William Kirby opened this week’s *Critical Issues* series with a simple question: Can China lead? Examples of innovation during the recent decades of China’s rapid economic development suggest that China has the potential to lead in infrastructure, entrepreneurship, and education. Nevertheless, the potential for leadership, particularly for China’s universities remains undecided and mired by serious political constraints. Ultimately, whether or not China can lead is a comparative question whose resolution bears significant weight for the 21st century.

Many observers have viewed China’s economic transformation since 1978 as the proof of China’s “rise.” The “miracles” of the past thirty years are rooted in a much longer tradition of Chinese business and politics, however. In 1912 the president of China’s new republic Yuan Shikai carried the promise of democracy with his new leadership. While this transition did not occur, by 1945 under the leadership of Chiang Kai-shek China had become what it was not in 1911—a great power. The military remains at the heart of China’s governance today, with the chairman of the Central Military Commission the most powerful figure in the political system. This rise of China as a great political power has been a century in the making.

In business as in politics, China’s recent emergence onto the world stage has not occurred overnight. While many outside observers point to Shanghai as a new center for global capitalism, Chinese entrepreneurs today see the current development as the “second golden age of Chinese capitalism,” remembering Nanjing’s prominent decade from 1927 to 1937 under Nationalist leadership. Chinese companies today are likewise rooted in a past stemming beyond 1978. Wanxiang, the world’s largest automobile parts manufacturer, was founded in 1969 as a tractor-repair facility, but by 1979 had become part of the state plan for automotive parts. Its founder, born in the Republican era, had attempted to start a business during the Great Leap Forward and Cultural Revolution and found little success, but his persistence resulted in one of the greatest success stories of China’s rise as an international business power.

China’s educational system is also grounded in a long tradition of excellence, although tempered by three decades of Sovietization and Maoist upheaval. Qinghua University, founded in 1911, would become an extraordinary place during the Republican Era. The university fared less well after the Japanese invasion, civil war, communist takeover, and post-1949 transformation into a Soviet-style technical university. Many universities in China, while sharing a similar fate under Sovietization, enjoy a connection to this past history of academic excellence.

Can Chinese education build upon its traditions and build to a level on par with entrepreneurship? China’s educational system over the past twenty years is certainly undergoing a dramatic transformation with heretofore-unseen rates of expansion and institute construction. This rapid expansion has occurred at all levels of higher education, with graduate education, public universities, private universities, and Sino-foreign joint ventures all growing at remarkable rates. This growth in enrollments and rapid construction of new institutes of higher education has occurred alongside the rise of Chinese universities in world rankings. Although rankings as measures of university quality cannot be taken at face value, they are nevertheless indicative of dramatic changes in China’s institutes of higher education. In addition, Chinese leaders increasingly recognize the need to focus on quality in addition to quantity in higher education. These leaders have turned to western models of liberal education, seeing the potential for these models to train new leaders for China in the 21st century.
Despite these impressive leaps, Chinese higher education remains limited by the political system in which it is embedded. One cannot build a “world-class” university when there are seven things you can’t talk about (qi bujiang). Whether or not it’s possible to build a world class university within a politically illiberal society, furthermore, remains undecided. Nevertheless, the question of whether Chinese higher education can lead the world is a comparative one and must be placed within the context of global trends. The United States higher education system, the current world leader, increasingly faces serious problems. Whether the US’s leadership comes to a close and China emerges as the global leader is a trend to be decided in the 21st century.