Introduction

A Champion for Chinese Optimism and Exceptionalism

CHENG LI

> To see ourselves as others see us is a rare and valuable gift, without a doubt. But in international relations what is still rarer and far more useful is to see others as they see themselves.
>
> JACQUES BARZUN

China perplexes the world. The country's rapid rise to global economic power poses an important set of questions regarding how one should perceive the transformation of the international system in light of this epochal change:

—Is China on track to become a new superpower? If so, how will this transform the global economic and political landscape?

—Will this ongoing power shift be comparable in scale to the rise of Europe in the seventeenth century or the rise of America in the late nineteenth and early twentieth centuries?

—Will the world witness increasingly intense competition between the United States, the existing superpower, and China, an emerging superpower? Could it even lead to the outbreak of what international relations scholars call a hegemonic war?[1]

—Might a new cold war take shape as China, a Leninist one-party state, comes to rival the West in the decades ahead? Will China present a military

The author thanks Sally Carman, Eve Cary, Sean Chen, and Jordan Lee for their very helpful comments on an early version of this introductory chapter.

and ideological challenge to the West, as the Soviet Union did during most of the latter half of the twentieth century?

—Conversely, should the rise of the world's most populous country be seen as an auspicious development, able to fuel global economic growth and contribute to a more balanced and stable world order?

At this point there are no definitive answers to these questions, and increasingly sophisticated assessments of China's quest for superpower status emerge over time.[2] This type of analysis is also difficult, as the real and substantive impact of China's rise on the international system will depend on many factors. To a large extent, China's own economic and political trajectories—as well as the country's popular aspirations and demographic constraints—are the factors that will determine the role that China adopts. The momentous socioeconomic transformation propelling these changes has not occurred in an intellectual vacuum. In fact, over the past decade strategic thinkers and public intellectuals in China have engaged in fervent discussions of the nature of China's ever-increasing integration into the world and the country's road ahead.

Unfortunately, English-language studies of present-day China have not adequately informed a Western audience of the dynamism of the debates within China and the diversity of views concerning its own future.[3] In such a rapidly changing and complex world, it would be enormously valuable for the decisionmakers and analysts in the West to broaden their perspective and "see others as they see themselves," as the distinguished historian Jacques Barzun wisely suggests.[4] The international community's discourse on the implications of a rising China will increase its sophistication if it pays greater heed to how Chinese intellectuals perceive and debate the responsibilities that China may assume in the future. In particular, the American China-watching community would be much better informed if it were more familiar with the contemporary strategic discourse of the People's Republic of China (PRC).

The Influence of Hu Angang in the Chinese Discourse on China's Rise

Arguably no scholar in the PRC has been more visionary in forecasting China's ascent to superpower status, more articulate in addressing the daunting demographic challenges that the country faces, or more prolific in proposing policy initiatives designed to advance an innovative and sustainable economic development strategy than Hu Angang, the author of this volume. His strong influence on the Chinese intellectual and policy debates concerning the country's future is especially evident in three respects:

—For over two decades Hu has been forecasting China's socioeconomic and demographic development and has also established a popular index of comprehensive national power. In his 1991 book, *China: Toward the 21st Century,* Hu accurately forecast that China would emerge as a global economic giant sometime in the first or second decade of the twenty-first century, surpassing France, England, and Germany.[5] He was officially involved in drafting the Chinese government's five-year plans, which outline the government's key development goals.

—As a scholar well known for his concerted effort to break down strictly defined academic boundaries, Hu's remarkably broad research interests include demography, ecology, education, public health, environmental protection, anticorruption, and international relations. As early as 1988 Hu and two of his colleagues at the Chinese Academy of Sciences (CAS) showed great foresight in a well-documented, extensive report arguing that the "ecological deficit [*shengtai chizi*] will be the greatest liability for China's development in the 21st century."[6] Hu was among the first Chinese scholars to call for the need to measure "green GDP" in regional development.[7]

—Hu has not only authored or coauthored nearly sixty books and edited volumes (see the list of Hu's writings at the end of this book), he has also written and edited more than 900 reports on China studies (*guoqing baogao*) through the Center for China Studies, an influential think tank that is now affiliated with both CAS and Tsinghua University. Hu founded the center in 2000 and has served as its director ever since. These reports have been primarily circulated among ministerial and provincial leaders and higher authorities.[8] For example, of the thirty-seven reports that were submitted to the State Council during 2007–10, senior leaders of the State Council commented on these reports thirty-nine times.[9]

Hu Angang's active participation in the strategic thinking behind China's development over the past two decades reflects the growing role of public intellectuals and think tanks in the formation of the country's domestic and foreign policies.[10] Economic globalization and China's increasing importance in the world economy, and the technical and specialized knowledge that decisionmakers thereby require, have understandably resulted in more substantive input from economists and other specialists. Meanwhile, China's booming publishing industry and expanding mass media (both old and new) provide unprecedented opportunities for scholars like Hu Angang to articulate their views, exert their influence, and shape public opinion. While Hu appears to enjoy his role as an informal adviser to senior leaders in the Chinese government, he has maintained his primary role as an independent scholar. Indeed, from time to time Hu has criticized government policies and voiced concerns about possible policy pitfalls or crises in the making. This combination of close involvement and impartial detachment has afforded Hu Angang a vantage point from which he can exert some influence in decisionmaking circles, while his refusal to simply toe the party line has helped him establish credibility in the eyes of the Chinese public.

This book, *China in 2020: A New Type of Superpower,* is partly based on Hu Angang's 2007 Chinese book *China in 2020: Building a Well-Off Society*.[11] In this English-language volume, the author substantially expands the focus and content of the previous (Chinese) book. It covers many broad areas of China's rise on the world stage, often from a cross-country comparative perspective. In addition to the author's assessment of China's economic transformation, the book examines other important subjects, such as China's demographic trends, public health, education and human resources, science and technology, and approach to climate change, many of which are the focus of Hu's more recent Chinese publications. This volume's rich empirical data, multidisciplinary nature, explication of indigenous Chinese concepts, and thought-provoking arguments concerning China's rise make it invaluable for understanding China's role in today's world.

The Themes of the Book: Two Parallel Arguments

Two important themes that permeate most of Hu Angang's writings emerge in this volume: Chinese optimism and Chinese exceptionalism. Hu Angang has been consistently optimistic about China's socioeconomic transformation and its historic reemergence in the late twentieth and early twenty-first centuries, even during periods when the country was beset with serious challenges, such as the 1989 Tiananmen incident, the 1997 Asian financial crisis, the 2003 SARS epidemic, the 2008 Sichuan earthquakes, and the 2008 global economic meltdown. This does not mean that he has overlooked the many daunting challenges that China faces. On the contrary, over the past two decades Hu has often been ahead of other Chinese intellectuals in calling attention to such challenges as economic disparity, environmental degradation, energy inefficiency, public health crises, official corruption, and the loss of state assets. While many Chinese leaders and scholars have been encouraged by the fact that China is now the world's largest exporter and second-largest economy, Hu has eschewed triumphalism and chosen to remind the public that China has also become the world's largest carbon emitter and second-largest consumer of energy.[12]

While noting these serious problems, Hu still holds the optimistic view that China will continue its high-speed economic growth in the next decade and beyond due to a combination of factors. These include the country's solid industrial foundation, newly built world-class infrastructure, high rates of investment savings and foreign investment, large domestic market, human resource advantages, and last, but certainly not least, the country's commitment to transitioning toward a domestic, demand-driven, and environmentally friendly mode of economic growth. In this volume Hu argues that by 2020 China will likely not only surpass the United States as the largest economy in the world but also (because of its accomplishments in education, innovation, and clean energy) emerge as a "mature, responsible, and attractive superpower."

As for the second major theme, Hu acknowledges that the prevailing wisdom in Western international relationships scholarship holds that an emerging superpower will destabilize the existing international system due to zero-sum competition with the existing superpower over spheres of influence, natural resources, market access, and military superiority. But Hu believes that China's rise to superpower status will be an exception to the rule. In his words, China will constitute a "new type of superpower." He observes that in an increasingly interdependent world China has neither the resources nor the intention "to replace the United States and become the sole leader in the world. Rather, China needs to cooperate with the United States in order to cope with global challenges in economics, politics, energy, and the environment."

Of course, foreign analysts of China will not be so naïve as to take Hu's arguments at face value. Both Chinese optimism and Chinese exceptionalism will, and should be, subjected to continual scrutiny as Chinese decisionmakers adjust to constantly changing domestic and international circumstances. Many of Hu's propositions reflect an ideal rather than a reality, and they are properly understood to be well-intended aspirations and promises rather than predetermined conditions or inevitable prospects. Even if Hu genuinely believes—and I think he does—that China should neither pursue a strategy of replacing the United States as the sole superpower in the world nor adopt belligerent and bullying policies toward its neighboring countries, he cannot offer assurance that this will be the case. The logic and nature of superpower competition, so some international relations scholars argue, is likely to encourage the emerging superpower to behave in a more aggressive and hostile way toward the existing superpower.[13]

Foreign critics may also reasonably wonder how representative Hu's views are of China's mainstream intellectual and policy communities. In fact both

Chinese optimism and Chinese exceptionalism have a large number of domestic critics. It is important to note that Chinese assessments of the PRC's quest for superpower status and its implication for peace and prosperity in the world are as diverse and controversial in China as elsewhere. But foreign decisionmakers and analysts should not be too quick to discount the significance of Hu's prognostications. In a way, Hu actually proposes a comprehensive strategic framework for Chinese decisionmakers to guide the next stage of China's rise, seeking to maximize the country's positive impact on the world and minimize the negative effects of its meteoric development. The stakes of a conflict between superpowers are too high, and policymakers and public intellectuals in the United States, China, and elsewhere should explore all options and scenarios. Therefore, it is essential for foreign analysts to acquire a more nuanced and accurate understanding of this influential Chinese thinker, including his life experiences, professional background, scholarly pursuits, and overall worldview. Meanwhile, Hu's arguments should also be evaluated within the broader context of strategic thinking in the PRC, especially compared with the way other public intellectuals in the country view Chinese optimism and exceptionalism.

Hu Angang: From "Sent-Down Youth" to High-Profile Economist

Hu Angang was born to a family of intellectuals in Anshan City, Liaoning Province, in 1953. During the 1950s Anshan City was home to China's largest steel and iron factory and was considered the "capital of the steel industry of the PRC." The term Anshan steel (*angang*) became part of Hu's name, reflecting the socioeconomic and political environment in which he was born. That was, of course, an era in which the country was fanatically obsessed with the development of the steel industry. Hu's parents, natives of Zhejiang Province, were graduates of Shanghai's Jiaotong University, one of the top engineering schools in the country, and they worked in this northeastern industrial city after graduation. Hu's parents were once awarded the title National Model Worker for their devotion and contribution to the country's rapid drive for industrialization during the Mao era.

Hu Angang has three siblings (all brothers), all of whom attended college after the Cultural Revolution, obtained advanced academic degrees, and studied in North America (the United States or Canada). Hu Angang's wife, Zhao Yining, is the chief reporter for China's liberal newspaper *21st Century Business Herald* and a public intellectual in her own right. Her interviews with influential leaders in China and abroad, such as U.S. Secretary of the Treasury

Henry Paulson, have often spurred lively intellectual and policy discussions in the country. She is also the author of the best-selling book *Grand Games: When the Chinese Dragon Faces the American Eagle*.[14]

Hu Angang grew up during the Cultural Revolution, the era in which China's educational system—including elementary schools, middle schools, and colleges—was largely paralyzed. Chinese students were generally engaged in political campaigns and ideological indoctrination rather than academic work. Although catastrophic for the entire nation, the Cultural Revolution affected Hu Angang's age cohort the most. They were in elementary and middle school when the revolution began and suffered turbulent changes and extraordinary hardships during their adolescence. In 1969, at the age of sixteen, without finishing his middle school education in Beijing, Hu was sent to a collective farm in Beidahuang, the desert area of the Nen River Valley of China's northeast Heilongjiang Province (also known as the Great Northern Wilderness). Hu worked in this extremely arduous environment as a young farmer, or what the Chinese call a "sent-down youth" (*xiaxiang zhiqing*), for seven years. When the Cultural Revolution ended in 1976, Hu moved to Hebei Province where he served as a manual laborer on a geological team, continuing to work in the rural environment.

All of these arduous and humbling experiences, Hu says, actually helped him cultivate valuable traits such as diligence, endurance, adaptability, and humility.[15] The hardships in the countryside were so extreme that he not only remembers rural China but also developed a strong interest in economic inequalities, the regional and urban-rural gap, resource scarcity, and grain safety—topics that he would later focus on in great depth in his academic career. Hu's experiences led him to believe that "one who has no knowledge of rural China does not know about China; one who does not understand China's poverty-stricken regions does not have a real understanding of China."[16]

As for his undergraduate education, Hu Angang belonged to the famous class of 1982. This class of students, ranging in age from the late teens to the early thirties, passed the national entrance exams in late 1977 and early 1978 as a result of Deng Xiaoping's policy initiatives to select students by their academic credentials rather than political backgrounds. This group entered college in March and October of 1978, in two clusters, and graduated in 1982. The ratio of those who took the exam and those who were admitted to this class was twenty-nine to one, compared with a ratio of two to one in 2007.[17] This famous class was extraordinary not only for having passed the most competitive college entrance exams in the PRC's history but also for yielding many talented leaders in all walks of life.

After receiving a bachelor's degree in metallurgy from the Tangshan Institute of Technology, he earned a master's degree in metal pressure processing at the Beijing Institute of Steel and Iron (now the University of Science and Technology Beijing) in 1985 and a doctoral degree in engineering from the Institute of Automation of the CAS in 1988. Hu's undergraduate and graduate education seems to reflect the influence of his native city and his parents' professional careers in the steel industry. During his Ph.D. studies, however, Hu Angang became interested in researching China's socioeconomic development, a relatively new field in the country at that time. He participated in two research projects in 1985, which helped determine his professional career. The first was a feasibility study on the establishment of the State Information Center, and the other was a study on the use of a mathematical model to forecast and make strategic assessments of China's socioeconomic conditions in 2000.

According to Hu, two other events also strongly influenced his decision to devote his career to studying economics and demography.[18] One was the publication of a World Bank report in 1985, *China: Long-Term Development, Issues, and Options,* which offered comprehensive empirical information and laid out analytical paradigms describing the possible developmental paths and choices for China in 2000.[19] The other was the release of the Brundtland Commission's report, *Our Common Future,* in 1987.[20] This landmark report highlights the importance of sustainable development in the world and new international thinking and cooperation to meet new global challenges. In his Ph.D. program Hu also studied under Ma Shijun, who represented China in signing the Brundtland Declaration. Not surprisingly, Hu Angang frequently cites these two documents in this volume.

In 1988 Hu completed his doctoral dissertation, "Population and Development in China: A Systemic Analysis and Policy Measures," under the supervision of He Shanyu (an automation expert), Ma Bin (an economist), Zheng Yingping (a game theory expert), and Ma Zhengwu (a computer simulation expert). The dissertation focuses on the demographic impetus and constraints on China's economic development. In Hu's view China's large population and its characteristics constitute the most important factor for forecasting the country's future. After finishing his Ph.D., Hu began work at the Research Center for Eco-Environmental Sciences of the CAS. He played an instrumental role in the establishment of the national economic database of the center. Hu also greatly contributed to the national comprehensive power index, to which he often refers in this volume.

As both a prolific writer for scholarly publications and a frequent commentator in the Chinese media, Hu soon emerged as one of the highest profile public intellectuals in the country. In 1991 he was awarded the epithet, "PRC-trained Ph.D. with outstanding contributions," jointly by the State Education Commission and the State Council's Academic Degrees Committee. Hu was invited to join the Chinese Economists 50 Forum (*Zhongguo jingji wushiren luntan*), which includes the country's fifty most prominent economists (such as Lin Yifu, then Peking University professor and now senior vice president and chief economist of the World Bank, and professor Wu Jinglian, China Europe International Business School) and government technocrats (such as Zhou Xiaochuan, the governor of People's Bank, and Xiao Jie, director of the State Taxation Bureau). In 2000 Hu won a Sun Yefang Award in Economic Research, one of China's most prestigious prizes for scholarly publications in economics. Hu was also named a few times by the Chinese media as one of the top ten economists in the country.

Hu has earned these awards and public recognition largely because he is not an ivory tower, academic economist, interested exclusively in economic theories and mathematical modeling. Instead he is actively engaged in important public policy debates. For example, he has made frequent appeals in recent years—in both official briefings and media interviews—for China to promise to curb carbon emissions with a clearly outlined timetable.[21] In his view, this should be done not only to allay international pressure but also to transform the country's economic development model. Commenting on Deng Xiaoping's famous motto, "It doesn't matter if a cat is white or black, as long as it catches mice," Hu argues that for China to pursue sustainable development at home and be a responsible stakeholder in the twenty-first century, it must transform from "a black cat" to "a green cat."[22]

Hu Angang's Experience Abroad and Nationalistic Sentiments

Hu Angang spent much of the 1990s abroad, serving as a postdoctoral fellow at Yale University from 1991 to 1992, a visiting professor at Murray State University in Kentucky in 1993, a research fellow at the School of Arts and Sciences at MIT in 1997, and a guest lecturer for the Department of Economics at the Chinese University of Hong Kong in 1998. He also worked on a short-term basis as a visiting professor at Japan's Keio University in 2000, a visiting professor at Harvard University's Kennedy School of Government in 2001, and a visiting fellow at a China research center in France in 2003. These foreign study and work experiences have not only broadened Hu's perspective but also inspired him to promote China studies at home. It has often been said that the field of China studies (*Zhongguo xue*) exists not inside, but outside, China. In the 1990s, as Hu Angang observes, Western scholarship, especially American scholarship, on China studies was far more advanced, in both theoretical paradigms and data-driven empirical research, than its cousin in China.[23]

One of the most important professional objectives for Hu Angang, therefore, is to make China the true center of China studies and of PRC scholarship and to obtain what he calls "the authentic right to speak" (*huayu quan*) on the subject.[24] Hu often tells the Chinese media that PRC scholars cannot engage fully with their Western counterparts until they are well grounded in Chinese studies. Without a doubt Hu is particularly interested in policy issues on the domestic front. Under his leadership, the Center for China Studies has become a leading venue for public policy discourse in the country. The center's policy reports have become one of the best-known sources of policy analysis for the Chinese government. For example, when China was beset with the SARS epidemic in the spring of 2003, the center issued thirty-two reports, which provided policy recommendations on media coverage, public opinion, foreign reactions, the health care budget, and the impacts on the economy and tourism.[25] Hu was also invited to participate in two small roundtable discussions on combating the epidemic, which were held at the State Council and chaired by Premier Wen Jiabao himself.

In 2004, in the aftermath of SARS, Hu Angang wrote a report in which he argues that insecurity in health (*jiankang bu'anquan*) is the largest challenge to China's security and development in the future. According to Hu, China experienced a paradoxical development over the past decade: as per capita income increased, the number of the people with chronic diseases also increased. In addition, Chinese consumption of tobacco and alcohol is the largest in the world. According to an official Chinese study conducted in 2010, China has the world's largest population of smokers (310 million), and every year about one million Chinese people die of smoking-related cancer.[26] In addition, approximately 200 million to 300 million people in China lack access to clean drinking water.[27] Hu's assessment of the health care crisis as China's most daunting challenge has received much attention in the official Chinese media over the past five years.

Hu's foreign studies also broadened his horizons in terms of the role of public intellectuals. He found inspiration from his studies of, and contact with, prominent Western economists. The late Angus Maddison, the prominent British economist, was instrumental in influencing Hu's thinking and research on China's economic development, as evident in this volume. Hu's role model was the late Paul Samuelson, a U.S. economist and a Nobel laureate, who refused to serve as an adviser for the White House. Although Hu enjoys being frequently consulted by Chinese leaders, he has always identified himself as an independent scholar rather than as an aide to a top leader or adviser to the government. "To speak on behalf of poor people," as Hu claims, is the "supreme principle of my professional career."[28] This may also explain why he did not pursue a career working for the Research Office of the State Council or the Policy Research Office of the Central Committee of the Chinese Communist Party (CCP) when such opportunities were presented to him in 1993.[29]

Hu's identity as an independent public intellectual has allowed him to criticize official policies. Hu was one of the first scholars to appeal for the reallocation of resources to China's inland region. In 1994 he made the bold suggestion that China should end special economic zones and abolish preferential treatment for the coastal region.[30] Because of this suggestion, Hu became very popular among officials in inland provinces, while some in the special economic zones accused him of opposing Deng Xiaoping's open-door policy.[31] As some foreign analysts observe, Hu was among the first Chinese scholars to advocate the concept of green GDP growth.[32] According to Hu, China should not measure development merely by "black GDP numbers" but must subtract the immense and variable costs of environmental destruction from impressive GDP numbers in order to measure green GDP growth, a more accurate gauge of real development. While acknowledging the serious demographic challenges that are likely to confront China in the twenty-first century, Hu has steered clear of sensationalist predictions like those of American environmentalist Lester Brown, who posed the controversial question, "Who will feed China?" Hu is reportedly the first scholar to challenge Brown's excessively pessimistic prognosis.[33]

Hu seems able to achieve a balance between maintaining easy access to policymakers and retaining his public image as a credible and independent scholar. The public has sometimes castigated other well-known Chinese economists for their seeming lack of professional integrity for serving only the interests of the rich and powerful, especially vested corporate interest groups. Hu Angang has not earned such a negative reputation. Quite the contrary, some of Hu's most populist policy initiatives were later accepted or implemented by the Chinese government. Examples include:

—Initiatives for an ecologically sound energy efficiency policy (initiated in 1988 and implemented in 2005)

—Policy recommendations (jointly made with Wang Shaoguang) on the tax division between the central and local governments (initiated in 1993 and implemented in 1994)

—An appeal to ban business involvement by the Chinese military (jointly made with Kang Xiaoguang; initiated in 1994 and implemented in 1998)

—An appeal for a more balanced regional development strategy, especially for the need to accelerate development in the country's western region (initiated in 1995 and implemented in 1999)

—A proposal for an employment-centered mode of economic development (initiated in 1998 and implemented in 2002)

—Policy recommendations for reducing or abolishing the agricultural tax on farmers (initiated in 2001 and implemented in 2002)

—Initiatives designed to strengthen China's public health care system (initiated in 2002 and implemented in 2004)

Hu has also long been a strong advocate for political reforms in China. It is important to note that Hu believes that the priority of political reforms should be the development of technocratic decisionmaking in social welfare policy, involving more open discussion and more consultation with think tanks, rather than the adoption of a Western multiparty system, though he does believe in checks and balances on power.[34] In his view, the various provinces in the country—big and small, rich and poor, coastal and inland—should share resources and developmental opportunities. In the mid-1990s Hu proposed, to great controversy, a one-province, one-vote system for the formation of the Financial Committee of the National People's Congress and hinted at a similar method to determine membership in the Politburo of the CCP. In his judgment, this would not only give every province a voice in party policy but also encourage more genuine efforts to ease local dissatisfaction with the central government and ameliorate the disparities between coastal and inland provinces.[35]

Hu Angang has been criticized by his peers in China on various grounds—for example, for his lack of academic disciplinary focus, for a lack of scholarly vigorousness in data selection in the documentation and research methodology in some of his publications, and for inappropriately mixing academic objectivity with subjective nationalistic sentiments. In 2008, for instance, Hu published an 800-page book on Mao Zedong and the Cultural Revolution, which received mixed reviews.[36] In the book Hu offers a more positive view of Mao than is standard, noting his "contributions" to China's rise in the twenty-first century. In Hu's view, China's pre-1978 social and economic development should not be underestimated. Similar views are also expressed in the volume *China in 2020*, in which Hu argues: "From Mao's ideas Deng Xiaoping derived many conceptual innovations concerning reform and opening." Critics will certainly challenge this view by pointing out the sharp contrasts between Mao's revolutionary fanaticism and Deng's economic pragmatism.

Hu's more positive evaluation of Mao and the Mao era, his populist approach that privileges socioeconomic egalitarianism, and his favorable views on the consolidation of state-owned enterprises (SOEs) have made some analysts, both in China and abroad, identify him as a left or new left intellectual.[37] His most biting critics have called him a hack writer of the authoritarian regime, because of his article (co-authored with Hu Lianhe) that criticizes the Western separation of powers.[38] Hu does not apologize for his broad and interdisciplinary approach to China studies. He notes that he is not an academic economist in the conventional sense but instead is one who combines knowledge in economics, politics, culture, and ecology to give a more holistic analysis of a rising China. Hu refuses to be labeled a left, new left, or liberal scholar, arguing that none of these labels accurately reflects his values and worldviews.

As for the accusation that excessive nationalistic sentiment shapes his scholarship, Hu is not defensive. He admits that he is first and foremost a patriotic Chinese citizen, not a seemingly value-free "China hand" (*Zhonguo tong*). As he states in the first chapter of this volume: "This book represents my efforts to observe China as an insider, to understand China as a researcher, to forecast China's future as a participant in its evolution, and as a scholar of the era following Deng Xiaoping to help construct China." In Hu's view, his scholarship should be judged simply by the validity of his arguments and their effectiveness in shaping China's intellectual and policy debates.

Reasons for Chinese Optimism

In general, Chinese citizens are now widely aware that their country is ascendant or, in Hu Angang's words, is en route to the "status of a new superpower." A triumphal mood has begun to take hold in the PRC over the past decade. A series of historic events—China's accession to the World Trade Organization, Beijing's successful hosting of the Olympics, Shanghai's reemergence as a cosmopolitan center as evident in the recent World Expo, the dynamic infrastructure development in both coastal and inland regions, the launch of the country's first manned space program, and the country's ever-growing economic power—have understandably instilled feelings of pride and optimism in the Chinese people.

China's economic strength in today's world can be felt in numerous ways. By the end of 2009 China had foreign reserves of $2.4 trillion, accounting for 30.7 percent of the world's total and making the PRC the largest foreign reserve country for the fourth consecutive year.[39] In the last quarter of 2010 the PRC (including Hong Kong) held 24.3 percent of total U.S. treasury securities.[40] Not surprisingly, as a lead article of *The Economist* observes, "Optimism is on the move."[41] "For the past 400 years," the article notes, "the West has enjoyed a comparative advantage over the rest of the world when it comes to optimism." But now a large number of public opinion surveys consistently reveals a different trend. According to the Pew Research Center study cited in the article, some 87 percent of Chinese think their country is going in the right direction, whereas only 30 percent of Americans do.

Some of the main reasons for Hu Angang's optimistic assessment of China's path toward becoming a superpower—impressive state assets, newly built infrastructure, large domestic market, and advantages in human resources—are empirically well grounded. In this volume, as well, Hu provides a wealth of information and statistics to support his thesis. The four major areas that warrant optimism about China's future are the rise of its flagship, state-owned enterprises; its remarkable development of transportation and infrastructure; its large emerging middle class; and its emphasis on education and innovation.

Flagship, State-Owned Enterprises

For most of the 1980s and 1990s, and especially on the eve of China's accession to the World Trade Organization in 2001, analysts in both China and abroad viewed the prospects of Chinese state-owned enterprises, particularly Chinese commercial banks, very negatively. This cynical view was understandable because in 1998, for example, bad bank loans accounted for 40 percent of the capital of China's state-owned commercial banks. In 2008, however, the percentage of bad loans among these banks had fallen to 2–3 percent, as Hu Angang notes. The total wholesale profit of China's state-owned enterprises also increased—from 2 percent in 1998 to 7 percent in 2008, more than a threefold increase. Hu was one of the first Chinese economists in the reform era to criticize "market fundamentalism" and favor the consolidation of large SOEs. He argues that the "market is by no means omnipotent, and one should not idealize it."[42]

The recent global financial crisis would seem to support this thesis. Interestingly, in early 2009 four of the world's top ten banks (in terms of market capitalization) were Chinese. The Industrial and Commercial Bank of China, China Construction Bank, and the Bank of China topped the list.[43] A decade ago U.S. banks dominated the top-ten list, and no PRC-based bank was even close to being included. If the economic success of a country is measured by the number of companies that make it onto the Global Fortune 500 list, then the PRC undoubtedly represents one of the greatest triumphs in the contemporary world. The number of PRC companies on the list increased from three in 1995 to forty-six in 2010.[44] The top fifteen Chinese companies on the 2010 Global Fortune 500 list are all SOEs.

Transportation and Infrastructure

Over the past decade China has made truly breakneck progress in the transportation and infrastructure sectors, especially in the construction of roads, railways, bridges, and ports. By the end of 2010 the total kilometers of highway in the country had reached 74,000, second only to the United States.[45] China did not have a high-speed railway until 1999, when the Qinhuangdao and Shenyang High-Speed Railways were built, and yet by 2010 the country's total kilometers of high-speed railway had reached 7,400, the highest in the world. It is expected that by 2020, high-speed railways (200 km. per hour) in China will total 18,000 kilometers, which will be more than half of the world total.[46] The world's three longest sea bridges are now all located in China: the Qingdao Gulf Bridge (41.6 km.), the Hangzhou Bay Bridge (36 km.), and the East Sea Grand Bridge (32.5 km.), all completed in the last five years.

As of 2009, of the world's ten-largest container ports, six were located in the PRC (Shanghai, Hong Kong, Shenzhen, Guangzhou, Ningbo, and Qingdao).[47] Two decades earlier, in 1989, none of the PRC's ports was among the top twenty.[48] China's rapid development in infrastructure, especially some of its state-of-the-art transportation projects, are not only the envy of other developing countries but have also become showcases for developed countries such as the United States. This newly built transportation infrastructure will promote commerce, both domestically and internationally, making China more competitive in the world economy in the years and decades to come.

Emerging Middle Class

Hu Angang and other Chinese scholars who are optimistic about China's continuing growth often stress the great significance of the rapid emergence and explosive growth of the Chinese middle class. They credit this expansion with stimulating the country's domestic demand and thus underwriting high growth rates for the foreseeable future. To a certain extent China today is already one of the world's major middle-class markets. In 2009, for example, China's auto production output and sales volume reached 13.8 million and 13.6 million, respectively, making the PRC the world's leading automobile producer and consumer for the first time.[49]

In his 2010 book, which was based on a large-scale nationwide survey, the distinguished sociologist Lu Xueyi notes that the middle class (based on a definition that combines occupation, income, consumption, and self-identification) constituted 23 percent (243 million) of China's total population, up from 15 percent in 2001.[50] Lu predicts that the Chinese middle class will grow at an annual rate of 1 percent over the next decade or so.[51] Lu also holds that in about twenty years the Chinese middle class will constitute 40 percent of the PRC population, which is on par with Western countries and will make the PRC a true "middle-class nation."[52] According to a study by two analysts at the Brookings Institution, China accounted for only 4 percent of global middle-class spending in 2009 (enough to be the seventh-largest middle-class country in the world) but could become the "largest single middle-class market by 2020, surpassing the United States."[53]

Education and Innovation

Hu Angang devotes two chapters in this volume to the importance of education and innovation, including the role of science and technology, for China's rise as a superpower. According to Hu, as a large country that lacks natural resources, China should prioritize the development of human resources. Hu and his optimistic colleagues believe that the PRC has, in fact, made tremendous progress in all levels of education. Since 2001, for example, English has been offered in almost all elementary and middle schools in all county-level cities across the country. In the United States, by contrast, the percentage of elementary and middle schools that offer foreign language courses declined from 31 percent and 71 percent, respectively, in 1997 to 25 percent and 58 percent in 2008, mainly due to budgetary constraints. Moreover, only 3 percent of elementary schools and 4 percent of middle schools in the United States offer Chinese courses.[54]

As Hu documents in this volume, the number of Chinese with access to higher education reached nearly 98 million in 2009, 543 times that of the 1949 figure (185,000). In 2009, with 21 million registered college students, "China already surpassed the United States (with 18 million in college) to rank first in the world in terms of students in higher education." In postgraduate studies, for every seven Ph.D. degree recipients in the United States, one is a PRC citizen.[55] Science and technology papers published by Chinese citizens in major international journals in 2008 "accounted for 11.5 percent of the world total, second only to the United States' 26.6 percent." In some research areas, such as life science and biotechnology, nanotechnology, laser technology, and electric cars, China has become a world leader. In 2010 the Chinese leadership issued the *National Medium- and Long-Term Talent Development Plan (2010–2020)*, a blueprint for creating a highly skilled national workforce within the next ten years, including ambitious objectives to recruit and cultivate foreign-educated Chinese nationals (known as returnees).[56]

Challenging Chinese Optimism

Public intellectuals in present-day China are by no means unanimous in sharing the optimism exemplified by Hu Angang's work. In fact, prominent scholars in academic fields ranging from economics to sociology, political science, education, and international relations actively debate both sides of this proposition. This discourse is shaped by their academic writings, policy briefings, media commentaries, blog postings, and participation in semischolarly Chinese websites such as *China Election and Governance* and the Chinese version of *Financial Times* online. These popular websites have apparently survived official censorship despite their bold criticism of Chinese authorities.[57] In general, critics argue bluntly that Chinese optimism is wrongheaded because China's mode of economic growth is neither desirable nor sustainable.

It should be noted that much of this criticism does not directly challenge Hu Angang's arguments but rather serves as a response to the new public discourse on the so-called China model (*Zhongguo moshi*).[58] Nevertheless, these critics tend to believe that optimists' overall prognostications of China's economic and political trajectories (such as Hu's) are highly misleading. They reject the optimists' central argument that China's hybrid system of market economics and authoritarian Leninist statism represents a sound direction for China's continuing rise and even a model for other countries' development. These pessimists' criticism is as broad and comprehensive as the assessment of the proponents of Chinese optimism, covering all of the important economic, social, political, and foreign policy domains.

Critics acknowledge China's impressive economic growth during the reform era, but they believe that it was mainly, if not entirely, achieved through socioeconomic circumstances such as cheap labor, the nature of the early phase of industrialization, technological free riding through imitation, and a lack of concern for energy efficiency or environmental protection. According to the distinguished scholar Cai Fang, director of the Institute of Population and Labor Economics of the Chinese Academy of Social Sciences (CASS), China's "demographic dividend," the term that Hu Angang also uses to refer to a rise in the rate of economic growth due to an increasing share of working-age people in a population, will come to an end in only two to three years.[59] According to Cai, the recent labor shortage in China's southern and eastern cities is a harbinger of far-reaching, important changes for the Chinese economy.

Another critic is the well-known economist Yu Yongding, president of the China Society of World Economics and former director of the Institute of World Economics and Politics at CASS, who has also served as a member of the Monetary Policy Committee of the Peoples' Bank. He argues not only that "China's rapid growth has been achieved at an extremely high cost" but also that the state-led and export-driven growth model "has now almost exhausted its potential."[60] According to Yu, overinvestment in real estate development by local governments and large SOEs—expenditures that now account for nearly a quarter of the country's total investment—is particularly worrisome. As Yu describes, the bursting of the real estate bubble will be not only a shock for "those economists and strategists busily extrapolat[ing] its future growth path to predict when it will catch up to the United States" but also devastating for China, the country that has just "surpassed the threshold for a middle-income country."[61] Yu also argues that some of China's widely perceived competitive advantages are double-edged swords, such as China's large holdings of foreign reserves, which may cause significant instability in the Chinese economy when foreign currencies, such as the U.S. dollar, fluctuate substantially.[62] Yu cautions that it is not impossible that China may eventually fall back to low-income status rather than attain superpower status.

As for the meteoric rise and ever-growing power of China's large SOEs on the world stage, the critics believe that the oligopoly of SOEs not only jeopardizes the commercial interests of foreign companies but also hurts the country's own private enterprises, thus detracting from the long-term potential of China's market economy. This explains the widely repeated new Chinese concept, "The state advances and private companies retreat" (*guojin mintui*), to criticize the growing trend toward "strong government, weak society." A study conducted by Chinese scholars shows that the total profits made by China's 500 largest private companies in 2009 were less than the total revenues of two SOE companies, China Mobile and Sinopec.[63] Ironically, the private sector's net return on investment was 8.18 percent, compared to the 3.05 percent return of SOEs in the country in 2009.[64] The impressive growth of China Mobile has been attributed, at least partially, to the company's monopoly of telecommunications in the Chinese domestic market. With large SOEs monopolizing the telecommunications sector, there is no incentive for these flagship companies to pursue technological innovation. This explains a paradoxical phenomenon: while China's large SOEs have dramatically increased their profitability and standing among the Global Fortune 500 over the past decade or so, no single Chinese brand has truly distinguished itself in the global market. The focus on Chinese innovation seems to be more rhetoric than substance.

Xu Xiaonian, professor of economics and finance at the China Europe International Business School in Shanghai and former managing director of China International Capital Limited, a large state-owned financial company, has emerged as a leading critic of SOE development. Xu uses the Chinese term *quangui zibenzhuyi,* which can be translated as "crony capitalism" or "state capitalism," to express his reservations about the growing trend of state monopoly in present-day China.[65] He believes that with the rapid expansion of SOEs in the past few years, China has in fact begun to reverse Deng Xiaoping's plan for the country's development. In his view, China is drawing the wrong lessons from the recent global financial crisis and heading in the wrong direction.[66] In Xu's view, the main beneficiaries of the SOE growth are corrupt officials, not the Chinese public. Xu believes that in today's China, entrepreneurs only exist in the private sector, not in SOEs, because SOE managers have neither an entrepreneurial spirit nor a sense of responsibility for their companies' losses.[67]

Many critics also believe that business special interest groups have become too powerful. According to Sun Liping, a professor of sociology at Tsinghua University, the real estate interest group accumulated tremendous economic and social capital during the past decade.[68] The power of this corporate interest group explains why it took thirteen years for China to pass an antimonopoly law, why the macroeconomic control policy in the mid-1990s was largely ineffective, and why the widely perceived property bubble in coastal cities has continued to grow. In each of these cases, corporate and industrial interest groups have encroached upon the governmental decisionmaking process, either by creating governmental policy deadlock or by manipulating policies in their own favor.

The Chinese government admits that more than 70 percent of the 121 companies under the State-Owned Assets Supervision and Administration Commission (SASAC), a body overseeing China's largest SOEs, are engaged in the real estate business and property development.[69] These companies also run about 2,500 hotels throughout the country. The official media also criticize these companies for "not doing their proper business" (*buwu zhengye*). According to Xinhua News Agency, the Chinese government ordered seventy-eight SASAC companies to withdraw their investments in the real estate business.[70] Some speculate that some portion of China's stimulus package (4 trillion yuan, or $586 billion) in the wake of the 2008 global financial crisis has been used inappropriately for property development. According to a senior researcher in the Ministry of Housing and Urban-Rural Development, about 32 percent of the stimulus package was invested in real estate.[71] Sun also holds that increasing speculation in property development aggravates the country's economic disparities, making the prospect of joining the middle class even more remote, if not downright impossible, for families of the urban lower class. Sun highlights two parallel and politically dangerous trends that are gaining momentum and may eventually cause a devastating cleavage (*duanlie*) in the country: oligarchy at the top and fragmentation at the bottom.[72]

In contrast to Hu Angang's optimistic view of education and innovation in China, critics point out the various forms of so-called education corruption (*jiaoyu fubai*) that have emerged in the past two decades: the rapid expansion of higher education at the expense of quality, favoritism in admissions, excessive drives for donations and numerous fees, academic inbreeding in appointments and the promotion of faculty, political interference in teaching and research, and plagiarism.[73] Some scholars argue that China's international competitiveness is severely damaged by these problems. One study shows that, among PRC-born doctoral recipients in science and technology in U.S universities in 2002, only 8 percent returned to China by 2007, the lowest rate among all countries (by comparison, India's return rate is 19 percent, Taiwan's is 57 percent, Mexico's is 68 percent, and Thailand's is 92 percent).[74] This study apparently undermines the Chinese government's claim that it has been successful in recruiting foreign-educated Chinese returnees to work in the PRC.

Most important, as many critics argue, innovation-led economic growth can only be achieved in a politically free and open environment, a far cry from the tight political control and media censorship that characterizes present-day China. Liu Junning, a well-known political scientist, is also cynical when it comes to Chinese optimism. He believes that China, when viewed from a historical perspective, is not really on the rise but is "experiencing a fundamental crisis in faith" resulting largely from the prolonged absence of freedom of belief and genuine political reforms in the country.[75]

Some critics believe that the Chinese optimism associated with the China model often leads to an arrogant foreign policy mindset, another departure from Deng Xiaoping's low-profile approach. In a widely circulated article, Zi

Zhongyun, a distinguished international relations scholar and former director of the Institute of American Studies at CASS, launched a bold critique of Chinese optimism, especially the Chinese notion of *shengshi* (magnificent era), a term used by the political establishment to characterize today's China.[76] Zi states bluntly that underneath this superficial "magnificent era" there is a profound sense of crisis in the making and deep concern about the decay of the regime. On the domestic front, as she observes, China's political reform has basically halted, and censorship has almost returned to the horrendous level reached during the Cultural Revolution. On the foreign policy front, what happened in 2010 reminds her of the decade of the 1960s, when China had mostly enemies and only two or three "friends," none of which could feed their people.

This line of criticism of the China model by intellectuals like Cai Fang, Yu Yongding, Xu Xiaonian, Sun Liping, and Zi Zhongyun is notable because none of them are considered to be antigovernment political dissidents. On the contrary, most of them are well-established public intellectuals who may even have close ties with senior leaders in the Chinese government.[77] While some of their views may be a bit sensational, they have forcefully challenged the prevalent feeling of confidence in China today. It is fair to point out that Hu Angang himself does not deserve criticism for some of the problems associated with the China model or Chinese optimism such as economic determinism, crony capitalism, vested corporate interest group politics, or the neglect of demographic challenges. In terms of forecasting demographic challenges confronting China, Hu Angang offered warnings at least as early as any of these critics. Arguably, Hu is also more foresighted and more instrumental than these critics when it comes to pushing for fundamental changes in China's mode of economic growth and protecting the interests of vulnerable social groups. More important, Hu's optimism about China's future is not based on an aggressive foreign policy.

Debating Chinese Exceptionalism

In international affairs, every nation may subscribe to some form of exceptionalism because each has its own unique history, idiosyncratic culture, distinct geography, and specific socioeconomic and political circumstances. An extraordinary characteristic or a combination of characteristics in a given country may lead the country to behave in an exceptional way. In particular, great powers' exceptionalism may have a greater impact on world affairs. For example, American exceptionalism refers to the view that the United States, for a variety of reasons— its absence of feudalism historically, Puritan roots, endowment of a large continent with abundant natural resources, melting-pot ethnic composition, democratic ideology combining republicanism, egalitarianism, individualism, and populism, and its great sense of confidence and responsibility—differs profoundly from other nations, including Great Britain and other European states.[78] While proponents of American exceptionalism differ in important ways, a common argument of this school of thought is that the United States is a lasting "shining city on a hill," which may be exempt from the cycle of power shifts in world affairs and historical forces that have affected most, or all, other great powers.

Chinese exceptionalism (*Zhongguo teshulun*) is a relatively new term used in the Chinese discourse of international affairs, although one may reasonably argue that the Chinese are more aware of their long and often glorious history and their rich and generally distinct culture than any other people in the world. Most of the recent writings on Chinese exceptionalism are related to discussions of the China model, the perceived unique experience of China's economic miracle. In a recent article, Henry Kissinger insightfully observes that the United States and China each "assumes its national values to be both unique and of a kind to which other peoples naturally aspire. Reconciling the two versions of exceptionalism is the deepest challenge of the Sino-American relationship."[79]

In 2004 Kang Xiaoguang, a professor at People's University and former colleague of Hu Angang at the Research Center for Eco-Environmental Sciences of the CAS, wrote a long, scholarly article on this topic and was among the first group of Chinese scholars who used the concept.[80] More recently, Chinese scholars have begun to link the concept to the argument of "China's peaceful rise."[81]

The most influential Chinese proponent of the notion of China's peaceful rise or peaceful development is Zheng Bijian, former vice president of the powerful Central Party School and an aide to many top leaders in the PRC. Zheng argues that China's rise to major-power status will not, and should not, follow the conventional pattern of conflict or war between great powers.[82] China's rise differs profoundly from the conventional pattern of the rise and fall of great powers, he argues, and will not result in a hegemonic conflict, for four major reasons. First, while great power politics in recent world history involved intensified ideological tensions—such as the cold war between the Soviet Union–led communist bloc and the U.S.-led capitalist camp—a rising China does not intend to pursue ideological warfare with the West. In Zheng's words, China is interested in exporting computers, not ideology or revolution.[83] Second, in contrast to Western imperialist powers that established many military bases overseas during their expansion, China will not seek a similarly belligerent and military-oriented foreign policy. Zheng believes that the notion of the peaceful rise could help prevent China from taking the road to militarism. Third, China must learn lessons from Western industrialization, which consumed vast amounts of unsustainable resources and thus will likely pursue an industrial development strategy that is more energy efficient. Fourth, China will not engage in large-scale emigration, which may cause anxieties and problems for other countries, especially China's neighbors.

Hu Angang largely shares Zheng Bijian's strategic vision for China's peaceful rise. In this volume he goes a step further by more systemically examining the domestic impetus and constraints for China's benevolent foreign policy objectives. Based on Hu's analysis, Chinese exceptionalism is attributed to a number of factors specific to China. First, having endured a century of foreign invasions and humiliations, China is guided by the Chinese traditional notion of "not doing to others what you do not want others to do to you." Hu believes that China will neither pursue a hegemonic foreign policy nor impose its own will on others. Second, rather than adopting the industrial development model of the West, with high environmental costs and high energy consumption, China must strive to be a "resource-efficient, environmentally friendly superpower focused on green development." Third, the Chinese leadership's emphasis on domestic development will likely continue as the country prioritizes policies that address economic disparities, the lack of public health care, energy inefficiency, and ecological challenges. This domestic and people-centric approach will prevent the country from pursuing a belligerent foreign policy. Fourth, the development of human resources has been the most important impetus of China's rise. For the same reason, China's superpower status ultimately depends on a "transition from a knowledge-closed nation into a knowledge-open nation and from a country lagging in science and technology into a country spearheading global innovation." The age of a knowledge economy, as Hu characterizes it, should be "defined less by competition than by cooperation." Hu concludes, therefore, that "China's rise represents an opportunity for the rest of the world rather than a threat."

Foreign analysts, of course, are not so naïve as to confuse promises with reality. The true objectives of Chinese foreign policy must ultimately be judged by actions rather than the words of Chinese leaders and their advisers like Zheng Bijian and Hu Angang. Some Western critics may even argue that these notions of peaceful rise and Chinese exceptionalism are nothing but diplomatic gestures on the part of Chinese leadership to temper the concerns of PRC's neighboring countries and other major powers about the emergence of a militarily strong and expansionist China.

It is important to note, however, that there is another school of thought criticizing the naïveté associated with the notion of China's peaceful rise that is increasingly gaining momentum in the PRC. Ever since Zheng articulated his concept Chinese critics have been cynical about its acceptance both domestically and abroad.[84] For example, Yan Xuetong, a well-known political scientist at Tsinghua University, observes that the notion of China's peaceful rise is confusing and ineffective due to three contrasting interpretations of the terms *rise* and *peaceful*. The first interpretation considers both *rise* and *peaceful* as goals and, therefore, holds that China seeks an exceptional way to rise, which differs from the many powers in history that rose to prominence through military means. The second interpretation treats *peaceful* as a means and *rise* as an end and, therefore, suggests that China uses *peaceful* in name only in order to achieve its desired end: to rise. The third interpretation regards *peaceful* as an end and *rise* as a means and, therefore, understands China to be seeking to contribute to world peace.[85] According to Yan, tensions among these meanings will immediately emerge in the policymaking process, because no government will be so rigid as to adhere to one promise when international politics is an ever-changing game. Thus, as Yan implies, the concept of a peaceful rise is no more than wishful thinking. One military critic, Major General Luo Yuan, criticizes pacifism (*heping zhuyi*) and the pan-pacifist approach (*fan hepinghua*), which are popular among some members of the Chinese foreign policy establishment.[86] Luo explicitly argues that this pacifist thinking will lead China to follow the path of post–World War II Japan, falling into a trap, set by the United States, that prevents it from becoming a superpower.

The strongest and most explicit critique of Chinese exceptionalism is the 2010 bestseller, *The China Dream,* written by Senior Colonel Liu Mingfu, director of the Institute of Military Development of the National Defense University. Liu explicitly argues that China should pursue a new developmental strategy of "military rise" (*junshi jueqi*) to obtain and secure a global leadership position from which it can compete with the United States.[87] Liu believes that China's rise fits within the pattern of shifts in power in the international system, and he therefore rejects the idea of Chinese exceptionalism. In his analysis, a hegemonic conflict is inevitable. Liu Mingfu's book is not based on serious scholarly research but rather on snapshots of historical events and random references to the views expressed by some Chinese and foreign strategic thinkers. A majority of Chinese leaders and public intellectuals may not agree with Liu's arguments and strategic perspective, but Liu's view does represent a subset of sentiments among some international relations scholars, opinion leaders, and especially military strategists.

In the book Liu Mingfu explicitly states that the overall goal of China's modernization is to become "the most powerful country in the world" (*touhao qiangguo*).[88] To justify this strategic goal, Liu argues that all of China's paramount leaders over the last century shared this goal. In the 1911 Revolution, Sun Yat-sen said that his dream was to build China into "the number-one richest and strongest country in the world" (*shijie diyi fuqiang zhiguo*); Mao's Great Leap Forward was nothing but an attempt to surpass the United States; and Deng Xiaoping's "keeping a low profile" strategy (*taoguang yanghui*) strived to achieve, in three steps, Chinese national rejuvenation above all others by the middle of the twenty-first century.[89]

According to Liu, China's replacement of the United States as the sole superpower, or what Liu labels the "superpower succession" (*guanjun guojia gengti*), is not far in the future. He asks Chinese leaders and the public to remember that China should not have any "illusions" about American goodwill regarding "China's rise" or about peaceful coexistence between the existing superpower and the emerging superpower. In his view the United States is determined to contain China economically, politically, ideologically, and, most important, militarily.

Liu's analysis is widely shared by other analysts in the Chinese military establishment. Minister of Defense Liang Guanglie's remark that "peace does not fall from the sky" echoes Liu's argument for the need to accelerate China's military modernization.[90] The ultimate means for China's rise, especially according to military analysts, is to build strong armed forces to compete with the United States on that front. Liu argues that this is not as much because China wants to defeat the United States as because the United States wants to defeat China.[91] Becoming a military superpower, as Liu argues, should be the "Chinese dream," without which China will have only "nightmares."[92]

These debates over Chinese optimism and Chinese exceptionalism illustrate the importance of Hu Angang's work—its originality, complexity, foresightedness, and comprehensiveness. They also reveal the diversity within China's intellectual community. Each reader, of course, can arrive at his or her own judgment of the author's analyses, the prospects of a rising China, and its implications for peace and prosperity in the twenty-first century. It is reasonable to assume, however, that the ideas, debates, and visions competing in China matter not only for China's own future development but also for its interaction with the outside world. As a champion for Chinese optimism and exceptionalism, Hu Angang can increase our knowledge and enhance our understanding of the pressing issues and long-term challenges that face this rapidly changing country. Considered from an even broader perspective, this intriguing and forward-looking book may also contribute to international recognition that in the new global environment, we all must find novel ways to think about power and responsibility.