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Editors' Note
research
Remaking the Communist Party-State: The Cadre Responsibility System at the Local Level in China As part of the reforms launched in the 1980s, the state is shedding some responsibilities. It is reducing its involvement in the economy and allowing market forces to take hold. More and more of the services it provided for decades are being contracted out or privatised. However, these processes are being done in a manner which re-enforces control at a higher level. The goal is to free the state as much as possible from daily operations in order for it to give greater attention to what it considers the strategically more important issues.
by Maria EDIN
House Church Movements and Religious Freedom in China  The leeway granted to non-recognised religious groups is a function of several factors, including their own approach to church-state relations, in terms of leadership, organisation, resources, recruitment strategies, and negotiation strategies. Though having no legal status, a 'non-compromising but non-confronting' Protestant house church in Guangzhou has survived and even expanded since 1950. Perhaps the political sensitivity demonstrated here, i.e., the care taken to disassociate with overseas political forces and any local anti-government activities, can serve as an effective model for other social movements in China.  by May M.C. CHENG
National Image Building and Chinese Foreign Policy  National images are pivotal in international politics, and indeed the Chinese government is increasingly conscious of its national image. However, there is generally a wide discrepancy between its projected image and other countries' perceptions of it. What exactly has the government tried to project, and does it have any impact on Chinese foreign policy behaviour? If so, it might give clues as to the possible range of Chinese behaviour. The possibility also exists that outsiders can try to influence China by influencing the kinds of national images it pursues.  by Hongying WANG  46

#### China's Government Debt: How Serious?

When put into perspective, China's foreign and domestic debts are not as overwhelmingly large as they seem. The ratio of foreign debt to GDP is small, and risk exposures are low. Foreign exchange reserves are much higher than total foreign debt outstanding. The rapid increase in explicit fiscal debt is indeed troubling. Debts at the lower levels of government are especially large, and the central government rebate system is inefficient and actually detrimental. However, other studies on China's debt problem have discounted the government's enormous assets. Crucial in the future will be the status of state banks' non-performing loans and social security subsidies.

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Chinese Foreign Ministry spokesperson's comments regarding Philippine Navy's detention of 95 Chinese fishermen, 11 Feb. 2002

Chinese Foreign Ministry spokesperson's comments regarding Singapore Senior Minister Lee Kuan Yew's visit to Taiwan, 17 Sep. 2002

"Advancing East Asia Cooperation" and "Deepening Cooperation between ASEAN and China," part of a press statement by the chairman of the 8th ASEAN Summit, 6th ASEAN + 3 Summit and ASEAN-China Summit, 4 Nov. 2002

Framework Agreement on Comprehensive Economic Cooperation between ASEAN and the PRC, 4 Nov. 2002