

ICWA LETTERS

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The Institute of Current World Affairs
4 West Wheelock Street
Hanover, New Hampshire 03755

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Shanghai Surprises

Unless We Behold We Cannot Understand

BY CHENG LI

SHANGHAI, China

April 1995

Mr. Peter Bird Martin
Executive Director
Institute of Current World Affairs
4 West Wheelock Street
Hanover, NH 03755 USA

Dear Peter,

When I started my Fellowship in China in September 1993, a member of our institute said to me: "Fellowship, despite its name, is a lonely calling." I did have this feeling during the first two months of my stay in Shanghai, particularly when I found that residents in the city, including my relatives and childhood friends, seemed to be interested in nothing but making money. It was very difficult for me, I thought, to adjust to life in my new surroundings although Shanghai is my native city.

The sense of alienation, however, has diminished as my understanding of Shanghai and its residents has deepened, especially when I started to live like a resident instead of a foreign visitor. People's mentality and customs often reflect both historical legacy and socio-economic conditions in a given society. I have become sympathetic with those who seem to be concerned too much about money-making. These people, as I come to realize, are simply caught in the rapid change in the country in which they live.

Therefore, to know how people in my native land live, how government policies affect their lives, and how the change in their lives transforms the way they think has become a principal objective of my fellowship in China. My negative attitude toward Shanghai, my fellowship base, has changed. My life has been filled with interviews, chats, traveling, reporting, and the "happiness of a full working schedule" — please allow me to borrow the words, that you once wrote to me.

Fellowship, in both a religious and a non-religious sense, is a matter of sharing. This sharing can be a conversation with a Chinese whom I met during my journey across China, can be a report that I wrote and that was circulated among hundreds of ICWA readers, or can be a formal talk presented at a conference and on other occasions.

During the past twenty months, I had the extraordinary opportunity to speak to various groups in academia, government, business, and journalism, in both China and abroad. For example, last Septem-

Cheng Li is an ICWA Fellow studying the political economy of the coast of China.

ber, I attended a conference on regional economic cooperation held in Hanoi, Vietnam, giving a talk on the "Changing Relationship between the Private Sector and Government." One month later, I spoke to the board meeting of an international investment group held in Beijing. My presentation was "Economic Issues and Future Growth in China." During the Spring Festival this year, I had a working holiday in Canberra where I gave a talk at the Australian National University on "China's Internal Migration." Later this month, I am going to take a five-day trip to Norway and Denmark to speak at an international workshop on "Occupational Mobility and Labor Relations in China."

I greatly enjoy sharing my experiences and observations in China with people who are interested in this rapidly changing country. For me, this is undoubtedly a learning experience. Many questions from the distinguished audience have helped me identify new topics for my reports and important issues for further

scholarly investigation.

My fellowship in China will come to a conclusion at the end of August. I will resume my teaching job in the United States and will speak at the ICWA Members' meeting in Washington, DC. December 15. The main function of my job will no longer be that of a reporter, but be that of a lecturer. I will have more opportunities, I hope, to speak and to share my two-year fellowship in this fascinating country with a large number of concerned people outside China.

Below is the transcript of the talk that I recently presented at a Board of Trustees meeting of the U.S.-Japan Foundation presided over in Shanghai by ICWA member Stephen Bosworth. Your comments and advice are most welcome.

Sincerely,

Cheng Li

Shanghai Surprises

Unless We Behold We Cannot Understand

Transcript of a Speech Delivered at the Board of Trustees meeting of the U.S. Japan Foundation

Thank you very much, Ambassador Bosworth, for that overly generous introduction. I am honored to speak to such a distinguished audience. I want to applaud you for holding your 1995 meeting of board of trustees here in Shanghai, a place that is the very symbol of economic dynamism and rapid social change. It is a testament to the foresight, global thinking, and creative approach of the US-Japan Foundation and its inspired board members.

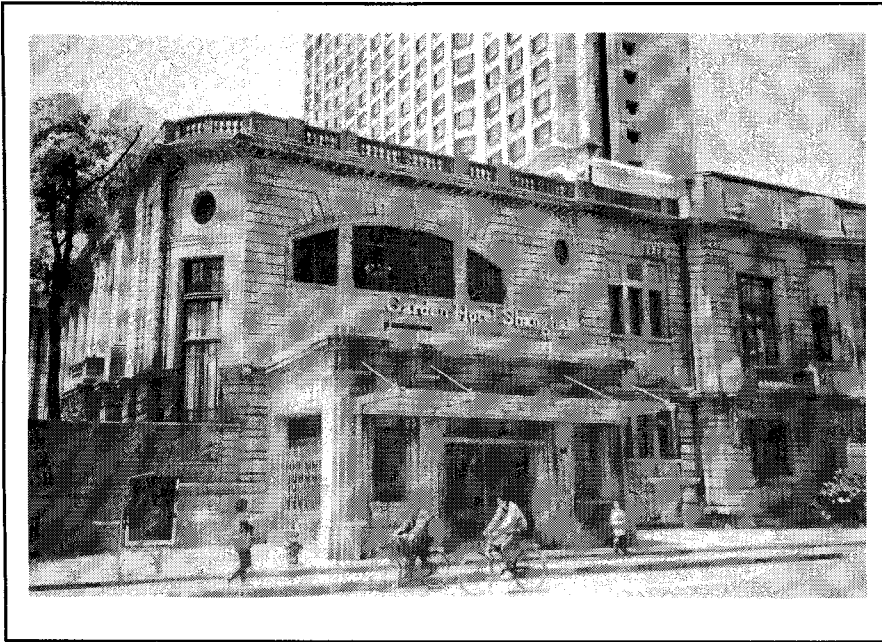
A few years ago no one could imagine that a New York-based US-Japan foundation would have its annual meeting in a Chinese city. The way China has been neglected in the international community, especially in the business world, is astonishing. Ten years ago, when I first arrived in the United States and started my graduate study at U.C. Berkeley, I was invited to address a dinner meeting of board members of a company based in Oakland, California. The dinner was held in a local Chinese restaurant and I was asked to speak specifically about China — its politics, economy and culture. But it did not take long for me to figure out that these business people were not interested in China or Chinese culture at all. During dinner, I asked the host why they invited me to talk about China. "Oh," he explained, "we are having a Chinese meal. Isn't it appropriate to have a Chinese speaker talking about China while we are enjoying Chinese food such as Sweet-Sour Soup, Beijing Duck, Mongolian Beef, and Fortune Cookies?"

I never knew whether the host said this jokingly or

seriously. But indifference to China and lack of knowledge about the most populous country in the world during previous decades has been nothing unusual, especially for those of us who remember that an American astronaut first landed on the moon three years before an American president first set foot in China.¹

Times have changed. Nowadays when you step into a corporate boardroom in New York, London, Paris or Tokyo, you can certainly hear people talking about China — "the next great business frontier, the land of boundless profits"² although these board members are probably eating nothing but bagels, muffins, croissants, or *sushi*. Like your foundation, many international organizations and multinational companies have recently held their board meetings here in Shanghai.

You may have heard stories about the economic boom in this largest city of China. But hearing about is simply is not the same as seeing it. During the past 20 months I have had an extraordinary opportunity, as a Fellow of the Institute of Current World Affairs, to live in Shanghai and travel across China. My assignment is to analyze and write about the current situation and trends in China. It has been a fascinating task for me because Shanghai is the city where I was born and bred. My parents' house is actually only a three-minute walk from this hotel. There was, of course, no Garden Hotel, only the French Club in this place when I was a young boy. I always had a sense of awe whenever I passed the French Club, which was called the Jin Jiang Club then. I heard that Chairman Mao often came to



Garden Hotel Shanghai — site of the U.S.-Japan Foundation meeting. This Japanese-run hotel is located on an interesting site in Shanghai. The lower building used to be called the French Club—the gathering place for rich and powerful people in the French concession during the early 20th century. After the Communist Revolution, its name was changed to the Jin Jiang Club. Chairman Mao often came here when he was in Shanghai. The Jin Jiang Club provided an excellent ballroom full of beautiful girls.

the French Club to handle important state affairs when he was in Shanghai. Not until last year, after reading the memoirs written by Mao's doctor, did I learn that Mao actually came here to dance with young girls.

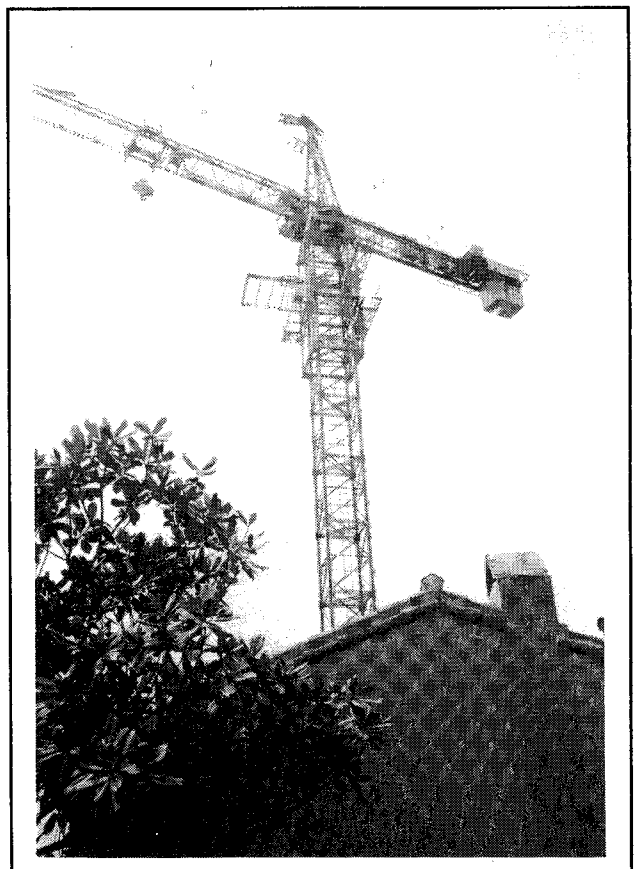
I have been enjoying my stay here in Shanghai not only because I have a lot of childhood memories as well as many friends and relatives, but mainly because, after having lived in the U.S. for eight years, I find Shanghai is a city filled with surprises. If life means responding to surprises, means seeing familiar things from a new perspective, or means being forced to re-evaluate what one has previously thought as an American writer once defined it — then Shanghai is surely a "fountainhead of life" for me.³

Let me share with you some of the surprises that I have encountered as I have been observing the changes in my native city. A discussion of these surprises, I hope, can help us grasp current trends and future prospects for the country in general.

The first surprise for me has obviously been the rapid physical changes in the appearance of Shanghai. In the summer of 1988, an American journalist named James Fallows visited Shanghai and wrote an article entitled "Shanghai Surprise." What really surprised him was not something new in the city, but the buildings and streets that remained the same over a half century. In his words, visiting Shanghai was "like rolling time back fifty years."⁴ He was absolutely right because the

appearance of Shanghai did not change much in the first four decades of the People's Republic of China. Only since the beginning of the 1990s did Shanghai begin its serious effort to become a born-again giant city.

Officials in Shanghai like to use the image "head of the dragon" to describe the leading role of Shanghai in China's economic development. The dragon is a symbol representing power and prosperity. But I think a



The most appropriate symbol of Shanghai today is the crane — the construction crane.



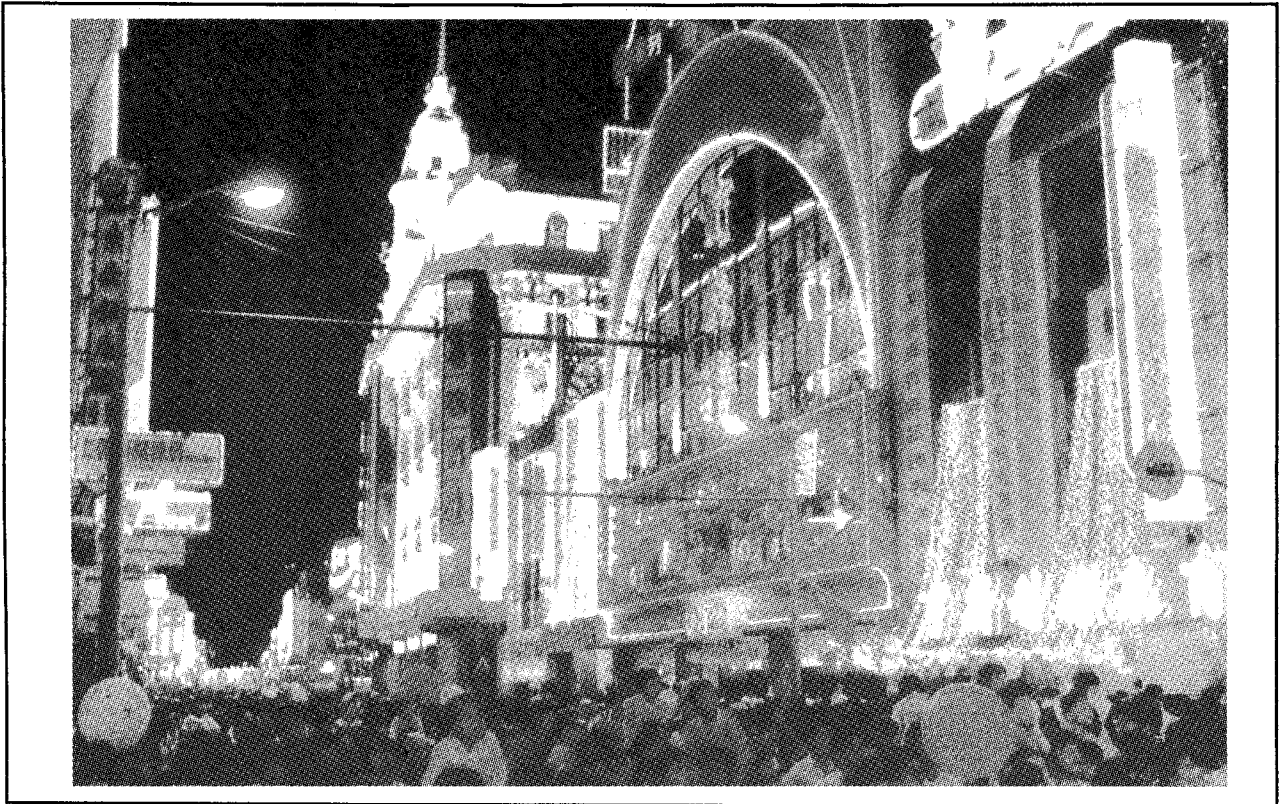
Shanghai has 1,304 skyscrapers, of which 1,095 were built in the past five years. For a half century the 13-story and 78 meter-high Park Hotel was the highest building in Shanghai. It was exceeded only in 1983 when the 92-meter-high Shanghai Hotel was built. Now Shanghai is catching up with Manhattan. East Shanghai proposes to build a business center that will be even higher than the Sears building in Chicago. [Photo: China Daily]

better symbol, at least a more appropriate one, for Shanghai is the crane, which symbolizes the huge construction machine. The entire Shanghai city is like a construction site where hundreds of skyscrapers are being built at the same time. Some of you may visit Pudong, the east side of the Huangpu River. When you have an overview of the city from the newly-built, gigantic 468-meter high TV tower, or when you see the city from a distance as your car is driving along the tall Yangpu Bridge, you will find this description is accurate.

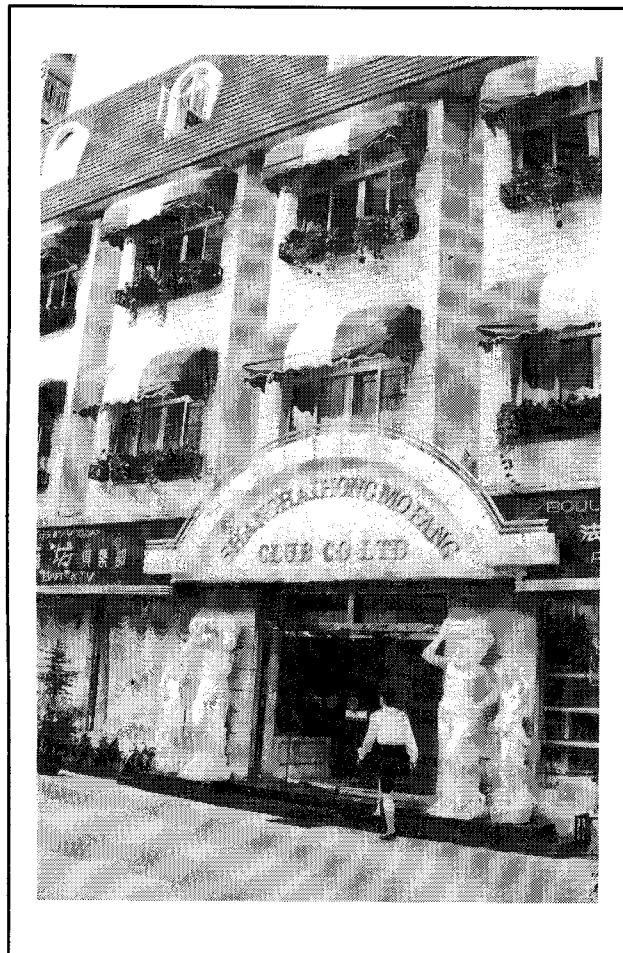
Shanghai has been undergoing such a drastic and dramatic physical change that no maps of the city are accurate and every guidebook about Shanghai becomes out of date as soon as it is printed. People have to come here to find out what is happening. Paul Theroux, a

well-known American writer, recently took a trip to China's southern provinces and he found the area fascinating because, in his words, this is the land "where only local knowledge matters and word of mouth is everything."⁵

When I left for the U.S. in 1985, Shanghai was a city without night life. All stores were closed at 7 PM. But now one can hardly fail to be impressed by the glaring and glamorous neon lights in miles and miles of hotels, theaters, restaurants, Karaoke bars, and night clubs that have made the city so vibrant and colorful. I have never seen a city with as many neon lights and night clubs as Shanghai. (Yes, I have been to both Las Vegas and Shinjuku.) Shanghai has over 5,000 night clubs and most of them opened during the past two years.⁶



A Night scene along Nanjing Road, Shanghai.



Even more impressive is the mushrooming growth of department stores in Shanghai. Right across the street from the Garden Hotel is the Jin Jiang Dickson Center, a three-floor department store. One year ago that was still a parking garage, but now it is a fancy shopping mall, as elegant as the one in the Pacific Place of Hong Kong. If you walk along the street outside this hotel and then turn right, you can see another fabulous six-story shopping center, which has a French name — *Printemps*. But only a few months ago, this area was nothing but a number of shabby grocery stores. The products sold there now are even more expensive than the same products sold in Rockefeller center in Manhattan or Sogo in Yokohama.

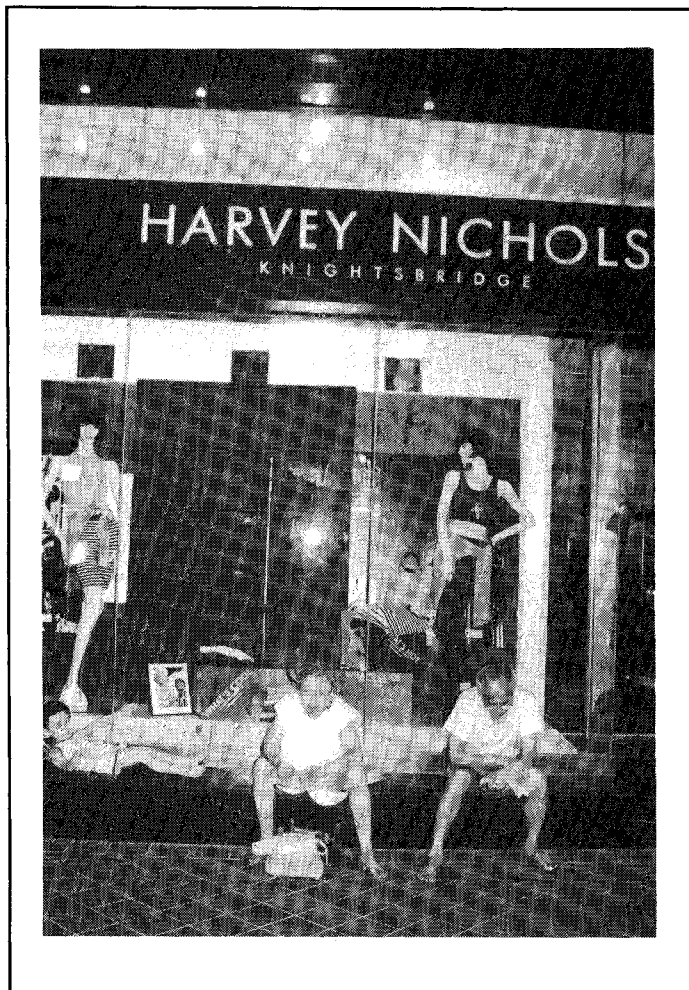
You may ask how people in Shanghai can afford these luxuries. Who are the consumers of luxury goods? This is precisely the question that I asked when I first arrived in Shanghai. I was born into a rich family in the late 1950s. My father was a capitalist who owned several factories before the Communist revolution and my mother, a Roman Catholic herself, was a

A night club called Shanghai Hongmofong (French Red Mill in Shanghai) has been built on the site of the primary school that I attended as a young boy. Shanghai now has over 5,000 night clubs, most of them opened during the past two years.



The Jin Jiang Dickson Center, a parking garage only a year ago.

teacher in a Catholic school in Shanghai. Up until the beginning of the Cultural Revolution, my family had maintained a high standard of living. But a high standard of living those days meant no more than three dishes per meal for a family.



I still remember my first day of kindergarten. I brought a lunch box and an orange. But I found that I was the only child among 50 kids in the class that brought a lunch box. Other kids had only steamed bread or crackers. Some kids didn't bring anything. I never opened my lunch box to eat because I could not stand everyone looking at me. Later that day I told my mother with tears in my eyes that I would never bring a lunch box to kindergarten. All the children in this kindergarten came from a relatively wealthy neighborhood, but still their parents could not afford to give them enough food.

Now even the poorest families in Shanghai can afford meat and fruit every day. Never in history have so many people made so much progress in their economic conditions in a single generation as residents of the coast of China. Some have become incredibly rich. These rich people are called dahu, a new term that may be translated as the

An old couple and their grandson enjoy sitting in front of a shop window at the Jin Jiang Dickson center. Their residence is too hot and the cool air-conditioned wind leaking from the gate of the center makes them comfortable. They, of course, have never been inside this fancy mall. "The price of a lady's blouse in this window," the woman said to me, "is almost equal to two years of my pension."



On the corner of Huaihai Road and Shaanxi Road, a fabulous six-story shopping center, which has a French name, Printemps, recently opened.

"big money-bugs." China's rapid growth rates and new economic structures such as the rise of private enterprises, joint ventures, and the stock market have produced, for the first time in the PRC history, an embryonic form of middle class.

At present, this class includes entrepreneurs in urban private firms, rural industrialists, speculators in the stock market, real estate agents or agents of other businesses. Other examples: managers in collective firms who earn profits through contracts, government officials who have made fortunes through corruption, Chinese representatives for foreign firms, Chinese executives in big joint ventures, sport stars and famous artists. Chinese who used to work abroad, especially in Japan, the US and Australia, where they saved a great deal of money, and professional call girls, whom we call "Oriental Hollywood Heidis" have also moved into the middle class. The richest ones usually own

three-story houses with Jacuzzi bathtubs, drive Lincoln Town Cars or Mercedes, wear Rolex watches, and appear in public places with bodyguards and personal secretaries.

Most of these work in nonstate sector or "spend money" from the state sector where they work. For a quarter century, the PRC did not allow private companies. Private firms began to reappear in Shanghai during the mid-1980s and increased quickly during the last three years. By mid-1994, Shanghai had about 14,000 private industrial firms and 117,000 private stores.⁷ According to a recent survey of China's major cities, 32% of the average income of employees, in both state and non-state sectors, are from sources other than regular salaries.⁸ People make money through moonlighting, investment in the stock market, and other means. Making money has become the foremost aim in life.

The opening of the subway in Shanghai in April this year is a milestone for Shanghai's urban construction. Following Beijing, Shanghai has become the second city in Mainland China that has a subway. It took five years to complete the Metro Line No. 1, which cost about 5 billion yuan (\$595 million).



A group of Shanghai children sightseeing in the Bund. They are growing up during a prosperity and economic boom. They cannot imagine—and probably will never understand—the poverty and hunger that their parents' generation experienced.

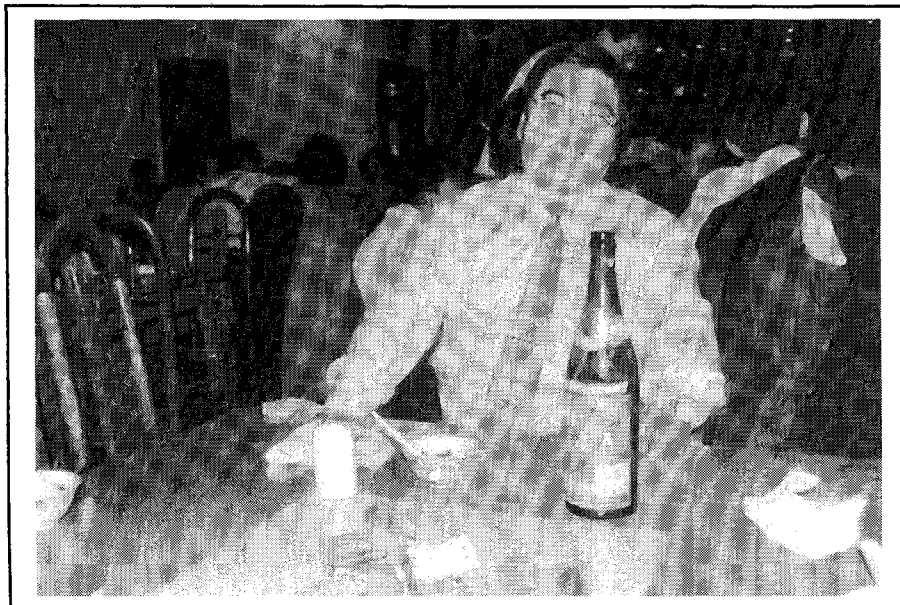


The bank savings of Shanghai residents increased from 3 billion yuan in 1980 to 25 billion yuan (3 billion US dollars) in 1990, a growth of over eight times within ten years.⁹ Chinese citizens nationwide had more than 2,000 billion yuan (244 billion US dollars) in financial assets by 1993. This 2,000 billion yuan is twice the value of all state assets in the mid-1990s. As recently as 1978, the ratio of reported nonstate assets to state assets was 1:200 — but 15 years later, in 1993, it was 2:1.1. This rapid change from 1:200 to 2:1 tells us a great deal about the fundamental change in the relationship between the state and citizens. The government has lost the material resources to guide the lives of citizens.

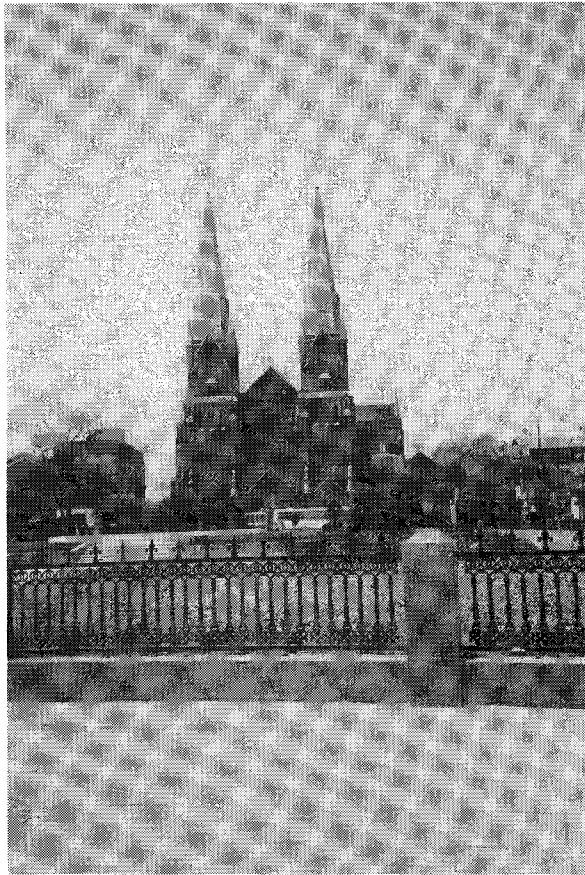
People in the West, including many China experts, have assumed that post-Mao China has made tremendous progress in economic reform, but not as much in political reform. I think this assumption is too simplis-

tic, if not entirely wrong. One cannot really separate economic reform from political change. The abolition of the "People's Commune" in the late 1970s and the ongoing urban privatization, for example, are considered economic reforms, but these economic reforms have brought about fundamental political changes to Chinese society. In addition, decentralization of power at all levels of government, the rise of technocrats in leadership, the experiment of an independent legal system, the consolidation of the power of the People's Congress (China's legislature) and more genuine grass-root and local elections, are some of the important political reforms that have been taking place in China.

China is of course not a free and democratic country. But I find, surprisingly, that ordinary Chinese enjoy a great degree of individual freedom. For myself, to be honest, except for a few occasions, I have hardly no-



The joy of a Shanghaiese Dahu.



Xujiahui Cathedral in Shanghai. By the end of 1991, there were in the city 114 religious places for worship, of which 51 were Catholic churches, 27 Christian churches, 24 Buddhist temples, 6 Taoist temples and 6 Mosques. According to the municipal government of Shanghai, there are 500,000 religious believers in the city.

ticed that I have been in an oppressive, Communist country during my stay here. Two months ago, I visited Australia. During the trip, I met a retired Australian bureaucrat. He asked me where I came from. I told him that I grew up in China and immigrated to the United States, but currently work in China as an international correspondent. "Oh," he said, "it must have been *bloody* tough for you to live under Communists again. What do you think of these *bloody* conservative communists?" "Well," I replied, "I haven't seen even *one* Communist during my journey across China, instead I saw so many *bloody* greedy capitalists there."

In today's China, no one wants to be identified as Communist or a Communist Party member. If you take a taxi in China and chat with the taxi driver, nine out of ten times he will make fun of the Communist Party and its leaders. Just a few days ago, a taxi driver and I discussed current top leaders. For him, none of these top leaders is good enough to succeed Den. He said "Li Peng does not have a brain and Jiang Zeming does not have a heart." I told him that if he made this kind of remark on Chinese leaders a couple of decades ago, he would be in jail. "Yes," he replied jokingly, "that information was a State secret then, but not now."

People in China now can more openly criticize government policies, though they may not get their criticism published. Actually, cynicism about authorities has already become the daily routine in conversations among Shanghai residents. There is a local saying in Shanghai, reflecting this newly won "civil right." The saying goes like this: "The powerful people can do whatever they want to do, rich people can buy whatever they like to buy, and ordinary people can condemn whatever they need to condemn." A friend of mine calls this phenomenon "a tripartite balance of forces" (*sanquan fenli*)

Make no mistake, the Chinese government firmly controls mass media and has rejected any societal demand for "freedom of the press." Yet quite often, I come across articles in newspapers and programs on television voicing public reservations about government policies. Channel 8 in Shanghai TV, for example, has a special program called "Editorial Office of Documentary." This program reminds me of CBS's "Sixty Minutes" in the United States, because it tells some outrageous stories about Chinese society. Recently, it broadcast a series on the ongoing construction of the Three Gorges Dam on the Yangtze River. A friend of

My mother, my uncle, and aunt are all Roman Catholics. During the Cultural Revolution, they suffered greatly. My aunt lost her husband. They are happy with the religious freedom that they have now, although they are frustrated by inflation, official corruption, and of course, from their point of view, the degradation of social morals. "There are too many books and magazines on sex in the book booths on the street," my mother often complains. They are sightseeing in the People's Square after Sunday Mass.



mine, after seeing the series, called me and said that this film made him realize how stupid and irresponsible the Chinese government was to start this dam project.

Live talk radio has also found its way into Chinese cities and has attracted millions of young listeners. Sex and sexuality were considered taboos during the Mao era, but can now be openly discussed. In a return journey to China, a Chinese American professor was astonished to see a Playboy Calendar welcoming guests in the hotel where he stayed. He was particularly struck by the sight because at the college in the US where he taught, "there was a heated debate among students over whether the magazine should be removed from the college library."¹¹

Indeed, during the past few years, Shanghai has changed in all important ways in its physical appearance, its economic condition, the life styles of residents, its political structure, and its social and moral values. Most of these changes are, in my view, for the better.

But Shanghai has not always been a pleasant surprise for me. As I have stayed here longer, especially living like a Chinese resident rather than a foreign visitor, I learned some of the serious problems and constraints that both the city and the entire country face. Mark Twain was absolutely right when he said that until a visitor becomes a resident, it is impossible to have an accurate understanding of a place and its people.

Foreign visitors to Shanghai can easily notice the traffic jams. They are often frustrated and angry as their taxis are stuck on the narrow streets of the city. But probably very few of them could really imagine the hardship and frustration of local residents who are bus riders. In the hot humid summer, they are packed in overcrowded buses and every passenger is

wet with sweat. In the cold Shanghai winter, many bus riders wait in the rain or the wind and cannot manage to get on the already overcrowded buses. The number of bus passengers in the city reached 4.6 billion annually in the late 1980s, 18 times that of 1949, but the number of buses increased only 4 times and the road space increased only 2 times.¹²

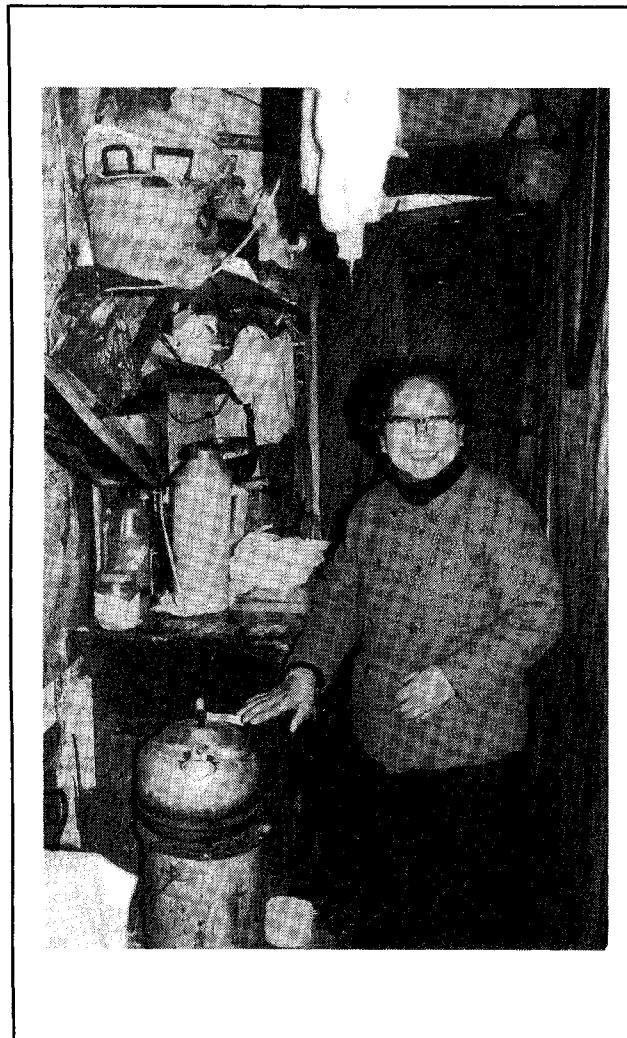
The situation will get much worse as thousands of downtown residents have moved to distant suburbs because the local government has leased the downtown area to foreign investors. But these people usually work in the downtown area. The relocation of downtown residents has been one of the central issues in Shanghai in the past few years and it has greatly increased the tension between Shanghai residents and the local government. Street protests occurred a number of times in the past two years and the government used force to crack down on these demonstrators. Protesters resented the authorities' ruthlessness in this post-revolutionary urban land reform. Families were usually given only a few weeks' notice, and they seldom had many options to decide where to move. Also, they had to pay large sums to the government if they wanted to have more space in their newly allocated homes.

Many complained that the children of Deng Xiaoping and Chen Yun, another revolutionary veteran who died a few days ago, as well as some local officials, take kickbacks (*huikou*) from foreigners, including business people from Hong Kong and Taiwan who want to lease land in Shanghai.

People also complained that the local government is more interested in building fancy hotels and offices than in helping those low income families with insufficient housing. According to an official report, about 900,000 families in Shanghai had insufficient housing (meaning less than 4 square meters per person); and

among them, 70,000 families had no room at all to live.¹³

I had a wet nurse (*naima*) when I was a baby. She lived in a tiny 8-square-meter room in a shabby house with her husband and three children. She is a wonderful woman and has a happy family. Working as a wet nurse or a maid, she brought up her three children. Two of them later went to college. Now all are married and each has a child. She no longer worries about food and clothing for the family. But what makes her anxious is the fact that after 38 years, five people still live in this tiny 8-square-meter room — my wet nurse, her husband, her son, her daughter-in-law, and her granddaughter — with no bathroom, no kitchen, no privacy. She and her family have saved some money over the decade, planning to buy an apartment. But money is devalued because of inflation. Also because of real estate speculation, the cost of purchasing an apartment in Shanghai is too high for an ordinary family. I have visited her four times during the past 20 months. Each time when I leave her home, which is located near Nanjing Road and the People's Square, I cannot help but feel that fancy department stores, 5-star hotels, the gigantic TV tower, and neon light around me are unreal and meaningless.



What has made some Shanghai residents even more anxious is the increasing number of people in State-owned enterprises that have lost jobs. It is widely recognized that China's State-owned enterprises have been in serious trouble. According to an influential Chinese newspaper, 80 percent of China's state-owned industrial enterprises currently have hidden deficits.¹⁴ The causes of problems are various. For example, about three-quarters of Shanghai's textile factories — the city's largest industry — had to shut down operations by the early 1990s because of a shortage of cotton, old machines, insufficient capital, poor management, the loss of State assets, the heavy burden of health care and pensions, and increased market competition from rural industries in other areas.

State-owned enterprises in many other industries of Shanghai are also running in the red. The dilemma for the municipal government is that it cannot afford to subsidize these industries endlessly while sending large remittances to Beijing, but it is also unwilling to let them go bankrupt or to lay off workers. Many workers are ordered to stay at home waiting for a job. The government uses a new term, 'off-post' (*xiagang*), to refer to those "job-waiting" workers. "Off-post" workers receive only part of their regular salaries. Last December, I attended a reunion party of my high school class. Twenty-four former classmates showed up and among them four were "off-post."

Like me, they are in their late 30s or early 40s. It is difficult for them to learn new skills quickly and start new jobs. Many jobs in the city, especially in the entertainment and service sector, are open only to those in their early 20s. Our reunion party became a "meeting of complaints." One friend said that he missed the old days under Mao — poorer, but more equal. My friend earned 400 yuan (US\$47) a month. But a tour guide who takes a bus full of Japanese and American tourists for a day outing in Shanghai can make some 40 US dollars in tips.¹⁵ Try to compare their incomes, then you will have an idea of the disparity.

This is the disparity only between different sectors within Shanghai. The disparity between Shanghai and other cities, between urban and rural areas, between coast and inland is even greater. Partially because of this disparity and mainly because of the lack of arable land in rural China, thousands of surplus rural laborers have migrated to cities, especially coastal cities such as Shanghai. As we all know, China accounts for 22 percent of the world's population, but has only 7 percent of the world's arable land. The arable land of China is only half of the arable land of the United States, but the number of rural laborers is 120 times

My wet nurse and her 8 square meter "apartment" where five people have lived for 38 years.

that of the United States.

It is believed that China now has 200 million surplus rural laborers. Two hundred million surplus rural laborers! This is equal to the population of two Mexicos, four Britains, and eight Canadas. Two hundred million surplus laborers exceeds the total population of Indonesia, the fourth most populous country in the world and is almost equal to the population of the United States, the third most populous nation. Just imagine the population of eight Canadas without jobs!

Surplus rural laborers inevitably have to migrate to urban areas to seek job opportunities. In February 1994, I took a train from Hefei, Anhui to Shanghai. This was the time soon after the Spring Festival, the most important holiday in China. The train was crowded with migrant laborers who were returning to their work places in cities. There was absolutely no space to stand on the train — when I moved my leg, I could not find a place to put it down. Some Shanghai-bound trains were so crowded that even a tiny toilet on the train sometimes “accommodated” as many as nine passengers. The toilet in a Chinese train is as small as the ones on Amtrak in the United States.

Shanghai has been completely unprepared to absorb so many migrants. Migrant workers have increased the pressure on urban infrastructure, housing, transportation (both within the city and across country) health care, and social welfare. Urban crimes have increased significantly in recent years because some migrants could not find jobs in cities. The dilemma for the Chinese government is that it will cause rural unrest if the government does not allow surplus laborers to migrate, but a free flow of migrants might eventually paralyze China’s major cities, including Shanghai.

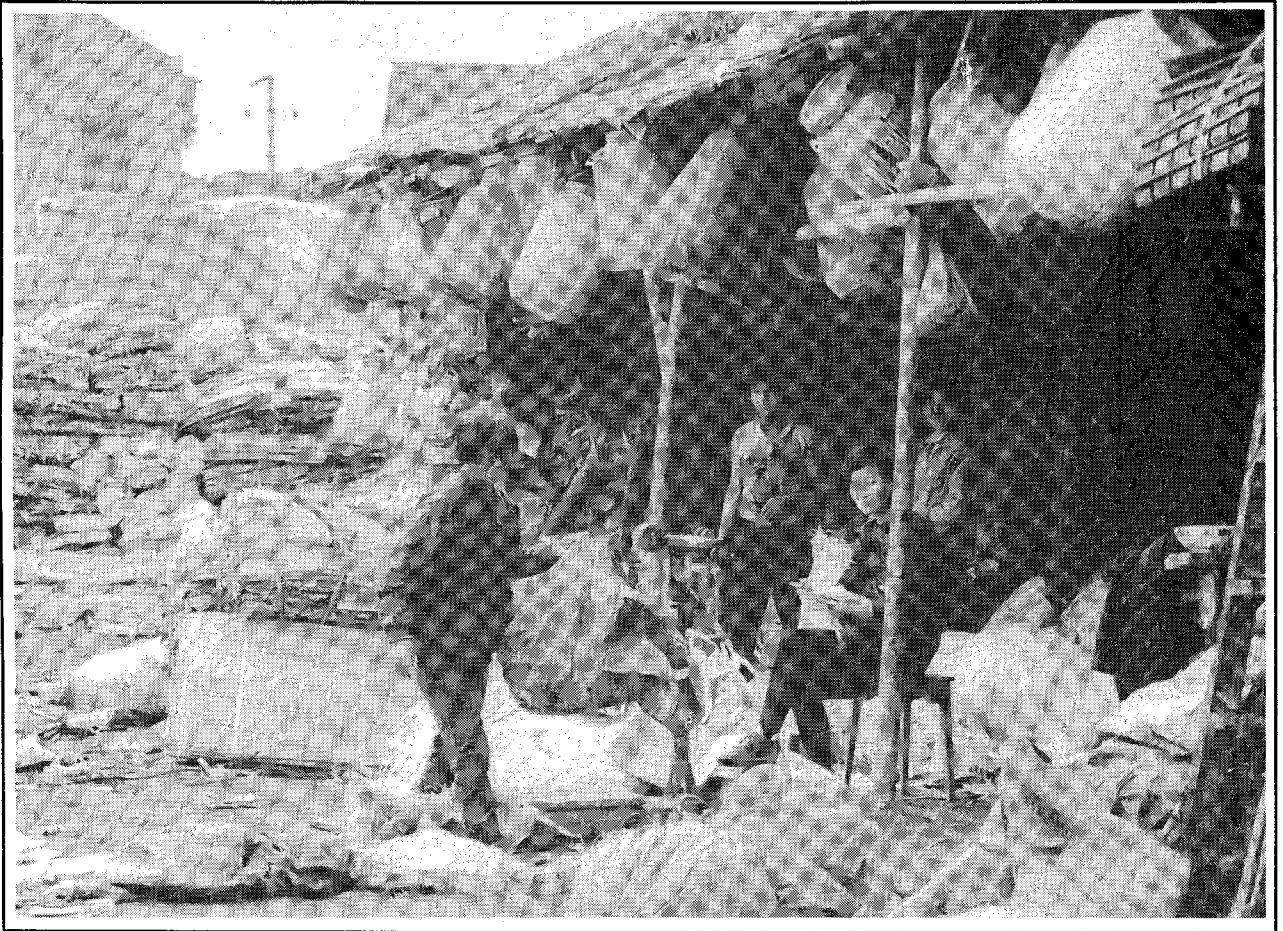
All the problems that I have just discussed — the poor urban infrastructure such as transportation and housing, official corruption, inflation, deficits in State-owned enterprise, the layoff of State employees and the pressure of surplus rural laborers — are tough problems. Each can ruin the economic development and social stability of the country. There are no easy solutions. However, given all those problems, I am really surprised, and indeed amazed, that Shanghai as well as all of China has progressed so far in the recent decade.

I hope that I haven’t taken too much of your time. I get so wound up in the things that have surprised me in my native city that sometimes I go on too long. I don’t want to be like the man who spoke for several hours, and when he ended he apologized and said that he had forgotten to wear his watch. A person from the audience shouted, “What’s that got to do with it? There is a calendar on the wall.”

China is changing at such a rapid pace that time, once measured in decades and centuries, is now measured in days and months. Not only will these changes have a profound effect on the way of life of most Chinese people and the way Chinese society is organized, but the outcome of such drastic transformations will have strong implications for the global political economy and world stability.¹⁶ This is a country with tremendous potential, in both positive and negative ways. China’s economic condition and social stability are not only Chinese issues, but are, and should be, global ones. The future of China is a tempting subject to stir the imagination. I don’t want to predict anything but change — the only thing that is always certain is change. Look around you while you are here and you will see this for yourselves. □

A reunion party of my former classmates in Shanghai. Among the eight classmates of mine in the photo, two are “off-post.” They are among the thousands of employees in the State-owned enterprises in the city who were recently laid-off.





A scene showing some garbage collectors in downtown Shanghai. With no permanent residence permits, no work contracts, no trade union, no welfare benefits, no workplace safety, no medical care, no health insurance, they have become one of the most vulnerable groups in the city.

NOTES:

1. Robert W. Mahoney, "China: Still the World's Top Emerging Marketplace." *VSD*, June 1, 1993, p. 490.
2. *The Wall Street Journal Reports*, Dec. 10, 1993, p. R1.
3. Quoted from James Fallows "The Joys of Japan," *The Atlantic*, July 1993, p.104.
4. James Fallows, "Shanghai Surprise," *The Atlantic Monthly*, July 1988, p. 76.
5. Paul Theorous, "Going to See the Dragon," *Harper's*. October 1993, p. 33.
6. By the end of 1993 Shanghai had 805 commercial dance halls (2.12 times more than the figure of 1992), 1,539 Karaoke bars, 1,020 KTV (Karaoke television) clubs (including 4,895 KTV rooms). *Jiefang Daily*, Aug. 9, 1994, p.3.
7. *Jiefang Daily*, Nov. 2, 1994 and *Shanghai Star*, Nov. 1, 1994.
8. *Baokan wenzhai*, March 23, 1995, p. 1.
9. Cai Laixing. *Maixiang xiandaihua de juizhe* (Choices in the road toward modernization), Shanghai: Far East Press, 1993, p. 312.
10. *China Daily*. July 13, 1994; and Wang Shan, *Disanzhi yanjing kan Zhongguo* (China through the third eye), third edition (Hong Kong: Mingbao Press, 1994), p. 214.
11. Xiao-huang Yin, "China's Gilded Age" *The Atlantic Monthly*. April 1994, p. 44.
12. Tian Fang and Zhang Dongliang, *Zhongguo renkou jianyi xinduan* (New approach to the study of China's population), (Beijing, Zhishi publishing house, 1980), p.304.
13. *Ibid*.
14. *Yatai jingji shibao* (Asian Pacific economic times), Dec. 9, 1993, p. 4.
15. I have derived this comparison from a thought-provoking article by Timothy Tung, "Changing China, A Personal Observation," *US-China Review*, Summer '93, p. 12
16. Quoted from Kam Wing Chan, "Urbanization and Rural-Urban Migration in China since 1982: A New Baseline," *Modern China*, Vol. 20, No. 3, July 1994, p. 273.

Current Fellows & Their Activities

Bacete Bwogo. A Sudanese from the Shilluk tribe of southern Sudan, Bacete is a physician spending two and one-half years studying health-delivery systems in Costa Rica, Cuba, Kerala State (India) and the Bronx, U.S.A. Bacete did his undergraduate work at the University of Juba and received his M.D. from the University of Alexandria in Egypt. He served as a public-health officer in Port Sudan until 1990, when he moved to England to take advantage of scholarships at the London School of Economics and Oxford University. [THE AMERICAS]

Cheng Li. An Assistant Professor of Government at Hamilton College in Clinton, NY, Cheng Li is studying the growth of technocracy and its impact on the economy of the southeastern coast of China. He began his academic life by winning the equivalent of an M.D. at Jing An Medical School in Shanghai, but then did graduate work in Asian Studies and Political Science, with an M.A. from Berkeley in 1987 and a Ph.D. from Princeton in 1992. [EAST ASIA]

Adam Albion. A former research associate at the Institute for EastWest Studies at Prague in the Czech Republic, Adam is spending two years studying and writing about Turkey's regional role and growing importance as an actor in the Balkans, the Middle East and the former Soviet bloc. A Harvard graduate (1988; History), Adam has completed the first year of a two-year M. Litt. degree in Russian/East European history and languages at Oxford University. [EUROPE/RUSSIA]

Cynthia Caron. With a Masters degree in Forest Science from the Yale School of Forestry and Environment, Cynthia is spending two years in South Asia as ICWA's first John Miller Musser Memorial Forest & Society Fellow. She is studying and writing about the impact of forest-preservation projects on the lives (and land-tenure) of indigenous peoples and local farmers who live on their fringes. Her fellowship includes stays in Bhutan, India and Sri Lanka. [SOUTH ASIA/Forest & Society]

Hisham Ahmed. Born blind in the Palestinian Dheisheh Refugee Camp near Bethlehem, Hisham finished his A-levels with the fifth highest score out of 13,000 students throughout Israel. He received a B.A. in political science on a scholarship from Illinois State University and his M.A. and Ph.D. from the University of California in Santa Barbara. Back in East Jerusalem and still blind, Hisham plans to gather oral histories from a broad selection of Palestinians to produce a "Portrait of Palestine" at this crucial point in Middle Eastern history. [MIDEAST/N. AFRICA]

Sharon Griffin. A feature writer and contributing columnist on African affairs at the *San Diego Union-Tribune*, Sharon is spending two years in southern Africa studying Zulu and the KwaZulu kingdom and writing about the role of nongovernmental organizations as fulfillment centers for national needs in developing countries where governments are still feeling their way toward effective administration. She plans to travel and live in Namibia and Zimbabwe as well as South Africa. [sub-SAHARA]

Pramila Jayapal. Born in India, Pramila left when she was four and went through primary and secondary education in Indonesia. She graduated from Georgetown University in 1986 and won an M.B.A. from the Kellogg School of Management in Evanston, Illinois in 1990. She has worked as a corporate analyst for PaineWebber and an accounts manager for the world's leading producer of cardiac defibrillators, but most recently managed a \$7 million developing-country revolving-loan fund for the Program for Appropriate Technology in Health (PATH) in Seattle. Pramila is spending two years in India tracing her roots and studying social issues involving religion, the status of women, population and AIDS. [SOUTH ASIA]

William F. Foote. Formerly a financial analyst with Lehman Brothers' Emerging Markets Group, Willy Foote is examining the economic substructure of Mexico and the impact of free-market reforms on Mexico's people, society and politics. Willy holds a Bachelor's degree from Yale University (history), a Master's from the London School of Economics (Development Economics; Latin America) and studied Basque history in San Sebastian, Spain. He carried out intensive Spanish-language studies in Guatemala in 1990 and then worked as a copy editor and Reporter for the Buenos Aires Herald from 1990 to 1992. [THE AMERICAS]

Teresa C. Yates. A former member of the American Civil Liberties Union's national task force on the workplace, Teresa is spending two years in South Africa observing and reporting on the efforts of the Mandela government to reform the national land-tenure system. A Vassar graduate with a *juris doctor* from the University of Cincinnati College of Law, Teresa had an internship at the Centre for Applied Legal Studies in Johannesburg in 1991 and 1992, studying the feasibility of including social and economic rights in the new South African constitution. While with the ACLU, she also conducted a Seminar on Women in the Law at Fordham Law School in New York. [sub-SAHARA]

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Executive Director Peter Bird Martin
Program Administrator Gary L. Hansen
Letters Coordinator Ellen Kozak

Phone: (603) 643-5548
Fax: (603) 643-9599
E-Mail: ICWA@valley.net

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The Institute of Current World Affairs

4 WEST WHEELOCK STREET
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