

the **PEOPLE'S**
REPUBLIC
of **CAPITALISM**

A VIEWER'S GUIDE

Athenä:

Highlights

- U.S. manufacturers such as Briggs & Stratton, Apple, and Ethan Allen rely on cheap, reliable Chinese labor to reduce assembly costs and remain competitive.
- The Chinese economy relies on U.S. capital for investment in technology and on U.S. consumers (through retailers such as Wal-Mart) for a ready market for their goods.
- Companies' search for inexpensive labor inevitably displaces U.S. workers.
- In urban China, a growing middle and upper class has increased the demand for imported luxury goods, while most rural Chinese remain poor.



Questions to Consider

1. How would you explain the interdependence of the Chinese and American economies, in your own words?
2. Have you, family members, or friends felt the effects of outsourcing to other countries?
3. When you buy something at a big-box retailer, do you read the label to find the country of origin? Does it influence your purchasing decision?
4. Some of the experts interviewed in this episode see U.S.-Chinese interdependence as a “win-win” situation, because investing brings good returns and outsourcing helps keep some U.S. plants open. Do you agree or disagree? What factors influence your opinion?
5. How do you think U.S.-Chinese interdependence has affected your 401(k) or other investments?



PART 2

MAO-ISM TO ME-ISM

Highlights

- Many Chinese look back on the Cultural Revolution with a mix of regret and nostalgia—as a time of more suffering, but less stress.
- Rural peasants enjoy few economic opportunities; they flock to cities for jobs and an education (if they can afford one).
- Though still technically illegal, homosexuality, prostitution, and some organized religions are tolerated in large urban areas—provided they remain apolitical.
- For quality and creativity, wealthy Chinese look to foreign products and designs.
- Most Chinese seem willing to forego political freedom for economic prosperity; investors demand stability and see “controlled change” as preferable to more open, western-style democracy.

Questions to Consider

1. How do you react to the Chinese attitudes toward sexuality as depicted in Koppel’s reporting? To your knowledge, how do these attitudes compare with those expressed by other cultures and governments?
2. How does the situation faced by Li Dun and her family compare with that of the rural or urban poor in the United States? What are the similarities and differences?
3. Why do you think the Chinese tend to feel “creatively inferior” to the West? Can you give examples of Chinese creativity in the arts or other arenas?
4. On a scale of 1 to 10, most Chinese people rate their happiness as a 6. How would you rate the happiness of yourself and your friends? What do you think accounts for the similarities or differences between your self-assessments and those of the Chinese?
5. For what, if anything, would you willingly surrender some degree of political freedom?

Highlights

- The Chinese government intends to transform the country economically and socially through automobile manufacturing and road building.
- Having relied on bicycles for generations, the Chinese people are still groping toward a new “car culture.”
- The explosive growth of the Chinese auto industry represents both a threat and an opportunity for U.S. carmakers.
- With government-subsidized gasoline prices, China’s seemingly insatiable demand for oil dramatically impacts global supplies and the environment.
- As a long-term strategy, Chinese automakers have their sights set on the U.S. market, mindful of concerns about quality and safety.

Questions to Consider

1. Think about all the ways that cars have shaped American culture. What can the Chinese learn from those hundred-plus years of experience?
2. Most Americans grew up with cars and learned behind-the-wheel behavior from watching their parents. Without such role models, what problems do first-time drivers face in China? What opportunities does such a fresh start present?
3. How would you respond to Yin Ming Shan, the CEO of Lifan Motors, when he talks about competing with U.S. carmakers and getting new technology, one way or the other?
4. Do you think Chinese imports will succeed on the U.S. automotive market? Why or why not?
5. How do you think China’s growing demand for oil affects the U.S. economy? In what other ways does China’s quest for oil impact the international community?

Highlights

- Coal fuels China’s economic growth. Though cheap and plentiful, it’s dirty to burn and dangerous to mine.
- While concentrating on highway construction and urban development, the Chinese government remains largely indifferent to the problems facing rural peasants.
- The urban and rural poor have little leverage in procuring services or avoiding displacement.
- Corruption remains a fact of life in China, despite government efforts to crack down on officials who take bribes.
- Though the Chinese government remains unabashedly and wholeheartedly pro-business, the free market in China has little to do with political freedom.



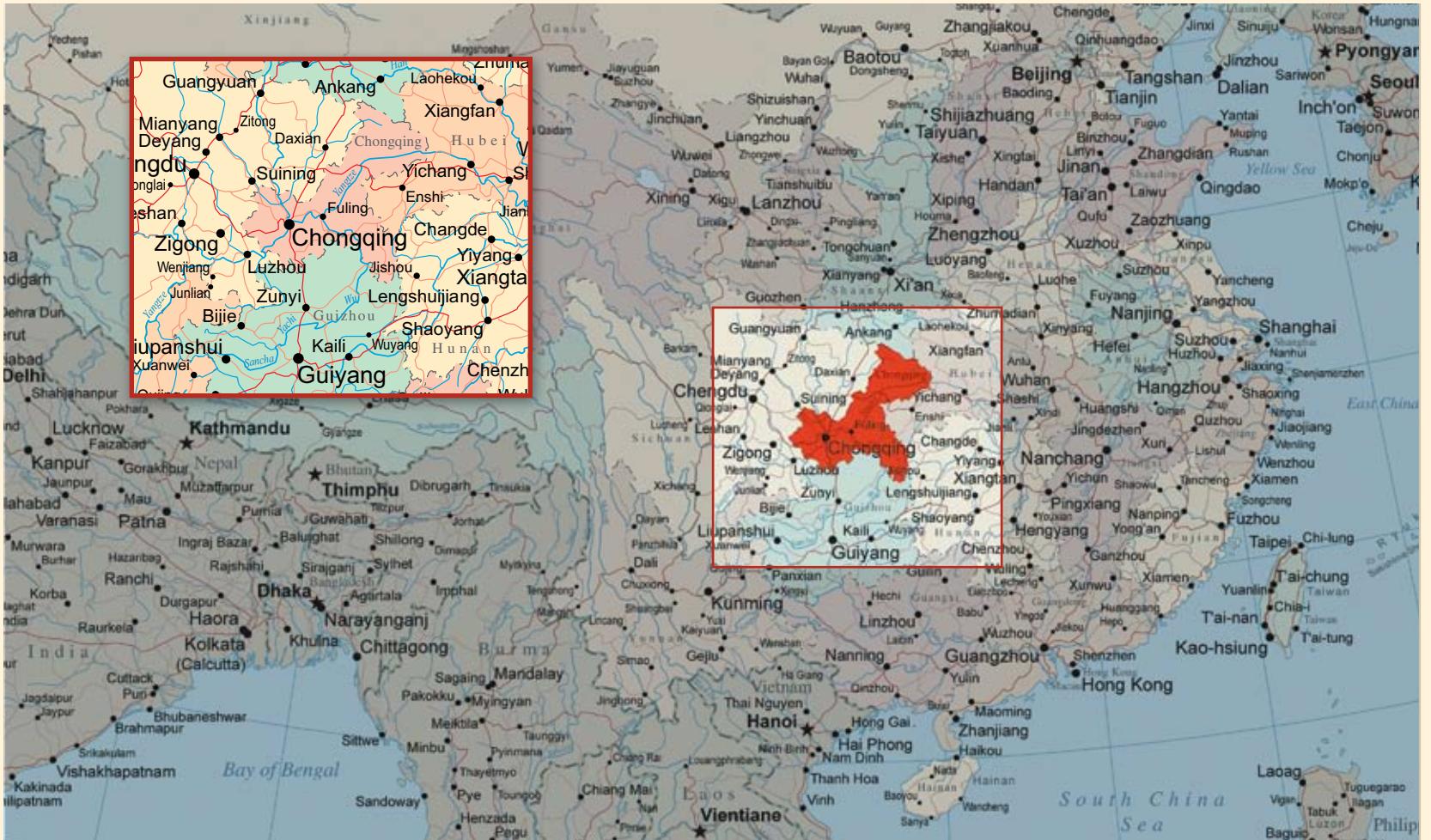
Questions to Consider

1. How would you compare U.S. energy policy with China's? Do we face common problems or fundamentally different ones?
2. Why do we regard corruption as unacceptable? Should U.S. corporations accept bribery as simply another cost of doing business?
3. What's the most surprising thing you learned about China from this series?
4. What's the most surprising thing you learned about America from this series?
5. How do you expect the relationship between China and America to evolve in the coming years?



AVENUES FOR FURTHER LEARNING

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A BRIEF HISTORY OF THE CULTURAL REVOLUTION

In August 1966, Communist Party chairman Mao Zedong launched the Great Proletarian Cultural Revolution—a movement that rocked China socially, politically, and economically for more than a decade. Fearing that party leaders had grown away from their revolutionary roots and wanting to cement his own legacy, Mao decided to find like-minded successors, foster revolutionary zeal in China's youth, and prevent social and educational stratification.

As a first step, Mao closed China's schools and established the Red Guards—groups of youths who assaulted traditional values and bourgeois culture, attacked intellectuals, and belittled certain party officials. As the revolution escalated, many elderly people and intellectuals died in the violence directed against them. The country's economy also declined

steeply amid the chaos. By the following year, armed conflicts were erupting within the Red Guards.

In 1968, Mao directed the military to take control of factories, schools, and government agencies and to forcibly relocate millions of urban Red Guards to the countryside. The next year, Defense Minister Lin Biao was appointed Mao's successor and promptly declared martial law. Mao distrusted Lin, and the party leadership began to crack. In September 1971, Lin died under mysterious circumstances, and most of the military command was purged. Premier Zhou Enlai used this opportunity to restore the educational system, bring back some government officials, and increase trade.

Hoping to find a new successor, Zhou and Mao settled on Deng Xiaoping, the party's former general secretary. Deng espoused more moderate views, favoring stability, educational advancement, economic development, and even some aspects of free enterprise. A power struggle ensued with the radical faction headed by the so-called Gang of Four—a zealous junta led by Mao's wife. Although Deng fell out of favor in April 1976, he returned to power the next year following the death of Mao and the overthrow of the Gang of Four. The Cultural Revolution officially ended in August 1977 at the Eleventh Party Congress.

Although much of the rural population emerged largely unscathed, the movement profoundly affected the nation as a whole. The economy sank, corruption tightened its grip within the government, and people became disillusioned with the party due to the political infighting. Priceless historical artifacts were destroyed for representing the old world of China which the revolution aimed to overthrow. The stigma against education led to persecution, deaths, and a generation of people without career training. Worst of all, untold numbers of people perished in the violence, with estimates for the death toll varying from roughly 35,000 to a million or more.

FUN FACTS

Up, up, and away!

In 2007, China passed Germany to become the world's third-largest economy, behind the United States and Japan. It grew 13%, while the U.S. economy had about 2% growth.

“One-Child” Left Behind

After instituting a one-child-per-couple policy in the 1980s to control population growth, the Chinese government does not apply it strictly in rural areas, sometimes allowing couples who have a daughter to try for a son. Ethnic minorities and couples who are both only children themselves are also exempt. According to China's National Population and Family Planning Commission, only 35.9% of the population was subject to the one-child rule in 2007. Also, some couples who violate the policy disappear into big cities to avoid official repercussions. For that reason, most experts believe that China's “official” population of 1.3 billion is actually larger.

The People's Wheels

A big black Buick may scream status, but these 10 models sell best in China:

1. Santana (a Chinese-branded Volkswagen Passat)
2. Jetta
3. Excelle (a Buick model sold exclusively in China)
4. Camry
5. Xiali
6. Chery QQ
7. Fox (a Volkswagen micro-car not sold in the U.S.)
8. Elantra
9. Accord
10. Family (from Haima Motors, based on a Mazda 323/Protégé)



Sizable State

Sichuan Province, where Chongqing is located, has an estimated population of 87.2 million—almost as many people as California, Texas, New York, and Virginia combined.

We're No. 1!

China's top export partners are the U.S. (19.1%), Hong Kong (15.1%), Japan (8.4%), South Korea (4.6%), and Germany (4%). (Data from 2007.)

Comparing Car Cultures by the Numbers

- 28: Cars per 1,000 people (China)
- 841: Cars per 1,000 people (U.S.)
- 100,000: Approx. traffic deaths per year in China, according to official government sources
- 250,000: Approx. traffic deaths per year in China, according to World Health Organization estimates
- 42,000: Approx. traffic deaths per year in the U.S., according to the National Highway Traffic Safety Administration

Would You Like *Congee* with That?

With more than 2,200 locations by the end of 2008, KFC ranks as China's No. 1 restaurant chain by far. In addition to fried chicken, it serves local dishes such as *pi dan congee* (rice porridge).

How Do You Say “Big Mac” in Chinese?

Jùwúba

Driven to Distraction

Until about 20 years ago, some localities in China prohibited motorists from turning on their headlights at night. Headlights were viewed as a distraction to pedestrians and other drivers.



Amber Waves of Grain

Although 43% of the Chinese labor force makes its living from agriculture, it comprises only 10.6% of the GDP. By comparison, 0.6% of the U.S. labor force has jobs in farming, forestry, and fishing, but agriculture accounts for 1.2% of the GDP.

Tick-Tock

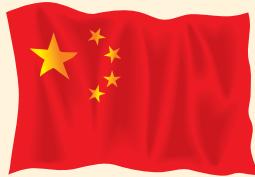
Despite spanning nearly 4,500 miles, west to east, all of China has only one time zone: Beijing time.

And You Thought Paris Was Bad

Accounting for one third of the world’s cigarette sales, China has more smokers than any other country. An estimated 70% of Chinese men smoke.

Decoding the Flag

The big star in the corner of the Chinese flag symbolizes the Communist Party. The four stars arrayed in a crescent beside it symbolize the people, who find unity in the party. Originally, the four stars were associated with four social classes: workers, peasants, petty bourgeoisie, and “patriotic capitalists” (capitalists loyal to the Communist Party). Later interpretations claim they stand for ethnic minority groups, while the large star represents China itself. The red field signifies revolution. Traditionally, red also represents the Han people, who account for about 92% of the Chinese population.



China Babel

Besides more than 100 regional dialects and ethnic-minority languages, China has seven major dialect groups: Mandarin (the official language), Wu, Yue (Cantonese), Min, Xiang, Hakka, and Gan. Although sharing certain words in common, the dialects are mutually unintelligible to their speakers.

Money Talks

China’s official currency is the yuan, but people don’t usually use the word. Most English speakers refer to RMB—short for *rénmínbì* (“the people’s money”). Locals often use the term *kuài qián* (“pieces of money”), or just *kuài* for short.



How “Ch’ung-ch’ing” Became “Chongqing,” and Other Spelling Quirks

Chongqing was once spelled “Ch’ung-ch’ing” under the Wade-Giles romanization system that the Western world used for much of the 20th century. In 1956, the Chinese government advanced a new system of transliteration known as Hanyu Pinyin (or Pinyin for short—literally, “to arrange sound”). Taiwan continues to use Wade-Giles, but by the 1980s most Western countries—including the United States—had adopted Pinyin. To make things even more confusing, Chinese postal map romanization spells the city as “Chungking.”

Computer Literacy, Chinese-Style

With about 5,000 characters required to write sophisticated Mandarin, Chinese computer-users would need wall-size keyboards. Instead, they type a word in Roman letters on a standard keyboard, using Pinyin; special software transliterates each Pinyin word into its Chinese character.

ABOUT TED KOPPEL

TED KOPPEL is a senior news analyst for National Public Radio and a contributing analyst for BBC America's *World News America*. From 2006 to 2008, Koppel served as Discovery Channel's managing editor. In this role, he anchored *Koppel on Discovery*, a series of long-form programming examining major global topics and events for the largest cable network in the United States. In addition to this series on modern-day China, the subjects of these specials ranged from Iran to living with cancer.

Koppel spent the first 42 years of his career at ABC News. From 1980 until 2005, he was the anchor and managing editor of the ABC News program *Nightline*, one of the most honored broadcasts in television history. As the nation's longest-running network daily news anchor, his interviews and reporting touched every major news story over a span of 25 years.



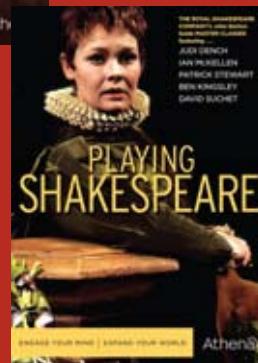
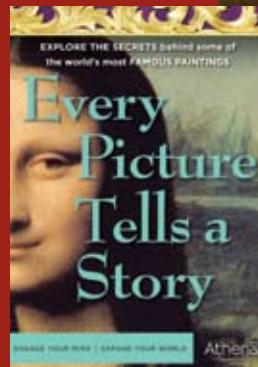
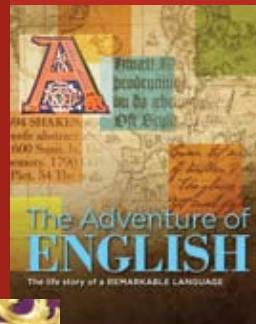
A member of the Broadcasting Hall of Fame, Koppel has won every major broadcasting award including 42 Emmy Awards (one for lifetime achievement), eight George Foster Peabody Awards, 10 duPont-Columbia Awards, and two George Polk Awards. His 10 Overseas Press Club Awards make him the most honored journalist in the club's history. He has also received more than 20 honorary degrees from universities in the United States.

Before becoming *Nightline* anchor, Koppel worked as an anchor, foreign and domestic correspondent, and bureau chief for ABC News.

A native of Lancashire, England, Koppel moved to the United States with his parents when he was 13 and became a U.S. citizen in 1963. Koppel speaks fluent German, adequate French, and smatterings of a half dozen other languages. He holds a bachelor of science from Syracuse University and a master of arts in mass communications research and political science from Stanford University.

He is married to the former Grace Anne Dorney of New York City. They reside in Maryland and have four children and five grandchildren.

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