

The Men Who Would Conquer China

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Film Finance Corporation

STUDYGUIDE

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A Candid and Ironic Saga of West-East Capitalism

Nick Torrens Film Productions: Produced with the assistance of the Australian Broadcasting Corporation, developed with assistance from the NSW Film and Television Office, financed by Film Finance Corporation Australia, 78 minutes.

Introduction: the context

The *Men Who Would Conquer China* is a very personal documentary that observes the operation of free market forces in China and by implication examines the notion of the 'victory of Capitalism'. The context of the documentary is 'new China', a nation racing toward a free market future whilst maintaining strict central control of its politics and society. The transition from a revolutionary communist state to a free market economy in a country of 1.3 billion people is slow and with it carries enormous risk. Many investors have been badly burned.

Two important social systems intersect in this documentary: western capitalism and communism as practised in the People's Republic of China (PRC) in the twenty-first century. These definitions may help:

- CAPITALISM: 'The position of possessing capital or using it for production; a system of society based on this; the dominance of private capitalists'¹.
- COMMUNISM: 'A theory of society according to which all property should be vested in the community and labour organized for the common benefit.'²

For over 4,000 years China remained largely isolated, through thirty imperial dynasties and twenty-nine years of revolutionary Communism. However, with the end of the Cultural Revolution, President Deng Xiao Ping, a politician with a strong belief in economic reform, worked to open China's economy to the world. Since China's boundaries hold almost one-third of the world's population, its policies, its stability and its future impact upon us all. A question that is often asked, can an open economy and an increasingly open society co-exist with a closed political system of one party rule?

This cross-curricula guide identifies some themes and issues, raises dis-

cussion points and suggests activities that students could undertake in order to pursue issues in more depth. This is a long video and might be best viewed in segments. Preview to find the best break points and segments for your study purposes.

Filmmaker Nick Torrens says, 'While we will all have our own views on the significance of what is being achieved, I hope the film itself provokes consideration of the longer-term impact of capitalism on China itself.'

Before Viewing

- How good is students' knowledge of the geography of the PRC? Ask students to locate Hong Kong, Guangzhou, Chengdu, Chongqing, Harbin, Shanghai on a map of the PRC. <http://www.chinatravel1.com/english/useful/maps.htm> offers maps of the PRC as well as links to other useful information for those intending to visit the PRC.
- Some of the names of these cities have been changed to reflect more accurate Chinese usage. How many students can identify the old



Nick Torrens and Jane



and new spellings of these cities?

After Viewing

- Re-watch the opening and closing images of the documentary. Each of these images has been chosen carefully by the filmmaker. What effect do these editing choices have on setting up the mood and in asking the viewer visual questions at the end?
- Ask students to identify some possible issues raised by the final images of life in China today.

Synopsis

Mart Bakal is a millionaire New York investment banker with a mission. He's been spreading the benefits of globalization in the former Communist world since the early 1990s. But he now wants to raise the stakes, his profile, and his fortune in the biggest market of all—the People's Republic of China. But he needs a 'cultural interpreter', so he teams up with the charismatic Vincent Lee, a successful

Hong Kong entrepreneur. However, even with Vincent on board and with billions of dollars to invest, Mart finds China slow to respond to his offers, his needs and his methods.

This intimate film follows the two men through three years of their quest—through Chengdu, Chongqing, Shanghai, Beijing, Harbin, Hong Kong and New York and ultimately it is their relationship that becomes the pivotal force of the film.

The relationship between 'the odd couple' (Vincent's term for he and Mart) provides the documentary with moments of humour. However, tensions between the pair grow as their different priorities and cultural perspectives become increasingly apparent. As they draw closer to their objective, the audience ponders the impact of capitalism upon China, and upon us all for that matter. This

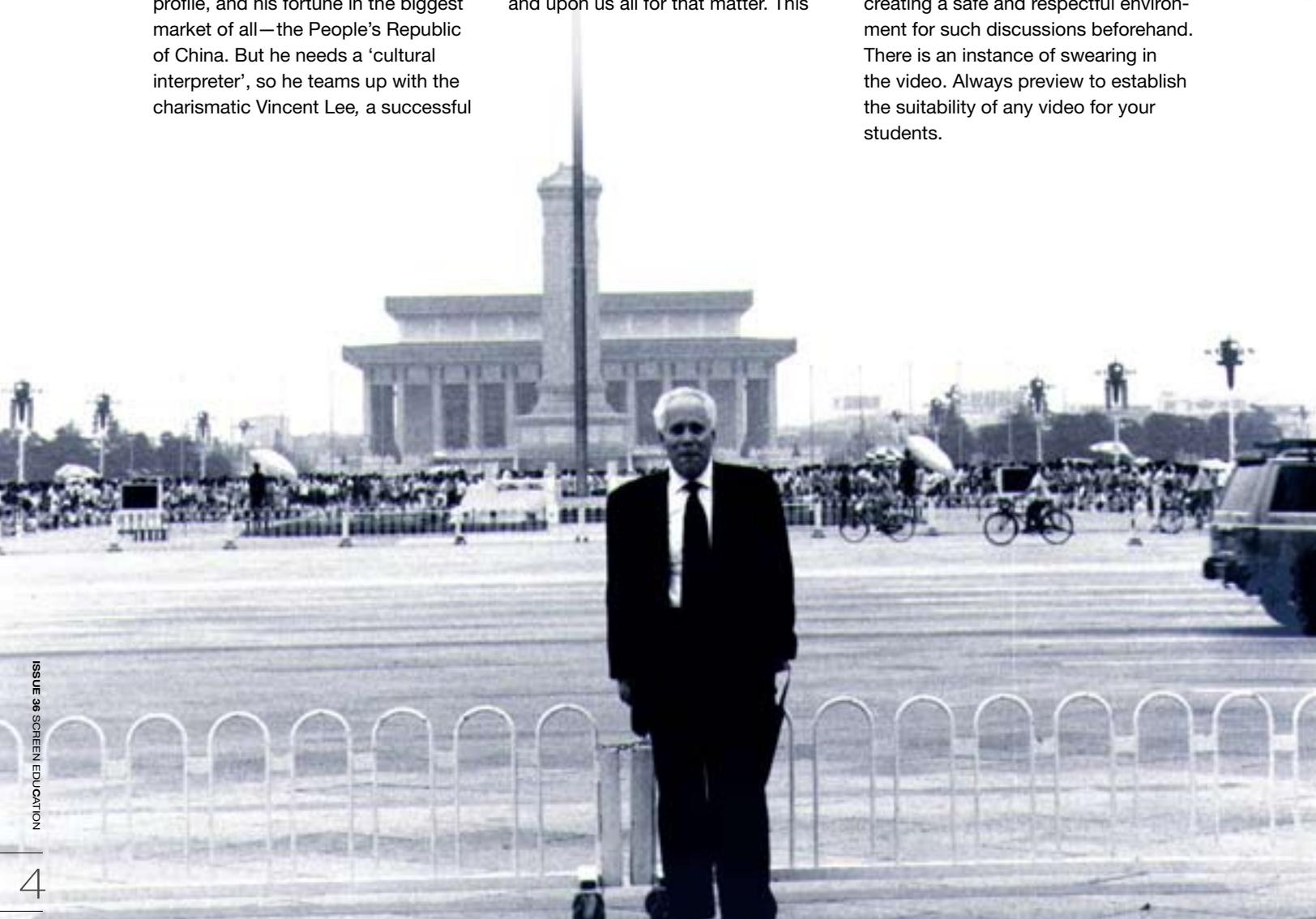
dramatic and humorous documentary investigates the values and motivations of the North American (Mart) and the Chinese (Vincent) bound together by a perceived mutual advantage in a struggle crucial to the future of each.

Curriculum Links

Suitable for upper secondary and tertiary students and for organizations seeking to work in the People's Republic of China. Relevant to Business Studies, International Business and marketing, Cultural Studies, Studies of Society and the Environment, Media Studies.

Warning

This study guide does ask students to consider cultural and religious issues. When working on cross-cultural issues it is helpful to discuss and agree on creating a safe and respectful environment for such discussions beforehand. There is an instance of swearing in the video. Always preview to establish the suitability of any video for your students.



Mart at T Square

Key words

Capitalism, communism, free trade, ethics, corporate responsibility, globalization, World Trade Organization (WTO), parable, Holy Grail.

Theme 1: Personal Narratives

‘Luckily for the narrative itself, I discovered over the three and a half years of filming, that the two men and their interaction were also very funny and very human.’

Nick Torrens

The essence of the film is the personal narratives of Mart Bakal and Vincent Lee. Vincent comments to Mart that, ‘I’ve watched the film. We’re like an old married couple, always bitching at each other but stuck together’. They share a common objective, and are in some ways mutually dependent. The film explores this relationship, as well as the more symbolic relationships in the wider scenario—between West and East, outsider and insider, irresistible force and immovable object.

Profile 1: Mart Bakal

Background

Mart Bakal is a millionaire New York investment banker, born in Canada. He lives with his wife Anita on New York’s wealthy Upper East Side. The couple have two grown-up children, Matthew and Lisa. Mart is the only child of Eastern European Jews who immigrated to Canada as children. Both his parents had died by the time Mart was a teenager living in Winnipeg.

He met his future wife Anita at high school when they were both fifteen. They married when they were twenty-one after they had both finished their degrees at the University of Manitoba (Anita in Social Work, Mart in Law). They moved to New York, where Mart achieved rapid success and by the time he was twenty-eight he was a professor in Harvard’s MBA program and a partner in a large and respected

New York law firm.

Profile 2: Vincent M. Lee

Vincent Lee is a consultant in international investments and finance. He has a Master of Science in Economics from the London School of Economics and Political Science at the University of London, United Kingdom. He also holds a Bachelor of Science in Accounting and International Finance, Magna Cum Laude, University of Southern California, USA. He has extensive experience in banking, corporate and real estate transactions in Hong Kong, China, the United States, and Canada. His extensive financial and accounting background is strengthened by his expertise in corporate management and operations as Managing Director of the Tung Tai Group since 1990. He is married, with two young children.

Discussion

- Do you agree with the director Nick Torrens’ view of these two men and their relationship? Or with Vincent Lee’s? What are your reasons for either agreeing or disagreeing?
- Do Mart and Vincent really trust each other? What evidence is there of this trust? Is trust necessary in a business relationship?
- What causes the tensions and frustrations between them? How do they maintain their relationship despite the strains on it?
- Discuss Vincent’s comment that they are like ‘an old married couple, always bitching at each other but stuck together’. Is this the only relationship possible? What are some alternative and more positive visions of long-term relationships? How might they help Vincent and Mart’s partnership?
- Discuss the differences between the terms a ‘business partner’ and a ‘friend’. What do you expect from each of these relationships?

Activities

- What evidence, if any, do you see of the differing cultural backgrounds of these two men in their

daily lives and relationships? You may need to watch some of the family scenes closely.

- Do Vincent and Mart have an equal relationship? Justify your answer with evidence from the documentary.

Theme 2: Globalization and Global Issues

Vincent’s family business is the Tung Tai Group of securities and financial management companies. As Managing Director, Vincent must make the decision of which direction to take in an unpredictable and fast-changing economic world.

Globalization is a complex and contentious issue. It is probably best seen as a process rather than an outcome. To give an idea of the complexity of this process, Jan Aart Scholte identifies five key definitions of globalization.

1. globalization as internationalization—‘describing cross-border relations between countries’.
2. globalization as liberalisation—abolishing trade controls and regulations.
3. globalization as universalization—spreading objects and experiences worldwide.
4. globalization as westernization or modernization (especially in an Americanised form) with destructive effects on local cultures.
5. globalization as deterritorialization—where worldwide social relations impact regardless of geographic borders.³ For further details see the web site listed in the endnotes.

1. Wealth and Poverty

China’s leaders emphasize the benefits of economic growth, globalization and foreign investment, yet social inequality and the nation’s unemployment figures are rapidly increasing. A Chinese government report presented to the Asian Development Bank conference in 2002 stated that the country now has one of the world’s greatest gaps between the rich and



Vincent takes a picture

the poor—a gap that was almost non-existent twenty years ago.

Greed or Ambition?

Vincent says to Mart: ‘the difference between you and me is that you want to make millions and I want to make billions’.

Discussion

- o What is the difference between greed and the ambition to make large amounts of money? How much money is enough? What drives Vincent?
- o What evidence is there that extremely rich people are happier or healthier than those on average incomes? There is a Genuine Progress Indicator (GPI), which may be a more comprehensive indicator of a nation’s well-being than the GNP or Gross National Product.⁴

2. Globalization and corporate social responsibility⁵

- Mart says, ‘five years ago China sold one million cars, this year it is three million cars and it will go up and up’. He uses these numbers to encourage investing in automobile part companies. This is contrasted with a shot of Beijing with a heavy pall of pollution over the city.
- Many foreign speculators, like Mart, are interested in buying packages of cheap Chinese companies, restructuring them and selling them on to other investors at marked-up prices.

Discussion

- Are increased production and profits the only factor that businesses should consider? Are companies responsible for the long-term effects of their products and the social impact of the organization?
- Consider the measures of corporate social responsibility given below in relation to Mart and Vincent’s investment in Chinese companies. What ‘opportunities’ and ‘threats’ might corporate social responsibility offer in their situation?

Reputex—One model of corporate social responsibility

The Reputex organization assesses the overall performance of large organizations in Australia and New Zealand, rating them under various headings. To achieve a high rating, an organization needs to display outstanding social responsibility resulting in it making a positive overall impact on the community.

Here are some of the factors that organizations have to demonstrate in order to get high scores under each heading.

Social impact:

- Respect for local and global human rights
- Appropriate treatment of disadvantaged people

- Support for cultural and sporting activities

Environmental impact:

- Demonstrate outstanding stewardship
- Demonstrate a commitment to the principles of sustainability—from its supply chain through to use and disposal of products.

Corporate governance:

- Demonstrate a capacity to self-regulate on an ethical, reliable, sustainable and socially acceptable basis
- Factors include ethics, organizational structure and management, risk management, financial control, stakeholder engagement and reporting.

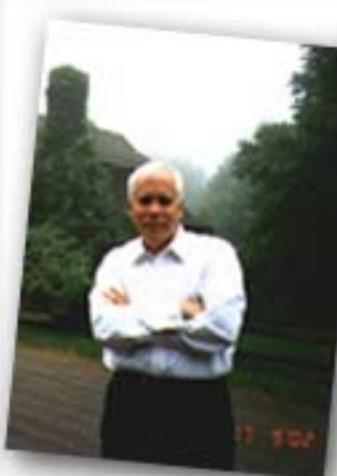
Workplace practices:

- Demonstrate employee involvement, occupational health and safety, fair wages, a commitment to workforce diversity and an appropriate balance between work and life; schemes for training and development of the workforce and industrial relations policies based on mutual respect.

In 2004, organizations such as Westpac, Insurance Australia Group, Australia Post, Queensland Rail, Energex, Carter Colt Harvey and Coca-Cola Amatil have included their Reputex assessment on their web sites.

Activities

- Investigate and report on the Triple Bottom-Line. How could taking this or a rating like Reputex into account, impact on companies in China and elsewhere? For a comparison, the UK-based company Carillion is multi-million dollar, award-winning, building corporation based on sustainability principles. You can access a sixteen page review of their work from <http://www.carillionplc.com/sustainability>
- Choose a company or organization that interests you and using publicly available information, rate them against some or all of the



1. Substantive knowledge	Knowledge of other cultures, languages; awareness of world issues—learned from books, video, visits
2. Perceptual understanding	Open-mindedness, perspective consciousness, a view that others may not share your world-view, consider many different points of view
3. Capacity for personal growth	Adaptability, willingness to change behaviour patterns and opinions
4. Ability to develop international, interpersonal relationships	If interaction occurs, we judge actions. If not, judge more on fixed characteristics, dress, manners etc.
5. Ability to act as a cultural mediator	Ability to act as a bridge between cultures, reaching out. ⁷

CHART 1

Reputex headings given above and other information available from their web site <http://www.reputex.com.au>

3. Cross-Cultural Skills and Business

A 1991 survey for the World Bank, claimed that ‘... more than half of the Bank’s development projects studied failed to be sustained or cost-effective because they did not take the cultural environment into account’.⁶

Vincent and Mart Bakal met in 1995. Mart’s successful privatization experience in Eastern Europe makes him a perfect partner for Vincent if the latter joins Mart’s search for Chinese companies. And Mart needs Vincent’s cultural skills and his father’s Mainland connections and knowledge for entrée and success in this gigantic and complex investment arena.

Educated in Canada, California, and Britain, Vincent always felt that his main strength lies in an understanding of both cultures. But since Hong Kong’s return to Chinese sovereignty, Vincent says he’s becoming more and more like his more traditional Chinese father—‘As I grow older, I’m becoming more Chinese’. So Vincent’s dilemmas include reconciling the very traditional role of his Chinese father as the absolute authority, with his own desires and notions of how he and his young family should live.

In a forthcoming book, Hong Kong academic Julia Tao uses Confucian

sources to support a more sustainable approach for humans to adopt. The ‘Confucian notion of reciprocity is expressed in familiar Chinese proverbs: ‘An earlier generation plants trees under whose shade later generations find shelter and rest;’ and ‘While you drink the water, you must not forget those who dug the well for you.’

Discussion

- How would the notion of ‘reciprocity’, to do good without expecting a reward but with the moral obligation to give back the good one receives, help to guide sustainable businesses in China and else-

where?

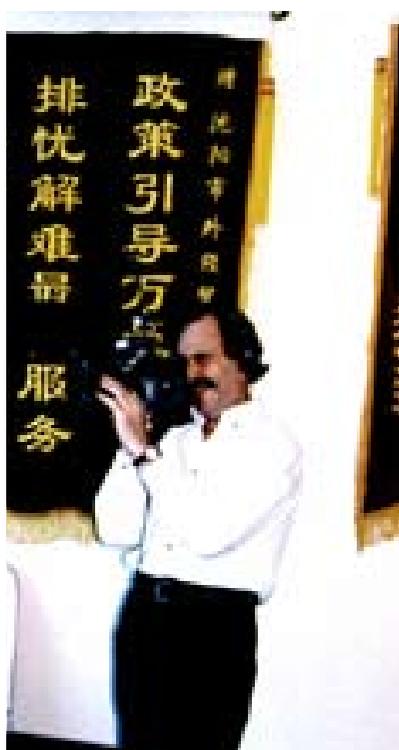
- Mart says, ‘What an education this has been’. What do you think Mart has learned about doing business in China? What evidence of change do you see?
- How do Vincent’s and Mart’s aims in doing business in China differ?

What cross-cultural skills or attributes might an employee need in the twenty-first century globalized world? Here is a table showing one suggested set of global competencies and an explanation for each one. (see Chart 1)

- o Ask students to think of a country they would like to visit or are intending to visit or work in. Ask them to rate themselves on these global competencies in relation to their chosen country. What does each one mean to them individually?
- o What strengths do they have? What gaps have they identified? Ask them to prepare a Personal Action Plan for change in desired directions, beginning immediately.

Activities

- We have a little evidence of these two men’s childhoods. Ask students first to assume the persona of Mart or of Victor and then to use this evidence to identify the strengths and weaknesses of their chosen character. Compare results across the group.
- Investigate Confucianism or Judaism as a system of beliefs. Report on how these belief systems might



Torrnes filming



caption: -----

influence an ethical person in their working and personal lives. What evidence, if any, do you see of these belief systems impacting on Mart and Victor's approach to life and work in this video?

- You are the director of a company thinking about doing business in China. After viewing this video, what professional development or advice would you seek in order to help make your venture more successful?
- Analyse the role of 'time' in the success of a joint venture in China, using evidence from the video to support your case.
- Watch the scene in which Mart refuses to give the Chinese information about the finances of his company, he becomes angry and swears. Watch it again, but this time, observe the responses and body language of any of those present, including Mart. Share your feelings, your understanding of what is happening and your responses. What did you learn? What could be done to prevent a situation like this happening again?

4. Globalization and Terrorism

Mart clearly shares the widespread 'first world' conventional wisdom that the current state of western democratic liberalism and market capitalism is the pinnacle of human achievement. In one scene, he observes the expensive shops and high-rise buildings in Beijing and says, 'this is prosperity, this is prosperity'. Is he right?

Mart also sees economic globalization and American style consumerism as a unifying force. He looks forward to the whole world sharing one American-style culture, with similar shops, films and ways of life. Not every one agrees. Jean Pierre Lehmann, Professor of International Political Economy in Lausanne noted in 2002, 'Social stability is not enhanced by these developments in China. Foreign investment and globalization generate economic growth, but not equality in its distribution. Inequalities will continue to increase, proportionate to growth.' One consequence of inequality is anger, which in turn can lead to

violence.

Post-September 11 2001

There are several questions that the filmmaker puts to Mart that he is unable or unwilling to answer. After the 11 September 2001 attack on the Twin Towers in New York, the filmmaker asks Mart, 'Why are people so angry? Mart's answer was his belief that America is only a target because it is so successful economically.

Discussion

- Is Mart's explanation for the terrorist attacks on the USA and its allies adequate? What are some other possible explanations?
- How does Mart define prosperity and globalization?
- How has terrorism or the 'perception' of terrorism impacted on business and travel around the globe?

Activities

- Ask students to prepare a risk as-

assessment for a company about to do business in a country of choice.

- What new issues might employees need to take into account in working in countries perceived as 'high risk'?

Issue: Filmmaker and filmmaking

Nick Torrens' précis for the film is: 'In a candid and personal parable of west-east capitalism, a New York banker and his partner, a Hong Kong entrepreneur, search for the perfect mix of economic & political opportunity in China.'

Viewers see the end result of years of hard work and innumerable decisions about what to include and what to leave out of the finished documentary. A review in Amsterdam's *IDFA* magazine commented,

A compelling portrait of an immensely rich entrepreneur in the world of sampans, Rolls Royces & skyscrapers. Particularly the airport scenes are hilarious. (The film) succeeds in creating the perfect balance between the cold and demanding business world, and human emotions ...

Discussion

- In an era when many students do not have a formal religious education, it may be useful to ask what is a 'parable'. Some useful definitions include 'a comparison, analogy, proverb' ... 'an example or illustration (to follow or avoid), for example, 'Physician, heal thyself' (from the New Testament, Luke 4:23)⁸
- How can parables help us live our lives?
- What parables can students share from cultures and religions with which they are familiar?
- Based on your viewing of the documentary, how would you summarize the filmmakers' aims?

Activities

- You are responsible for purchasing resources for a firm wishing to do business in the PRC. You have

three minutes to present your summary report to the board justifying the purchase of this video for staff development purposes.

- Write a review of *The Men Who Would Conquer China* for the company magazine. (You have only been allowed 200 words.)

The filmmaker: Nick Torrens

Nick Torrens is a multi-award winning, independent Australian filmmaker, whose previous documentaries cover topics as diverse as how people cope with depression; the lives of Indigenous people trying to counter the breakdown of traditional culture and the lives and motivations of top athletes. A strong theme of his documentaries is how people and communities cope with great social and cultural changes. He is currently working on a documentary about the effect of global climate change on the Pacific Islands.

Discussion

- What roles do documentary filmmakers such as Nick Torrens play in complex twenty-first century societies?
- How do documentaries differ from a short news segment reporting a business deal?
- What skills would a filmmaker need in order to follow a project like this for over three years and bring it to a successful completion?

Activities

- Develop a script for a one-minute TV or radio news segment reporting the successful joint project that Vincent Lee and Mart Bakal have negotiated. Summarize what you want the listener or viewer to gain from this item.
- Compare your summary with the insights made possible by this documentary.

Further Reading and Web sites

Globalization

J. A Scholte, *Globalization. A Criti-*

cal Introduction, Palgrave, London, 2000. Scholte's five key definitions of globalisation are clearly summarized on http://www.infed.org/biblio/defining_globalization.htm This site also has useful links to current resources and thinking on this topic.

<http://www1.worldbank.org/economicpolicy/globalization/> This offers a World Bank view on the benefits of globalization, including links to articles by various experts.

For alternative views on the negative effects of globalization see <http://www.newint.org/> This site has an Index with access to a wide variety of articles on aspects of the impact of globalisation on workers around the world as well as on the environment.

There are some interesting and highly critical definitions of globalization on http://www.tgwu.org.uk/TGWUInternatEd/Food/definitions_of_globalisation.htm

Confucianism

<http://www.religioustolerance.org/confuciu.htm>

This is a good introduction to Confucianism, which is 'primarily an ethical system to which rituals at important times during one's lifetime have been added'. It has some good information about the various types of Confucianism as well as some customs associated with major life events, such as birth, death and marriage.

Judaism

Judaism is one of the three religions, along with Islam and Christianity, which recognize Abraham as a patriarch. www.religioustolerance.org/judaism.htm This site has links to many topics related to Judaism and history, as well as links to complementary sites on Islam and Christianity.

Cross-cultural communication

M. Guirdham, *Communicating Across Cultures*, Macmillan Press, London, 1999. This book offers some interesting case studies as well as summariz-

ing much of the research on cross-cultural communication.

Study guide written by Patricia Kelly, Queensland based writer and academic.

- ¹ C.T. Onions (Ed.) *The Shorter Oxford English Dictionary on Historical Principles*, Clarendon Press, Oxford, UK, 1992, revised edition, p.281.
- ² *ibid*, p.379.
- ³ Jan Aart Scholte's work is explained on http://www.infed.org/biblio/defining_globalization.htm
- ⁴ http://www.tai.org.au/Publications_Files/DP_Files/DP14SUM.pdf This is a short PDF file explaining the Genuine Progress Indicator in relation to Australia by Clive Hamilton from the Australia Institute.

- ⁵ Cernea in Joseph Mestenhauser and Brenda Ellingboe, *Reforming the Higher Education Curriculum: Internationalizing the Campus*, American Council on Education/Oryx Press, Phoenix, Arizona 1998, p.18.
- ⁶ Angene Wilson, 'The Attributes And Tasks Of Global Competence', In R. L. Lambert (Ed.), *Educational Exchange and Global Competence*, USA: Council on International Education Exchange, 1994, pp.37-49.
- ⁷ Onions, *op.cit.*, p.1507.

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