I've  
53:06 .....never been shaken down by a traffic cop  
53:08 .....for anything like that when I read books  
53:11 .....about Cambodia or Russia constantly and  
53:16 .....I almost adopt this kind of proud  
53:19 .....feeling as a student of China that  
53:21 .....China's from government much better than  
53:23 .....these countries  
53:25 .....you know this is most of my work in  
53:27 .....recent years has been about China and  
53:28 .....1960s and even in that period china the  
53:32 .....chinese communist party is a very well  
53:34 .....organized entity so there's an  
53:38 .....irrational part of me that wants to  
53:40 .....believe that somehow somehow the people  
53:45 .....of China will be able to so that's my  
53:49 .....that's mine  
53:52 .....more happy face sounded like a pretty  
53:56 .....blue presentations thank you very much  
53:59 .....now I think we'll sit with it selected  
54:01 .....with the questions which I have and  
54:04 .....choose ones which again has a new handle  
54:07 .....to our discussion is Henry Devereaux  
54:12 .....would you like to bathroom but I feel  
54:15 .....like that you do you do I can ask your  
54:18 .....best friend now do you see  
54:32 .....do you see any any likely the chinese  
54:35 .....club willing to spend something like ten  
54:38 .....percent of gdp on health embezzle on the  
54:42 .....population say a decade from now taking  
54:47 .....aging products okay westerbeke spiritual  
54:52 .....health care as welfare as well have you  
54:56 .....don't stop I can see China being very  
55:00 .....concerned about the welfare of its  
55:02 .....people The Enquirer the crackdown on  
55:06 .....corruption I would think that the  
55:08 .....medical industry is one that it brings a  
55:11 .....great person to China and as the  
55:14 .....populace bros and you have the  
55:16 .....middle-income center the people now  
55:19 .....become far expressing the need for  
55:23 .....better medical care or to look at as  
55:27 .....well as the country having an age of

55:30 .....population China will have to commit to  
55:35 .....developing a larger mammals  
55:39 .....Ford's people may be fact that you  
55:41 .....believe that it is on their agenda  
55:43 .....important ones together with food safety  
55:46 .....together the pollution champagne this  
55:50 .....year has committed to 27 billion dollars  
55:55 .....to work on pollution to clear up the  
55:58 .....rivers to investigate how they might  
56:02 .....improve the air quality to look up your  
56:06 .....toxic waste in the area through  
56:08 .....factories within the Shanghai are a 27  
56:11 .....million not committed of four in five or  
56:14 .....ten or twenty year period it's a  
56:17 .....three-year commitment that that point  
56:18 .....will be spent  
56:24 .....I expect to read and health spending was  
56:28 .....going off over a year I think though  
56:33 .....that there are there are a number of  
56:35 .....large social costs which you're going to  
56:38 .....have to be met over the next few years  
56:40 .....and one of 11 remains and going back to  
56:43 .....the questions of inequality who is going  
56:46 .....to fund the social rights of the of the  
56:50 .....rule who quarters these are migrant  
56:53 .....workers and I believe my co-workers who  
56:55 .....moved to the cities but and don't have  
56:57 .....social rights in their cities they don't  
56:58 .....have the right fletcher go to school  
57:00 .....they don't have access to health any  
57:04 .....kind of social safety net there is a  
57:07 .....general acceptance that this is  
57:09 .....monstrously unfair and it's causing all  
57:11 .....kinds of additional social problems like  
57:13 .....left-behind children children World War  
57:15 .....and Indian villages in some cases to the  
57:19 .....grandparents in some cases without it  
57:22 .....was a terrible case recently suicide of  
57:25 .....five young children in that situation of  
57:28 .....course a lot of anxiety  
57:30 .....the problem is who's going to fund it so  
57:33 .....the cities where these people moved are  
57:37 .....many of them in debt they don't have the  
57:41 .....right disco ball in another local  
57:43 .....property tax to support their  
57:45 .....expenditure they have to give too much  
57:47 .....the government they don't get no back so  
57:49 .....there's a fight going on right now Oh  
57:51 .....social spending pretty much in all  
57:53 .....sectors in China and it's about where  
57:56 .....the responsibility will finally devolved  
57:58 .....and I think until that is resolved it's  
58:01 .....going to be very hard to know in 10  
58:03 .....years time huggles purporting to pan out  
58:06 .....certainly there's a strong sense that

58:09 .....it's required but quite welcome  
58:17 .....send you now is country Mac yes  
58:25 .....given China's political system heavily  
58:30 .....influences its economy does that mean  
58:33 .....that its economic policy fundamentally  
58:37 .....different to that of Western Europe and  
58:40 .....North America and if that's the case  
58:43 .....then what's the implication for many  
58:46 .....theorists of trying to analyze come  
58:49 .....healthy challenge I think opium  
58:55 .....partially dress that move my comments by  
58:58 .....saying that in many respects Chinese  
59:00 .....corporate article corporates system  
59:03 .....resembles the Japanese statement  
59:07 .....coordination between ministries they  
59:11 .....have banking system in large  
59:12 .....corporations another way which China is  
59:16 .....actually different from Japan and  
59:18 .....Western economies is that there are  
59:22 .....strict capital controls and the banking  
59:25 .....system most completely stayed up  
59:29 .....what this means is that you're on a bike  
59:31 .....legacy until a financial crisis of the  
59:34 .....kind that we experienced in the United  
59:36 .....States and spread throughout the world  
59:39 .....2007-2008 because the government has  
59:43 .....needs to recapitalize the banks mean  
59:47 .....to bail out in fact they do this more or  
59:50 .....less comical basis so it's not going to  
59:53 .....be as volatile a kind of economy as you  
59:57 .....might expect  
60:00 .....businesses result there as we saw  
60:04 .....2007-2008  
60:07 .....so I guess okay I think we're going to  
60:16 .....go straight to your questions quite  
60:18 .....refunds is an adult male audience if not  
60:23 .....how we turn miss you to what extent is  
60:27 .....China's at risk of a property stroke  
60:30 .....construction industry bubble bursting at  
60:34 .....what can the government do to deal with  
60:36 .....this is quite aware of the bubble burst  
60:44 .....with real estate the oversupply the cost  
60:47 .....of real estate having sword as it has  
60:50 .....they have now looked to temper  
60:53 .....construction temper building on the new  
60:59 .....developments and in fact him shinta  
61:01 .....strategy for expansion building railways  
61:07 .....building infrastructure to a while China  
61:10 .....to get to Pakistan the Silk Road and so  
61:14 .....that it might go work through Pullman in  
61:17 .....to create a distribution center for  
61:20 .....Europe and building railroads through  
61:26 .....Siberia up through Canada down to the US  
61:30 .....with the concept of outreach expansion  
61:34 .....program for their goods and vice versa

61:39 .....the real estate yes there is an  
61:43 .....oversupply but my belief is that whilst  
61:47 .....the economy may go down to five percent  
61:51 .....you still have a thriving economy I  
61:55 .....believe in the US for it correctly in my  
61:59 .....realm 1.3 and that's an optimistic  
62:06 .....perspective so in balance don't I think  
62:12 .....we need to look little bit more globally  
62:14 .....when we look at at these issues look it  
62:17 .....up other countries in how they aren't  
62:19 .....there so I'm not as pessimistic about  
62:23 .....the outcome of China because again I do  
62:27 .....feel that you have a younger generation  
62:30 .....people filled with hope who are willing  
62:32 .....to still make sacrifice they're willing  
62:35 .....to see the roof and the collective  
62:38 .....there's a very different concept in  
62:41 .....terms of how they are a popular country  
62:45 .....mobilize its  
62:46 .....it's not even 30 years the natural world  
62:49 .....perhaps 20 move this quickly unless you  
62:54 .....have  
62:55 .....the type of willpower an ability to make  
63:00 .....sacrifice and to happen so I I do feel  
63:07 .....that I'm one more optimistic might say  
63:13 .....because if I look at the water sugar it  
63:16 .....is a global problem I've spoken to water  
63:21 .....consultants and his concern is  
63:24 .....California more so than China because  
63:27 .....China doesn't have the old  
63:29 .....infrastructure it will have the ability  
63:32 .....to create innovation to find new  
63:36 .....methodologies it doesn't have to leave  
63:40 .....go over old and restructuring with the  
63:44 .....new technology new innovation China  
63:47 .....probably  
63:48 .....an opportunity to bring new resources  
63:52 .....for itself others honor  
63:58 .....as finalists driving Duke Williams is  
64:05 .....not with us but he asked to what extent  
64:09 .....would democratization of China as he  
64:12 .....voted into environmental improvements  
64:15 .....Western democracies do not have an  
64:18 .....exemplary record of fossil fuels and  
64:21 .....carbon emissions is it ours yeah I am  
64:26 .....which are entirely accept the premise of  
64:29 .....the question all democracies are the  
64:31 .....same with all non democracies the same  
64:33 .....it doesn't really stand much examination  
64:36 .....so if President for instance European  
64:40 .....Union countries are pretty much on  
64:41 .....target for meeting at Quixote topics  
64:43 .....including Britain Britain is meeting its  
64:45 .....clear two targets cuz Mrs. able to close  
64:47 .....down the coal industry and wait for gas



64:49 .....entirely different reasons but  
64:51 .....nevertheless dalida climate Olivia that  
64:55 .....kind of bonus on the other hand Canada  
64:58 .....program  
65:00 .....I'm not doing too well Australia is not  
65:02 .....doing too well an India finds it very  
65:05 .....hard to make any decision at all but  
65:08 .....exemplary democracies like like Sweden  
65:11 .....and Denmark or aiming to be a hundred  
65:12 .....percent fossil fuel free in the next  
65:14 .....couple of decades so I think you you  
65:17 .....know that the show the starting point  
65:19 .....that that you know democracies are  
65:21 .....performing worse I think it's not  
65:23 .....necessarily true on whether  
65:27 .....democratization i think i think we  
65:29 .....always try to look at the possibility of  
65:31 .....reform in China through probably the  
65:33 .....wrong lens because we seem to be looking  
65:36 .....for a ballot box behind every behind  
65:38 .....every under every table it's not going  
65:41 .....to happen but but China's system which  
65:44 .....is more like responsive authoritarianism  
65:47 .....is certainly concerned with public  
65:49 .....opinion and it is concerned with the  
65:51 .....future and that is it to make decisions  
65:54 .....which are going to be more  
65:57 .....environmentally friendly and certainly  
65:58 .....as I said in my remarks in terms of  
66:01 .....climate policy China sees a strategic  
66:03 .....opportunity and quite rightly for its  
66:07 .....for new technologies I think environment  
66:11 .....rather than climate and these are not  
66:14 .....same thing and the difficulty I think  
66:17 .....that China faces in terms of  
66:19 .....this environment is one of governance if  
66:23 .....you look at industrial societies that  
66:25 .....dick clean up they did so with the  
66:27 .....benefit of a robust civil society a  
66:30 .....robust legal system so religious could  
66:33 .....be taken to court by well-funded NGOs a  
66:38 .....freedom of information and a free press  
66:40 .....transparency accountability all those  
66:42 .....good things which make for governance  
66:45 .....what we haven't China's a lot of very  
66:47 .....good laws very very poorly applied now  
66:50 .....there is some silent in the 13th plan  
66:53 .....and a great deal of thought has gone  
66:55 .....into this and so we will see reforms of  
66:59 .....a governance system which could well  
67:00 .....affect an improvement one for instance  
67:03 .....is to make officials responsible over  
67:07 .....their lifetime could be for the  
67:09 .....decisions and the consequences of  
67:10 .....decisions that they make rather a good

67:13 .....idea I think we should do that that  
67:15 .....means you can't just you know wreck  
67:17 .....Italian move on and say in 20 years time  
67:19 .....oh I can't even remember it was that it  
67:22 .....will follow you and it will affect your  
67:24 .....promotion prospects in that will make  
67:26 .....behavior much more responsible today so  
67:28 .....that's a good example of thinking about  
67:31 .....how within a top-down system you do get  
67:34 .....better governance and other quirks and I  
67:38 .....still think that the kind of  
67:41 .....restrictions that are coming  
67:43 .....are not going to help you need to engage  
67:47 .....the population in this kind of thing  
67:49 .....can't do it alone as a government and I  
67:52 .....think that Chinese handicapping itself  
67:54 .....in that state bye-bye not in pari its  
67:59 .....people  
68:05 .....although hand back to show  
68:12 .....so the question we have asked as divided  
68:15 .....opinion and China as a subject of study  
68:18 .....divides it is very tempting to spend  
68:23 .....most of your time talking to them  
68:25 .....sitting in a room with people of the  
68:27 .....same in not reach out and talk to people  
68:32 .....come from different perspectives and  
68:34 .....physically but we've been trying to get  
68:37 .....there but we continue to the next year  
68:40 .....near Earth year after is to bring them  
68:43 .....together will hold a perspective one to  
68:46 .....enter into conversation and what half  
68:48 .....the time and I've gotten delighted the  
68:52 .....wonderful example set by a panel I would  
68:56 .....like all of you to ask  
69:11 .....you  
69:22 .....you