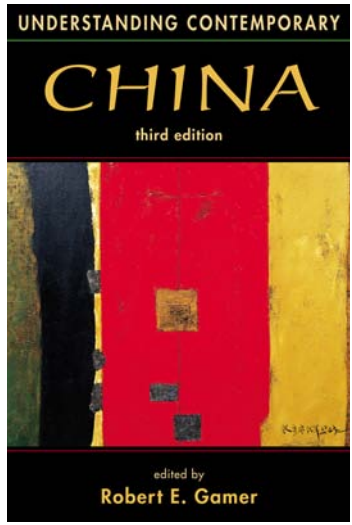
EXCERPTED FROM

Understanding Contemporary China

THIRD EDITION

edited by
Robert E. Gamer



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Introduction

Robert E. Gamer

In 2002, two friends and I were climbing the Simatai section of the Great Wall of China, a less-frequented section high atop the craggy and sparsely populated mountain range northwest of Beijing. From its highest tower you can see Beijing. The young lady who followed us to sell a souvenir guidebook loved taking in that view. To her it was almost a mirage; she had never been to Beijing. And she had only visited the township capital, a modern town with tall buildings and a new park and shopping strip about ten miles away, twice in her life—on her wedding day and one afternoon to window-shop with her son.

That young lady found herself caught in a time warp. Only ten years earlier, Deng Xiaoping gave a speech in which he said "it doesn't matter whether the cat is black or white, so long as it can catch mice." That was the signal that economic reforms that had before been limited to special zones along China's coast would now be allowed throughout China. Immediately, coastal cities were building soaring modern buildings, office and industrial complexes, apartments and condominiums, highways, and shopping centers filled with a vast array of goods. Businesses were freed to fire many workers and offer fewer benefits like housing, health care, and pensions. For this young lady, it meant that the school in her village had closed, and she had to pay tuition and bus fares for her son to attend grade school in another town. Meanwhile, her village's agricultural production had declined, and she had to eke out an income selling these guidebooks. The contrast between life in the booming cities and that in rural villages like hers had become stark.

Now, six years later, that contrast is rapidly being reduced. The new leaders, Hu Jintao and Wen Jiaobao, are presiding over an expansion of the reforms into every corner of the nation. In 1990, China had 1 million cars; by

2007, it had 18 million, increasing by 3 million every year, along with 10 million trucks burning dirty diesel. Between 1988 and 2007 it built 33,300 miles (53,600 kilometers) of toll expressways, and built or improved over 900,000 miles of paved roads. In 2006 it opened the world's highest railway line from Lhasa to Beijing as part of 48,500 miles (78,000 kilometers) of railway line with 74,600 miles (120,000 kilometers) projected by 2015. Over four hundred airports have paved runways, and most cities have new terminals. This has brought new housing and shopping centers to cities and towns all over China. It allows villagers to reach towns with goods from their farms and factories. Government programs to improve and maintain irrigation, plant trees, lend peasants funds to build themselves houses, pay tuition and bus fares for school children from low-income families, and eliminate taxes for poorer villagers and give them an increasing opportunity to share in the rapid economic growth, which poises China to surpass the United States in gross domestic product (GDP) calculated in purchasing power parity (PPP) (i.e., what the money will actually buy at home), perhaps as soon as 2008.

Five years ago there was also another gap—between China's actual economic growth and the perception of that growth in the outside world. That gap, too, is rapidly shrinking. The US and European media are filled with reports on China's rapid economic rise, and every year increasing numbers of tourists see it for themselves. Instead of speculating about whether the reforms will continue, speculation has moved to whether China will become the world's economic giant and military behemoth. A few quick facts can put that swing of the pendulum into context. China has more than four times the population of the United States, so its economic output is less than a fourth of ours on a per capita basis. China has 18 million cars; the United States, 250 million. The United States is the world's largest consumer of petroleum, using over 21 million barrels a day (a fourth of the world's consumption). China is now the world's second largest consumer, using over 6.5 million barrels a day.

But those facts should not make us complacent. Today China has the world's fastest-growing economy, a fifth of the world's population, and escalating trade and travel through its borders. It has a highly motivated populace spreading to all corners of the world, a modernized army, world-class movie makers, and competitive Olympic teams. It is a major market for Coke, Pepsi, Boeing, Avon, Butler, Sprint, Black and Veatch, Warner Brothers, and a host of other Western companies. Its goods line the racks in our stores. More than 500 million Chinese have a cell phone (not to mention 375 million conventional telephones). More than 210 million Chinese are online with the Internet (with over 10 million Chinese websites). Popular talk radio shows discuss sex and relationships. Young people wear the latest fashions, eat fast food, and dance to rock music late at night in discos. Engineering projects transform entire valleys and islands from swamp or desert into metropolis. All help China achieve the dubious distinction of being among the world's greatest purveyors

of air and water pollution, with one-thirtieth the world average of water resources per person.

China is ubiquitous—its clothes, electronics, food, people, and even its air (its dust storms can even reach the western United States) are ever-present in all places. Check the labels next time you go shopping. And this presence has another unique element: China still regards the more than 100 million Chinese living overseas as part of China. Although many of those overseas Chinese have become loyal citizens of other countries, they are often tied to China's 1.3 billion inhabitants by custom, family, and tradition. The richest of those families in Hong Kong (now part of China), Taiwan, Southeast Asia, Australia, and North America control very large amounts of investment capital; much of that money is invested directly or indirectly in China and in the Pacific Rim, including the coast of North America. This investment constitutes a major bond linking China to the Americas, the Middle East, Africa, and Southeast Asia, a bond that the United States can ignore only at its own peril. It is important to note that 23 million of these overseas Chinese live in Taiwan. China still claims Taiwan as part of its own territory, while many in Taiwan want to declare independence. China must be understood in the context of Chinese living outside its borders. China's prosperity has depended upon the investment of overseas Chinese; their prosperity, in turn, depends upon China's prosperity. Such interdependency explains a lot about how the communist nation of China can be as immersed in free markets as it is; those markets are embedded in the social structure of this widely dispersed Chinese community.

The dispersed community shares some attitudes and habits that have been passed from generation to generation for thousands of years. It is also quite diverse. As you read *Understanding Contemporary China,* you will see these attitudes and habits, along with social divisions, showing up in a variety of contexts. The rest of this chapter will give you an overview of those attitudes, habits, and divisions. But first I should say a bit about something that can be confusing without a brief introduction: Chinese words.

China has no alphabet. Its written language, which is thousands of years old, consists of single characters that represent entire words. Often these began as a simple stick drawing of a man, the sun, or another object that gradually became more complex and stylized over time. People had to memorize the individual characters for thousands of words. Only the educated scholar-officials and families of merchants in cities were in positions to devote the time it took to memorize these characters and learn to create them with careful brush strokes. After the communists came to power, they created about 2,200 simplified characters that could be taught to school children and used in newspapers, so as to spread literacy. But when Westerners arrived in China during the nineteenth century, they needed to transliterate the sounds of Chinese words into their Roman alphabet (Romanize them). Two English sinologists, Sir Thomas Wade and Hubert A. Giles, devised a system (Wade-Giles) to do

that. For geographical names, some other Romanizations fell into common usage. During the 1930s a new system, *pinyin,* came closer to replicating the sounds of the words as they are pronounced in the Mandarin (literary) Chinese used around China's capital, Beijing. In 1958 this system was adopted by the People's Republic of China for its official publications, and in 1979 *Xinhua* (the China News Agency) began using *pinyin* for all dispatches. The *New York Times* and many other newspapers and scholarly publications now use *pinyin;* we use it throughout this book, except for a few words still commonly transliterated in other spellings (e.g., Yangtze, Sun Yat-sen, Kuomintang) and when referring to people and movements in Taiwan, where Wade-Giles (or often-careless variations on it) is still in vogue. Some fields like history still use a lot of Wade-Giles, and it is used often in transliterating literature. So you will encounter it in other books. Table 1.1 compares the *pinyin* names of some provinces and cities with transliteration common on older maps, and the names of dynasties and some other words in *pinyin* and Wade-Giles. It includes many of the Chinese words used in this book.

It is common for Chinese words to have only one or two syllables; when there are two, they are given equal emphasis in pronunciation. Words with similar sounds (and identical transliterations) may be differentiated by inflection of the voice—up, down, down-up, or flat—as each syllable is pronounced; each would have a different character in written Chinese script. When looking at names, Chinese give their family name first and then their personal name; Mao Zedong's family name was Mao, and his personal name was Zedong.

On another practical note, you will notice at the end of each chapter a bibliography, and within each chapter parentheses calling attention to books and articles where you can learn more about topics being discussed.

Creative Tensions

A rubber band's ability to stretch helps it hold things together; its elasticity actually lets it wrap tightly around objects. China has many traditions that combine those traits, pulling apart while unifying. Chapters in *Understanding Contemporary China* highlight many tensions between

- Confucianism and both petty and modern capitalism.
- Confucianism, Christianity, and communism.
- Popular culture and formal traditions.
- Regions and the capital city.
- Cities and the rural hinterland.
- The heartland and its global outreach.

China is slightly larger than the United States but has over four times the number of people. Its rivers cross high, dry plateaus to connect the world's

Table 1.1 Romanization of Chinese Terms

Pinyin	Older Geographical Transliteration	Pronunciation
Provinces		
Fujian	Fukian	foo jian
Gansu	Kansu	gahn soon
Guangdong	Kwangtung	gwong doong
Guizhou	Kweichow	gway joe
Hainan	Hainan	hi! nanh
Hebei	Hopeh	hü bay
Hubei	Hupeh	hoo bay
Jilin	Kirin	gee lin
Shaanxi	Shensi	shahn shee
Shanxi	Shansi	shehn shee
Sichuan	Szechwan	sü chwahn
Xinjiang	Sinkiang	sheen jyang
Zhejiang	Chekiang	juh jyang
Cities		
Beijing	Peking	bay jing
Chengdu	Chengtu	chung doo
Chongqing	Chungking	chawng ching
Hangzhou	Hangchow	hong joe
Nanjing	Nanking	nahn jing
Qingdao	Tsingtao	ching daow
Tianjin	Tientsin	tien jin
Xi'an	Sian	shee ahn

Pinyin	Wade-Giles	Pronunciation
Dynasties		
Han	Han	hahn
Qidan	Ch'i-tan	chee don
Qin	Ch'in	chin
Qing	Ch'ing	ching
Song	Sung	soohng
Tang	T'ang	tahng
Xia	Hsia	shah
Names		
Deng Xiaoping	Teng Hsiao-p'ing	dung sheeaow ping
Jiang Zemin	Chiang Tse-min	jyang dze min
Mao Zedong	Mao Tse-Tung	maow dze doong
Zheng He	Cheng Ho	jung huh
Zhang Xueliang	Chang Hsüeh-liang	jang shuey lyahng
Zhou Enlai	Chou En-lai	joe un lie
Zhuang-zi	Chuang-Tzu	jwong dz
Other terms		
baojia	pao-chia	bough dja
danwei	tanwei	don weigh
Dao	Tao	dow
guanxi	kuan-hsi	gwahn shee
Guomindang	Kuomintang	gwaw min dahng
Tiananmen	T'ienanmen	tien ahn mun
Xinhua	Hsin-hua	sheen hwa
Zhong guo	Chung-kuo	djohng gwaw

highest mountains with enormous floodplains. Its eastern provinces are among the world's most populous, its western provinces among the world's least inhabited. It first became a unified nation two hundred years before the birth of Christ, with the north conquering the south; that unity has waxed and waned ever since. At the time of Christ, China was abandoning feudal states and starting to adopt both petty capitalist trade among family-run enterprises (often associated with the south) and a Confucian ethic (coming from the north). Since that ethic emphasizes family loyalty and hard work on the one hand and interfering government bureaucracy and unquestioned loyalty to northern-based leaders on the other, it both benefits and interferes with capitalism. Daoism (deriving from folk culture) and Buddhism (from India) helped individuals cultivate their inner personal lives while conforming to the rigid social conventions associated with Confucianism and family enterprises. So did popular forms of entertainment, which at the same time provided inspiration for China's highly refined art and literature. China developed some of the world's earliest large cities, which sent Chinese to ports and oases in distant parts of Asia to establish a lively trade. In 1400, nine of the world's twenty-five largest cities were in China, and its output of manufactured goods was the highest in the world. Still, in 1700, it produced a third of the world's manufacturing output.

By the late eighteenth century, these cities were in contact with the emerging capitalism and the Industrial Revolution of Western Europe, which increasingly competed with China's petty capitalist enterprises. These foreigners also brought with them Christianity and Western ideas about human freedom and progress, which competed for favor with China's established religious traditions. As large factories and cities began to widen the divide between city and countryside and among social classes, communist ideology began to compete with Christianity and capitalism for favor among workers, urban intellectuals, and peasants. Like many previous movements, those ideologies developed some Confucian traits as they adapted to China, especially those associated with strong rule emanating from the north. Today, as China strengthens its ties with international capitalism and capitalist nations, weakens its actual and ideological ties to international communism, and experiences rapid social change, traditions of both Confucianism and popular culture help fill its spiritual void. And overseas Chinese help fill its investment coffers.

Thus China blends many traits and traditions, which seem to pull people apart and, at the same time, bring them together. People are expected to give their highest loyalty to their families and friends with whom they have special *guanxi* (relationships); yet the same traditions simultaneously bid them to follow the directives of the nation's top leaders. For thousands of years, China has both encouraged and strictly controlled small manufacturers and traders, who worked closely with local officials. China's regions have held closely to their own traditions while sharing in a common Chinese culture. That culture viewed itself as civilized and the outside world as barbarian yet

continuously absorbed civilization from the barbarians. Today China has dazzlingly modern cities short distances from peasants tilling fields with animal and hand labor to supply those cities with food; both may be watching the same television shows. Families driving Toyotas visit their horseback-riding cousins who live in yurts lit by solar panels. Younger computer-literate leaders take the reins of power from old men who remember the era of Mao.

These diverse traits and traditions have come to support one another. Their distinctions and competition create tensions but do not hold back progress. That has not always been so. Between the 1839 arrival of the Christian West in the first Opium War and the introduction of communism after World War II, and during the cataclysms of the Great Leap Forward and the Great Proletarian Cultural Revolution, many millions lost their lives in conflict among contending social forces. But China has learned to use conflict as a means of adapting to change. It has a disciplined social core, weakened but still strong despite television, the Internet, cell phones, consumerism, crime, and other assaults of modern culture. Its families have shown an ability to control their size, save, work hard, engage in creative entrepreneurship, and divide labor between the sexes. China's civilization has focused on an attachment to the land that has survived amid many centuries of urbanization. People who have migrated to China's cities are welcome to return to their home regions, keeping alive rural social bonds and safety nets even as people move out to the ends of the earth. When the Central Pacific Railway found its European immigrant laborers fleeing the arduous task of building a transcontinental railway across the United States in the 1860s, it turned to Chinese laborers, who arrived already organized into disciplined work units under their own foremen. For millennia, China has used this labor and considerable scientific skills to channel its vast amounts of water, mine rich seams of coal, enclose its cities and borders with walls and towers, and manufacture a variety of goods prized for their excellence around the planet. Even when divided by ideology or temporary political division or separated by vast distances after migration, families and clans deriving from the same villages have habits of cooperation to further such enterprises by sharing capital, labor, markets, and special connections. They hold together tightly even while stretching to take on global challenges.

As a result, China can contribute to global capitalism without being absorbed by it. These traits that help make it a great producer also make it a great consumer; its enormous population produces ever-increasing amounts of goods not only for world markets but also for itself. Extensive use of low-skilled labor holds down the cost of manufacturing while providing millions of people with income to buy these new goods. Unlike many third world countries, China has developed huge budget surpluses stemming from a favorable balance of trade. Yet China's form of capitalism holds back many of the processes (e.g., impartial civil and criminal law, bureaucratic independence, investigative reporting)

required for modern capitalism to thrive. If it wishes to sustain its current rates of growth, it must find new ways to adapt to global capitalism. Global capitalism, in turn, must adjust to the needs of China's dynamic sector of the world economy.

New Challenges

China still has great challenges ahead. Like many third world countries, China's traditions offer little support for democracy. With its focus on obeying family and community leaders, China has suppressed individual expression. It has never allowed independent interest groups to form. Although it has long had laws, it has no tradition of rule of law. Competing political parties clash with Chinese traditions of harmony and unquestioning obedience to authority. This clash lets all elements of Chinese society support movements rejecting foreign influences even as they adapt to world technology, trade, and popular culture; yet this balancing act is becoming increasingly harder to maintain.

China's development has resulted in major problems. Deforestation, removal of ground cover and wetlands, water and air pollution, and giant engineering projects pose serious threats to China's food and water supplies, health, and standard of living. Despite the "one-child" policy, a growing population increasingly moving to cities is a growing strain on resources. Women made many advances during the twentieth century; fast development enhances some of those advances but brings setbacks to others. The growing economy widens the gap between rich and poor individuals and regions (even with the new programs to extend greater prosperity to the countryside) and brings new opportunities for corruption; as a result, much capital that should go into development ends up in nonproductive pursuits. This inefficiency, fast economic growth, and reduction in central planning have caused severe inflation and severe deflation, resource shortages, unemployment, and declines in social services. The inefficient state industries are hard to phase out completely because they employ large numbers of workers and still make essential goods, but they constitute a major drain on the national treasury as political and taxation powers devolve to the provinces. Their unrepaid loans strain the resources and integrity of the banking system.

These problems are amplified by an unpredictable legal system that leaves business contracts and individual liberties unprotected and makes both foreign investors and educated Chinese uneasy. In addition, China has put inadequate resources into educating a workforce with skills to run all the new enterprises; it is rapidly working to rectify that deficiency, but it still has a long way to go. Hong Kong and Taiwan, both critical to China's economic future, are especially sensitive to these concerns. Military threats to Taiwan or offshore islands and crackdowns on dissidents and ethnic minorities periodically threaten to

upset the peace. These problems challenge China as it strives to retain its fast-paced economic growth. Its leaders are sensitive to all these problems and have devised an array of programs to address them. Will those programs work? Can they work without democratic reforms? What is the potential for such reforms to occur?

Young people who marched in the 1989 demonstrations and elders who once fought for a workers' revolution are preoccupied with making money and enjoying consumer goods. Many younger Chinese also revel in newfound freedoms to express themselves in music, dress, sexuality, and other nonpolitical ways. They are buying new condominiums and filling them with nice furniture and possessions—even cars. Meanwhile, the security of guaranteed jobs, housing, and social services provided by work units during the Maoist years fades away. Increasing numbers of people cannot find full-time work, and it is common for men and women to have two or three sources of income. Both citizens and leaders are profoundly torn by whether to follow traditional Chinese ways or trends from the outside world. They want to solve the many problems accompanying the rapid change without destroying the fabric that has held China together as a great nation over the millennia. And they are increasingly desirous of becoming a part of the world. One of the greatest challenges in this regard is sorting out the relationship between China and Taiwan. A growing number of younger, and many older, people in Taiwan would like it to declare full independence from China and go its own way; few citizens of China share that sentiment. Will China find creative or destructive ways to deal with these tensions?

During the past decade China's central government has become increasingly attentive to a threat that has been made worse by its rapid degradation of the environment: water shortages. China's productivity over the centuries has depended on its prolific supply of water from the Himalayas and other high ranges nearby. In recent years the western part of China has experienced declining rainfall. Its 46,298 glaciers (in 2006) are melting at two to four times the rate they were forty years ago. They feed the headwaters of the Yellow, Yangtze, West, Brahmaputra, Mekong, Ganges, Salween, Irrawaddy, and Indus rivers. If this rate of melt continues, by many estimates they could all be gone by the end of the twenty-first century. In addition, most of the revival of agricultural production in the north of China depends on irrigation supplied by ground water. Water tables there decline at a rate, in many places, of four feet a year. Without these water sources, large portions of China could turn to desert. Is this a real possibility? And are China's new environmental and water management policies appropriate and sufficient to supply China with the water it needs?

We explore all this in the pages ahead.