

ICWA LETTERS

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4 West Wheelock Street
Hanover, New Hampshire 03755

CL-30 1995
EAST ASIA

Rediscovering China

**"As Long as Books are Opened,
Minds will not be Closed"**

BY CHENG LI

SHANGHAI, China

January 1996

Mr. Peter Bird Martin
Executive Director
Institute of Current World Affairs
4 West Wheelock Street
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Dear Peter,

When F. Scott Fitzgerald sent the manuscript of *The Great Gatsby* to his editor, he attached a brief note expressing his joy at completing the work: "My God, it's good to see those chapters lying in an envelope."

I feel the same way as I send you my final ICWA letter from China. During my two-year fellowship, I have written a total of 30 reports (over 500 pages and about 160,000 words). I'm glad that my on-the-spot reporting about China has now come to a conclusion. This ICWA letter, as you will find, is based on the concluding report that I presented at the the Members and Trustees Meeting of the Institute of Current World Affairs, which was held in Washington D.C. in December.

After our December meeting, I flew to Shanghai for my winter vacation. At the same time I began a new academic research project. Readers of the ICWA letters may still remember my first letter, "Leaving Home to Go Home," in which I described my emotional turmoil concerning my old home (China) and new home (America), and a sense of alienation toward my native country. But as I am writing to you now, I feel completely at home here in Shanghai, just as I feel at home in upstate New York. Indeed, the East and the West have now come together as my one home.

This does not mean that the differences — the differences in politico-economic structures and social values — between China and the United States are unimportant. The longer I stay in China, the more I realize how deficient the Chinese political system is and how this deficiency affects all aspects of Chinese society. I have also come to understand why Wei Jingsheng, a prominent Chinese dissident who was in prison for 14 years and was recently sentenced to another 14 years, called for a "fifth modernization" — democracy — for the country. The Chinese government called for "four modernizations" in agriculture, industry, science, and the army, but Wei believed that without the "fifth modernization," the other modernizations would

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ultimately bring trouble to the Chinese people.

While in China, I am often asked to compare the political systems of China and the US. Each time I always respond by repeating the story that I heard from Daniel Bell, a distinguished sociologist at Harvard University: In the 1950s Bell, then a young Ph.D., applied for a research grant from a foundation to study the future of the United States. He was interviewed by the representative of the foundation and was asked to predict what would happen to the United States in the 1960s, 1970s, 1980s, and 1990s. It was a difficult question, but Bell gave a clever answer. Bell told the representative: "There will be a presidential election in the United States in 1964, there will be another presidential election in 1968, another one in 1972, 1976, 1980, 1984, 1988, 1992, 1996 ..."

Daniel Bell was absolutely right. Only people in democratic countries can foresee a regular and genuine election. Only a small number of countries in the world in the 1950s, (still a relatively small number of countries in the 1990s as well), could predict a peaceful transfer of power in their countries. Political unpredictability, especially the crisis associated with leadership succession, characterizes politics in authoritarian countries such as China.

My new research project will focus on how the emerging middle class in China protects and advances its economic interests through political and institutional means. My field work in China during the past two years, and the intimate knowledge of the country derived from this experience, will help me greatly in pursuing this new academic project. In a way, the conclusion of my ICWA fellowship is also the beginning of this new intellectual endeavor.

I would like to take this opportunity to thank all readers and friends for their support and encouragement during the past two years. I am grateful to my

colleagues at Hamilton College, especially Eugene Tobin, former Dean of Faculty and now President of the College, for encouraging me to take a two-year leave of absence to bridge the gap between classroom teaching and "real world" exploration. My friends at Hamilton, Mrs. Sally Carman and Dr. Hermine Williams, commented on almost all of my ICWA letters through fax and airmail across the Pacific. Words can hardly convey my appreciation.

Distinguished China experts Michel Oksenberg, Andrew Nathan, Orville Schell, Gilbert Rozman, and especially my mentors Robert Scalapino, A. Doak Barnett and Lynn White, kindly wrote to me. Their letters reinforced my belief that the world of academic study of China should not be separated from the world of journalistic reporting on China. I also felt honored that graduate seminars at Duke University and U.C. Berkeley, among many other schools, have adopted some of my ICWA letters as course materials.

Many individuals in China have contributed interviews, information, and inspiration for my efforts. My reports simply could not have been done without them. I regret that I cannot thank each of them here. My gratitude to all of them, however, is profound.

Finally, I would like to express deep thanks to my family in Shanghai and my "extended family" — the Institute of Current World Affairs. Both families have shared with me two years of effort and now, I hope, share the satisfaction.

My fellowship in China, as you will see in the following report, was not only a search for my own identity, but also a search for "the real China" or what I call "an effort to rediscover China."

Sincerely,

Cheng Li

Rediscovering China

"As Long as Books are Opened, Minds will not be Closed"

(Transcript of a Speech Delivered at the Members and Trustees Meeting of the Institute of Current World Affairs. Washington D.C., December 15, 1995)

Members of the board of trustees, distinguished guests, and my fellow Fellows:

First, I would like to thank Peter for the generous introduction. I'm only sorry that my parents couldn't be here this evening to hear it. My mother would have believed every word.

As I stand here delivering my concluding report, in my mind I am far away and long ago. The place is

Huahai Road, a main commercial street in Shanghai. The date is October 20, 1963. This is one of the "good years" in Mao's China. The three-year long famine is over and the Cultural Revolution has not yet started. It is my seventh birthday and my parents have decided to give me a birthday gift. After having visited almost all the stores on Huahai Road, my parents and I have narrowed our options to three choices: a corduroy jacket, a small transistor radio, or a four-volume collection of world fables for children.



My family. This photo was taken in 1960 when I was four years old. This is probably the earliest memory of my childhood. As I remember, I was criticized by the photographer for dressing in a light-color jacket, which differed from other members of the family. Uniformity was the norm at that time. All of my family members went through great hardship during the years that followed. My eldest brother (standing in the middle), a college student at Fudan University, was killed by the Red Guards during the Cultural Revolution.

Each of us, however, has a different preference. My mother wants me to get that jacket. As the youngest son in a family of seven children, I have never had a new jacket — always “inheriting” clothing from my immediate elder brother. I like the jacket, but I prefer the small radio. It would be exciting, I think, to practice revolutionary songs with the radio. My father, however, prefers the books. He came to the city in the 1920s as a child laborer and later became a successful industrialist. Although he did not receive formal schooling, he understands the importance of his children’s intellectual development. As in most Chinese families, father makes the final decision. During the following days, weeks, and months, I am deeply absorbed in reading these fascinating fables. A young boy discovers an entirely new world — a kingdom of wisdom.

These four books of fables, along with many other books in my family, were later burned by the Red Guards during the Cultural Revolution. But a fondness for reading, the power of imagination and the comprehension derived from reading had already been instilled in me and helped me survive my traumatized boyhood years. When I grew up, especially when I continued my advanced education in the US twenty

years later, I came to realize that my father actually gave me a priceless gift on my seventh birthday. My life might have been completely different if my parents had given me, instead, a jacket or a radio.

Exactly thirty years after I received this priceless gift, I received another priceless gift, which has profoundly affected my life. If the previous gift lifted my horizon into a world of words, images and symbols, the more recent gift led me to discover a world of complexities, contradictions, and constant changes. This more recent gift, of course, refers to the Fellowship that the Institute granted me during the past two years. I can draw many parallels between these two most important gifts in my life. Saint Augustine once said, “The world is a book, and those who do not travel, read only a page.” I was privileged to have the opportunity to travel throughout China. It was a wonderful feeling to turn a new page, another new page, and yet another new page in my China book during the past two years.

Just like a 7-year-old boy who would rather have a jacket and a radio than read a book, I first had some reservations concerning the gift that you were about to give me. A Fellow has to spend a minimum of two years in the field. Two years seemed to me a bit too



Our family reunion in Shanghai in the New Year of 1996. So much change has taken place in our family over the past three decades. During the Cultural Revolution, all of my siblings were rusticated to the countryside in distant places. Now two of my brothers, including my half brother (standing in the middle), work as managers in State-owned firms. The other two brothers earn large salaries by working in the private sector — one is a stock speculator (on the back row, first left) and the other (second left) is a representative for Pierre Cardin. One of my sisters (seated on the right) is a medical doctor in a hospital in Wujiang. The other sister and I have immigrated to the United States.

long. I had a job in the United States. One year would probably be good for me. I could put this fellowship on my resume. Who would care whether it was one year or two? A year-long fellowship would also give me a ticket to join this "white-male-philanthropist-Christian-heterosexual-elite club. [Sorry, Peter, this of course is not true, but it was what I thought then.] Also, a Fellow is not supposed to pursue academic research or write a book. This requirement bothered me even more than the time requirement. As a junior college professor, I live under the shadow of "publish or perish." I could not afford to ignore academic research while writing journalistic reports for two years. This is something like asking Peter Sampras to play badminton instead of tennis for two years, or like asking the jurors at the O.J. trial to resist the temptation of writing a book.

Now, as I have completed my two-year fellowship in the field, I fully understand, and indeed appreciate, all these specific requirements of the Institute Fellowship. Two years in China seem to me not long enough. It was only long enough to make me realize how much I do not know about this rapidly changing country. The

length of stay not only gave me the opportunity of meeting thousands of people in various walks of life, but also changed my perspective from that of a foreign visitor to a local resident. 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.

The obligation to write monthly reports also pushed me to look at various aspects of Chinese life. Most of the issues that I studied and reported on in China, for example surplus rural laborers and internal migration, were entirely new to me and were overlooked in the Western study of China. I probably would never be aware of these problems if I had remained in an "ivory tower."

A few days ago, a friend from Cornell University told me a story. A graduate of 1983 returned to her Alma Mater and saw her professor who was about to give a final exam for an introductory course on East Asia. For curiosity's sake, she asked the professor to show her the questions on the exam. To her surprise, the professor was giving the same exam that she had

taken 12 years ago. "Professor," she asked, "East Asia has changed remarkably during the past fifteen years: Japan has become an economic superpower, South Korea and Taiwan have turned into liberal democracies, and China has undergone a major structural transformation in its economy. How can you still use the same questions?" "Oh," the professor replied, "the questions are the same, but the correct answers are different."

I'm not sure whether this is a joke or a true story, but the incompetence of American studies of foreign politico-economic systems is nothing unusual. No one in the field of Soviet studies, for example, predicted the collapse of Communism. Western study of Chinese politics, I believe, is also rapidly approaching the time when all the old, accepted clichés about China will become outdated.

For me, a journey across China was a journey rediscovering China. This journey, however, was not an easy one for several reasons. First, I had an identity crisis. I'm Chinese and I was returning home, returning to the country in which I was born and knew well in a different time. But living in the US for eight years has profoundly changed me. As soon as I arrived in China, I found that I was more American than Chinese. China was no longer the China that I had considered home. I found myself too much an adopted child of a liberal society to tolerate the neglect of individualism in my native land. Someone said that "The worst feeling in the world is the homesickness that comes over a man when he is at home." This was precisely the kind of sadness that I experienced.

Also, China's national security officers watched me very closely. Although I was determined to write openly and honestly no matter what happened, I was a bit concerned about not making trouble for the people I interviewed. My main problem, however, was that I had writer's block and I could not find a way to make sense of the socio-economic changes that I witnessed. Seldom has any country revealed itself so incredibly with all its contradictions and disfigurements, and scarcely have changes unfolded in ways so broad, breathtaking, and bizarre as in today's China. Shortly I will explain these contradictions and disfigurements. But first I want to say that my fellowship in China taught me to be aware of complexity, tolerant of ambiguity, and distrustful of certainty. It also made me realize how easy it would be for a foreign visitor, or even a Western China expert, to travel to China for a few weeks and write the sort of "insightful" view that gets it all hopelessly wrong.

Tonight I will focus on three major Western misconceptions about China. The first misconception is the view that post-Mao China has remained a Communist state; and has been able to resist the pressure of political reform despite, or because of, tremendous progress in economic reform. This situation, according to some experts, is unlikely to change in the near future. The

second misconception is the prediction that China is on the way to becoming an economic giant and therefore a threat to the West, particularly to the United States. And the third misconception is the conventional view that the continuation of China's economic reform is inevitable, because this reform has brought about one of the greatest developments in human welfare in Chinese history. While acknowledging some validity in these views, I believe all of them are basically wrong. Unfortunately, these misleading views have strongly influenced the general public, business people, academic studies and governmental policies in the US. A critical discussion of these three views will show you not only why I disagree with most China experts in this country, and but also how I assess China's present and China's future.

Let me illustrate the Western misconception about the Communist government in China with an anecdote. Last February I went to Australia to give a talk. 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. "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."

I was not kidding. Throughout my two years in China, I did not see the kind of Communists with whom I had been so familiar as I grew up. Party officials in China whom I interviewed often identify themselves as Chairmen of the Board of Trustees. I received over two thousand business cards in China. Believe it or not, none of them identified a position in the Communist Party, although some of the cards listed more than ten administrative or professional titles. Actually I seldom heard the word Communism mentioned while I was in China during the past two years, except on CNN and VOA. It was crystal clear to me that the Chinese Communist Party has lost its mandate and its ideological coherence. China is no longer a Communist country in any meaningful sense.

People in the West have often seen a sharp contrast when comparing the former Soviet Union and China — the collapse of Communism in the former and the prolonged continuation of Communism in the latter. But it can also be argued that the rejection of Communism occurred in China a decade earlier than the collapse of the former Soviet Union. The stock market, a notably capitalist phenomenon, has played an important role in the Chinese economy during the reform era. The Shanghai Stock Exchange, which was established in the mid-80s, was the first stock exchange in the world to be approved by a self-proclaimed Communist government. Industrial and commercial entrepreneurs, in both rural and urban areas, have already formed a sizable capitalist class in China, which is in many ways more active and



With a group of Uigurs in northern China.

One of my regrets during my fellowship in China was that I did not have much time to visit the regions in which minority nationalities live. I hope that the future China Fellow of our Institute will explore this important aspect of Chinese society.



Readers of the ICWA Letters may still remember the series of reports that I wrote about my trip along the Yangtze River, "Human Life and Human Responsibility: A Three Gorges Adventure." In the series I criticized the Chinese government for its lack of concern for safety in the Three Gorges dam project and other matters. In the letter I also told a story about Dong Jinjia (right), a 50-year-old oarsman who started to work on a tourist boat when he was a teenager.

Several weeks before I left China, another oarsman whom I met on the same trip sent me a letter, telling me that Jinjia died in a fire in the Spring of 1995. All the company boats that were berthed at the wharf were burned in a fire on a windy evening. Jinjia was drunk and sleeping in the boat. "This could have been avoided," the junior oarsman wrote, "if our families did not have to migrate because of the dam project and Jinjia could stay in his old house, or if our boss had any concern about our safety."

influential than its counterparts in Eastern Europe and the former Soviet Union.

It is also too simplistic, if not entirely wrong, to assume that post-Mao China has made tremendous progress in economic reform, but not as much in political reform. One cannot really separate economic reform from political change. The ongoing urban privatization, for example, is considered economic reform, but this reform has brought about fundamental political changes in 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, and more genuine grass-root and local elections, are some of the important political reforms that have been taking place in China.

I don't mean that all the political changes are constructive. Earlier, I suggested that a large number of government officials are Communists in name, but capitalists, or bureaucratic capitalists, in fact. During my stay in China, I was amazed by the rampancy of official corruption. Let me share with you a joke, which lately has spread throughout China. It goes like this: "If you arrest all the police chiefs in China, you may wrong an innocent chief, but if you arrest every other police chief, you will definitely let many guilty chiefs escape unpunished."

Before I left for the US in 1985, corruption in China was petty bribery of a few hundred dollars; now officials steal several millions or even several hundred millions. Some top leaders claim that they will start anti-corruption campaigns. But those who have been punished are usually low- or medium-level government officials and junior military officers. There is a local saying in Shanghai, reflecting the hypocrisy and the problem of governmental anti-corruption campaigns. The saying goes like this: "A big embezzler gives a lecture on governmental anti-corruption campaigns, a medium-sized embezzler listens to the lecture, only a small embezzler goes to jail." If the high-ranking officials were ever punished, they were punished not because of their crimes, but because they lost the power struggle within the government.

This irony and hypocrisy within the Communist State has strong implications for our assessment of China. Chinese leaders cannot continue to identify themselves as Communist while enthusiastically embracing capitalism. The current Chinese government is extremely unpopular and will surely be faced with challenges in the years to come. I suspect that Chinese leaders are particularly uneasy about what has happened recently in South Korea. Nicholas Kristof, the *New York Times* correspondent, recently observed that the South Korean case suggests that people will not be lenient toward corrupt leaders, even if they preside over a booming economy.

But to my surprise, many American China experts,

after a week-long visit to Beijing, came back and made all kinds of positive comments about China's political situation. One of their predictions that really surprised me is the statement that China's post-Deng leadership succession is already completed and Jiang Zemin is, and will be, in control. I did not get that impression during my stay in China, even in Shanghai, which is Jiang's power base. Instead, I heard numerous jokes about him and other Chinese leaders. Jiang currently holds the highest posts in the Party, government and the army. Probably he will not immediately lose all these positions when Deng dies. But the question is: How long can he remain in power? Once, in Chengdu, a taxi driver and I discussed current top leaders. For him, none of these top leaders is good enough to succeed Deng. He said "Li Peng does not have a heart and Jiang Zemin does not have a brain." I told him that if he made this kind of remark about 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."

Jiang Zemin does not have the respect of the people, because he has not accomplished anything good for the country. The only thing that he did in Shanghai was to ban the city's liberal newspaper during the 1989 democratic movement. He recently purged corrupt Beijing municipal leaders, but most think this was only because he wanted to get rid of his political enemies. This action actually caused much resentment among many provincial leaders. If American China experts continue to be so optimistic about the leadership succession and the political system in the country, they will be in for another shock, similar to the one they got in 1989, not to mention the one in the 1970s.

Now let me turn to the second major misconception of China in the West — the prediction that China is on the way to becoming an economic giant and therefore a threat to the West, particularly to the United States. There is no doubt that China's economic development during the past decade is remarkable. As I lived in Shanghai, I literally saw the earth move as developers ripped up the city, street after street. The city has witnessed over 1,000 skyscrapers rising from the ground due to the property boom during the past few years. Not only Shanghai, but also virtually all major cities, are engaged in what people call "construction fever." Not only cities, but also vast rural areas in coastal China have been transformed into new towns and cities as a result of China's rural industrial revolution. I think that a reporter for *The Wall Street Journal* was not entirely exaggerating when he wrote: "What's going on in Shanghai, and up and down the China coast, might be the biggest construction project the planet has ever seen since the coral polyps built the Great Barrier reef after the last Ice Age."

Never in history have so many people made so much economic progress in a single generation as residents of coastal China. Some have become incredibly

rich. These rich people are called *dahu*, a new term that may be translated as "big money-bugs." During the past two years, I met several dozen rich, rural industrialists, visited their homes, and listened to their life stories. Almost every time I felt as if I was listening to a Chinese Carnegie or Rockefeller. In my recent ICWA report "Who Created China's Economic Miracle," which many of you have probably read, I introduced Mr. Chen, a 45-year old-peasant-turned-industrialist in southern Jiangsu.

For the first thirty years of his life, Mr. Chen and his family lived in a straw shed. Now he owns a huge, three-story mansion. I call it a "mansion" because it has so many rooms that his wife has to number them — 201, 202, 203, 213 and so on. This mansion has three dining rooms, one banquet room, and a ballroom that can accommodate 80 people. Mr. Chen made his fortune during the past ten years by manufacturing fiberglass, a construction material in great demand in the country. By the way, Mr. Chen is coming to the US to attend the Congressional Prayer Breakfast in February at which he will see President Clinton. Here I would like to thank Carol Hamrin, US State Department, who is with us today, for making this possible and indeed for adding even more drama to Mr. Chen's life.

I visited Mr. Chen's house a number of times, once with a partner of Goldman Sachs. The American businessman asked me three times: "Is this a private house?" When he was assured that it was, he said to me. "That Chinese *dahu* is rich enough to be a senior partner of Goldman Sachs." I asked a local official whether this *dahu* is the richest person in the county. "No," the official told me, "he is not even listed among the top one hundred richest people in our county." "Is that right?" I said. I was so amazed that I asked the question three times.

Mr. Chen's story is by no means unusual in coastal China. Yet I do not want to give the wrong impression that a significant portion of the Chinese population is, or will be, as wealthy as Mr. Chen in the near future. As I traveled across China, especially to northwestern and central China, I got the strong impression that China will remain a poor country for decades to come. Let me be clear: Living standards have also improved in these remote areas. There is no hunger or starvation, which were common during the Mao era and which still exist in many other poor countries in Africa and Asia. When the reform started in 1978, China's economic condition was extremely backward. Today it is still backward in terms of GNP per capita. It is important to know that if the US increases one percent in its GNP, per capita income in the US will increase by \$180. By contrast, if China's GNP increases 10 percent, per capita income in China will increase only \$30.

Is it truth or myth that China is becoming a new economic giant? My answer is that it is both truth and myth. China's coastal area has already become an eco-

nomical powerhouse in the world. But as a whole, China will remain a poor country for decades to come. China has been, and probably will always be, a nation of many faces. China's economic progress is real, but so is its backwardness.

Recently in this country, we have heard a lot of discussion about the "China threat" and the argument for containing China. For some people, China is replacing the former Soviet Union and becoming the main enemy of the US. The evil Russian bear is being replaced by the dangerous Chinese dragon. Will China become a threat to the US? My answer to the question is "No" for a number of reasons. Both the Chinese government and people, especially entrepreneurs like Mr. Chen, want to have a peaceful and cooperative international environment, which will be conducive to continuing economic growth at home.

It is true that Chinese nationalism is rising, but it does not necessarily mean that China intends to take an aggressive and combative stand toward the US. A radical and xenophobic foreign policy probably requires a radical and charismatic leader, but I don't see such a leader now, or in the foreseeable future. As in other countries, Chinese leadership consists of both doves and hawks. It has been reported that hardliners in the Chinese military are becoming increasingly influential in decision-making circles. But I doubt that they will receive much support from other elites and from the people. At present, the Chinese are in the mood to make money, not to make enemies.

Sino-US relations are obviously not in good shape. The US has been critical of China's tough positions regarding Taiwan and the South China Sea, its nuclear proliferation and sale of arms, the repression of political dissidents and human rights violations. The US's criticism, in my view, is justified. But the Chinese government has its own valid concerns. Look at today's world: How many governments are really willing to lose the territory that they claim? China is certainly not the only country that has been engaged in nuclear proliferation and the sale of arms. The Chinese government is very sensitive to political dissidents because it cannot afford to face another Tiananmen protest movement. I don't mean that the US should avoid discussing these issues with the Chinese. The US should tell the Chinese leaders that respect for human rights and for international law is important. But the US should do so through dialogue, both privately and publicly, not through efforts to contain China. Containment cannot change any of these situations. It will only help Chinese hardliners justify their actions.

Also, the US should not take an isolationist position by withdrawing from its involvement in East and Southeast Asia. This is not only because the US has tremendous economic interests in the region, especially in China; but mainly because China's economic condition and social stability are not only Chinese issues, they



With a group of Vietnamese construction workers in a suburb of Hanoi.

During my fellowship, I had the chance to visit Vietnam — the country that experienced two vicious wars in recent history, first against the Americans and then the Chinese. During my visit, I was struck by the friendliness and kindness of the Vietnamese people. When I shared my impression with an American friend. He told me a story about President Ronald Reagan.

In the mid-1980s, Reagan visited the Soviet Union. All of a sudden, in Reagan's eyes, the "evil empire" no longer existed. He found that the Russians laughed, cried, were human beings. An American journalist asked him: "Mr. President, do you think if you had visited the Soviet Union ten years ago, or twenty years ago, you probably would feel the same way — the Russians laughed, cried, and are human beings?" "No," Reagan replied. "They have changed."

Today, for some Americans, China is replacing the former Soviet Union and becoming the main enemy of the US. The evil Russian bear is being replaced by the dangerous Chinese dragon. Our mass media seem to be more interested in portraying the Chinese who eat dog meat, kill baby girls and abuse handicapped orphans than providing a more comprehensive perspective of China and the Chinese.

are, and should be, global concerns. China's neighbors, and the entire world community, will share the pain if China experiences chaos. The real danger for US-China relations, I believe, is not so much with China's military threat, as with our failure to understand the contradictions and complexities involved in the on-going transformation in China.

This leads me to my third and final point: the Western misconception that the continuation of China's economic reform is inevitable, because, according to some, this reform has brought about one of the greatest developments in human welfare in Chinese history.

When I started my fellowship in China, I thought

this as well. When my relatives and old friends complained, I always asked them, "Are you better-off now than during the pre-reform era?" But when I asked a former high school classmate of mine, he responded that this was not a fair question. He said that although his standard of living had improved, he missed the old days under Mao — poorer, but simpler and more equal. My friend worked in a State-owned enterprise and earned 400 yuan (U.S.\$47) a month. But as an overseas Chinese observed, a tour guide who takes a bus full of American tourists for a day-long outing in Shanghai can make 40 US dollars in tips. Compare their incomes — \$47 per month versus \$40 per day — then you will have an idea of the disparity between different sectors in Shanghai.

My former classmate is certainly right, life was much simpler in the old days. China's reform programs have been targeted at solving the old problems of socialism, but now many of these solutions are becoming new problems. Earlier, I described the property boom in coastal China. This development has attracted foreign capital and stimulated local economic growth. But it can also be seen as a destructive force that is undermining the cultural fabric of the city, causing tremendous disruption for local residents, and misusing precious arable land.

In the United States, it usually takes several decades for large numbers of residents to move from downtown to the suburbs. But it took only months or even weeks for Shanghai to move 100,000 households out of the downtown area. Most of the new residential areas are located in bleak suburbs, where there are no hospitals, no schools, no grocery markets. People's resentment against the government is widespread. People complain that local governments are more interested in building fancy hotels and office buildings, luxurious villas, nightclubs, expensive department stores or golf courses than in building much needed roads, schools and homes for low income families.

The stores in which my parents and I did my birthday shopping 32 years ago have all changed. The store

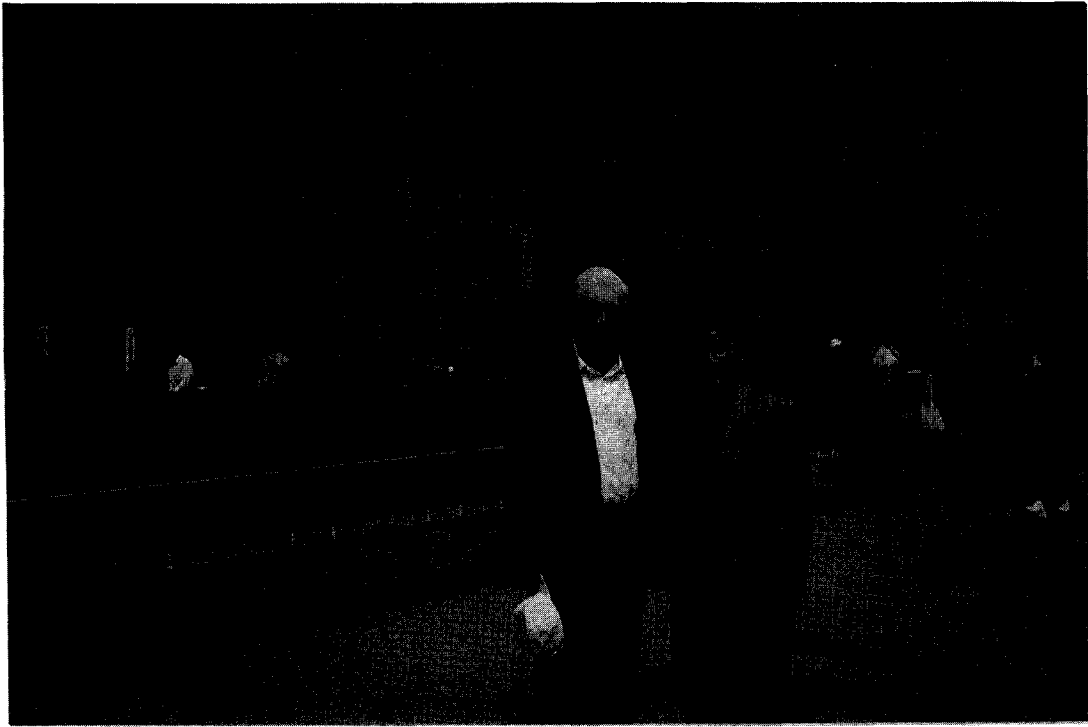
that sold children's jackets is now an American-owned restaurant called "the California Rainbow." The radio store has been torn down and is now a six-floor elegant department store, selling imported brand name products such as Gucci bags and Calvin Klein bikinis. The bookstore in which my parents bought me the series of world fables is still called a bookstore, but it sells cassette tapes of popular music, Karaoke CDs and other products. I asked a young shop-assistant why a store that did not have any books was called a bookstore. The assistant pointed to a counter in the store — there were a few IBM notebooks. "Don't you know this is the age of telecommunication?" The young shop assistant, then started to give me a lecture.

Socio-economic changes have greatly affected the life of the people I have known. My high school math teacher, a dedicated and greatly respected educator, resigned from school and became a stock broker. He explained to me "I'm almost sixty. The pension that I will receive is far from enough to support me. The government is likely to stop providing medical insurance. I need to find a way to survive!" I was even more surprised that a good friend of mine in college, a straight-A woman student majoring in French and Russian literature, became a professional call girl (what people in China call an "Oriental Hollywood Heidi.") Her main job, however, is to introduce Russian girls — who are all



This photo was taken, not during the Cultural Revolution, but in the fall of 1994. There are a number of restaurants in Beijing that are decorated with Mao's portraits and Cultural Revolution posters. These restaurants are usually very popular among Beijing residents.

"We are not really nostalgic about the 'good old days' — there never were such days," said a middle-aged man with whom I talked in the restaurant called Black Earth. "But life was much simpler in the old days," he continued. "We didn't need to worry about the future, because the future would be the same for everyone. But now I don't know where I will work the next month and how much my salary will be. It is sure, however, that my boss earns twenty times more than I do."



Dr. Phillips Talbot, a former ICWA fellow and former US ambassador to Greece, visited me in Shanghai during the summer of 1995. As we walked along the famous bund and passed by the mansions built at the turn of the century, Dr. Talbot told me that he was just as amazed at the dynamism of Shanghai today as he was 56 years ago. As a young ICWA fellow who was on his way to India, he passed through the city in 1939. He found that Shanghai was lively and dynamic, despite the fact that it was occupied by the Japanese.

"Did you anticipate the events that have happened in China since your first visit — the events such as the civil war between Nationalists and Communists?" I asked.

"No! Nobody could predict or imagine what would happen in China during the past half century," Dr. Talbot replied.

Few countries have had a more turbulent and dramatic history during the past half century than China. Each of the remarkable events — the Civil War, the Communist Triumph, the Great Leap Forward, the Cultural Revolution, the Post-Mao Reform, the Tiananmen Rally, and the Economic Boom — all changed the country in a profound way.

"Similarly, I don't think we can predict what will happen in China during the next half century," Dr. Talbot said to me, "though you may be sure something important is going to take place in this country in the near future."

Neither of us wanted to predict anything but change — the only thing that is always certain is change.

called "Natasha" — to rich and powerful Chinese men.

Migrant workers are the largest social group that causing drastic change in Chinese society. Most are moving from rural inland regions to urban coastal areas. 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 in China is only half of the arable land in the US, but the number of rural laborers is 120 times that of the US. A tremendous number of rural laborers in China are surplus because of the lack of arable land, agricultural modernization, and the privatization of farming.

It is believed that China now has about 200 million

surplus rural laborers. Two hundred million surplus rural laborers! This is equal to the population of two Mexicos or eight Canadas. The issue of surplus rural laborers is of course not new. What is new is the fact that those surplus farmers are free to move and are choosing to move. In February of last year, I took a train from Hefei, Anhui to Shanghai. It was just after the Spring Festival, the most important holiday in China. The train was crowded with migrant laborers who were returning to work in the 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.

Migrant workers have become one of the most vulnerable groups in China. "No medical care, no health in-

surance, no work contracts, no welfare benefits, no permanent residence permits, no workplace safety, we have virtually nothing but a little bit of money," said a migrant worker whom I met in Wenzhou, a city on the southeast coast. I visited this city with Joe Kahn, the *Wall Street Journal's* correspondent to Shanghai. Wenzhou was considered a breeding ground of Chinese capitalism during the reform era. The city has attracted a large number of migrants who usually work in shoe factories.

A typical shoe factory is actually no more than an old, shabby house where several hundred laborers crowd along an assembly line. Usually there is not enough light, not only because there are few windows, but also to reduce electricity costs. What struck me most, however, is the awful smell caused by chemical glues and other materials. These migrant workers have to work for long hours in a heavily polluted environment.

When we started to interview workers, a middle-aged woman who looked like a manager appeared and ask us to leave. We told her: "We want to know

whether your workers have any problems with the working conditions here." She responded "If they have any problems, they can quit any time. My workers should be grateful to work here. Go see the jobless people in the 'labor markets' (*laodongli shichang*) and you will understand what I mean."

I didn't need to be reminded of the "labor markets." This was one of the most memorable, and indeed most miserable, scenes I saw while in China. In virtually every large and medium-sized city that I visited during the past two years, there were places in which hundreds of young adults, both men and women (most of them in their twenties), waited for hours and days, hoping to be picked up by anyone who could offer them jobs, even just temporary or hourly jobs. These "labor markets" are located on busy streets, in the plazas of ports, bus and railway stations, near construction sites and in front of factories.

On my taxi ride to the Wenzhou Airport, I saw a labor market in which about three hundred jobless mi-



Commercialism and money worship have characterized the cultural environment of Shanghai today. Thirty years ago, people talked about "revolution," "class struggle," "correct consciousness," and "political campaign." Now the most popular topics are: "stock market," "commission," "mahjong," and "Karaoke."

But not everyone worships money, just as not everyone worshipped Mao three decades ago. In March 1995, a group of American friends and I visited the Shanghai Conservatory of Music where we attended the rehearsal of a Western opera performed by the students. During the two-hour long rehearsal, we were greatly impressed by both the talent and the dedication of these young men and women. They could have a much better life, materialistically, if they chose to become popular music stars.

I am not a fan of Western opera or classical music, because I was not exposed to them during my childhood. But I understand how much joy and enlightenment Western opera and classic musical, just like many other forms of art, can bring to people.

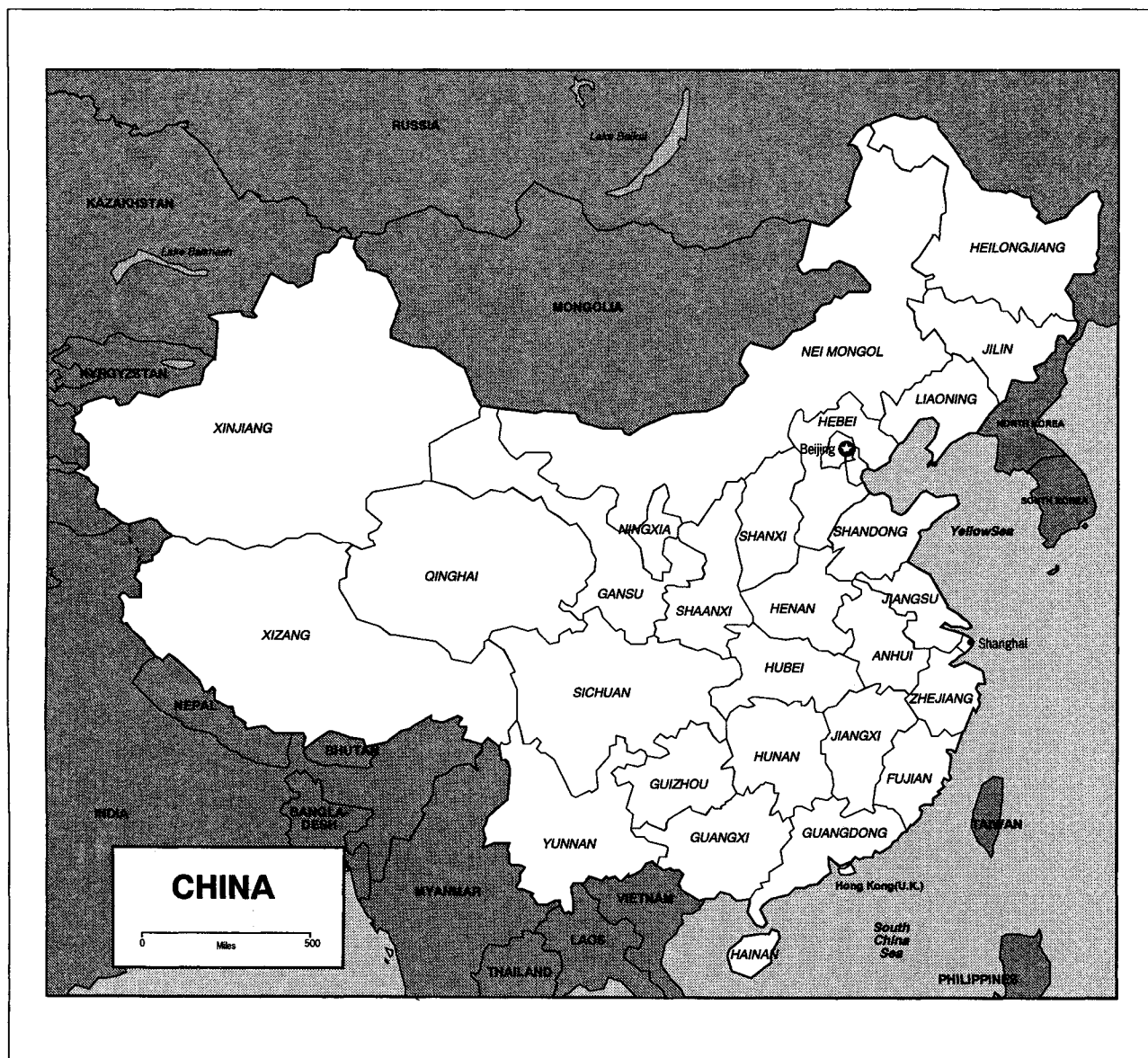
I took this photo as we departed from the rehearsal room. Seeing these dedicated young students and their teachers, I felt more optimistic about China's future.

grants gathered. It was already afternoon and most of them must have been waiting there since early morning. One could easily sense their frustration by looking in their faces. As the taxi passed them, I suddenly realized — not what the middle-aged manager in the shoe factory meant about the justification for capitalist exploitation — but ironically, why the Chinese people enthusiastically embraced socialism half a century ago. I also came to realize it is not inevitable that China's reform program will proceed down the path it has begun.

In conclusion, I want to thank you again for the fellowship — the priceless gift that you granted me. It has been a fascinating journey for me — a time to laugh, a time to cry, and a time to wonder. The very best journey, as someone said, is all in the mind. To share my thoughts is therefore also to share my journey. During

the past two years, I never felt I was traveling alone — Peter and many other members of ICWA were always sharing the journey with me, giving me support and encouragement. This evening is a tribute to them and to all of you who, tonight, have shared my journey. I hope that my personal observations and stories give a humanistic expression to China's hard face.

The China that I rediscovered is a country full of energy, change, irony, and indeed, contradiction. It is not my intention to predict China's future, but my rejection of the three Western misconceptions gives an assessment of China's progress, problems and prospects. China is in a time of great change and has always been changing. As a college professor who teaches the next generation of American students in international affairs, I will remind them and also myself: "As long as books are opened, minds will not be closed." □



TITLES OF ICWA LETTERS FROM CHINA BY THE AUTHOR:

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Part IV Huaxi Village: A "Mini-Singapore" in China
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- CL-24 WHO CREATED CHINA'S ECONOMIC MIRACLE?
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- CL-25 "TO LIVE IS NOT TO BREATHE; IT IS TO ACT"
DAI QING AND HER NOTION OF A CHINESE INTELLECTUAL
- CL-26-27 "SHANGHAI: CITY FOR SALE"
Part I: Land Leasing and Foreign Investment in China's Largest City
Part II: "Construction Fever" and "Relocationphobia" of Urban Residents
- CL-28-29 BACK TO THE PAST
Part I: China on the Eve of a Capitalist Takeover
Part II: Can Caopitalism Solve China's Problems?
- CL-30 REDISCOVERING CHINA
"As long as Books are Opened, Minds will not be Closed"

Current Fellows & Their Activities

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]

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 Environmental Studies, 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]

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]

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 earning a Medical Degree from Jing An Medical School in Shanghai, but then did graduate work in Asian Studies and Political Science in the United States, with an M.A. from Berkeley in 1987 and a Ph.D. from Princeton in 1992. [EAST ASIA]

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]

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]

Author: Institute of Current World Affairs
Title: ICWA Letters - East Asia
ISSN: 1083-4265
Imprint: Hanover, NH
Material Type: Serial
Language: English
Frequency: Monthly
Other Regions: South Asia; Mideast/North Africa;
Europe/Russia; SubSaharan Africa;
The Americas

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ICWA LETTERS

ISSN 1083-4265

ICWA Letters are published by the Institute of Current World Affairs Inc., a 501(c)(3) exempt operating foundation incorporated in New York State with offices located at 4 West Wheelock Street, Hanover, NH 03755.

The letters are provided free of charge to members of ICWA and are available to libraries and professional researchers with indexes by subscription.

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HANOVER, NEW HAMPSHIRE 03755

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