



RIVER VALLEY HIGH SCHOOL
Year 6 Preliminary Examination 2 2017
HIGHER 2

China Studies in English

9628/01

Paper 1

12 September 2017

1 hour 30 minutes

READ THESE INSTRUCTIONS FIRST

Write in dark blue or black ink.

You may use a HB pencil for any diagrams, graphs or rough working.

Do not use staples, paper clips, glue or correction fluid.

DO NOT WRITE IN ANY BARCODES.

Answer **all** the 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.

This document consists of **5** printed pages.

Case Study

Society and its Transformation: The Rise of the Chinese Middle Class

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

Source A

China's emerging middle class has grown into a major force driving the society in a positive direction, according to a report by one of China's top think tanks.

Slightly over half of the population in Beijing and Shanghai fall in the category of "middle class", as does around 40 percent in Guangzhou, according to the research by the Chinese Academy of Social Sciences. The research on the middle class is based on three factors: job category, income and expenditure.

Middle class households in the three cities earn an average income of around 200,000 yuan (\$30,000) a year. And more than half have their own property and car. Higher income has led to a positive impact on the quality of life for these people, shows the report, which says China's middle class spend generously on improving their skills and knowledge as well as on education for their offspring.

They also tend to read and travel a lot: people in the middle class travel more than six times within China and two times overseas annually, and read an average of 12 books a year, compared with less than five books for the national average. Moreover, they show higher enthusiasm for doing good, such as donating blood and taking part in environmental protection activities, and are keen on discussing political and social issues.

From an article from China Daily, December 2015.

Source B

Though China's population as a whole is ageing, the middle class is getting younger. Nearly half of all people living in cities are under 35: they are eight times more likely than country-dwellers to be university graduates; and most are treasured and entitled only children, with no memory of a time when their country was poor. The internet has expanded their horizons, even if the government shuts out many foreign websites and quashes dissenting voices. Today's young Chinese tend to do what they want, not what society expects—a profound and very recent shift. Most of these young people exercise their autonomy by choosing their own marriage partners or shelling out for a new car. But many have an appetite for civic engagement too: they are the foot-soldiers of China's non-government

organisations, a vast, though often politically sensitive, array of groups seeking to improve society in a variety of ways.

Pressures on the middle class are growing. Some feel that no matter how able they are, the only way they can succeed is by having the right connections. Housing has been a driver of economic growth, yet property rights are shaky, and the government encourages private investment without adequately regulating financial products. As more people go to university, returns to education are falling and graduate jobs are harder to come by. Many fret that their children may not see the progressive improvements in material wellbeing they themselves have enjoyed, and more youngsters are going abroad.

Many are becoming more and more frustrated by the lack of political accountability and transparency, even if they rarely label them as such. The party is clearly worried. In an internal document in 2013 it listed “seven things that should not be discussed”: universal values, press freedom, civil society, economic liberalism, historical mistakes made by the party, Western constitutional democracy and questioning the nature of socialism with Chinese characteristics. Recently these have often become flashpoints between the middle class and the government.

Comment from the Economist, 9 July 2016.

Source C

China's emerging middle class is, of course, a complex mosaic of groups and individuals. Subsets of the middle class differ enormously from each other. In terms of the class's occupational and sociological composition, its members fall into three major clusters:

- An economic cluster (including private sector entrepreneurs, urban small businesspeople, rural industrialists and rich farmers, foreign and domestic joint-venture employees, and stock and real estate speculators).
- A political cluster (government officials, office clerks, state sector managers, and lawyers).
- A cultural and educational cluster (academics and educators, media personalities, public intellectuals, and think tank scholars).

There is a tendency, sometimes, to assume that the relationship between China's middle class and its authoritarian state is one of simple, one-dimensional co-optation, but this is to oversimplify. Undoubtedly some members of the class are the clients of political patrons, but many more are self-made people. Indeed, such an economically aspirant population is a double-edged sword for the

Chinese authorities. They are well aware of the fact that the middle class has pushed for democratization in other developing countries (South Korea, Indonesia, and Brazil, among others).

It is also noteworthy that the emergence of the middle class in China parallels the reemergence of the Middle Kingdom on the global stage. To a certain extent, the Chinese middle class has already begun to change the way China engages with the international community, both by playing an active role in this increasingly interdependent world and by keeping abreast of transnational cultural currents. As the PRC's international influence continues to grow, two contending views on how China might understand its role in the world have taken shape. They reflect fundamentally different visions of China's future, and neither can be divorced from the trajectory of its emerging middle class

From a Brookings Institute article by Professor Cheng Li, 2016.

Source D

The Chinese middle class is beginning to behave similarly to its counterparts across the world by spending income on a range of goods and services. Middle class spending growth has been primarily driven by consumers in the upper-middle income band, which have a significant amount of disposable income. For instance, passenger vehicle sales in China have experienced growth for 26 straight years, with 23.9 million cars being sold in 2016. For reference, U.S. consumers bought 17.5 million cars in 2016 and Brazilians purchased just 2.5 million automobiles.

Higher incomes have also enabled consumers to be better connected. Since 2006, internet users and mobile phone subscriptions have skyrocketed. China's internet penetration rate has jumped by a factor of five since 2006 when it was at just 10.5 percent, meaning that in 2016 over half of the Chinese population has access to internet. This number significantly trails the OECD internet penetration rate of 77 percent, but is also considerably higher than India's rate of 26 percent. Notably, internet penetration rates are significantly higher in China cities. For instance, both Beijing and Shanghai have internet penetration rates around 75 percent. Online shopping has also increased with E-commerce accounting for 15 percent of total private consumption in 2015 – up from 3 percent in 2010. Enhanced connectivity may also provide members of the middle class with an improved means to advocate for social issues through various digital platforms.

Greater economic means have also created new educational opportunities. Annual enrollments rates in Chinese higher education grew from about 5.5 million in 2006 to almost 7.5 million in 2015 – an increase of 35 percent. Students are also flocking overseas for education. Annual outbound students

climbed from about 285,000 in 2010 to over 520,000 in 2015 – with most leaving to study in South Korea, the United Kingdom, Australia, and the United States. As of 2015, China had over 790,000 students studying abroad at the tertiary level, more than the next eight countries combined. By comparison, 234,000 Indian and 116,000 German students studied abroad in the same year.

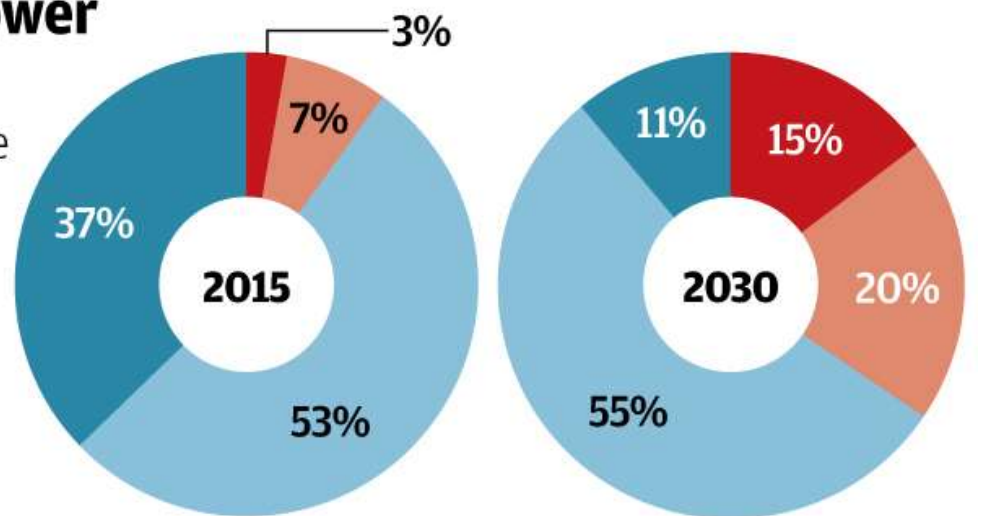
From an article published in the Center for Strategic & International Studies, 26 April 2017.

Source E

Spending power

Per capita annual disposable income (% of population, 2015 prices)

- High income
- Upper middle
- Lower middle
- Low



Source: The Economist Intelligence Unit

**Rounding errors apply*

SCMP

Table published in the South China Morning Post, November 2016.

Answer **all** the following questions.

1.

- (a) With reference to Source C explain the reasons the middle class is significant to China. [6]
- (b) With reference to Sources A and B, and your own knowledge, assess the view that “the middle class has grown into a major force driving the society in a positive direction”. [9]
- (c) Using information from the sources and your knowledge, evaluate two challenges the middle class poses to the government, and suggest solutions to how the government can best deal with the challenges. [15]

Total [30 marks]

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Source A © http://www.chinadaily.com.cn/china/2015-12/25/content_22807440.htm
Source B © <https://www.economist.com/news/special-report/21701653-chinas-middle-class-larger-riches-and-more-vocal-ever-threatens>
Source C © https://www.brookings.edu/wp-content/uploads/2016/07/chinasemergingmiddleclass_chapter.pdf
Source D © <https://chinapower.csis.org/china-middle-class/>
Source E © <http://www.scmp.com/news/china/money-wealth/article/2042441/chinas-middle-class-rise-more-third-population-2030-research>

Suggested Answer Scheme

(a)	With reference to Source C explain the reasons the middle class is significant to China.	[6m]
L1	Identifies the reasons the middle class is significant to China	1
L2	Explains one reason why the middle class is significant to China	2-3
L3	Explains more than one reason why the middle class is significant to China	4-6
E.g.	Possible reasons: <ul style="list-style-type: none"> • The potential tensions the middle class will create in pushing for greater personal liberties within Chinese society. • The pressure the middle class is likely to exert in opinions surrounding the formulation of Chinese foreign policy. • Potential contrasting views in the formulation of Chinese foreign policy. 	
(b)	With reference to Sources A and B and your own knowledge, assess the view that “the middle class has grown into a major force driving the society in a positive direction”.	[9m]
L1	Describes issues pertaining to the statement using sources AND/OR own knowledge	1-3
L2	Explains issues pertaining to the statement using sources AND own knowledge.	4-6
L3	Assesses the statement using sources AND own knowledge	7-9
E.g.	From the sources and my own knowledge it is difficult to completely agree with the statement.	

Source A, a report from the state-owned China Daily, presents an overly positive description of the middle class in China. Though relevant and quoting a reputable Chinese Think-Tank CASS, the report fails to acknowledge many challenges that the middle class can potentially throw at the Chinese government.

This is seen in stark contrast to Source B, a report from the Economist, a western-based magazine more likely to be critical of the Chinese government. The focus of the source centers more on the likely challenges the middle class in China is going to present the government. Even so, the over-generalisation of terms and the use of vague references towards the challenges of the middle class on Chinese society is evident.

Contrasted with CK, the view that the middle class has grown in a major force cannot be disputed, the sheer spending power and potential the middle class has to drive economic and societal changes cannot be disputed. What is questionable about the statement is the claim that the middle class is driving society in a positive direction. The values, and tension it creates in state-society relations cannot be proven now but to assume it will be positive is pushing the claim too far.

(c)	Using information from the sources and your knowledge, evaluate two challenges the middle class poses to the government, and suggest solutions to how the government can best deal with the challenges.	[15m]
L1	Describes the challenges the middle class poses and states solutions to the challenges	1-3
L2	Explains the challenges the middle class poses and explains solutions to how the government can best deal with them with reference to sources OR own knowledge	4-7
L3	Evaluates the challenges the middle class poses and explains solutions to how the government can best deal with them with reference to sources OR own knowledge	8-11
L4	Evaluates the challenges the middle class poses and evaluates solutions to how the government can best deal with them with reference to sources AND own knowledge.	12-15
E.g.	<p>Challenges the middle class poses to the government</p> <ul style="list-style-type: none"> • Diverse views and expectations (Source B, C and D) • Influence from external sources (Source D) • Foreign policy pressure (Source C) • Greater inequality (Source E) <p>Solutions</p> <ul style="list-style-type: none"> • Allow for controlled exchange of views • Strengthen social welfare structures • Provide/enhance services (Weibo/etc) to soften the control structures within the populace. 	