

Day One Review

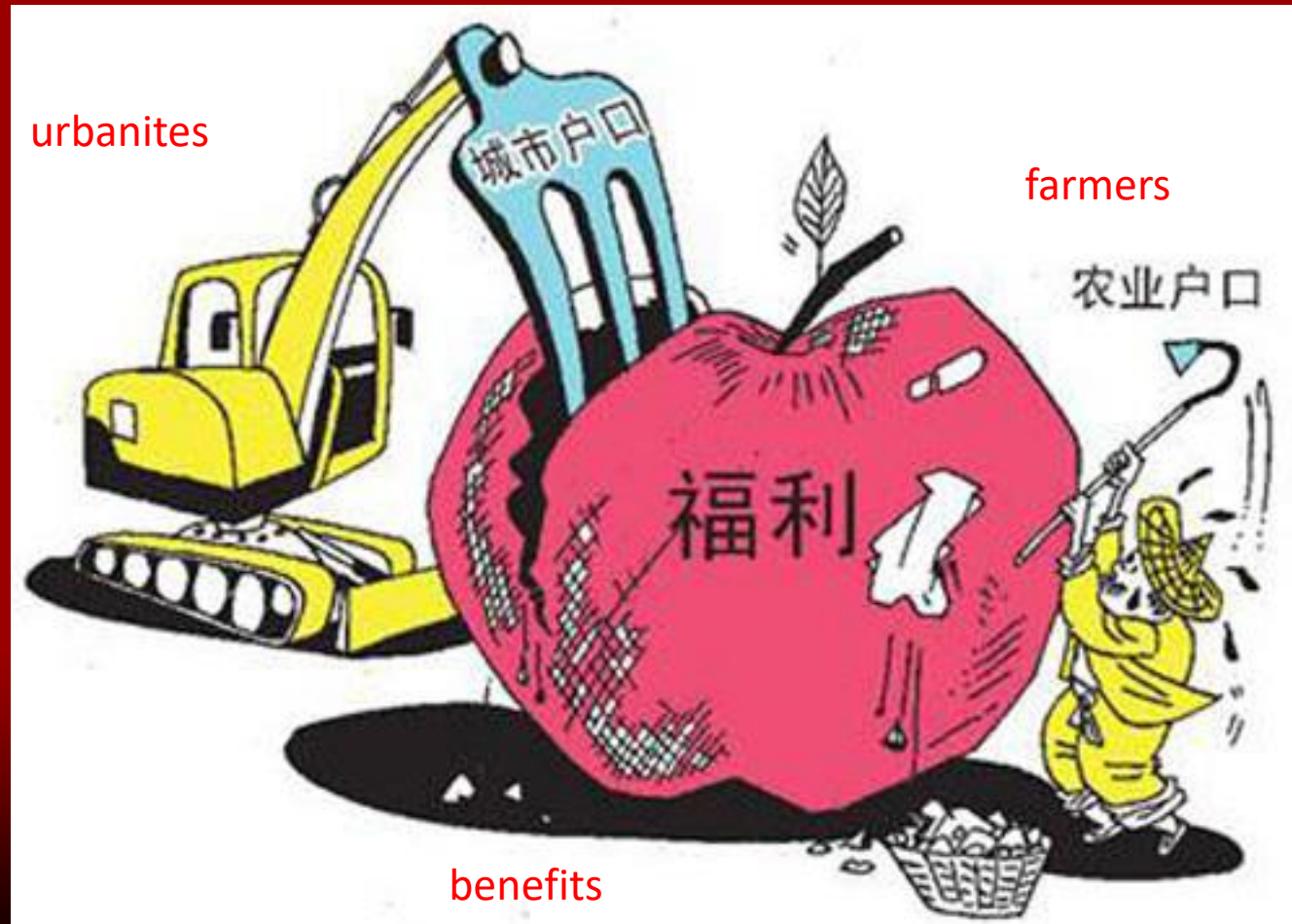
Clayton Dube 杜克雷
USC U.S.-China Institute
南加州大学美中学院
cdube@usc.edu
 @claydube

1990 Institute China Now Workshop
July 28, 2018

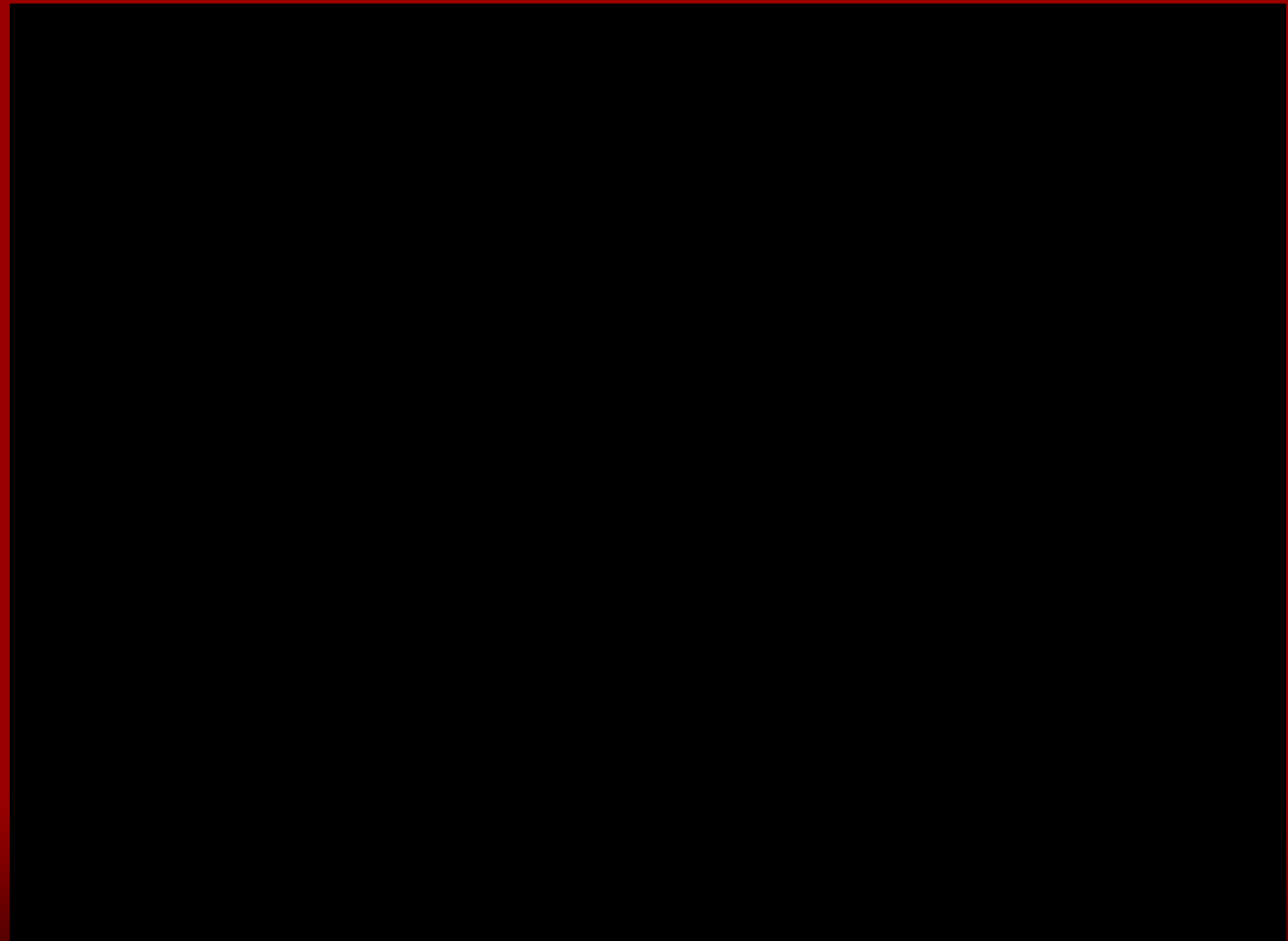
Hukou card, contemporary

常住人口登记卡				
姓 名	Name	户主或关系户主	Household head/Relationship	
曾用名	Previous name	性 别	Sex	
出 生 地	Birthplace	民 族	Ethnicity	
籍 贯	Status	出 生 日 期	Birthdate	
本市(县)其他住址	Address		宗教信仰	Religion
公 民 身 份 证 件 编 号	ID number	身 高	Height	血 型 Blood type
文 化 程 度	Educ. Level	婚 姻 状 况	Marital status	兵役状况 Military status
服 务 处 所	Registration office	职 业	Employment	
何 时 由 何 地 迁 来 本 市 (县)	When did he/she arrive here?			
何时由何地迁来本址	From where?			
承办人签章: 办 理		登记日期: 年 月 日		
Registrar		2005 12 20		
		Registration date		

Why hukou matters



Invisible Wall



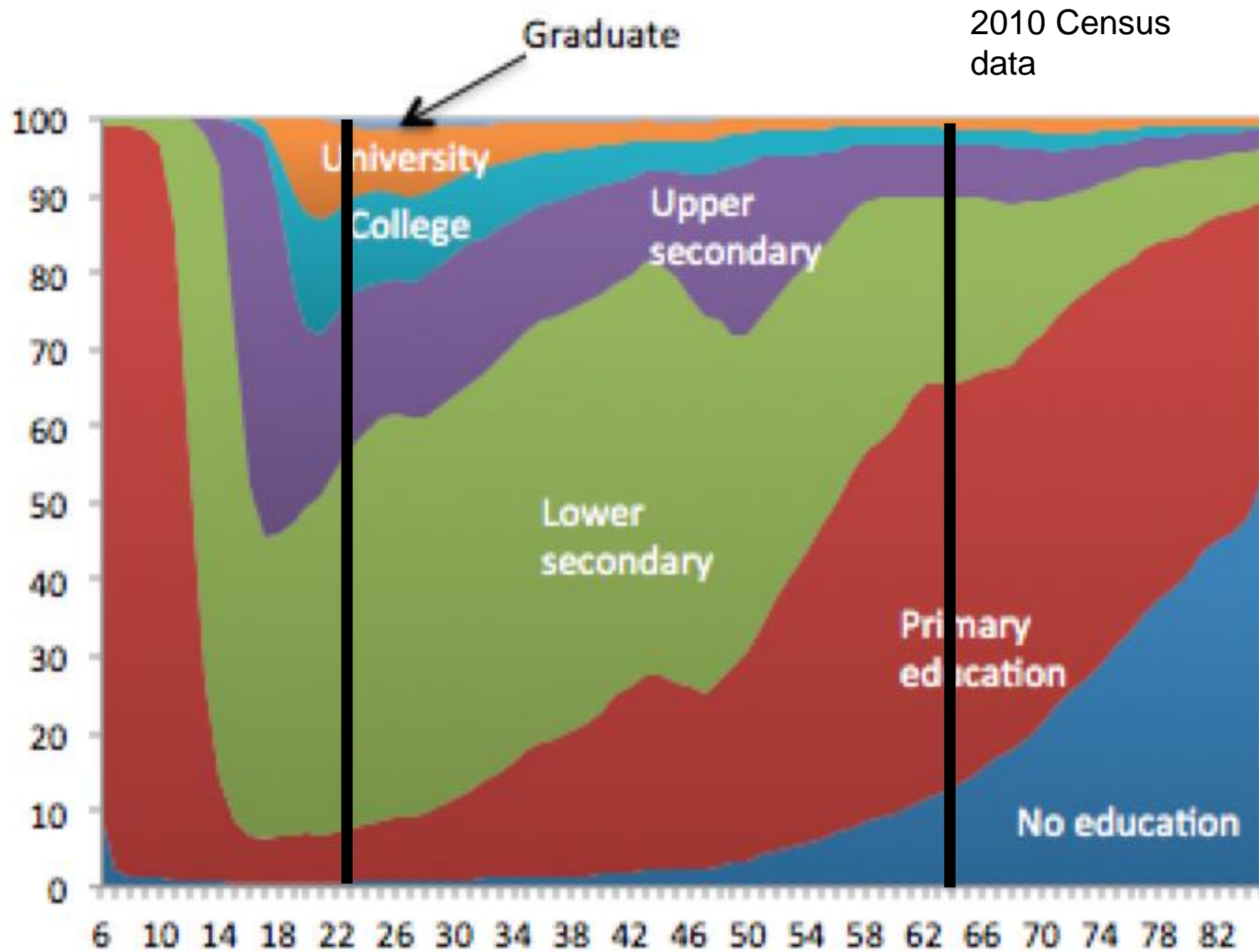
Adan Avalos and Han Xie, Picun, 2009

One fundamental difference between the Graduates and the Trapped

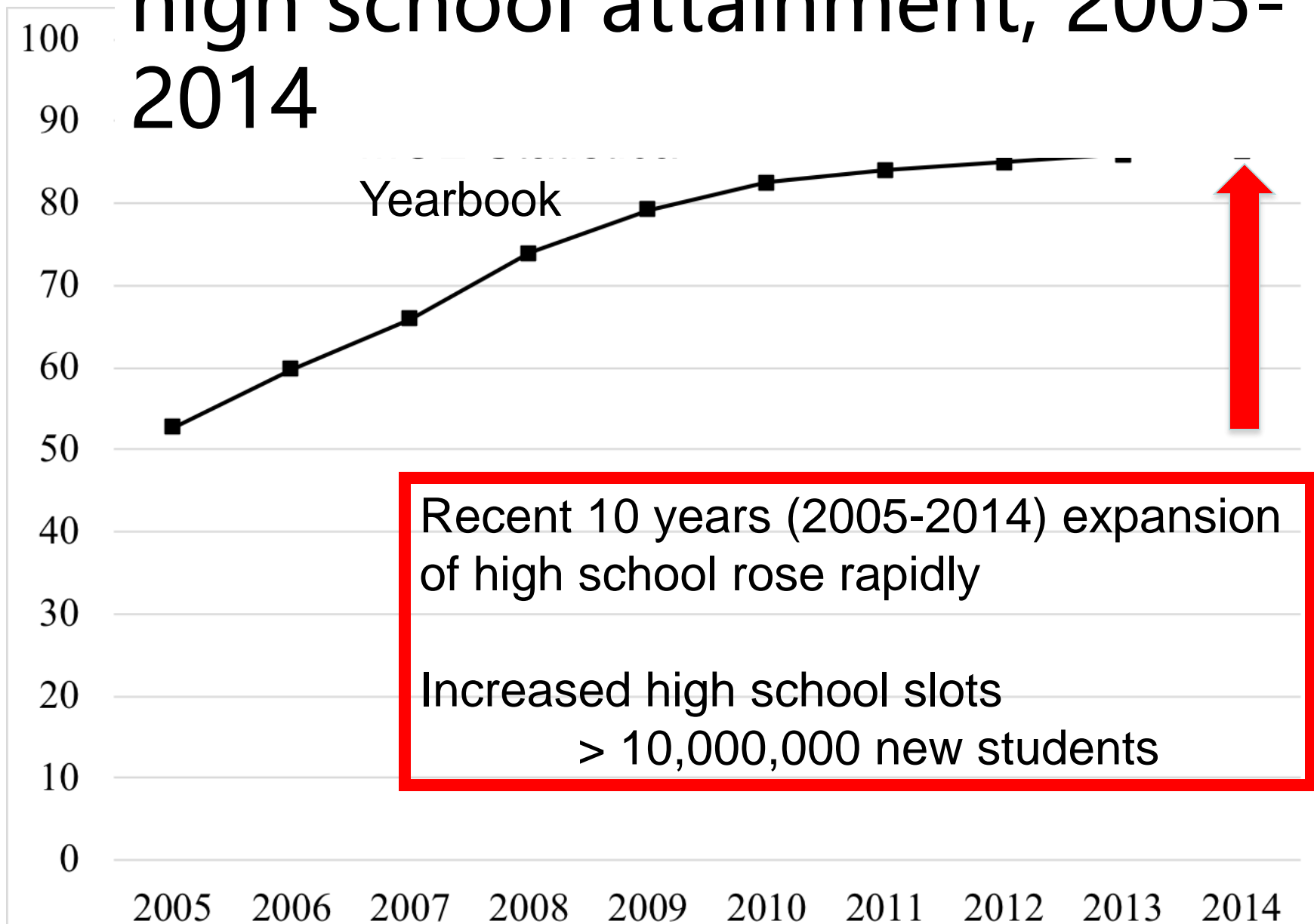
- At the time of middle income, the levels of human capital (think levels of education) of the ENTIRE labor force need to be high ...

Why is this important?

- When a country moves from middle-income to higher income, wages rise fast and the nature of work changes from “low wage, low skill” to “high wage, high skill.” If a large share of the labor force is NOT able to participate
 - polarization (demand side problems) & low productivity (supply side problems)
 - high unemployment/high crime/social unrest & low productivity and poor investment climate
 - stagnation



15-17 year old cohorts and high school attainment, 2005-2014



Li Qinqin



I am from a rural village in Langao County, Ankang City, Shanxi Province. I was selected to participate in the Spring Bud project when I was a primary school student. With the support of the institute, I graduated from College in 2014. Now I am a lawyer and the youngest partner in Shanxi Zhongzhi Law Firm in Xi'an.

My school before Spring Bud



Despite primitive and run-down schools with limited teacher resources for the students, this is a place that we all want to come to study.



The Spring Bud Middle School Class



Continued Support from 1990



**Students suffer
from frost bits in
the winter cold.
1990 Institute
provided
heaters to warm
the classrooms.**



Improved Learning Environment



Smith

The first story: Rapid convergence

- Ca



Some numbers

- Constitution (1982)
- Courts \approx 3,000 lower courts
- Judges \approx 200,000
- Lawyers \approx 300,000
- Law Schools – 634 (2010)
- Legal Codes – 256 (2016)
- Annual Cases $>$ 8 million

The second story: Persistent divide



A China Model of law?



“Rule by Law,” propaganda slogan at a public park, Beijing, 2017



Clearing out the
“low-end
population”
低端人口



Kashi (Kashgar), 1985





Photos: Josh Summers, 2009
and Stefan Green, 2010



Associated Press
May 2018



China's mass indoctrination camps evoke Cultural Revolution

By GERRY SHIH
May. 18, 2018



Around 120,000 Uyghurs Detained For Political Re-Education in Xinjiang's Kashgar Prefecture

2018-01-22

Tweet



on hour, day upon day, Omir Bekali and other detainees in far western China's new
eir Islamic beliefs, criticize themselves and their loved ones and give thanks to the

RFA, Jan. 2018



Donald J. Trump ✓

@realDonaldTrump

Follow



When a country (USA) is losing many billions of dollars on trade with virtually every country it does business with, trade wars are good, and easy to win. Example, when we are down \$100 billion with a certain country and they get cute, don't trade anymore-we win big. It's easy!

2:50 AM - 2 Mar 2018

Xi Jinping Urges Dialogue, Not Confrontation, After Trump Seeks Tariffs



New York Times, April 2018

capacity to cope

Chinese exports = 2% of GDP

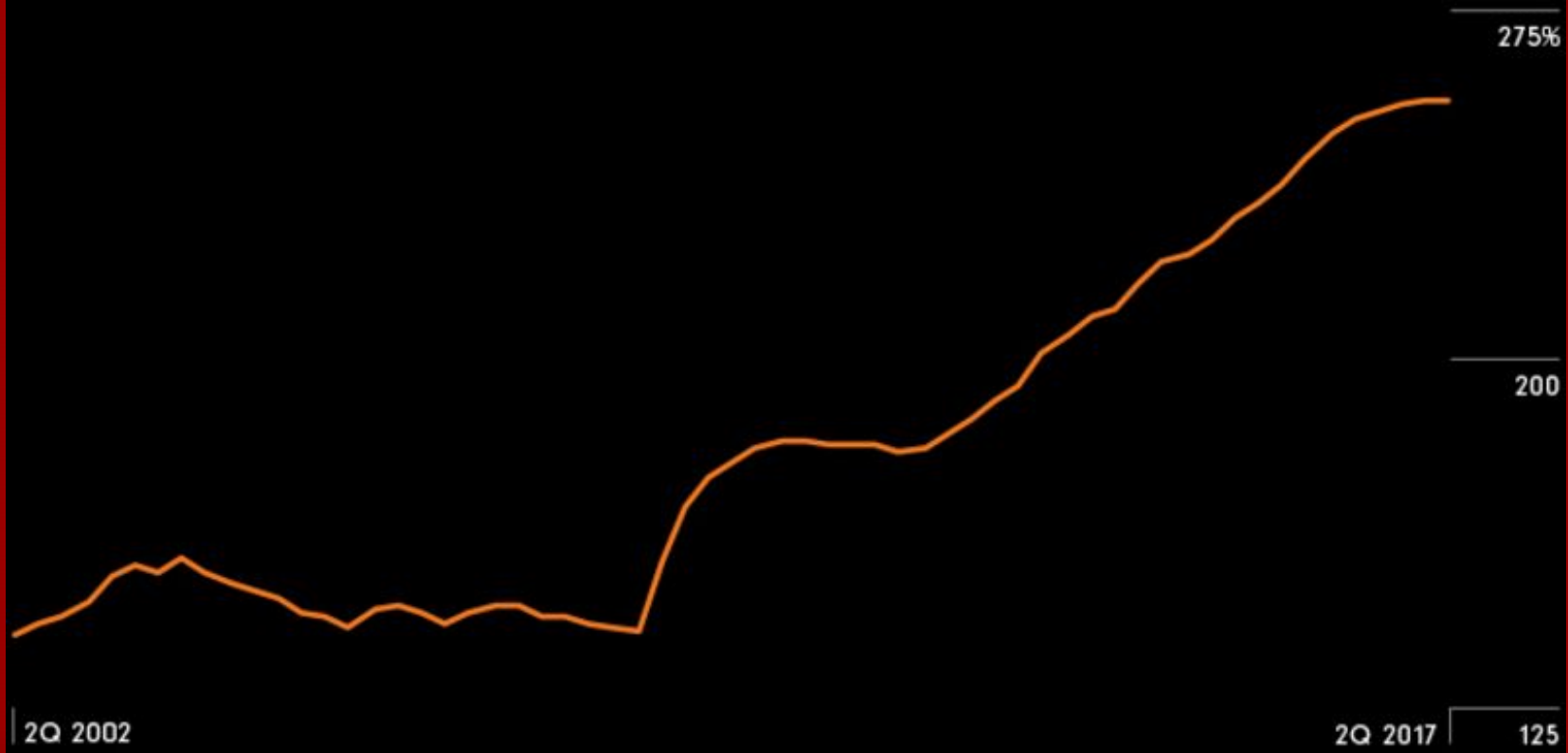
exports to the US = 19% of total

most (2/3) of the biggest exporters from China are foreign multinationals

state dominated media

BUT financial crisis stimulus credit binge ramped up debt to

CHINA'S CREDIT TO NONFINANCIAL SECTOR As a percentage of GDP



Source: {CPNFCNCG Index GP <GO>}, via the Bank for International Settlements

Bloomberg, Feb. 2018

Film made by Peter Navarro

Intended to influence
2012 election

DEATH BY CHINA

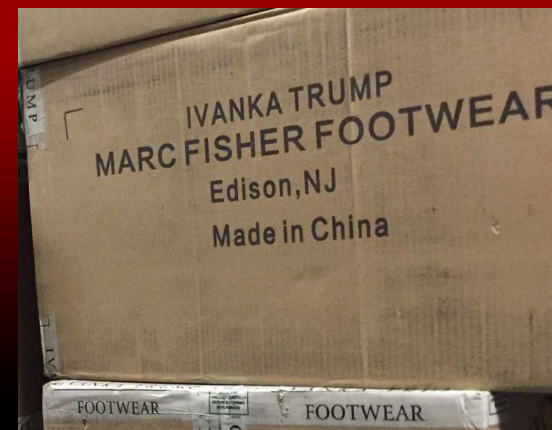
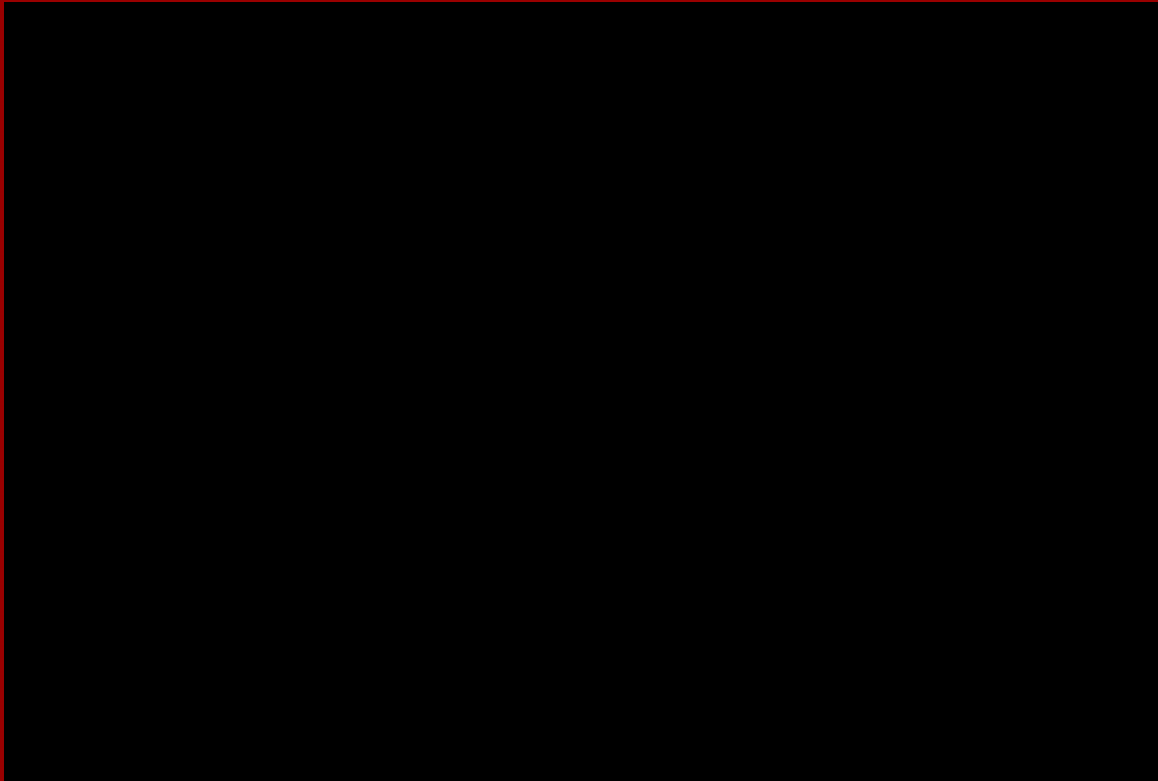


ONE LOST JOB
AT A TIME

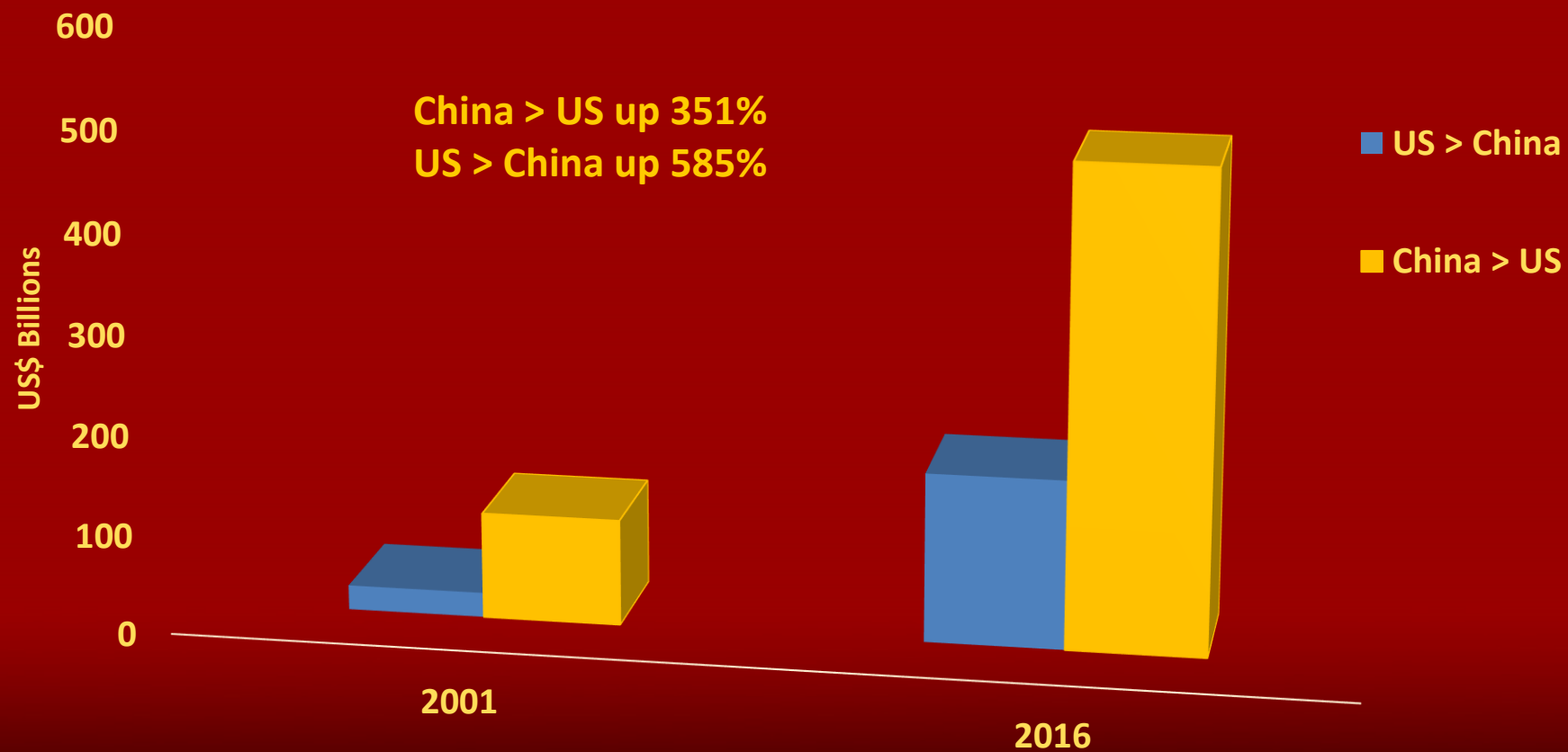
YouTube version



**Pres. Trump launches
“Made in America”
Week, July 17, 2017**



US-China Trade goods and services



U.S. Bureau of Economic Analysis

reciprocal market access

greater regulatory transparency and predictability

Made in China 2025 – productivity through innovation

sets market share targets in key advanced industries

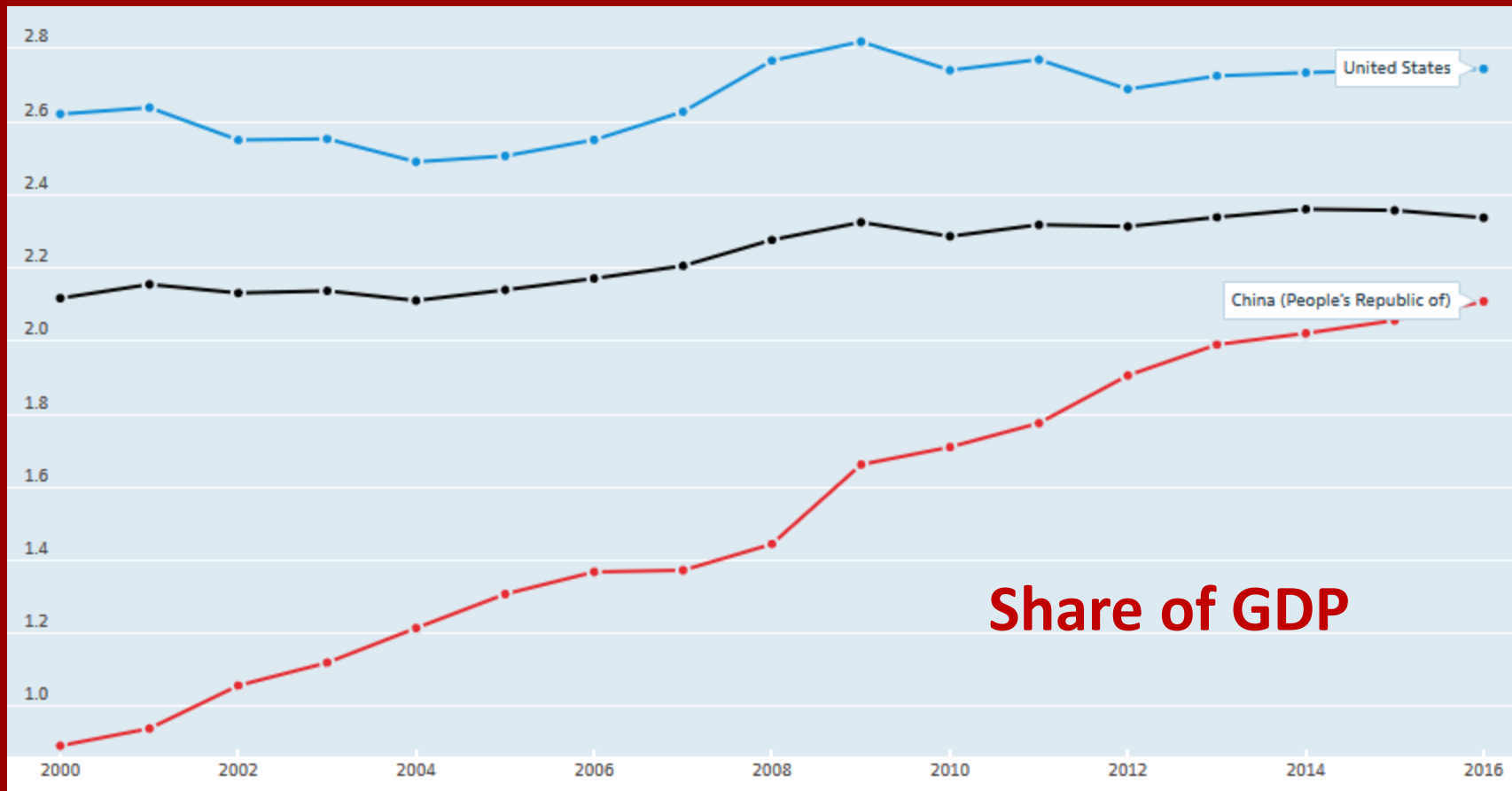
artificial intelligence

biopharmaceuticals

aerospace

new energy vehicles

reduce imports of components



Share of GDP

**Investment in
Research &
Development**



