

China-Watcher Notes No. 1

China's University Entrance Exam: The *Gaokao*

The Global Electric Vehicle Race

***Hukou* Reform**

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The *China-Watcher Notes* is a new series introduced by the Institute of Chinese Studies, New Delhi, under the ambit of *ICS Analysis*. Each edition shall cover topics of contemporary relevance pertaining to different aspects of China.

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Note: Friends, I hope this small collection may whet your interest, vis-à-vis what is intended as a monthly compilation. You are welcome to suggest topics that ought to be covered, if that is possible for me. Comments and criticism are very welcome.

China's University Entrance Exam: The *Gaokao*

Starting on June 7th millions of young people will sit for the world's largest academic test. China's university-entrance exam, known as the *gaokao*, is punishingly difficult. Students spend endless hours cramming for it. But it is also meant to be meritocratic. Work hard, score well and, no matter what your social background, you can get into a good college...it is administered in ways that do not seem so meritocratic. Local governments are allowed to produce their own versions of the *gaokao*, with different questions and scoring methods. Students in elite cities, such as Beijing and Shanghai, enjoy an easier route into local universities...some of the country's finest.¹

The 'how' of managing tertiary education intake is a complex challenge in every country. The ideal: a system that is encompassing, efficient, equal for all. China's first national *gaokao* was held in 1952; now it is a hardy annual ritual across the country every June. *The Economist* also noted that students even got marks on 'political standing', or if they belong to a 'national minority' – though the latter is now being phased out. Army veterans and those that studied abroad also received extra marks. Now steps have been taken to reduce some of the concessions.² But those living in the major cities continue to get a leg up, as 'locals' at the city's universities of national repute.

China's famous 'imperial magistrate exam' was established in the Song dynasty (960–1279), and survived till 1912, when the rule of the Qing dynasty ended. It became a contributing pillar when the Indian Civil Service was established in British India under a Charter in 1853.

Outside the Subcontinent, virtually no other country has a comprehensive top-tier civil service system of the kind that was established in India, in 1948, one of the earliest actions of independent India, when the Union Public Service Commission (UPSC) was established. Despite difficult circumstances, and an explosion in the numbers that appear annually in the Civil Services Exam; when I appeared for this exam in 1958 and 1959, there were around 20,000 candidates. Today, around 1.1 to 1.3 million apply each year and about 550,000 actually sit for the first round of exams, known as the 'Prelims' (Preliminary Exam), Approximately 100,000 to 130,000 are selected for the second 'Mains' exam, which is followed by the final Interview round. Typically, 700 to 800 candidates are taken into the services (including around 180 in the Indian Administrative Service, 150 for the Police Service, and around 45 to 50 into the Foreign Service). The UPSC has retained an enviable, sterling reputation for its clean efficiency.

China implemented major reforms in July 2021, when restrictions were placed on the vast network of tutoring centres that had mushroomed, through what was called the 'Double Reduction Policy'. Restrictions were also placed on schools selecting elite students for special classes. A 2024 analysis published by Stanford University's China Centre noted that 89% of tutor jobs were lost through this clampdown.³ Schools also ended their system of 'regular' and 'elite' classes, and all off-campus tutoring was restricted. This has perhaps made life both easier and more difficult for students. A substantial burden falls on the families, with parents devoting many hours, helping their children cope with the pressures. One wonders if the Indian authorities have examined these changes, given that India faces similar or greater domination of the specialised coaching centres.

Our coaching institutes have in effect hollowed out the education system. Of course, our context is different from that of China. Many countries have problems over the university education process,⁴ especially given the excess of students pursuing academic studies in the humanities and 'soft' disciplines, even though these offer limited job potential. Despite two decades of serious effort to establish a 'national skilling policy', there persists a grave shortage of skill development infrastructure. India's New Education Policy aims to redress this imbalance, but improvement on the ground has been slow. The jury is still out if this will produce timely results, to improve job opportunities for our youth. This will be a real

challenge for the Modi government in its new third term in office. Creating more jobs across India has the imperative of steering the youth towards employable skills.

The Global Electric Vehicle Race

China has become the world leader in electric vehicle (EV) technology, production and exports. A recent article in *ThinkChina* noted that ‘the country produced nearly 9.59 million new energy vehicles (NEVs) last year...Chinese NEV exports reached 1.2 million units, an increase of 77.6% year-on-year.’⁵ Susana Utama, a partner at consulting firm Ernst & Young, pointed out that Chinese EV makers rely on lithium-iron phosphate batteries, with relatively low energy densities. The batteries have a shorter range compared with alternatives, but they are cheaper compared with nickel-cobalt-aluminium oxide (NCA) and nickel-manganese-cobalt ones, preferred by European and American carmakers. Some Western auto-makers are shifting to lithium-iron phosphate batteries in compact EVs.

The US has imposed tight controls on China’s EV exports, and the EU plans to do the same. These restrictions may face circumvention when China collaborates with European countries; history shows that such measures do not hold back new products or technological change. We see this in Slovakia, where an EV car made with Chinese collaboration undersells EV cars from a joint venture with Renault. This article concludes: ‘...Currently, Chinese cars imported into the US are subjected to a tariff of 25%. *The Wall Street Journal* reported that the US government is thinking about raising import tariffs on Chinese goods, including EVs. However, this may be detrimental to American automakers like Tesla that produces its EVs in Chinese factories.’

Taiwan, South Korea and several Western countries, especially the US, are global leaders in chip technology. But this has not hitherto held back automotive innovation in China. Its current and projected investments in advanced chip manufacture will keep it ahead in this game, unless Western countries also invest major efforts to end the production of combustion engine technology. India’s EV industry is in a nascent stage; we have yet to seriously consider phasing out traditional automotive engines. Will this now become a priority?

Hukou Reform

China's system of 'residence permits', *hukou*, imposes drastic restrictions on unskilled labour that seasonally, or for long periods, migrates from rural areas to cities, in search for work. They are China's second-class citizens. Working in urban areas across the country, they number 300 million. They form the invisible backbone of most cities, providing unskilled and semi-skilled labour. They enjoy few civic city benefits, are housed in slums, and are severely restricted from bringing dependents, spouses and children. They also lack access⁶ to local schools, subsidised healthcare, or other public services.

A small incident: on a visit to Beijing in the 2000s I chatted up a group of some four or five that were shaking trees on the street outside the Indian Chancery building, at the Old *Waijiaolou*, (before we shifted to a new, Indian-designed building at the New *Waijiaolou*). They were collecting the fallen berries in cloths spread out. I asked them, in naïve fashion, if they would make a preserve out of the berries; back came a terse reply – the berries were their food!

Minor reforms to improve their lives have been underway, very gradually. In essence they remain China's dispossessed. Now finally, *hukou* restrictions are gradually being relaxed. *Trivium's* short daily free bulletin of 7 June 2024 covers recent changes.⁷ Currently, 19 cities with a population of more than 5 million impose *hukou* restrictions; we now learn that Shenyang (one of China's 19 mega-cities with a 5 million plus population), has removed all restrictions. Others have dropped *hukou* controls on those working in the city periphery. Dongguan city has decided that those that who have worked for over one-and-half years will receive a local *hukou*.

The crux: municipal governments lack resources for providing additional services. But on a wider scale, easing restrictions would boost consumption across the country, which is for China a key national economic imperative. The speed and spread of these *hukou* reforms will be watched with interest.

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Kishan S. Rana has an MA in Economics from St. Stephens College, Delhi. Joining the Indian Foreign Service in 1960, he learnt Chinese at Hong Kong; served at the Indian Embassy in China (1963-65, 1970-72). He also speaks French. After 1975, Ambassador/ High Commissioner to Algeria, Czechoslovakia, Kenya, Mauritius and Germany; served on PM Indira Gandhi's staff (1981-82). Professor Emeritus, Diplo Academy, Malta and Geneva; Emeritus Fellow, ICS, Delhi; Archives By-Fellow, Churchill College, Cambridge; Public Policy Scholar, Woodrow Wilson Centre, Washington DC. Guest faculty, Diplomatic Academy, Vienna (2011-18); Commonwealth Adviser, Namibia Foreign Ministry (2000-01). Authored and edited 14 books (two translated into Chinese); *Inside Diplomacy* (2000); *Asian Diplomacy* (2007); *Diplomacy of the 21st Century* (2011); *Churchill and India: Manipulation or Betrayal?* (2023); *Diplomacy at the Cutting Edge* (2016) (on the internet, free download).

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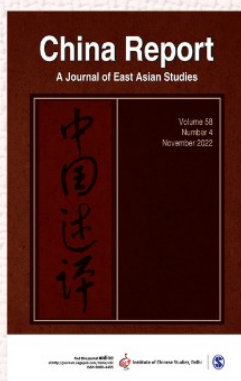


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