

INSTITUTE OF CURRENT WORLD AFFAIRS

CHINA'S FALSITIES & CHINA'S FUTURE

Part II

"Daxing: A Most Frequently Used Idiom in Shanghai"Shanghai, China
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Dear Peter,

Few people outside Shanghai know the term "*daxing*" (pronounced *da-hsing*). This is probably now the most frequently used idiom among the Shanghaiese. No matter whether you are a newcomer to the China market, especially to the Shanghai market, or an "old China hand," you had better know what *daxing* means.

Daxing has two meanings. First, it refers to all kinds of falsities, for example, a bad check or an empty promise in business deals, counterfeit money, phony goods, and forged identifications. Second, it means poor quality of products, lousy service, and mediocre work performance.

Although Shanghai-born, Shanghai-bred, I had never heard of this idiom until my trip to Shanghai this time. I was told that the term became popular in the Shanghai dialect several years ago. Virtually every day during my stay in the city, I have heard this idiom many times.

The origin of the term *daxing* is not absolutely clear. Many Shanghaiese, however, told me that it originated from the name of a street in Shanghai – *Daxing*

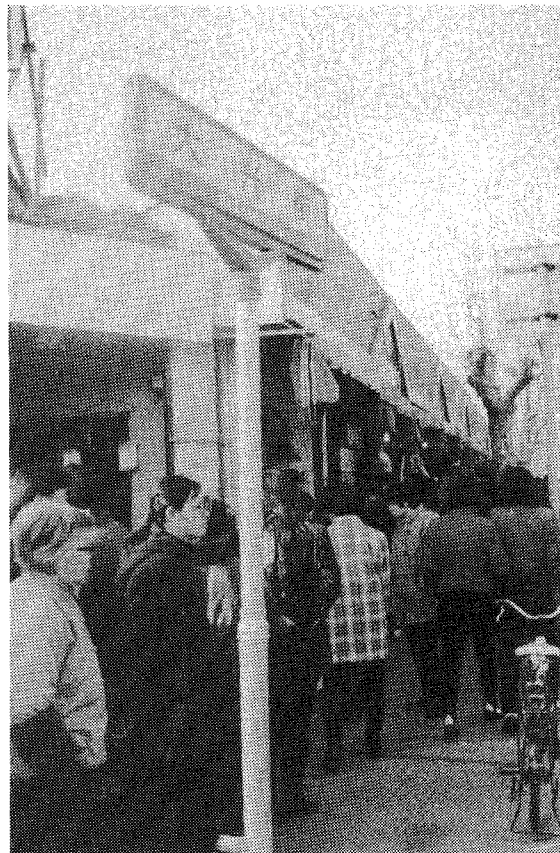
Cheng Li is a an ICWA fellow studying the political economy of the coast of China.

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Street. The street, which is located in Nanshi District, had two well-known gold and silver stores in the 1940s. But what they sold were not real gold or silver goods, but imitations. After 1949, especially in the 1980s, the street was famous for its market where cheap and fake goods were sold. Electronics, clothes, shoes with the name tags of world-famous brands are sold at an extremely low price here. For example, an Oxford shirt is usually sold for about 400 yuan (US\$70) in department stores on other streets, but salesmen here ask for only 20 yuan (US\$3.5).

Buyers of course know that these are fake goods of poor quality, but they are attracted by the name tag and low price.

Daxing Street is certainly not the only street in Shanghai that sells counterfeits. Just as the term *daxing* has become one of the most frequently used idioms in the Shanghai dialect, *daxing* goods have flooded all corners of the Shanghai market. Some state-owned large department stores have also sold fake products, including goods with foreign brands. Shanghai residents have become very suspicious of expensive goods with foreign name tags, because more often than not these goods are phony ones.



Daxing Street

When I had just arrived in Shanghai last fall, I gave my 9-year-old nephew a nice T-shirt which I bought in the United States. My nephew did not accept the gift at first. I thought that he was just being polite. But when I insisted that he should

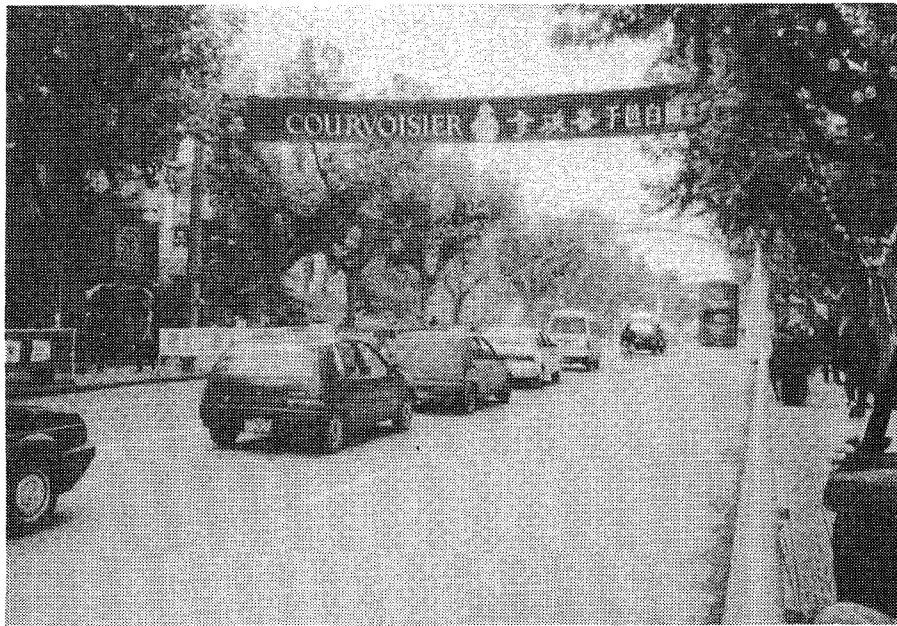
take it, he asked his mother, "Mom, is it *daxing*?"

"No, it's real. Your uncle did not buy it in China," his mother said. "It's safe."

"Thanks," the boy finally said to me. He relaxed and was satisfied.

I also thanked the boy for teaching me this very important new Shanghaiese idiom in such a genuine way.

According to a recent survey of consumers in Shanghai, 98% of consumers claimed that they had been victims of purchasing fake or poor quality goods in 1993. (Wenhui Daily, Jan. 11, 1994, p. 7). Almost every day, China's Consumers' Association receives thousands of letters complaining about the misconduct of some manufacturers and their salesmen. For example, a 2000 yuan (US\$350) sofa lasted for only a week; a 800 yuan (US\$140) pair of lady shoes lost one heel the first day they were worn, and after it was fixed, the other heel broke off.



A street scene on Huaihai Road. Commercial advertisements for foreign brands of liquor are everywhere in downtown Shanghai.

It is not uncommon for private restaurants to serve their customers fake foreign brandy and wine. A Western businessman told me that he ordered a small glass of X.O. cognac in a fancy private restaurant in Shanghai.

"I was shocked when I got the bill – I was charged 400 yuan (US\$70) for that glass of shit!" he was still angry.

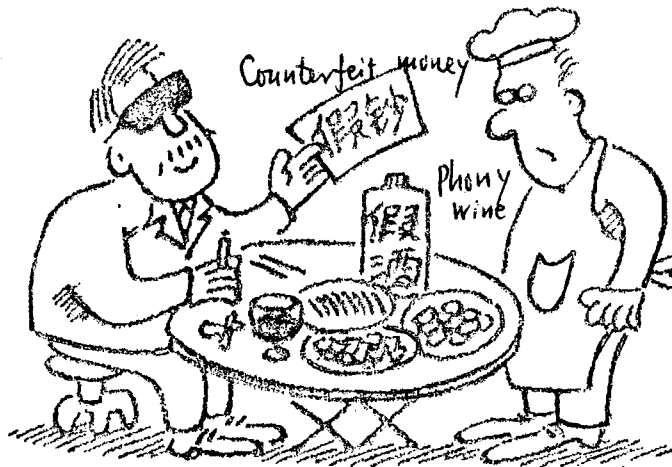
"Only a person who had never drunk brandy would believe it was good cognac," he said. The same thing happened again when his French friends tried "X.O. cognac" in another Shanghai restaurant.

This phenomenon does not seem to bother some local entrepreneurs. There are more "good reasons" for them to order X.O cognac than to really enjoy taste. This is a way, as some rich entrepreneurs in Shanghai perceive, to show one's high socio-economic status.

"It doesn't really matter much whether the X.O cognac is real or phony, so long as it serves the need of our customers," a restaurant owner said to me.

"Oh, really?" I responded, "What about a customer who pays you counterfeit money? Does it matter to you?" The restaurant owner laughed.

A humorous cartoon that I recently saw in the People's Daily, the official newspaper of the Chinese Communist Party, told exactly the same story: a restaurant owner served a customer a glass of phony foreign wine while the customer paid the owner counterfeit money. Each side played a trick on the other, neither realized that he was fooled, and both were happy. The cartoonist gave a thoughtful title to the cartoon: "Equal Trade."



平等交易
(摘自《南方日报》张正旭画)

"Equal Trade" Source: People's Daily (Jan. 9, 1994, p. 8).

Counterfeit money has been found in circulation in shops, restaurants, banks, post offices, and other places in Shanghai and many other areas in the country. If you buy something with a 50 yuan (US\$9) or a 100 yuan (US\$18) bill, the cashier will routinely check whether the bill is counterfeit. The Shanghai police recently arrested a group of counterfeiters and ferreted out counterfeit money equal to 163,000 yuan (US\$28,600) and US\$ 5,000. (Jiefang Daily, Jan. 7, 1994, p. 11).



A cashier is checking whether this 50 yuan bill is counterfeit. If you pay with a 50 yuan (US\$9) or a 100 yuan (US\$18) bill in any place in Shanghai, the cashier will routinely do this.

Both the Chinese government and Chinese consumers are uneasy about the current situation. Fake and poor quality products are ruining the reputation of

China's commerce and infringing upon the interests of millions of Chinese consumers. Earlier this year, representatives of major mass media groups in the country including China's Central Television (CCTV) and People's Daily jointly formed a team to conduct a nation-wide investigation of fake and/or poor quality products. The team was named "the Ten-Thousand-Miles-Investigation of the Quality of Chinese Products" (*zhongguo zhiliang wanli xing*).

The most interesting story resulting from the investigation, as reported in the Chinese media, was the team's visit to Huangshan, a resort mountain city in Anhui province. When the team arrived in Huangshan, the mayor of the city held a reception. During the middle of the reception, the mayor was informed by his secretary that another team, under the same name "Ten-Thousand-Miles-Investigation of the Quality of Chinese Products" would arrive in Huangshan in a few hours and he was asked to prepare for a reception.

The mayor was totally confused. The fact was that one of the two teams was phony. The mayor decided to let the two teams meet each other. The result was quite simple: the fake team had to "withdraw."

Only the genuine team could enjoy the mayor's reception banquet.

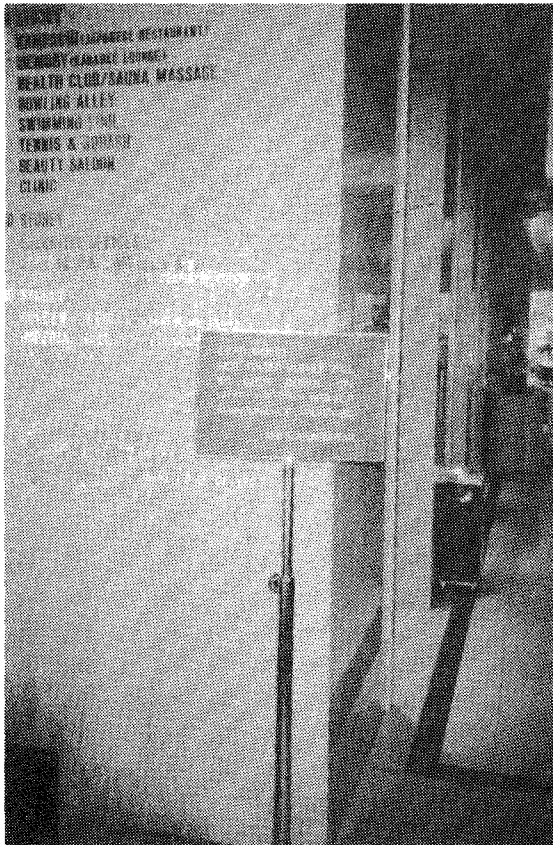
A team which claimed to investigate fake products was itself a fake one! This incredible (but real) incident suggests the prevalence and penetration of falsities in the Chinese society at present. The People's Daily recently reported that an organization in Chongqing, Sichuan province, hosted a non-profit fund-raising concert last fall. The organization invited a Hong Kong popular singer to perform and sold out 11,000 tickets. The price of some tickets was as high as 750 yuan (US\$131) for each. Many enterprises donated a large amount of money to the concert because the organization claimed that the income of the concert would be entirely used for social security purposes. But according to the People's Daily's investigation, the profit from the concert all went to some agents and the organization (People's Daily, Feb. 1, 1994).

I have been in Shanghai for four months during which I have had many bad experiences. I suffered from "*daxingphobia*." I first used this word at a small party held by Americans who study and teach at Fudan University in Shanghai. Everyone at the party gave me a hug when they heard this "idiomatic expression."

You may think that I am a Yuppie who loves to follow the latest fashions. No! I have never been fooled into purchasing fake products with a famous foreign brand. This is simply because, whether I am in China or in the United States, I do not buy clothes, shoes, or other things with famous brand names. I studied and taught in some of the "elite schools" in the United States. It is fair to say that snobbishness, especially intellectual snobbishness, exists in these places. I cannot conceive, however, that any faculty member would try to "show off" by wearing famous brand clothes. A student who is concerned about brand names would likely become a laughing-stock among his or her peers.

When a salesperson in Shanghai tried to persuade me to buy a famous brand shirt by insisting it was not a fake product, I responded: "I don't want it even if it's real." Fake brand products, therefore, do not bother me a bit. What have really annoyed me are the poor quality products, empty promises, lousy service, and mediocre work performance.

I stayed in a hotel for foreign teachers and students when I first arrived in Shanghai last fall. The rent was reasonable and the service was not really bad. I became disappointed and even angry, however, when I requested a wake-up call. A hotel clerk promised to phone me on time, but failed to do so three times out of four times that I requested.



An announcement from the management department of Hotel Equatorial Shanghai: which states that the hot water supply will be shut down on December 24 for about four hours for maintenance purposes. That was on Christmas eve. Many customers who stayed in this "luxurious" hotel returned to their rooms after a late night party and found no hot water. One customer asked why the hotel chose a holiday to do this kind of maintenance work.

While expected calls did not come, unexpected calls kept coming. In the middle of the night, the phone rang and I heard a female voice: "Sir, would you like to have a massage? You would sleep well after my massage."

“I was sleeping well,” I almost yelled, “go to the night club, please don’t harass customers in the hotel.”

This kind of harassment, as I was told by a number of people, both Chinese and foreigners, actually happens quite often in the middle-ranking hotels in China’s coastal cities, especially in Guangzhou and Shenzhen. Many hotel customers in these places often unplug the telephone line in their rooms at night.

After experiencing all these incidents, I decided to move out of the hotel. I have rented an apartment. It is in a newly-built apartment complex located in downtown Shanghai. The company that constructed the building claimed that this complex would be a model for urban residences in 21st century Shanghai. I have lived in the apartment for two months now, nobody except myself could really know how much pain I have gone through by living in this “model apartment building for 21st century Shanghai.”



Hundreds of sky-scrapers have been built or are under construction in Shanghai. The quality of these buildings, however, is usually questionable. Some necessary facilities such as telephone, gas, and hot water are often not available when the construction is “completed.” Elevators do not always work due to electricity shut downs.

The apartment did not have a kitchen range when I moved in, I was told that it would be installed very soon. Two months passed, I am still not able to cook because of the absence of a gas range. You may say that I could buy an electric stove. I thought of this too and asked a friend of mine whether I could use an electric cooking stove.

“Noway, you should not even think about it,” my friend said to me, “the electrical capacity of your apartment is already overloaded.”

“Overloaded?” I said, “the apartment only has a refrigerator, a television, an electric heater, a small hot water heater, and two lamps.”

“Yes, they are overloaded. You should not use the electric heater and the hot water heater at the same time,” he said.

My friend was correct. The fuse in my apartment blew when I used them at the same time. This means that I could not take a hot-water shower in the apartment because the bathroom would be too cold in winter. Shanghai’s winter can be terribly cold.

Forgoing to take a hot shower does not guarantee a warm temperature in the apartment. Many times, the electricity in the whole building was shut down for the entire day. Residents of the building were not notified in advance. The apartment building has 24 stories. It is very hard for residents in the upper floors, especially for elderly people and parents with a small baby, to go up and down without an elevator.

When I talked to a manager of the apartment building and complained that at least they should have informed residents prior to the shut-down. “

“This is China. No one is required to give notice in advance for small things such as an electrical shut-down. This is the way it has been and will be,” the manager said.

If living in a “model apartment building for 21st century Shanghai” is such a painful experience, I can not imagine what kinds of hardship millions of Shanghai residents have gone through as they have lived in houses built many decades or even a century ago.

Compared with many other problems of daily life that Shanghai residents have to go through, one may say that no electricity for one day or a few days is indeed a “small thing.” Even during the New Year holiday, local newspapers in Shanghai, for example, received hundreds of letters and phone calls complaining about malfunctions of flush toilets in their residences (*Jiefang Daily*, Jan. 10, 1994, p. 2). Construction companies or apartment maintenance offices which are supposed to take care of these matters often refused to take responsibility. In many newly decorated apartments, the flush toilets have overflowed into the living room or bedroom, but no one comes to fix them.

The same thing also happened in my apartment. I went to the construction company and was told that it was not their business after the apartment was sold or rented. I then went to see the person who was in charge of the maintenance office and he told me that it was my fault because of throwing toilet tissues into a flush toilet. I found it was a waste of time to talk to people like him. I went to see the manager who was in charge of sales and rentals.

“How could you say this apartment building is the model for residential living in 21st century Shanghai?” I asked.

He smiled and responded, “If I don’t say this, probably very few people will buy or rent an apartment from us.”

“Short-term behavior (*duanqi xingwei*),” a research fellow from the Shanghai Academy of Social Sciences used this term to refer to the attitudes that the sales manager represents.

“The mentality of people here in Shanghai, whether government officials or private business people, is to seize the opportunity to maximize their political and/or economic interests.” The research fellow continued, “People are not so much concerned about long-term relationships and cooperation.”

Although during my stay in Shanghai I have met some political and economic elites who are not shortsighted, I do find that the research fellow’s observation above is accurate. The prevalence of *daxing* in today’s Shanghai has reflected this mentality. Trust and credit are not as important as immediate benefit. Again, I would like to use examples based on my own experience. The apartment I moved into did not have a window frame for hanging curtains. I asked a carpenter to make the frame. After he completed the job, I asked him to give me his address. I thought that I might recommend him to my neighbors who probably would also need to have a window frame in their apartments. The carpenter said that he was a migrant worker from Anhui province and I could not reach him at his address in Anhui. “Besides,” he said “construction sites are everywhere in Shanghai, I have no lack of jobs.”

A few days later, I found there was another reason that he did not give me his address. The heavy wood frame fell down and it almost damaged my Macintosh PowerBook which I placed on the small table near the window. The lousiness of his work is both inconceivable and conceivable: it is inconceivable because the job he did was not a difficult one and I paid him well; it is also conceivable because he has indeed “no lack of jobs.” He did not care much about trust, credit, or long-term customers, neither did he need to worry about the legal system which does not work effectively.

A Chinese scholar on East Asian Studies whom I talked with here in Shanghai believes that *daxing* as well as “short term behavior” is inevitable when the Chinese government decreases its macro and micro economic control and the country moves to a market economy.

“China is in the stage which we may identify as the ‘primitive accumulation of capital,’” the scholar said.

“Many other countries and regions, both in the East and the West,” he continued, “experienced a similar stage of capitalist development. Japan, Hong Kong, and Taiwan, for example, were well known for imitations of foreign products, fake famous brands, and poor quality goods in the 1960s or 1970s. Americans were also great imitators of European products and technology in pre-Edison America. As China’s economy continues to enjoy rapid development, problems such as poor quality products, lousy service, and mediocre work performance will be gradually solved. A real market economy will not allow these problems to get out of control.”



The most popular entertainment in China now is probably “Karaoke.” Karaoke bars (also called KTV in many places) have spread all over the country in the last several years. You can sing a song, following the words on the TV screen if you are not good at singing. You do not need to sing anything, because the program can also provide singing by a star. The TV screen always shows wonderful scenery, clean air, green hills, beautiful young men and women, nice apartment buildings, and all kinds of good things. When I visited a Karaoke bar last month, I realized that the popularity of Karaoke in China may be related to the penetration of daxing in society. Under Deng’s reform and opening to the outside world, the Chinese people’s expectations have increased. Although the quality of life in China has improved, there is a huge gap between expectation and reality. In a way, Karaoke helps people escape from reality and enjoy the things that may not be available in real life.

A man and a woman are singing in a Karaoke bar in Shanghai.

"All these countries and regions have made great efforts to consolidate their legal systems to deal with these problems," I said.

"China is also moving towards that direction," he responded.

He gave me a clipped article from a local newspaper, claiming that Shanghai has established 325 legal regulations since 1987, including 182 economic laws and regulations. (Jiefang Daily, Dec. 14, 1993, p. 1). He admitted, however, that "China's legal system does not keep pace with the rapid economic development in the country."

I also showed him a clipped article from the New York Times which reported that the Agricultural Bank of China disclosed last June that officers of one of its branches had issued fraudulent letters of credit for \$10 billion. The fraud was revealed only because the bank wanted to make clear that it would not honor the documents. (The New York Times, Sept. 6, 1993, p. 5).

He read the newspaper clip and said to me with a serious tone, "Now it's time for China to establish a new set of rules and values to regulate economic deals, social relationships, attitudes, and behavior. We shouldn't tolerate falsities anymore."

Yes, no society can tolerate the penetration of falsities for long. Whether China will overcome these obstacles in its socio-economic development will largely depend on how the Chinese political system transforms itself to a more responsive and more creditable one in the near future. The following part of this series on "China's falsities and China's future" will provide some possible scenarios.

Sincerely,



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