



U.S.-CHINA ECONOMIC AND SECURITY
REVIEW COMMISSION

Hearing on Major Internal Challenges Facing the Chinese Leadership

**Opening Statement of
William A. Reinsch
Commissioner and Cochair**

**February 2, 2006
Washington, DC**

Good afternoon and welcome to the continuation of the U.S.-China Economic and Security Review Commission's hearing on Major Internal Challenges Facing the Chinese Leadership.

China has made significant economic strides during the past quarter century, leading to the rapid development of its national infrastructure, expansion of industry, and modernization of its military forces. Projecting forward, many worry that China is poised to overtake the U.S. economy and use its growing economic and military strength to threaten U.S. interests in the Pacific region. China's economy remains just one-seventh the size of that of the United States, and its per capita economic output is just \$1200 per year, or approximately one-fortieth that of the United States. It will be many years before China's economy will rival the United States'.

More worrisome perhaps in the near term is the potential for growing levels of civil unrest and public protest that is taking place in China on a daily basis to result in widespread political instability and economic collapse that might threaten economies throughout the Pacific region and beyond. During this third panel the Commission will assess China's growing civil unrest, worker demonstrations, acts of civil disobedience, public riots, and other forms of protest. The Commission is interested in the extent of the protests, the principal issues that are inciting protests, and the actions that the Chinese authorities are taking in response to the protests. To assist us in that effort we have invited three distinguished panelists.

The Commission is honored to welcome Dr. Albert Keidel, a senior associate of the Carnegie Endowment for International Peace. Dr. Keidel joined the Carnegie Endowment in 2004 after serving as deputy director for the Office of East Asian Nations at the U.S. Department of the Treasury. At the Endowment his work focuses on China's economy, its poverty reduction strategy, and other related issues.

The Commission is also pleased to welcome Dr. Joshua Muldavin who is a professor of Asian Studies and Human Geography at Sarah Lawrence College in New York. He is a

graduate of the University of California-Berkeley; his research includes analysis of China's national-level policies and the environmental and social impacts on of those policies.

David Welker is a senior researcher on the staff of the International Brotherhood of Teamsters. David is a former staff researcher with the U.S.-China Economic and Security Review Commission with extensive experience in examining China's labor issues.

The Commission looks forward to hearing from all these witnesses beginning with Dr. Keidel. I need to remind all panelists that the Commission welcomes oral remarks up to seven minutes in length, and will accept for the hearing record prepared statements up to 10 pages in length, and up to 25 additional pages of supporting documentation.

February 3, 2006
Washington, DC

Good morning and welcome to the continuation of the U.S.-China Economic and Security Review Commission's hearing on Major Internal Challenges Facing the Chinese Leadership. This final panel will address Chinese control mechanisms and strategies for dealing with public protests.

The Commission is pleased to welcome Dr. Scott Tanner who is a Senior Political Scientist with the RAND Corporation. Dr. Tanner has written extensively on China and politics, in particular on policing and internal security, political instability and unrest, the dilemmas of building the rule of law, human rights, lawmaking, leadership politics, and China-Taiwan relations.

Dr. Anne Thurston, formerly with the Paul H. Nitze School of Advanced International Studies at the Johns Hopkins University, recently left her teaching post to complete a research project on "the social consequences of China's economic reforms and problems of grassroots democratization." She will share her research on grassroots political activities in China.

With that introduction I would like to ask Dr. Tanner to begin with his oral testimony. I need to remind all panelists that the Commission welcomes oral remarks up to seven minutes in length, and will accept for the hearing record prepared statements up to 10 pages in length, and up to 25 additional pages of supporting documentation.