



**ST ANDREW'S JUNIOR COLLEGE**  
**Prelim 2015**  
**General Certificate of Education Advanced Level**  
**Higher 1**

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**China Studies in English**

**8817/01**

**1 September 2015**

**3 hours**

Additional Materials: Answer Paper

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**READ THESE INSTRUCTIONS FIRST**

Write your name and class on all the work you hand in.  
Write in dark blue or black pen on both sides of the paper.  
You may use a soft pencil for any diagrams, graphs or rough working.  
Do not use paper clips, highlighters, glue or correction fluid.

Answer all questions.

At the end of the examination, fasten all your work securely together.  
The number of marks is given in brackets [ ] at the end of each question or part question.

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This document consists of 5 printed pages.  
**[Turn Over]**

## Section A

### Case Study

#### The rise of China and its impact on external relations

**1 Read the following sources and then answer the questions which follow.**

##### Source A

As China reemerges as one of the globe's leading powers, just what type of actor it will be on the world stage has become a subject of intense debate among China watchers and the broader public. With tensions rising to what one eminent China scholar has called a "tipping point" in U.S.-China relations, the Chinese government released its first-ever white paper on military strategy just before the fourteenth annual Shangri-La Dialogue was held in Singapore in 2015.

Since 2012, Beijing has indeed become more assertive in proximate waters, and the paper underscores determination to strengthen Chinese "strategic management of the sea". China's Coast Guard appears to be increasing activity near Luconia Shoals, roughly 60 miles north of Borneo in Malaysia's exclusive economic zone.

In order to safeguard interests such as continual access to overseas energy and resources, China will take a "holistic view of national security." One way to interpret this vague expression is that interests will now potentially override old ideologies such as doctrinaire opposition to "interference in the domestic affairs of other countries." It has involved itself in one way or another in Sudan, South Sudan, Libya, Syria, Iran, Myanmar, North Korea, and other places.

China has in recent years deepened its defense relationships worldwide. PLA Navy (PLAN) ships now routinely visit ports around Asia, the Indian Ocean region, the Middle East, and the coast of East Africa. The pursuit of partners may also bring China into closer alignment with states like Iran and Russia, whose relationship with Washington is more fractious. Additional points of strategic interaction create the potential for both increased cooperation and competition.

*Adapted from an article in The Diplomat published in 2015.*

##### Source B

More than 40 countries have applied to join the Asian Infrastructure Investment Bank, the Chinese-created alternative to the World Bank and International Monetary Fund, almost all of them close U.S. allies — and they've applied despite aggressive American efforts to discourage them. The upstart bank is already emerging as a major foreign policy victory for China, one all the sweeter because it's a direct diplomatic win over the United States.

In 2010, IMF members reached an agreement to give more governance authority to China and Brazil, but Congress has never ratified it. World Bank reform that would enhance China's governance role is no more apparent.

The architecture of the international economic and financial order was crafted in an era before China's epochal rise. It reflects an older distribution of economic and financial power, one that heavily favors the U.S. and Western Europe. Now that China has become

more economically powerful, it naturally wants to change the rules of the game.

The post-Cold War operates on very different rules from the Cold War. The essence of the post-Cold War is precisely that countries that are geopolitical opponents are simultaneously economic cooperators. U.S. security allies feel comfortable deepening their international economic relationship with China, because the U.S. itself has led the way.

*Adapted from an article published in The Japan Times on April 2015.*

### **Source C**

As emerging market economies become increasingly important players in the global economy, their share of the global cross-border flows of financial assets is also rising. Led by China, emerging markets added about \$6 trillion to their foreign exchange reserves between 2000 and 2012—with nearly all of it invested in securities issued by the major reserve currency economies, mainly the United States.

China has been a big net exporter of capital to the rest of the globe for the past decade. It has run a trade surplus, exporting more goods and services than it imports, as well as a capital account surplus, which reflects inflows of private capital. China invests a significant proportion of the U.S. dollars it has accumulated in foreign securities, such as U.S. Treasury bills and bonds.

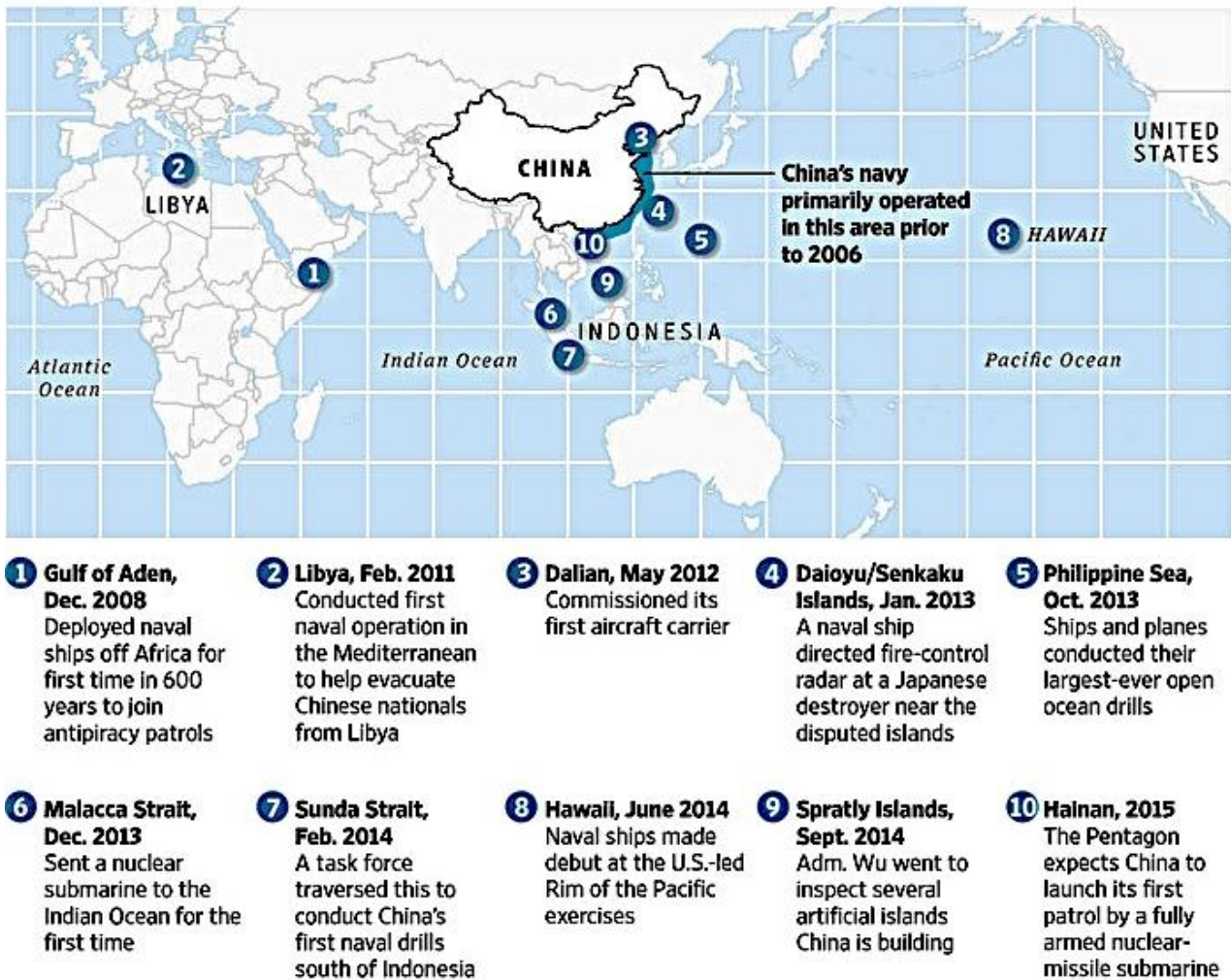
More interestingly, though, private capital outflows from China have increased significantly in recent years. China had maintained tight controls on outflows but has relaxed them over time. From 2004 to 2012, FDI outflows from China went from essentially zero to more than \$100 billion according to IMF data. China has been encouraging not only its corporations but also institutional investors—such as mutual funds and pension companies—to invest abroad.

*Adapted from a report on investment from emerging market economies by the International Monetary Fund in 2013.*

## Source D

## China's Navy Navigates Global Expansion

Before Adm. Wu took office in 2006, China's navy primarily operated near the country's coast. Since then, Adm. Wu has overseen an expansion of China's naval operations across the globe.



*A chart showing China's PLAN activities after Chinese admiral Wu Shengli took command as Commander in Chief of PLAN since 2006, taken from the Wall Street Journal published in early 2015.*

### Section A

Answer **all** the following questions.

- 1(a) According to Source A, what are the implications of China's increasing regional and global engagement to current major powers? [6]
- (b) With reference to Sources B and C, to what extent is China's evolving role in global affairs beneficial to the global community? Explain your answer. [9]
- (c) Assume you are an independent adviser to the Chinese government. Using information from Sources A to D, and your knowledge, discuss two significant issues affecting China's ascent on the global stage and evaluate the government's current response to the challenges they pose to China. [15]

### Section B

Answer **two** questions from this section.

#### EITHER

- 2 To what extent is the CCP facing a legitimacy crisis today? [25]

#### OR

- 3 'The Post-Mao reforms have weakened the party-state's capacity to govern China'. Discuss. [25]

#### EITHER

- 4 Assess the significance of modernisation's impact on the Chinese society today. [25]

#### OR

- 5 How effective has China addressed the problems arising from its economic development? [25]