

## International

# An education: MBAs with Chinese characteristics, economic system

## Students learn how to navigate notoriously business world

BEIJING: At business school with Chinese characteristics, undergraduate students debating how a company should deal with striking workers get a harsh reality check from their professor. While students suggest negotiating better benefits for the strikers - a textbook answer - their lecturer presents them with a classic Chinese company tactic: Get law enforcement to break up the labor action. China's Communist Party has adapted market economics to its own system since enacting major reforms in 1978, paving the way for the rise of many companies - and creating the need for business schools to train a new class of entrepreneurs.

"Forty years ago, the idea of a business school would have been inconceivable," Mao Jiye, dean of the business school in Beijing's elite Renmin University said. "Forty years ago, we never had any business research institutions like that." On December 18, 1978, the Communist Party launched "reform and opening up" under then leader Deng Xiaoping, a series of market-oriented economic reforms aimed at attracting foreign investment. As new money flooded into the country, there came a need for an expertise in managing companies that were geared towards the market economy.

At Renmin, which claims to be the first Chinese university to offer a master's in business administration, students learn to manage human resources and work within organizational structures, but also get tips on how to navigate China's notoriously complex business world. The theories are mostly Western but the case studies discussed are all Chinese, Mao said, citing home-grown firms like electronics giant Haier and inter-

net giants Tencent and Alibaba. "There is a push to be creative (with theory application) because the market is multifaceted and very international and in the midst of change," second-year student Li Tangge told AFP.

### Reading Marx

Over 2,000 post-graduate students go through Renmin's doors every year - nearly half are in the MBA program, with about 100 from outside China. "Foreign students come to Renmin University to better understand the Chinese landscape, Chinese application of Western theory," Mao said. He dismisses suggestions that the program is a study in contrasts, with entrepreneurship and private ownership diametrically opposed to Marxism, the bedrock of the Chinese government. "What we do in the day-to-day is think about how to help enterprises increase productivity, and grow wealth. I feel this is something that doesn't conflict (with Communist principles)," Mao said. State-owned companies monopolize key economic sectors in the world's second largest economy.

Yet China is also home to over 370 billionaires and a widening wealth gap between urban elite and rural poor. The trappings of capitalism - brought about by what Deng called "socialism with Chinese characteristics" - prompted some analysts to suggest the party was merely paying lip service to Marxism and that economic concerns had trumped ideology. But President Xi Jinping has sought to reverse this, making Karl Marx's seminal work, The Communist Manifesto, mandatory reading for cadres after taking charge of the party in 2012.



BEIJING: Students look at their mobile phones at a stadium in Renmin University, which claims to be the first Chinese university to offer a master's in business administration, in Beijing. — AFP

As part of changes introduced this year, all educational institutes now have Party Committees that are involved in important decisions, said Mao, quickly adding that it was still too early to say what the effect of this was. But it has also been a difficult few months for some Marxists:

since the summer, several activists fighting for the rights of workers striking in southern China have been rounded up by the police. A hot-button issue, the term "strike" has also been heavily censored on Chinese social media, with reports quickly taken down. — AFP

## Dutch PM warns against copying Brexit 'chaos'

THE HAGUE: Dutch Prime Minister Mark Rutte warned the Netherlands yesterday against emulating the "chaos" and division of Britain's decision to leave the European Union. "I compare the Netherlands to a fragile vase, held by its 17 million citizens," Rutte said in a full-page advert, printed in the popular daily tabloid Algemeen Dagblad. In order to preserve this 'vase', "compromises often have to be made in which difficult problems are solved in a sensible way," he said. But Rutte, who has been Dutch premier since 2010 and currently leads a shaky coalition government, said there are examples in society "where the vase has been dropped."

"Look at Great Britain. There, its politicians and its people have forgotten what they've reached together," Rutte said. "Now they are caught up in chaos," he said. Rutte was the first stop on British Prime Minister Theresa May's unsuccessful tour to seek assurances for a Brexit deal from EU leaders last week. The Dutch premier was one of several leaders defending her afterwards at a summit in Brussels-or at

least in comments he made in English. In Dutch, however he warned at the summit against any move to take the Netherlands out of the EU, saying "If anyone in the Netherlands thinks Nexit is a good idea, look at England and see the enormous damage it does."

The Netherlands has been anxiously watching developments in Britain, a key trading partner and one-time ally on many European matters, as it prepares to leave the EU on March 29, 2019. Rutte himself originally invited May's predecessor David Cameron to Amsterdam give the fateful speech leading to the 2016 referendum that led to Brexit, although it ended up being postponed and shifted to London. Observers say yesterday's advert is the start of Rutte's campaign for his Liberal VVD party in the run-up to European parliament and Dutch provincial elections next year.

Known for his upbeat character and his man-of-the-people habit of riding his bicycle to work, Rutte "wants to beat his opponents with positivity and optimism," the NOS public broadcaster said. Rutte also warned about those creating division in the Netherlands-comparing them to "screaming football dads on sidelines". He referred to recent demonstrations for and against Black Pete, or "Zwarte Piet", a black-face Christmas-time character accused of being a racist stereotype. "People were so busy shouting for and against Zwarte Piet that they forgot about the children," for whom Rutte said the early December festival is organized. —AFP

## Madagascar: Three presidents, three crises

ANTANANARIVO: Madagascar's past three presidents all had their terms tarnished by political crises. Two of them-Marc Ravalomanana and Andry Rajoelina-are through to tomorrow's second-round election run-off. Here is a look back at the turbulent recent history of the Indian Ocean island:

### 2002-2009: Ravalomanana

Marc Ravalomanana, a milkman-turned-millionaire dairy mogul is declared winner of the presidential election in 2002 after a crisis lasting nearly seven months against outgoing leader Didier Ratsiraka, who disputed the results. Ravalomanana is reelected in 2006. In 2009, Andry Rajoelina, a baby-faced ex-party planner and media boss who became mayor of the capital Antananarivo, emerges as an opposition leader. He denounces attacks on freedoms under Ravalomanana.

The government had shut down his TV channel in 2008 after it broadcast an interview with ex-president Ratsiraka, exiled since 2002. Between January 26 and February 7, 2009, protests and clashes between Rajoelina supporters and the presidential guard leave around 100 people dead. Having lost the support of the army, Ravalomanana resigns in March. He takes refuge in South Africa and a year

later is sentenced in absentia to life in prison and hard labor over protester deaths in 2009. On returning to Madagascar in 2014, he is arrested but his sentence is lifted and he is freed from house arrest the following year.

### 2009-2014: Rajoelina

In March 2009, Rajoelina seizes power from Ravalomanana with the backing of the military. The international community denounces what it deems a coup d'etat and for nearly four years, foreign aid and investment is frozen, driving the island deeper into poverty. In September 2011, the country's main political factions sign an accord to draw up a roadmap to guide Madagascar to elections.

### 2014-2018: Rajaonarimampianina

In December 2013 with the support of the outgoing regime, Hery Rajaonarimampianina wins the presidential election, taking over at the start of 2014. Neither Ravalomanana nor Rajoelina were running against him in the vote, as the international community feared their participation would reignite political turmoil on the island. But just 16 months later, parliament votes overwhelmingly to dismiss Rajaonarimampianina for alleged constitutional violations and general incompetence. He challenges the legality of the move and in mid-June the Constitutional Court throws out the impeachment demand. Protesters hit the streets of Antananarivo again in April 2018 over Rajaonarimampianina's efforts to change electoral laws that opponents say are intended to favour his party. —AFP

## What next for Brexit? Four main scenarios

LONDON: British Prime Minister Theresa May faces a dwindling number of options over Brexit after EU leaders at a summit last week rebuffed her attempts to tweak a Brexit deal she struck with them. Here are the four main scenarios facing Britain while the clock ticks down to March 29, 2019 - the day it is scheduled to depart the European project after 46 years:

### Deal

This is the Brexit that the British government and EU leaders want-and one which the British parliament refuses to accept. The deal has been rejected from opposing wings of parliament for either keeping Britain tied too closely or remotely to the European Union. May aborted a vote on the deal set for last week because of its certain defeat. Brexit backers in her party then plotted an ultimately unsuccessful coup that saw more than a third back a motion to force May out. May promised them she would wring concessions from Brussels but apparently failed to do so at a summit last week. May's government intends to reintroduce the very same draft for a vote some time between January 7 and January 21. It will hope that fear of the chaos that a no-deal exit might bring will force lawmakers to put aside their reservations.

### No-deal

This is billed as the doomsday scenario that threatens to trigger a recession in Britain and markedly slow the European Union's economic growth. It is the default option if the British parliament votes against the deal and there are no other solutions. May's agreement was meant to keep trade rules between the world's fifth-biggest economy and largest single market almost unchanged for a transition period running through the end of 2020. A

## Thousands protest 'slave law' in Hungary's capital

BUDAPEST: Protesters threw smoke grenades at police who responded with tear gas in Budapest on Sunday as thousands of people rallied against a new "slave law" passed by the government of conservative Prime Minister Viktor Orban. More than 15,000 people, according to local press reports, joined the demonstration-the first rally since Orban returned to power in 2010 to bring together all opposition parties, from greens to the far right, under the same banner.

The protest was called by unions and opposition parties outraged at reforms that hike the annual overtime hours that employers can demand from 250 to 400 hours and allows payment to be delayed by up to three years. The government says the changes are needed by employers short of manpower and will benefit those wanting to work extra hours. Sunday's protest ended up at Parliament Square, where protesters chanting "Orban get lost!" have been gathering since the law was adopted on Wednesday. Protesters led by two opposition lawmakers later marched to



LONDON: Anti-Brexit campaigners wave Union and EU flags outside the Houses of Parliament in central London, ahead of a statement by Britain's Prime Minister Theresa May in the House of Commons. — AFP

sudden shift to different standards would impact almost every economic sector-and possibly see the costs of everyday products in Britain soar. Both sides have been forced to ramp up their preparations for a disorderly Brexit over the past few weeks. UK businesses are stockpiling goods while Brussels is trying to find a way to maintain free-flowing operations involving London's massive financial services hub.

### Second referendum

EU supporters have been calling for another vote ever since the first one backed Leave by a 52-48 margin in June 2016. There is no law keeping Britain from doing it all over again, but many question whether this would be democratic-and why a second attempt should take precedence over the first. It also threatens to be just as divisive with opinion polls showing the country still split over the issue. Calls for another vote have ramped up over the last few months, with former prime minister Tony Blair on Sunday saying "what seemed a few months ago unlikely is now I would say above a 50 percent likelihood."

Proponents argue that the Brexit people were promised looks nothing like the deal on

offer and that Britons never backed a no-deal scenario. Some members of May's cabinet are reported to be pushing for a second vote, but the prime minister is against the move, warning it "would do irreparable damage to the integrity of our politics." It is also unclear what options to give people in a second ballot-and what happens if Brexit wins again.

### Parliament votes on options

Another possibility that has come to the fore in recent days is for several non-binding votes to be held in parliament on different Brexit options to effectively determine the government's strategy. The first would be on May's deal but others could include a no-deal Brexit, a second referendum or a "Norway deal" that would keep Britain much more closely anchored to the European single market and allow unfettered immigration. Business secretary Greg Clark appeared to hint at this on Monday, telling BBC radio that parliament should be "invited to say what it would agree with" if it votes against the draft Brexit agreement on the table. Other cabinet ministers including finance minister Philip Hammond are reportedly in favor of this solution as a democratic way to end the current limbo. —AFP



BUDAPEST: A protester holds a sign reading 'Stop Orban' as members and sympathizers of several trade unions, political parties and civil organizations march in Budapest to protest against changes to the labor code. — AFP

Hungary's public television headquarters to read a petition but were refused access.

Protesters then hurled missiles and smoke grenades prompting police to respond with tear gas, as they have done in previous days. "They don't negotiate with anyone. They just do whatever they want. They steal everything. It's intolerable. It cannot go on," said one protester. Zoli, a transport worker. Protests in the past week have been the most violent in Hungary for over a decade with dozens arrested and at least 14 police injured. Other reforms passed by parliament, which is dominated by Orban's ruling party, include a bill paving the way for new "administrative courts" to oversee

public administration cases.

The justice minister Laszlo Trocsanyi, a close Orban ally, would oversee the courts, leading some to warn the premier could have near-total political influence over the judicial system. Anger over the legislation has prompted opposition parties across the spectrum, who accuse Orban and his ruling Fidesz party of steering Hungary toward authoritarianism, to join forces. Pro-government public and commercial media have portrayed the protesters as anarchists and "mercenaries of George Soros". The Hungarian-born US billionaire Soros has long been accused by Orban of plotting to destabilize Hungary. —AFP