

IMSCSY 2007

2022, United States of America NSC v. People's Republic of China Politburo

JOINT CRISIS COMMITTEE BACKGROUND AND SET-UP

The United States NSC

- The US has seen a bitter feud between conservative religious voters led by Texan politicians and a moderate majority. David Gershkoff of Pennsylvania was elected President in 2020 in what some believe was a mandate to re-separate church and state.
 - His recent movement to unpack the Supreme Court and other judicial institutions has resulted in widespread unrest.
 - National Guard, FBI, and DHS units will thus have to be well apportioned to deal with any possible unrest, in addition to their other duties.
- President Gershkoff's predecessors were: Bush 43, Joe Biden 2008-2012, Jeb Bush 2012-2020.
- The population demographics have stabilized: roughly 60% of the country is White, 25% non-white Hispanic, 17% Black, 7% Asian and less than 1% Native American. Improved border security and a rebound by the Mexican economy has helped end widespread illegal immigration and most drug trafficking through the border.
- The United States in 2009 constructed a moderately successful missile defense shield. With the possibility of nuclear weapons falling into the hands of terrorists, the US could not risk a terrorist attack by an ICBM. Experts disagree on the upper-end capability of the shield, but none believe is more than a dozen warheads.
- America continues to lead the world in terms of economy, military technology, and "soft power." However, it is no longer a clear Hyperpower with the rise of China.
- America has returned to moon orbit, and has a moon landing planned for early 2022.

The Politburo of the People's Republic of China

- The Politburo has successfully run a narrow tightrope which saw an increased and fully-developed economy without the democratic desires and instability that come with it. They further were able to successfully invade Taiwan without much damage to the island's populace or infrastructure. However, they have failed to address the gap between rich and poor, and Nationalist and Buddhist separatists in Taiwan and Tibet have seized upon that to restart failed secessionist movements.
 - Particularly troubling to China is the Tibetan Freedom Party, a self-proclaimed "Burke-ian" Buddhist group which came into being with the death of the Dalai Lama and the subsequent scheming that came with it. Stating that they must temporarily renounce Buddhism's peaceful means to ensure Tibet's survival, they have successfully fought People's Liberation Army units in Tibet to a standstill.
 - Tibet cannot be allowed to fall, since efforts in Xinjiang, Hong Kong, and Taiwan will be redoubled.

- With the invasion of Tibet in 2007, China fulfilled its irredentist goals. However, the move was militarily responded to by America and Japan, who signed a new alliance and fully rebuilt Japan's military. Feelings have been icy across the North China Sea for over a decade now.
- In 2015, The People's Republic of China became only second nation in human history to land a man on the moon. The Chinese have been stepping up their space program over the past decade, and have used a sizeable portion of their excess resources on it. China's GDP has hit US\$15 trillion, which makes it almost equal to the US GDP of \$16 trillion. With the US space program still facing increasingly small budgets, China has emerged as a rival to the European Union's space power and possibly as the greatest space power in the world. The Chinese now have the capability to put many different kinds of military apparatuses in space.
- Now almost an equal to America in terms of economy and military power, China has an equal chance of succeeding in a battle for the Pacific with the US. It has expanded its nuclear armament to be roughly equivalent to half the US arsenal.
- President Xi Jinping came to power after being handpicked by Hu Jintao; he became President and assumed full powers in 2013 following Hu's death.

The United Kingdom of Great Britain and Northern Ireland

Her Majesty Elizabeth II, Queen of England, died in 2022 at the age of 96. Many thought due the extreme longevity of her mother that the Queen would live forever, but alas, it was not to be. Prince Charles at the age of 73 decided he was too old to start his reign, so he abdicated in favor his son Prince William, who became King William V at the age of 39. The new king has done his best to expand Britain's International Interests with numerous visits to China, Hong Kong, and India

The European Union

After adding Bulgaria and Romania in 2007, the European Union continued to expand and added Turkey, Croatia, and Switzerland in 2013. The EU is currently considering adding the rest of the countries in the Balkans region (such as Macedonia), which would make Greece more contiguous with the rest of the member states. Ukraine's application for membership in the European Union is still pending. Ukraine has made all the necessary steps in democracy, stability, human rights, debt reduction, etc, and is awaiting approval. However, the Russian Federation, nervous of the European Union reaching its borders, is lobbying heavily against Ukraine joining the EU.

With the addition of these countries, the size of the EU economy is now considerably larger than that of the US. (US\$20 trillion versus US\$15 trillion). Equally important, the Euro continues to climb in relation to the dollar. The current exchange rate is nearly 2 dollars per euro. NATO continues to thrive; however, because of concerns about China the charter was amended to allow nations to choose whether to honor the alliance if America came to blows in the Pacific.

India

India's population has reached 1.4 billion. This makes India the most populous country in the world; have surpassing the People's Republic of China, which has a population of 1.4 billion.

Israel and Palestine

Israel completed its security fence with the West Bank and has withdrawn from virtually all of the Gaza Strip and from 75% of the West Bank. The fence has virtually eliminated terrorist attacks within Israel proper and the settlements on the Israeli side of the fence. As a result, the Israeli military rarely goes into the territories.

Palestinian President Abu Mazen was assassinated in 2013, and the Palestinian Authority, now dominated mostly by Hamas, is virtually in control of the territories. The Palestinians continue to receive international aid, the majority of which is from the European Union. The Gaza Strip is now host to 8 million Palestinians, most of who live in very poor conditions. As the conditions have deteriorated in the past few years, the EU has stepped up its foreign aid to the Palestinians. The EU continues to say that its funds are being used for the health and well being of the Palestinian people, despite accusations from the United States and from Israel that the funds are funding terrorism around the world and against Jews who live in the territories. Many authorities believe that Hamas is also receiving clandestine military and intelligence aid from Iran, though Iran fervently deigns this. Hamas still attacks the Jewish settlers who live on the Palestinian side of the fence.

Cuba

Fidel Castro died in 2006 at the ripe old age of 80, after having fallen again off of a stage after giving a speech. Cuba disintegrated into chaos with a civil war over who would control the government and what kind of government it would become. The United States, still cleaning up Iraq, declined to intervene. The civil war ended in 2008, and a pseudo-democracy riddled with corruption and bureaucratic abuse surfaced. It is questionable whether the Cuban people are really better off, even though the US did lift its sanctions in 2009 and Cuba rejoined the community of nations.

Iraq

There are now fewer than 5,000 foreign troops in Iraq. The Iraq government is a parliamentary democracy, though it is not free from recurrent Baathist loyalists. In the parliament, 71% of the seats are held by Shiite religious fanatics.

Iran and Iraq have now become very strong allies, which worries the United States and many of the other nations that were part of the US' coalition in 2003. Iran now has between 10 and 15 nuclear weapons, and the combined military strength of the two countries is the most formidable in the region.

Saudi Arabia

Religious fundamentalists are putting increasing pressure on the government. Saudi Arabia continues to turn to its ally the United States for stability. With the recent population booms in the Arab world, 65% of the Saudi population is under the age of 30.

North and South Korea

In 2009, to supplement the already existing railway, North and South Korean built a highway connecting the two nations.

Attempting to capitalize on the high economic growth rate of the surrounding Southeast Asian countries, North Korea is beginning to take steps to privatize some of its economy.

In 2011, the United States and North Korea signed a non-aggression pact, ending almost 60 years of stalemate in the Korean War. This agreement included security guarantees for North Korea and North Korea's forfeiture of its nuclear weapons.

North and South Korea successfully managed a peace agreement with the sudden overthrow of Kim Jong-Il in 2015. America's military forces have been moved from the 38th parallel to Japan, and United Korea has essentially become a minor player in the region: Seoul focuses its entire economic output to revitalizing the north and stabilizing the nation.

Russia

- Russia has entered its 15th year under Czar Putin, but has become so economically unstable that neither its military nor political ability really hold sway. Its ICBM stores have now almost entirely become defunct and inoperational; a UN force is ensuring that the nuclear material does not enter the hands of terrorists
- Russia's elite continues to get richer, the aging population's living standards continue to decline.

Japan

Japan's population continues to rapidly age. The age distribution has gotten to point that 44% of the population is now over the age of 65. Due to Japan's excellent medical care, though life expectancy has hit 85.

Unfortunately, one of the consequences of the population living so long is that now a quarter to a third of the population has full onset Alzheimer's disease. Japan's labor productivity is very high, but it also has to take care of these workers when they get old.

Pakistan

President Pervez Musharraf has managed to stay in power. Indian/Pakistani relations, due in part to both of their alliances with the United States, are at an all time high. However, religious fundamentalist groups' activity in the country is also at an all time high. In response to this, Musharraf has solidified his control over the army, and has brought the army to Islamabad, in case any fundamentalist groups attempt to overthrow him.

Indonesia

Indonesia has remained as the state with the largest Muslim population in the world. Indonesia now has more than 350,000,000 Muslims.

Sudan

During the genocide in 2004-2006 in the Darfur region, over a million people lost their lives. The international community's lack of action was once again blamed for this humanitarian disaster.

After the fighting stopped, the United Nations deployed a peacekeeping force to return the country to order. As of early 2022, the UN peacekeeping operation is still there.

Switzerland

After joining the United Nations as a full member state and then joining the European Union, Switzerland is well on its way to shedding its anachronistic neutrality and joining the community of nations. In 2007 Switzerland made its first economic contribution to peacekeeping, though only a small one and only for Sudan, which it deemed was far enough away that it had no real interest in it. Switzerland has just begun its first ever term as a non-permanent member of the United Nations Security Council.

Afghanistan

Despite the best efforts of many (he has managed to survive 17 different assassination attempts) after two decades, President Karzai is still in power. Some say that shares the invulnerability of another habitual cape wearer.

Democratic Republic of Timor-Leste (East Timor)

The status quo remains in East Timor as it marks its second decade as an independent state and attempts to consolidate the hard fought gains of 2002.

France

Following the passage of a law banning any kind of religious head covering, France has now banned all forms of worship outside of private buildings. This means that one can no longer pray outdoors in France.

South Africa and Zimbabwe

President Mugabe of Zimbabwe is gaining strength and has assumed complete control of the country. Angered by the continuing wealth disparity between the white and black South Africans, many South African black leaders have spoken in favor of implementing Mugabe's land redistribution policies in South Africa.

Topic #1: TRADE

By 2022, China has exploited its comparative advantage in trade to become one of the world's superpowers, and now rivals both the US and the EU in economic power. The members of the Chinese Politburo can congratulate themselves for having achieved the economic status of the world's most developed countries while retaining total political power in the hands of the Chinese Communist Party. Although trade has been the key factor in this success, it is an area that is still plagued by diplomatic, political and economic problems.

China has continued to evade US demands for a Chinese currency that floats on world markets, like the dollar or the Euro. The increasing strength of the Euro, accompanied by diminishing faith in the dollar, has caused China to peg its Yuan to the Euro. Over the years, China has increased the value of the Yuan very slowly to accommodate but not fully reflect the enormous growth in the Chinese economy. The current exchange rate is 3 Yuan to the Euro. In the past few years, both Europe and the US have escalated their demands for an increase in the value of the Yuan.

The historically unprecedented trade surplus that accompanied China's rise, coupled with the extensive buying of US Treasury bonds in order to keep the value of the Yuan artificially low, have collectively resulted in China holding an enormous amount of US debt. Essentially, over the past few decades, China has exported consumer goods to the US in exchange for green pieces of paper that have no value unless they can be cashed in for goods. This means that China has placed an enormous amount of faith in the US economy and government. If an event, whether military or economic, should disable the heretofore extremely stable US system, China will essentially have given American consumers forty years' worth of goods for free.

One upshot of possessing so much money has been that China has been able to make extensive purchases overseas. The effort to invest in companies and resources outside China began in the early years of this century, when a partially government owned Chinese oil company, CNOOC, made a bid for the American multinational UNOCOL. Although this bid was barred by the US Congress, subsequent efforts were not. The Chinese have bought many US companies, including Ford Motor Company, which under Chinese management has become one of the world's most efficient and successful car producers. There has also been significant Chinese investment in the rest of the world, with China playing a leading role in African economic development. China is now Africa's leading trading partner, importing large amounts of agricultural produce in exchange for low-end manufactured goods.

China's relationship with Africa is closely tied to its insatiable hunger for natural resources. Economic and population growth has made China internally insufficient – it must import huge amounts of oil, electricity and metal ore from other countries. Luckily, Chinese leadership foresaw this need and began making connections with resource-rich but poor areas of the world early on. For example, investing in several massive hydroelectricity dams in Brazil (the first of which was initiated in 2005) have given China the opportunity to import electricity while leaving the pollution in South America. Ties with governments with whom the US and Europe are not on good terms, like Iran and Sudan, have allowed China to monopolize certain key oil reserves.

Since trade expansion to the developing world has been accompanied by the dissemination of Chinese political, cultural and economic views, the US and Europe have steadily grown wary of the Chinese “sphere of influence.” They have tried to dissuade developing countries from making closer ties with China. However, the failure of the Washington Consensus (open-market policies coupled with democratic reforms) in developing countries has led those parts of the world to naturally lean towards China. As of 2022, China has closer economic and diplomatic ties than the US to much of South America, Africa and central Asia.

Questions to Address

1. How should the Politburo respond to the US and EU demand for currency revaluation?
2. Consider the role that China’s rapidly disintegrating environment (in 2022 China’s rivers and cities are still among the world’s most polluted) plays in trade. As China develops, at what point should some economic growth be sacrificed in order to improve the environment?
3. How should leaders balance the domestic need for continuing growth with long-term goals in foreign relations?
4. How aggressive should China be in creating its own economic “sphere of influence”? What are the risks and benefits of bringing more countries into its orbit?
5. Given the trade interdependence between the US and China, how careful does China need to be in its increasingly strained diplomatic relations with the US?
6. As per-capita income rises, Chinese workers are demanding higher wages. What stance should the government take in conflicts between producers and employees? In order to maintain its comparative advantage in trade, China must keep labor costs low. However, the Politburo must decide if this continues to be the most beneficial strategy for China as a whole.
7. What options does China have regarding the US debt that it holds? If China sells off a significant portion of that debt, the US economy will crash, perhaps into a major depression. How (if ever) should the threat of selling off debt be used?

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